U.S. Congress

UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 76th CONGRESS
FIRST SESSION

VOLUME 84—PART 4

MARCH 30, 1939, TO APRIL 21, 1939
(PAGES 3503 TO 4640)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1939

DEPOSITED BY THE
UNITED STATES OF AMERICA

JUL 31 '39

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SENATE

THURSDAY, MARCH 30, 1939

(Legislative day of Tuesday, March 28, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

O God who spakest in the past unto our fathers at sundry times and in divers manners, who in these latter days still speaks, and whose word endures while all things change and pass away, reveal Thyself in the world about us, in the beauty of spring, in the mystery of earth and sky, in the silence of the lonely hills, and in every sacrament of Nature. Speak to us through Thine incarnate Word, revealing the glory of the Father full of grace and truth, teaching judgment to the meek, whispering divine secrets to the pure in heart, and entering in at lowly doors to fill the house with music and the chambers of discontent with peace.

Bless every citizen of our beloved country, those who serve conspicuously, those in life's quiet corners, even those who sometimes serve though they only seem to stand and wait, and help us all so to learn the lesson of the passion of our Lord that His word in us may become a prophecy of the fulfillment of God's love. We ask it in our Saviour's name and for His sake. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, March 28, 1939, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bridges	Clark, Idaho	George
Andrews	Brown	Clark, Mo.	Gerry
Ashurst	Bulow	Connally	Gillette
Austin	Burke	Danaher	Glass
Bankhead	Byrd	Davis	Green
Barkley	Byrnes	Donahey	Guffey
Bilbo	Capper	Downey	Gurney
Bone	Caraway	Ellender	Harrison
Borah	Chavez	Frazier	Hatch
Hayden	Lundeen	Pittman	Taft
Herring	McKellar	Radcliffe	Thomas, Okla.
Holman	McNary	Reed	Thomas, Utah
Hughes	Maloney	Reynolds	Townsend
Johnson, Calif.	Miller	Russell	Truman
Johnson, Colo.	Minton	Schwartz	Tydings
King	Murray	Schwellenbach	Vandenberg
La Follette	Neely	Sheppard	Wagner
Lee	Norris	Shipstead	Wheeler
Lodge	O'Mahoney	Smathers	White
Logan	Overton	Smith	Wiley
Lucas	Pepper	Stewart	

Mr. MINTON. I announce that the Senator from West Virginia [Mr. HOLT] is detained from the Senate because of illness in his family.

The Senator from North Carolina [Mr. BAILEY], the Senator from Alabama [Mr. HILL], the Senator from Nevada [Mr. MCCARRAN], and the Senator from New York [Mr. MEAD] are detained on important public business.

The Senator from Illinois [Mr. LEWIS], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is necessarily absent.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

ANNIVERSARY OF BIRTH OF ROGER Q. MILLS

Mr. CONNALLY. Mr. President, today is the one hundred and seventh anniversary of the birth of the late Senator Roger Q. Mills, of Texas, and his fellow townsmen and Texans generally are today holding a celebration in Corsicana, his home town.

I simply desire to make a brief reference to Senator Mills and his career.

Roger Q. Mills was for many years a Member of the House of Representatives, chairman of the Ways and Means Committee of that body and author of the famous Mills bill of the early nineties. As a Member of the House Mr. Mills was one of the most prominent Democrats in the United States. Later he served one term in the United States Senate and distinguished himself here by his great ability and by his eminent and outstanding services. At the end of that term he retired to his estate at Corsicana, Tex., and spent in retirement the remaining years of a long and useful life. I simply desire to pay my tribute to his memory, to his character as a citizen, to his distinguished service, and to his ability as a public servant.

ESTIMATES OF APPROPRIATIONS

The VICE PRESIDENT laid before the Senate communications from the President of the United States, transmitting, pursuant to law, estimates and supplemental estimates of appropriations, which, with the accompanying papers, were

severally referred to the Committee on Appropriations and ordered to be printed, as follows:

For the Treasury Department, fiscal year 1939, amounting to $276,000 (S. Doc. No. 53);

For the Interior Department, fiscal year 1939, amounting to $9,115,000 (S. Doc. No. 52);

For the several executive departments and independent offices, to pay claims for damages to privately owned property, in the sum of $6,432.57, which have been considered and adjusted in accordance with law and requiring appropriations for their payment (S. Doc. No. 47);

For the payment of judgment rendered against the Government by the district court in Connecticut, amounting to $5,000 (S. Doc. No. 48);

For the payment of claim for damages by collision or damages incident to the operation of vessels of the Coast Guard, amounting to $866 (S. Doc. No. 49);

For the payment of list of judgments rendered by the Court of Claims, amounting to $36,707.18 (S. Doc. No. 50); and

For the payment of claims allowed by the General Accounting Office, in the sum of $90,065.21, under appropriations the balances of which have been carried to the surplus fund under the provisions of law (S. Doc. No. 51).

AMENDMENT OF ACT ESTABLISHING THE BUREAU OF ANIMAL INDUSTRY

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation further to amend an act entitled "An act for the establishment of a Bureau of Animal Industry, to prevent the exportation of diseased cattle, and to provide means for the suppression and extirpation of pleuropneumonia and other contagious diseases among domestic animals," which, with the accompanying paper, was referred to the Committee on Agriculture and Forestry.

LANDS AT FORMER FORT ARMISTEAD MILITARY RESERVATION

The VICE PRESIDENT laid before the Senate a letter from the Administrator of the Civil Aeronautics Authority, transmitting a draft of proposed legislation making inapplicable certain reversionary provisions in the act of March 4, 1923 (42 Stat. 1450), and a certain deed executed by the Secretary of War, in the matter of a lease to be entered into by the United States for the use of a part of the former Fort Armistead Military Reservation for air navigation purposes, which, with the accompanying paper, was referred to the Committee on Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of Nevada, which was referred to the Committee on Banking and Currency:

Memorializing Congress to enact such laws as will make provision for the exercise of some latitude or degree of discretion in reduction of certain obligations of borrowers from Federal farm banks

Whereas many farmers who have been able to qualify for loans from Federal farm banks under the provisions of the Federal law have been beset with drought, low prices, and other unexpected conditions that have made compliance with the terms of such loans impossible; and

Whereas as a result thereof many mortgages have been foreclosed, the borrowers losing their property, and the Government suffering a corresponding loss in the difference between the amount due and the amount realized; and

Whereas it was the purpose of the act authorizing loans by Federal farm banks to enable farmers and stockmen to retain their property and work out their salvation without loss to the Government; and

Whereas in a great percentage of cases where these mortgages have been foreclosed, the sales under foreclosure have been made to other parties for sums which might have been provided by the borrower, in order to reinstate his indebtedness or to have a remission of a portion of the indebtedness and retain his property; and

Whereas it is apparent that at the present time the Federal farm banks have no authority to reduce or scale this indebtedness: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of Nevada, That Congress be memorialized to enact such legislation as may be necessary to give the Federal farm banks in the various districts a latitude of discretion within which they may settle, scale, or reduce the mortgage obligation of borrowers in appropriate cases to the extent that the purpose of the act creating these banks may be put into practical application; and be it further

Resolved, That our Senators and Representative in Washington be urged to use all honorable means to carry out the intent of this resolution for the benefit of thousands of home owners who are threatened with a loss of labor and effort of a lifetime; and be it further

Resolved, That the secretary of state of the State of Nevada be, and he is hereby, authorized and directed to transmit properly certified copies of this resolution to our Senators and Representative in Washington and to the President of the United States Senate and to the Speaker of the House of Representatives.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of Nevada, which was referred to the Committee on Post Offices and Post Roads:

Assembly Joint Resolution 10

Memorializing Congress to restore to the State of Nevada the maximum allotment of funds heretofore appropriated for the construction of Federal-aid highways

Whereas the Congress of the United States did, in the Federal Appropriation Act of 1938, cut from the appropriation for 1940, of funds allotted to the State of Nevada for the construction of public highways, the sum of $934,580; and

Whereas Federal funds so allotted must be matched by State funds at the ratio of 86.0:13.99; and, therefore, because of said reduced Federal appropriation, approximately $1,200,000 less will be available to be expended by the State of Nevada for the construction of necessary portions of the State highway system; and

Whereas it is common knowledge that the availability of good roads and highways is essential not only for general economic welfare but also for the national defense; and

Whereas the President of the United States has proposed to the Congress an emergency defense program, and the House of Representatives of the Congress has passed a bill incorporating said program, and making an appropriation for the fulfillment thereof, in the sum of more than half a billion dollars, because it is believed that in Europe today "conditions are more volcanic than in 1914"; and

Whereas since by proclamation of the President of the United States, the Governor of the State of Nevada, and the mayor of Carson City, the current week has been set aside and designated as National Defense Week, the occasion is opportune for urging the construction of better roads to link together all sections of the country for greater national protection: Now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada jointly, That the State of Nevada does hereby memorialize the Congress of the United States to amend or modify its appropriations for 1940 to restore to the State of Nevada the full and maximum amount of the allotment heretofore appropriated for the construction of public highways in the State of Nevada through and with Federal aid and thereby to increase the appropriation for such purpose for 1940 by the sum of $934,580; and be it further

Resolved, That our Senators in the United States Senate and our Representative in Congress be requested to use all proper efforts to bring about the passage of legislation covering the matter above referred to; and be it further

Resolved, That the secretary of state of Nevada be, and he hereby is, directed to transmit properly certified copies of this resolution to the President of the United States Senate, the Speaker of the House of Representatives in Congress, and to each of our Senators and our Representative in Congress.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of Minnesota, which was referred to the Committee on Claims:

Joint Resolution 13

Joint resolution memorializing the Congress of the United States to repay certain funds exacted from the citizens of the State of Minnesota under the Agricultural Adjustment Act

Whereas the Congress of the United States, in session assembled in the year 1933, passed an act known as the Agricultural Adjustment Act, by which act the citizens of the State of Minnesota, as well as of other States, were required to and did contribute money on certain products raised by them for the purposes of the said Agricultural Adjustment Act; and

Whereas during the time that the said act was in force and effect there was paid into the internal-revenue department of the State of Minnesota by the citizens of said State the sum of $56,320,154.32, including a levy on wheat of $45,803,652.29, on hogs of $9,378,758.61, and on field corn of $30,653.89, making the total sum of $55,213,064.79, and various other sums on several other items, totaling in all $56,320,154.32; and

Whereas these sums above mentioned were exacted from the tillers of the soil of the State of Minnesota; and

Whereas although said act was declared unconstitutional and invalid by the Supreme Court of the United States no refundment whatsoever has been made or provided for to reimburse the citizens of the State of Minnesota and there being no means by which the amounts contributed by the various citizens of the State affected by the act in question can be ascertained; and

Whereas all of the citizens of the State of Minnesota will be substantially repaid if provision be made by the Congress of the United States to return to the treasury of the State of Minnesota the sums of money so exacted from the citizens of the State of Minnesota as hereinbefore set forth; and

Whereas the State of Minnesota has, under the Federal income-tax laws of the United States, contributed to the Federal Government the sum of $500,000,000, a sum far larger than the appropriations of the State of Minnesota for State government operation since the income-tax law went into effect, to wit, since 1915; and

Whereas the citizens of the State have, in the final analysis, borne the burden not only of the income taxes imposed by law but did further bear the burden of paying the taxes and moneys exacted from them under the provisions of the said Agricultural Adjustment Act: Now, therefore, be it

Resolved by the Senate of the State of Minnesota (the house of representatives concurring therein), That the Congress of the United States appropriate the sum of at least $25,000,000 from the huge sums exacted from the citizens of the State of Minnesota under the said invalid act, the Agricultural Adjustment Act, and repay to the people of the State of Minnesota at least said sum of $25,000,000 by turning over said amount to the State treasury of the State of Minnesota and in this manner, either directly or indirectly benefit the citizens of the State of Minnesota, as it is right and proper that they should be benefited on account of the payments made by them as hereinbefore explained, payments that they were forced to make under an act of the Congress of the United States which the Supreme Court of the United States later declared to be unconstitutional; be it further

Resolved, That the Legislature of the State of Minnesota memorialize the Congress of the United States to make such provisions for repayment of said sum to the citizens of the State of Minnesota, the appropriation so provided for by the Congress of the United States to be used in relieving the financial distress of the State of Minnesota; be it further

Resolved, That a copy of this petition be sent to the Honorable JOHN NANCE GARNER, President of the United States Senate, and to the Honorable WILLIAM BANKHEAD, Speaker of the House of Representatives, and to the Honorable HENRIK SHIPSTEAD and to the Honorable ERNEST LUNDEEN, United States Senators from the State of Minnesota, and to all of the Congressmen representing the State of Minnesota in Congress.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of Georgia, which was ordered to lie on the table:

Whereas the General Assembly of Georgia has never ratified the first 10 amendments to the Constitution of the United States of America, commonly known as the Bill of Rights; and

Whereas the said first 10 amendments to the Federal Constitution are fundamental and restrict certain powers of the National Government; and

Whereas it is fitting and proper that the Journals of Congress show that the people of Georgia, through their general assembly, are in sympathy with the Bill of Rights of the Federal Constitution: Therefore be it

Resolved by the senate (the house of representatives concurring), That the first 10 amendments to the United States Constitution be, and the same are hereby, ratified; be it further

Resolved, That a copy of this resolution be dispatched to the Clerk of the United States House of Representatives and to the Secretary of the United States Senate.

The VICE PRESIDENT also laid before the Senate a cablegram from the speaker of the House of Representatives of Puerto Rico, which was ordered to lie on the table, as follows:

SAN JUAN, P. R., *March 28, 1939.*

Hon. JOHN N. GARNER,
President of the Senate, Washington, D. C.:

The House of Representatives of Puerto Rico unanimously resolved yesterday to convey our gratitude to Senator KING for announcing that he would ask for reconsideration of sugar bill passed by upper House when he learned that the same will make still more serious the situation of our greatly impaired Puerto Rican finances. The house of representatives, over which I preside, likewise resolved to appeal to spirit of justice of all Members of upper House, and trust that final action will be in accord with spirit of justice that characterize Nation in which we have so much faith.

MIGUEL A. GARCIA MENDEZ, *Speaker.*

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of Wisconsin favoring the enactment of the so-called Agricultural Equality Act (S. 570), which was referred to the Committee on Agriculture and Forestry.

(See joint resolution printed in full when presented today by Mr. WILEY.)

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of Wisconsin favoring a higher tariff on dairy products, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented today by Mr. WILEY.)

The VICE PRESIDENT also laid before the Senate a resolution of the Michigan State Joint Council, Utility Workers Organizing Committee, C. I. O., of Saginaw, Mich., favoring the allotment of sufficient funds to continue the investigation of the subcommittee of the Committee on Education and Labor investigating violations of civil liberties, etc., which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate a resolution of members of the Woman's Alliance of All Souls Unitarian Church, Santa Monica, Calif., favoring the enactment of House bill 1813, providing Federal aid toward the education of physically handicapped children, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Local G-1449, Workers Alliance of Washington, Pinehurst, Wash., protesting against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of the executive committee of New York (N. Y.) Typographical Union No. 6, protesting against amendment of the National Labor Relations Act at the present session of Congress, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of the board of aldermen, approved by the mayor, of Chelsea, Mass., favoring abrogation of the reciprocal-trade treaty between Czechoslovakia and the United States, which was referred to the Committee on Finance.

He also laid before the Senate a letter from James R. Allen, of Wilmington, Del., relative to the Works Progress Administration, which was referred to the Special Committee to Investigate Unemployment and Relief.

Mr. CAPPER presented resolutions of Caldwell Camp No. 962 and Osborne Camp No. 326 of the Royal Neighbors of America, both in the State of Kansas, favoring the enactment of legislation exempting fraternal societies from the operation of the social-security system, which were referred to the Committee on Finance.

Mr. LUCAS presented a resolution of the Woman's Christian Temperance Union of Buda, Ill., favoring the enactment of Senate bill 280, relative to block-booking and blind-selling of motion-picture films, which was referred to the Committee on Interstate Commerce.

He also presented petitions of sundry citizens of the State of Illinois, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. HATCH. Mr. President, I have received several petitions, signed by many citizens of the State of New Mexico, asking action on bills pending before Congress relating to the prohibition of the advertising of alcoholic beverages through the press and the radio. I ask that these petitions be referred to the committee considering the bills.

The PRESIDENT pro tempore. Without objection, the petitions will be received and referred to the Committee on Interstate Commerce.

Mr. BYRD presented petitions of sundry citizens of the State of Virginia praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mrs. CARAWAY presented petitions of sundry citizens of the State of Arkansas praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. HERRING presented petitions of sundry citizens of the State of Iowa praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. HUGHES presented petitions of sundry citizens of the State of Delaware praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. RUSSELL presented petitions of sundry citizens of the State of Georgia praying for the enactment of legislation to

prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. VANDENBERG presented petitions of sundry citizens of the State of Michigan praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. WILEY presented the following joint resolution of the Legislature of Wisconsin, which was referred to the Committee on Agriculture and Forestry:

Joint Resolution 33, A

Joint resolution memorializing Congress to pass the pending "Agricultural Equality Act"

Whereas for several years, with slight exception, the return to the producer for farm products has been less than the cost of production, which has left the farmer without purchasing power in the face of many needs; and

Whereas it is agreed by many economists and other thinking people that the well-being of the farmer is the criterion of the Nation's prosperity; and

Whereas there is now pending in the Congress of the United States a measure known as bill S. 570 or the Agricultural Equality Act of 1939; and

Whereas this bill provides for regulating the world market on agricultural commodities by imposing duties on imports and manipulating exports on surpluses in a manner that will assure the producer of farm products a price therefor equal to the cost of production price of such products; and

Whereas the 18 United States Senators who introduced this bill are unanimously of the belief that the plan proposed will not only assure an abundant and permanent supply of such products by securing to the producers a minimum price of not less than the cost of production, but that when such prices are made a reality the general welfare of the entire country will be promoted thereby: Now, therefore, be it

Resolved by the assembly (the senate concurring), That this legislature respectfully memorializes the Congress of the United States to enact into the law the said bill S. 570; and be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to both Houses of Congress, and to each Wisconsin Member thereof.

Mr. WILEY also presented the following joint resolution of the Legislature of Wisconsin, which was referred to the Committee on Finance:

Joint Resolution 21, A

Joint resolution memorializing Congress for higher tariff on dairy products

Whereas the Statistical Abstract of the United States for the year 1937 lists the following figures for imports of dairy products into the United States for the year of 1936:

Total value of all dairy products imported into the United States		$16,103,000
Amount of dairy imports into the United States:		
Butter	pounds	9,874,000
Casein or lactarene	do	16,209,000
Swiss cheese	do	8,029,000
Other cheese	do	51,820,000
Milk, condensed and evaporated	do	2,245,000
Dried and malted milk	do	24,584,000
Cream	gallons	44,000
Milk	do	67,000

Whereas thousands of farmers in various sections of the United States depend mostly on dairying for a living; and

Whereas it is evident from the foregoing figures that farmers in other countries are taking away the market of the American dairy farmer; and

Whereas the present tariff on dairy products is ineffective to prevent the foreign farmer with his cheap production from selling dairy products in the United States in ruinous competition with the American dairy farmer: Now, therefore, be it

Resolved by the assembly (the senate concurring), That the Legislature of the State of Wisconsin hereby respectfully memorializes the Congress of the United States to place a tariff on dairy products sufficiently high to protect the American dairy farmers against foreign competition; be it further

Resolved, That properly attested copies of this resolution be transmitted to both Houses of Congress and to each Wisconsin Member thereof.

JOHN NANCE GARNER

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD and read by the clerk from the desk a concurrent resolution (S. Con. Res. 26) adopted by a unanimous vote of the State Senate of Texas and the House of Representatives of that State. It relates to the Vice President of the United States, a very distinguished, a very able, and an outstanding citizen.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the concurrent resolution will be read.

The legislative clerk read as follows:

Senate Concurrent Resolution 26

Whereas the time is not far distant when the National Democratic Party will put in motion the machinery for the selection of its Presidential nominee in the 1940 general election; and

Whereas Texas was formerly an independent republic, and merged its destinies with the United States of America and is the only State in the Union which has this distinction; and

Whereas the Honorable JOHN NANCE GARNER, a native Texan, has served long and ably in the National Congress of the United States, as a Member from a Texas district and as the Presiding Officer of both the House and Senate of said National Congress, a distinction that comes to but very few men; and

Whereas by repeated tests of legislative and administrative capacity and ability, said JOHN NANCE GARNER has fully and convincingly demonstrated his statesmanship and grasp of national affairs; and

Whereas his ability has been recognized in each and every one of the other 47 States of the American Union as well as in his own State: Now, therefore, be it

Resolved by the Senate of Texas (the house concurring), That the said JOHN NANCE GARNER is hereby endorsed and put forward as a candidate for the nomination of the National Democratic Party for the high office of President of the United States, which we believe he would fill with ability and distinction, and that we call on fellow Democrats in all of the States of the Union to instruct their delegates to the 1940 National Democratic Convention to vote for the nomination of the said JOHN NANCE GARNER as the candidate of the National Democratic Party for the Presidency of the United States at the 1940 general election.

Mr. SHEPPARD. Mr. President, I am very glad that my colleague has presented the concurrent resolution, and desire to say that I am in hearty sympathy with it.

The PRESIDENT pro tempore. The concurrent resolution will lie on the table.

TAXES ON CERTAIN VEGETABLE OILS—LETTER FROM THE PRESIDENT

Mr. HARRISON. Mr. President, I ask unanimous consent that a letter received by me this morning from the President of the United States, relating to the amendments increasing the taxes on certain vegetable oils imported into this country, and giving his views as to the effect of these amendments on our reciprocal trade agreements program, be printed in the RECORD.

There being no objection, the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, March 29, 1939.

MY DEAR SENATOR HARRISON: I feel impelled to write to you in regard to certain amendments now under consideration before your committee which would amend H. R. 3790, a bill which deals with the important and entirely separate subject of reciprocal taxation of incomes of Federal and State employees. These amendments would raise to new heights the taxes—in effect tariffs—on many imported fats and oils. I am addressing this letter to you because the amendments have been referred to the committee of which you are the chairman.

I, of course, know that the Senators who introduced these amendments acted in good faith. But there should be no illusion about the vital importance of the issue the amendments present. We are not dealing here with bona fide excise taxes for revenue purposes, but with what in purpose and effect are tariffs of the embargo variety. The amendments run directly counter to the provisions of reciprocal-trade agreements already in force with such important countries as the United Kingdom, Canada, the Netherlands, and Brazil. If enacted, they would destroy or at the very least seriously impair these agreements under which we have obtained concessions benefiting more than a quarter of a billion dollars worth of American exports of agricultural products alone, and they would hamper our efforts to conclude additional trade agreements in the interest of American agriculture and industry. The issue is clear. It is whether to sustain our present policy or to return now, or during the pendency of the Trade Agreements Act to the embargo tariff policy exemplified by the disastrous Hawley-Smoot Tariff Act.

The private interests who seek to benefit from the amendments apparently ignore the fact that on the basis of 1938 import values the rates as they now stand have an ad valorem equivalent of 89 percent in the case of palm oil, 96 percent on edible palm-kernel oil, and 65 percent on inedible palm-kernel oil. Under the proposed amendments these ad valorem equivalents would be increased to 149 percent, 151 percent, and 108 percent, respectively. In the place of present rates on wool grease, ranging from 43 percent to 93 percent, the proposals would substitute rates of from 60 percent to 146 percent. By and large these proposals call for 50 percent increases over the already high rates. The resulting rates could be described by no other word than "embargoes." If one industry is thus to receive an embargo, all will

in the Foreign Service of the United States of America, and

of the Tuskegee Normal and Industrial Institute, reported it

demand it. Then other nations will inevitably impose embargoes on our exports.

At first the proposals called for these tax increases immediately, which would have meant outright violations of our trade agreements with the United Kingdom, Canada, the Netherlands, and Brazil. Now it is suggested that the effect of the conflicting tax increases shall be postponed until the four agreements mentioned, which are of such great value to American agriculture and industry, can be modified and terminated at the earliest possible moment under the terms of those agreements. Let no one be lulled into thinking that this modification of the amendments would remove the basic conflict between them and the trade-agreements program. The real issue would remain exactly the same. All this modification means is that we would not be convicted of violating outright four of our international agreements; we would still inevitably lose a substantial part of the benefits of these important agreements and would run the grave risk of losing all of them.

I should like every farmer, every producer of surpluses in this country, everyone in all walks of life, to know how great the cost would be if these amendments should be adopted. I should like them to know that the enactment of these amendments would seriously jeopardize trade agreements by means of which concessions have been obtained on more than a quarter of a billion dollars worth of our agricultural exports and on several hundreds of millions of dollars worth of our exports of factory and other products. I should like them to know that these amendments, if passed, would sooner or later expose this huge volume of trade to the danger of retaliatory trade restrictions in the countries adversely affected. I should like them to know that these amendments would hamper our efforts to obtain additional benefits for our agricultural and industrial producers. And I should like them to know that the power for leadership of this country in the great task of rebuilding international trade under the principles of equality and mutual profit, without which full and stable economic recovery in this country and in other countries cannot be realized, would be virtually destroyed.

These amendments would seriously undermine a program which already has proven of great benefit to American agriculture, notwithstanding the depressed state of our foreign market. Our exports of farm products to trade-agreement countries increased by 55 percent in the fiscal year 1937–38 over 1935–36. Our exports of farm products to non-trade-agreement countries increased by only 3 percent over the same period. This comparison, striking as it is, does not take into account the agricultural benefits obtained recently in the agreement with the United Kingdom or in the new agreement with Canada. In 1936, the United Kingdom alone bought one-third of the agricultural products we sold abroad. Concessions covering 92 percent of those purchases were obtained in the agreement, effective January 1 of this year. In other words, we have obtained in one single trade agreement improved or more stable markets for nearly a third of our total agricultural exports, including such key products as wheat, cotton, corn, lard, and tobacco.

Our trade agreements with 19 foreign countries have done more for American agriculture than to improve and stabilize foreign markets for many of our agricultural products. They have increased purchasing power in the domestic market for our farm crops. When, for example, our exports of automobiles to Brazil under a trade-agreement concession increase, as they have done, by $4,500,000, there is more purchasing power available for our workers to buy meat, butter, milk, eggs, fruits, and vegetables. Our total exports to 17 agreement countries in the 2-year period 1937–38 were greater in value by 61.2 percent than the average for the preagreement period 1934–35, while exports to all other countries increased by an average of only 37.9.

Such tariff or tax increases, when proposed, obviously should be treated as amendments of existing tariff legislation and should receive the kind of consideration that would be given to specific tariff legislation. This would include study of the proposals on their own merits by experts of the Tariff Commission and other agencies of the Government and by the appropriate committees of the Congress, as elements in the general tariff structure and in relation to the country's commercial policy as a whole.

The inclusion of tariff revisions as parts of or as riders on other legislation creates a difficult situation for the Congress and a much more difficult situation for the Executive. It imposes upon the President the necessity of accepting tariff rate revisions which he may consider contrary to the public interest in order to preserve the main legislation. His only alternative is to veto the whole act and thereby delay and perhaps endanger the desirable and major portions of the act. In this case the adoption of the amendments would make it my clear duty to veto H. R. 3790, however meritorious the bill may be.

Let me repeat, the trade-agreements program is an essential part of our general program for economic recovery in this country. It is also, particularly at this critical stage of world affairs, a vital part of our foreign policy. Attacks on the trade-agreements program such as that represented by this new drive for embargo tariffs on fats and oils are, therefore, attacks on our efforts to attain full prosperity at home and to promote economic disarmament and peaceful relations throughout the world.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

The Honorable PAT HARRISON,
Chairman, Senate Finance Committee,
United States Senate.

PEOPLE'S PETITION FOR PEACE LEGISLATION

Mr. THOMAS of Utah. Mr. President, the People's Petition for Peace Legislation, to which was attached the signatures of 171,950 Americans from all parts of the United States, was presented to me yesterday by the American League for Peace and Democracy, represented by Rev. Ernest De Bordenave, Rev. William H. Jernagin, Mildred Riemer, Harry Lamberton, and Henry Lehmann. The petition reads as follows:

We, the undersigned Americans—part of the 90 percent of the population of the world who want to live in peace—hereby request congressional consideration of the contribution to be made to peace through a foreign policy based on:

1. The distinction between aggressors and their victims.
2. The necessity of denying our economic resources to the war-making, treaty-breaking aggressors and opening them up to their victims under conditions designed to remove the risk of our being drawn into war.
3. The necessity for concerted action to quarantine the aggressors.

The delegation explained that these signatures had been brought from all over the country to the congress of the American League for Peace and Democracy, held in Washington, D. C., in January of this year. That congress, attended by delegates representing seven and one-half million Americans, embodied the three points of the petition in their program for 1939.

Since the question of neutrality and peace legislation is now to be considered by the Senate Foreign Relations Committee, the American League for Peace and Democracy has asked that I present the petition to the Senate as an indication of the expression of all these persons on this subject. I hereby do so, and request that the petition be referred by the Chair to the Foreign Relations Committee.

The PRESIDENT pro tempore. Without objection, the petition presented by the Senator from Utah will be received and referred to the Committee on Foreign Relations.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4425) to provide for reorganizing agencies of the Government, and for other purposes.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 5269. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1940, and for other purposes;

H. R. 5427. An act making appropriations for the Labor Department for the fiscal year ending June 30, 1940, and for other purposes; and

H. J. Res. 250. Joint resolution making an additional appropriation for the fiscal year 1939 for expenditure by the United States Employees' Compensation Commission in accordance with section 16 of the Emergency Relief Appropriation Act of 1938.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4425) to provide for reorganizing agencies of the Government, and for other purposes, and it was signed by the President pro tempore.

REPORTS OF COMMITTEES

Mr. HATCH, from the Committee on Privileges and Elections, to which was referred the bill (S. 1871) to prevent pernicious political activities, reported it with amendments and submitted a report (No. 221) thereon.

He also, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 1569) to amend the Agricultural Adjustment Act of 1938, as amended, reported it without amendment and submitted a report (No. 226) thereon.

Mr. GEORGE, from the Committee on Foreign Relations, to which was referred the bill (H. R. 3655) to amend the act entitled "An act for the grading and classification of clerks

in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931, reported it without amendment and submitted a report (No. 222) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (H. R. 590) for the relief of Macey N. Bevan, reported it without amendment and submitted a report (No. 223) thereon.

Mr. CONNALLY, from the Committee on Foreign Relations, to which was referred the bill (H. R. 534) for the relief of Hallie H. Woods, reported it without amendment and submitted a report (No. 224) thereon.

Mr. BURKE, from the Committee on Claims, to which was referred the bill (S. 919) for the relief of William Boyer, reported it with amendments and submitted a report (No. 225) thereon.

Mr. ELLENDER, from the Committee on Claims, to which was referred the bill (S. 1164) for the relief of Nadine Sanders, reported it with an amendment and submitted a report (No. 228) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 2064. A bill for the relief of Allen L. Abshier, Verne G. Adams, Oliver D. Chattin, William K. Heath, and Harry B. Jennings (Rept. No. 229); and

H. R. 2073. A bill to allow credit in the accounts of certain former disbursing officers of the Veterans' Administration, and for other purposes (Rept. No. 230).

Mr. SMATHERS, from the Committee on Claims, to which was referred the bill (S. 289) for the relief of the West Virginia Co., reported it with amendments and submitted a report (No. 231) thereon.

Mr. SCHWARTZ, from the Committee on Claims, to which was referred the bill (S. 431) for the relief of Mrs. Quitman Smith, reported it with amendments and submitted a report (No. 232) thereon.

Mr. HUGHES, from the Committee on Claims, to which was referred the bill (S. 1882) for the relief of Thomas A. Ross, reported it with an amendment and submitted a report (No. 233) thereon.

Mr. LOGAN, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 1339. A bill for the relief of Grace S. Taylor (Rept. No. 235); and

S. 1945. A bill conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co. (Rept. No. 227).

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 1109) to amend the act entitled "An act to aid the several States in making, or for having made, certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes," by providing that funds available under such act may be used to match regular and secondary Federal-aid road funds, reported it with an amendment and submitted a report (No. 236) thereon.

Mr. BANKHEAD, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 1514) providing in the interest of the general welfare for an appropriate reduction of the burdensome oversupply of American cotton and for further encouragement of soil conservation and soil improvement by making payments in kind in cotton, and for other purposes, reported it with an amendment and submitted a report (No. 237) thereon.

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (S. 1899) to provide for the detail of a commissioned medical officer of the Public Health Service to serve as assistant to the Surgeon General, reported it without amendment and submitted a report (No. 238) thereon.

Mr. GEORGE, from the Committee on Finance, to which was referred the bill (S. 1088) to authorize the Administrator of Veterans' Affairs to exchange certain property located at Veterans' Administration Facility, Tuskegee, Ala., title to which is now vested in the United States, for certain property of the Tuskegee Normal and Industrial Institute, reported it without amendment and submitted a report (No. 239) thereon.

Mr. O'MAHONEY, from the Committee on the Judiciary, to which was referred the joint resolution (S. J. Res. 90) to amend the joint resolution approved June 16, 1938, entitled "Joint resolution to create a Temporary National Economic Committee," reported it with amendments and submitted a report (No. 240) thereon.

REGULATION OF COMMERCE IN AGRICULTURAL PRODUCTS

Mr. FRAZIER. Mr. President, from the Committee on Agriculture and Forestry I report back favorably, with amendments, the bill (S. 570) to regulate interstate and foreign commerce in agricultural products; to prevent unfair competition; to provide for the orderly marketing of such products; to promote the general welfare by assuring an abundant and permanent supply of such products by securing to the producers a minimum price of not less than cost of production; and for other purposes. I ask unanimous consent that I may later file a written report on the bill.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered. The bill will be received and placed on the calendar.

(Mr. FRAZIER subsequently submitted a report (No. 234) to accompany the foregoing bill.)

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills:

On March 28, 1939:

S. 1301. An act to create the office of military secretary to the General of the Armies of the United States of America, with the rank of colonel, and for other purposes.

On March 29, 1939:

S. 316. An act to authorize and direct the Commissioners of the District of Columbia to reappoint David R. Thompson and Ralph S. Warner as members of the Metropolitan Police Department of the District of Columbia;

S. 794. An act relating to banking, banks, and trust companies in the District of Columbia, and for other purposes;

S. 1123. An act to amend paragraph 57 of section 8 of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes," approved March 4, 1913;

S. 1125. An act to provide for the appointment of research assistants in the public schools of the District of Columbia, and for other purposes;

S. 1126. An act to provide alternative methods of enforcement of orders, rules, and regulations of the Joint Board and of the Public Utilities Commission of the District of Columbia;

S. 1129. An act to amend paragraphs 31 and 33 of an act entitled "An act to amend section 7 of an act entitled 'An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes,' approved July 1, 1902, and for other purposes," approved July 1, 1932;

S. 1130. An act to amend Public Law No. 111, Sixty-sixth Congress, entitled "An act for the retirement of public-school teachers in the District of Columbia"; and

S. 1295. An act to amend section 9, article V, of an act known as "An act to amend the act entitled 'An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia,' approved June 20, 1906, as amended, and for other purposes."

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON of California:

S. 1983. A bill for the relief of Cecil Ray Murphy; to the Committee on Naval Affairs.

S. 1984. A bill for the relief of Indian war veterans who were discharged from the Army because of minority or misrepresentation of age; to the Committee on Military Affairs.

By Mr. McKELLAR:

S. 1985. A bill to extend the time within which the States may cause toll bridges to be made free in order to qualify for aid under the act of August 14, 1937; to the Committee on Post Offices and Post Roads.

By Mr. VANDENBERG:

S. 1986. A bill for the relief of the State of Michigan (with an accompanying paper); to the Committee on Claims.

By Mr. LOGAN:

S. 1987. A bill for the relief of J. S. Melloan and the Boston Milling Co.; to the Committee on Claims.

By Mr. GILLETTE:

S. 1988. A bill authorizing the city of Keokuk, Iowa, to purchase, construct, maintain, and operate a toll bridge across the Mississippi River at or near Keokuk, Iowa; to the Committee on Commerce.

By Mr. TRUMAN:

S. 1989 (by request). A bill to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes; to the Committee on Commerce.

S. 1990 (by request). A bill relating to the transportation by railroad of persons and property for or on behalf of the United States; to the Committee on Interstate Commerce.

By Mr. MINTON:

S. 1991. A bill to authorize the appointment and retirement of William H. Crap as a lieutenant, Supply Corps, United States Navy (with an accompanying paper); to the Committee on Naval Affairs.

S. 1992. A bill for the relief of George G. Waldrop; and

S. 1993. A bill to amend section 8 of the National Defense Act, and for other purposes; to the Committee on Military Affairs.

By Mr. MINTON (for himself and Mr. VAN NUYS):

S. 1994. A bill for the relief of W. B. Engle; to the Committee on Claims.

By Mr. WILEY:

S. 1995. A bill for the relief of Anna Soucek; to the Committee on Immigration.

By Mr. McNARY:

S. 1996. A bill to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg.; to the Committee on Commerce.

S. 1997. A bill granting an increase of pension to Helen M. Lamar; to the Committee on Pensions.

By Mr. WAGNER:

S. 1998. A bill for the relief of Ernestine Huber Neuheller; to the Committee on Immigration.

S. 1999. A bill granting a pension to Dennis Smith; to the Committee on Pensions.

By Mr. SHEPPARD:

S. 2000. A bill authorizing an appropriation for the construction of an air mine; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

S. 2001 (by request). A bill for the relief of the Choctaw and Chickasaw Tribes of Indians of Oklahoma; and

S. 2002 (by request). A bill to authorize the sale and conveyance of certain property of the estate of Jackson Barnett, deceased Creek Indian; to the Committee on Indian Affairs.

By Mr. BYRD:

S. 2003. A bill for the relief of the Priest Lumber Co., Inc.; to the Committee on Claims.

S. 2004. A bill to extend the time for filing claims for refunds of amounts collected under the Agricultural Adjustment Act; to the Committee on Finance.

S. 2005. A bill providing for a survey, with preliminary estimates of cost, for the proposed construction of railroad and automobile-truck tunnels across the Potomac River; to the Committee on Public Buildings and Grounds.

S. 2006. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Herbert R. W. Lauterbach and others for overtime labor performed at the Norfolk Navy Yard, Portsmouth, Va., in excess of the legal day of 8 hours; to the Committee on Education and Labor.

By Mr. THOMAS of Utah:

S. 2007. A bill to provide for the establishment of a reservoir on Bear River, Utah, for the maintenance of water levels in the Bear River Migratory Bird Refuge, and for other purposes; to the Committee on Agriculture and Forestry.

S. 2008. A bill to amend the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. WHEELER (for himself and Mr. TRUMAN):

S. 2009. A bill to amend the Interstate Commerce Act, as amended, by extending its application to additional types of carriers and transportation, and modifying certain provisions thereof, and for other purposes; to the Committee on Interstate Commerce.

By Mr. KING:

S. 2010. A bill to authorize the board of directors of the Columbia Institution for the Deaf to dedicate a portion of Mount Olivet Road NE., and to exchange certain lands with the Secretary of the Interior, to dispose of other lands, and for other purposes; to the Committee on the District of Columbia.

S. 2011. A bill to provide for allocation of funds to the States to provide relief and work relief; to the Special Committee to Investigate Unemployment and Relief.

S. 2012. A bill to provide for the widening of Wisconsin Avenue in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. CAPPER:

S. 2013. A bill to amend the Code of the District of Columbia to provide for the organization and regulation of cooperative associations, and for other purposes; to the Committee on the District of Columbia.

By Mr. LUCAS:

S. 2014. A bill granting a pension to Oscar Hinson; to the Committee on Pensions.

By Mr. SHEPPARD:

S. 2015. A bill for the relief of Richard L. Byrd; to the Committee on Claims.

S. J. Res. 107. Joint resolution authorizing the President of the United States to award the Congressional Medal of Honor to Dr. Anita Newcomb McGee; to the Committee on Military Affairs.

By Mr. BARKLEY:

S. J. Res. 108. Joint resolution amending the joint resolution providing for the construction and maintenance of a National Gallery of Art, approved March 24, 1937; to the Committee on the Library.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred to the Committee on Appropriations:

H. R. 5269. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1940, and for other purposes;

H. R. 5427. An act making appropriations for the Labor Department for the fiscal year ending June 30, 1940, and for other purposes; and

H. J. Res. 250. Joint resolution making an additional appropriation for the fiscal year 1939 for expenditure by the United States Employees' Compensation Commission in accordance with section 16 of the Emergency Relief Appropriation Act of 1938.

AMENDMENT RELATIVE TO TAXATION

Mr. CLARK of Missouri submitted an amendment intended to be proposed by him to the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, which was ordered to lie on the table and to be printed.

TENNESSEE VALLEY AUTHORITY ACT—AMENDMENTS

Mr. KING submitted an amendment, and Mr. BRIDGES submitted four amendments, intended to be proposed by them, respectively, to the bill (S. 1796) to amend the Tennessee Valley Authority Act of 1933, which were severally ordered to lie on the table and to be printed.

FOUR-HUNDREDTH ANNIVERSARY OF EXPLORATIONS OF FRANCISCO VASQUEZ DE CORONADO

Mr. CHAVEZ (for himself and Mr. HATCH) submitted an amendment in the nature of a substitute intended to be proposed by them to the bill (S. 535) authorizing Federal participation in the commemoration and observance of the four-hundredth anniversary of the explorations of Francisco Vasquez de Coronado, which was referred to the Committee on Foreign Relations and ordered to be printed.

AMENDMENTS TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. BANKHEAD (for himself and Mr. RUSSELL) submitted an amendment intended to be proposed by them to House bill 5269, the Agricultural Department appropriation bill, 1940, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At an appropriate place in the bill, to insert the following section:

"PARITY PAYMENTS

"To enable the Secretary of Agriculture to make parity payments to producers of wheat, cotton, corn (in the commercial corn-producing area), rice, and tobacco, pursuant to the provisions of section 303 of the Agricultural Adjustment Act of 1938, $250,000,000: *Provided, however,* That, in expending the appropriation in this paragraph, the rate of payment with respect to any commodity shall not exceed the amount by which the average farm price, or the local rate, whichever is the higher, of the commodity is less than 75 percent of the parity price."

Mr. WILEY submitted an amendment intended to be proposed by him to House bill 5269, the Agricultural Department appropriation bill, 1940, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place in the bill, to insert the following:

"DISPOSAL OF SURPLUS COMMODITIES

"To enable the Secretary of Agriculture to further carry out the provisions of section 32, as amended, of the act entitled 'An act to amend the Agricultural Adjustment Act, and for other purposes,' approved August 24, 1935, and subject to all provisions of law relating to the expenditure of funds appropriated by such section, $100,000,000. Such sum shall be immediately available and shall be in addition to, and not in substitution for, other appropriations made by such section or for the purpose of such section: *Provided,* That not less than $50,000,000 of the funds herein made available shall be devoted to dairy products."

NATIONAL ECONOMY AND THE BANKING SYSTEM OF THE UNITED STATES

Mr. LOGAN submitted the following resolution (S. Res. 113), which was referred to the Committee on Printing:

Resolved, That 6,000 additional copies of Senate Document 23, current session, entitled "National Economy and the Banking System of the United States" be printed for the use of the Senate Document Room.

FEDERAL AND STATE INCOME-TAX LAWS—OPINIONS BY UNITED STATES SUPREME COURT (S. DOC. NO. 55)

Mr. ANDREWS. Mr. President, on Monday last the Supreme Court rendered an opinion which has far-reaching effect; in fact, it affects directly something over two or three million of our people. It is of such importance that I ask unanimous consent that the opinion be made a Senate document. The opinion is in the case of Mark Graves, John J. Merrill, and John P. Hennessy, as commissioners constituting the State Tax Commission of the State of New York, petitioners, against the people of the State of New York, upon the relation of James B. O'Keefe.

The majority opinion was rendered by Mr. Justice Stone, the concurring opinion by Mr. Justice Frankfurter, and the dissenting opinion was rendered by Mr. Justice Butler.

I also ask unanimous consent that there be included in the Senate document the opinion rendered in the case of the State Tax Commission of Utah et al., petitioners, against W. Q. Van Cott, rendered by Mr. Justice Black.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. ANDREWS. I yield.

Mr. MINTON. I wonder if the Senator would object to having included in the Senate document the great case which preceded these cases, and probably broke the ground for the opinions to which the Senator has just referred? I refer to the case of Helvering against Gerhardt in Three Hundred and Third United States Reports, in which Mr. Justice Stone rendered the opinion holding that the employees of the Port Authority of New York were subject to the income tax laid by the Federal Government, and particularly the concurring opinion of Mr. Justice Black, who pointed out, it seems to me, the realistic basis upon which the doctrine of taxation of salaries, and so forth, must ultimately rest, and will finally rest, if other decisions go in the direction to which they now point. It is because of this exceptionally unique opinion of Mr. Justice Black concurring in the case of Helvering against Gerhardt that I ask the Senator if he will agree that the opinion in Helvering against Gerhardt be included in the Senate document.

Mr. ANDREWS. I have no objection to that being done. I was looking through the two opinions to which I first referred to see if the Helvering against Gerhardt case was analyzed in them, which perhaps would make inclusion of that case unnecessary.

Mr. MINTON. It is not analyzed in those cases, but it is very important to be read in relation to the doctrine that is handed down in the opinions to which the Senator has referred.

Mr. ANDREWS. I have no objection at all to that opinion being included in the same document.

The PRESIDENT pro tempore. Without objection, the opinions in the cases mentioned will be printed as a Senate document.

REPORTS OF COMMITTEES OF BILLS INTRODUCED TODAY

Mr. BARKLEY, from the Committee on the Library, to which was referred the joint resolution (S. J. Res. 108) amending the joint resolution providing for the construction and maintenance of a National Gallery of Art, approved March 24, 1937, reported it without amendment.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 1985) to extend the time within which the States may cause toll bridges to be made free in order to qualify for aid under the act of August 14, 1937, reported it without amendment and submitted a report (No. 241) thereon.

GEORGE EDWIN ADAMSON

Mr. SHEPPARD. I ask unanimous consent that the Chair lay before the Senate, as in executive session, the nomination of Capt. George Edwin Adamson.

The PRESIDENT pro tempore, as in executive session, laid before the Senate the nomination of Capt. George Edwin Adamson, Quartermaster Corps, to be military secretary to the General of the Armies of the United States, with the rank of colonel.

Mr. SHEPPARD. I wish to ask for the confirmation of this nomination.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the nomination is confirmed.

Mr. SHEPPARD. I ask that the President be notified of the confirmation.

The PRESIDENT pro tempore. Without objection, the President will be notified.

RELIGIOUS LIBERTY—ARTICLE BY SENATOR DAVIS

[Mr. CAPPER asked and obtained leave to have printed in the Appendix an article by Senator DAVIS entitled "A Call for Religious Liberty," published in the current issue of Liberty magazine, which appears in the Appendix.]

INVOLVEMENT OF AMERICAN INTERESTS IN WORLD ACTIVITIES—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD a radio address on the subject To What Extent Are American Interests Involved in Present-Day World Activities? delivered by Senator THOMAS of Utah on March 28, 1939, under the auspices of the American Council Against Nazi Propaganda, which appears in the Appendix.]

MONETARY POWERS OF THE GOVERNMENT

[Mr. WAGNER asked and obtained leave to have printed in the RECORD correspondence between himself and the Secretary of the Treasury relative to certain monetary powers of the Government, and the exercise of those powers, which appears in the Appendix.]

LABOR DISPUTE CONCILIATIONS

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article on labor dispute conciliations, written by Mr. Ben H. Miller, and published in the Baltimore Evening Sun of March 21, 1939, which appears in the Appendix.]

TRADE WITH SPAIN—ARTICLE BY HARRY W. FRANTZ

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article written by Harry W. Frantz, entitled "United States to Enter Race for Trade with Spain," published in the Times-Herald of Washington, D. C., Thursday, March 30, 1939, which appears in the Appendix.]

NEED OF MEMBERS OF CONGRESS FOR ADDITIONAL CLERICAL AND RESEARCH ASSISTANCE

[Mr. LOGAN asked and obtained leave to have printed in the RECORD an article by David Lawrence, published in the Washington (D. C.) Evening Star of Tuesday, March 28, 1939, relative to the need of Members of Congress for additional clerical and research assistance, which appears in the Appendix.]

THE COTTON SURPLUS

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD editorials from the Baltimore Sun, the New York Herald Tribune, and the Philadelphia Inquirer, relative to the cotton surplus, which appear in the Appendix.]

TEXAS—ADDRESS BY RALPH D. PITTMAN

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "Texas," delivered by Mr. Ralph D. Pittman before the Gyro Club at Washington, D. C., on March 29, 1939, which appears in the Appendix.]

STATE OF THE NATION—RESOLUTION OF PENNSYLVANIA HOUSE OF REPRESENTATIVES—ADDRESS BY SENATOR GUFFEY

Mr. GUFFEY. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD a copy of Resolution No. 14, passed by the Pennsylvania House of Representatives, inviting me to appear before that body, and the address I delivered in accordance therewith.

I ask that the resolution of the Pennsylvania House of Representatives and the address delivered by me in pursuance thereof lie on the table.

The resolution of the Pennsylvania House of Representatives was ordered to lie on the table and to be printed in the RECORD, as follows:

Resolution 14

The whole world is distressed and waring and following strange dogmas

Our own country continues in the grip of the severest economic depression and financial panic in our history

The federal administration by its domestic policy has engendered an unhealthy class consciousness within our borders

Secret diplomacy a policy strange to our Republic threatens to embroil our Nation in the dangerous and viscious disputes of Europe

The policy of reciprocal trade tariffs seem to build up our unemployment roles rather than spur trade

The dangerous "isms" of Europe appear to be fostered and encouraged by certain federal bureaus threatening the overthrow of our government

The whole New Deal has created the largest debt in our history makes no effort to balance its budgets and threatens inflation

The Commonwealth of Pennsylvania has a large interest in these problems and a great stake in the economic affairs of the United States therefore be it

RESOLVED That the Speaker of this House of Representatives be directed to communicate with the two United States Senators the Honorable Joseph F Guffey and the Honorable James J Davis the Keystone State's ambassadors to the seat of the federal government at Washington and invite them to appear together at an agreeable time before this House and give to its members a report of the state of the Nation to the end that Pennsylvania may be fully and authentically advised of the things which threaten our people and that this great Commonwealth may be the better guided in the formulation of a legislative policy that shall protect her best interests and the quicker relieve her distress.

The address delivered by Mr. GUFFEY, in response to the foregoing resolution, was ordered to lie on the table and to be printed in the RECORD, as follows:

ADDRESS BY HON. JOSEPH F. GUFFEY, OF PENNSYLVANIA, BEFORE THE HOUSE OF REPRESENTATIVES OF THE COMMONWEALTH OF PENNSYLVANIA ON THE EVENING OF MONDAY, MARCH 27, 1939, IN RESPONSE TO HOUSE RESOLUTION NO. 14 OF THE SESSION OF 1939

Ladies and gentlemen of the House of Representatives, I wish to express my gratitude to your honorable body for affording me this opportunity to render a report on the problems of the Congress and their relationship to your own legislative program for our Commonwealth.

All of you are familiar with the reports given to Congress by the President of the United States, in which he outlines the major issues facing our Nation. These reports have been supplemented from time to time by numerous hearings, both public and private, before the various committees of the Senate and House. It is on the basis of Presidential messages and the information furnished at committee hearings that the Congress necessarily must base its actions.

Above all, the legislative bodies of the Nation, both in Washington and in the State capitals, from coast to coast, view with ever-increasing anxiety the steady advance in foreign lands of political principles alien to our American concepts of democracy.

Communism and fascism, both based upon the theory of the individual's subordination to the state, have gathered force and momentum during the years since the World War. They are dominant today in Russia, Germany, and Italy. They are contending against each other for domination in Spain. They lie at the root of the warfare that is still raging in China. They are beginning to play an important part in the affairs of our southern neighbors—Mexico and the republics of South America.

We fear, and with good reason, that the present state of affairs in Europe is such that any untoward incident may be sufficient to embroil the great powers in another World War. The very thought of such a conflict fills our American people with foreboding. They naturally fear, because of the economic interdependence of the nations of the world, that such a conflict inevitably will involve the United States.

There are some who dare to assert that the President has not been entirely frank and candid with the people in his foreign diplomacy; some people who profess to believe that secret negotiations have been under way to aline the United States with Great Britain and the other great democracies of the world in anticipation of a life-and-death struggle with the advancing dictatorships.

Nothing could be further from the truth. Nothing could be more typical of the numerous efforts that have been made, sometimes in malice and sometimes in ignorance, to cast doubt upon the policies adopted by the President of the United States. America may well feel gratified that its ship of state has at the helm a man not dedicated to the interests of the international financiers who bred war, not imbued with the old doctrine that the American flag follows the American dollar.

While President Roosevelt has firmly and resolutely protected our American nations in the war areas abroad, he has just as firmly and resolutely resisted all efforts of impassioned partisans to involve the United States in diplomatic incidents. There is no doubt in my mind that on more than one occasion his concern for the peace of this Nation has impelled him to act contrary to his own sympathies.

There is no foundation whatever to the repeated partisan cries that the national administration has been engaged in secret diplomacy contrary to the best interests of the Nation.

I make reference to this because the resolution extending the invitation for me to speak here flatly asserts that such "secret diplomacy" is being practiced. I need only mention that the former Republican Secretary of State, Hon. Henry Stimson, has clearly and unmistakably refuted these claims, and has upheld in the strongest terms the position taken by the President and Secretary Hull.

It should be obvious to everyone that in all diplomacy there are some crises which must be handled without fanfare. Everyone knows that no formal and binding agreements have been, or can be, made until they are publicly presented to and ratified by the Senate of the United States.

If I was surprised at the resolution of this House flatly asserting that "secret diplomacy" was a definite policy of the Roosevelt administration, I was even more amazed to find this House asserting that "the dangerous 'isms' of Europe appear to be fostered and encouraged by certain Federal bureaus threatening the overthrow of our Government." The mere suggestion that any Federal bureau is threatening the overthrow of our Government or fostering and encouraging alien political principles contrary to American traditions of government is so fantastic as to fall of its own weight.

I cannot think that any Member of this House would lend credence to such idle gossip, which has been repeatedly investigated and repeatedly found to be false. Nor is any refutation of the charge necessary, for no evidence of any kind whatsoever has been brought forward to support it.

I say flatly, and I want you to mark my words, that if dangerous alien "isms" gain ground in this Nation they will do it because of our failure—your failure and my failure and the failure of the American people—to meet the great economic problems that confront us today.

The seed of discontent does not grow until the soil is fertile. One grasping, avaricious employer who denies elementary justice to his workers, one State legislature unmindful of its duty to defend the rights of labor and agriculture and the average man, can do

more to promote fascism or communism in this Nation than a whole army of agitators backed by all the gold in Moscow. Your resolution says that "the Federal administration by its domestic policy has engendered an unhealthy class consciousness within our borders." Such a statement is utter nonsense. Class consciousness does not arise from any Federal policy. It arises from wretched working conditions, from low pay and long hours, from unemployment and distress, from the hunger of women and children. It arises from the primary instinct of self-preservation. And it reached its peak, not under the administration of President Roosevelt but under the administration of Herbert Hoover, when this Nation was as close to class warfare and revolution as it has ever been in all its history. President Roosevelt, by his inspiring leadership, saved us from that ultimate disaster, and for that achievement of statesmanship we all owe him our undying gratitude.

If, on the other hand, your resolution means that the Federal administration, by its labor policies, has made the worker conscious of his dignity as a man and his rights as a citizen, then I am sure the administration will gladly plead guilty.

What policy, or what legislation, I ask, has brought about this so-called unhealthy class consciousness? The Wagner Act, that protects the fundamental right of labor to organize into unions and bargain collectively? The Wage and Hour Act, that establishes absolute minimum conditions for health and decency? The Social Security Act, that guarantees the worker against hunger and destitution in old age? The burden of proof, ladies and gentlemen, rests not upon the accused but upon the accuser.

The same applies, and with equal force, to the accusation that the policy of reciprocal-trade tariffs seems to build up our unemployment rolls rather than spur trade.

Without burdening you with figures, which are available in great detail in the United States Department of Commerce, I merely point out that the reciprocal-trade agreements have tremendously increased the dollar volume of American trading abroad, without proportionately increasing imports of manufactured goods. Through the trade-agreements program, employment in the United States has been increased and business activity stimulated.

We now approach, ladies and gentlemen, some of the fundamental questions raised in your resolution. The first is that our own country continues in the grip of the severest economic depression and financial crisis in our history. The second is that the whole New Deal has created the largest debt in our history, makes no effort to balance its Budgets, and threatens inflation.

Let us consider a few simple facts. Our country scraped bottom financially in 1929 as the logical outcome of policies followed by three successive Republican Presidents—Harding, Coolidge, and Hoover.

After the dizzy speculative inflation of that period there was a still dizzier descending spiral of deflation that almost wrecked the country. President Roosevelt stepped into the breach in the emergency and saved our country from bankruptcy. His emergency measures were met with loud acclaim by business, because business was scared to death. Those measures gained for this country the most precious thing in the world at the moment—time. They allowed time to proceed with the second phase of economic reconstruction, the reform of evil practices, the establishment of new safeguards to eliminate the factors responsible for our economic collapse.

You all know what happened then. Once the storm had passed the special privileged interests immediately wanted to lapse back into the old ways that had proved so disastrous. Knowing full well that the exploitation of labor and agriculture had resulted in destruction of purchasing power, which is in a real sense the fuel that makes our economic machine go, they insisted upon going back to the "good old days."

They not only went on a sit-down strike by refusing to cooperate with the President, but also took an active part in the movement to destroy the New Deal in its entirety.

After the President had pulled them out of the rut they not only got off the bandwagon but tried to pull it back the way it had come. They wanted rescue, but not reform. They were enjoying the new purchasing power that the New Deal had created, but they didn't want to pay for it either in wages or in taxes. They wanted the cake and the penny too.

Instead of purchasing power, they wanted lower rates. Instead of reform, they wanted confidence. They proclaimed that there would be no recovery until they got what they wanted. They conveniently forgot that they had been given all kinds of tax reductions, not to mention "confidence," during these dizzy years that ended with such a bang in 1929.

They insisted upon Budget balancing, with the result that the first move in that direction abruptly ended the comparative prosperity of 1937 and brought on the recession of 1938. Cause and effect followed quickly and surely. Now they are at it again, and our recent history shows that if they succeed they will get just what they asked for—a still further business slump and more taxes to meet the relief needs it will create.

Your resolution, ladies and gentlemen, says that the New Deal has "created the largest debt in our history." I believe it would be fairer to say that the debt was created before the New Deal came into existence, because the New Deal's expenditures have been made to restore a structure that was practically destroyed by its predecessor.

If you took over a house that was not habitable and had to spend large sums to prevent it from collapsing altogether, would you not say that the debt had been created by the neglect of the former owner and that you merely assumed it? For that is what the New Deal did; it assumed the debt that was its heritage from the Harding-Coolidge-Hoover crash.

The question is, Has the New Deal made no effort to balance its Budgets? You all know that the President has made a careful and proper distinction between normal and emergency expenditures. The Nation's normal Budget is balanced.

The emergency budget, the budget for the care of the victims of depression, has not been balanced. You are perfectly familiar with that distinction, for you are doing the same thing here in Harrisburg.

You have before you a balanced budget for normal expenditures of departments and a highly unbalanced budget for relief. In fact, your relief budget is short-changed at least $110,000,000, and everyone seems to be accepting the fact calmly. As I said in Washington recently, your Governor is betting $110,000,000 that President Roosevelt will lick the unemployment problem before he leaves office.

You would have no thought, I am sure, of balancing your budget by refusing to provide for the hungry. Neither has the Roosevelt administration, and the plain fact is that the Nation's emergency budget probably will remain unbalanced until the need for relief disappears.

Unbalanced budgets are not unfamiliar to Pennsylvania, even without a relief problem. In the State's largest city, Philadelphia, the third largest city in the country, the Republican Party has been in power for a century, and the city's budget hasn't been balanced for as far back as I can remember. Although it has provided little or nothing for relief at any time, its funded debt today is well over a half billion dollars, its employees go unpaid, and in spite of its recent sales tax it is talking of pawning the gas-plant revenues.

I am sure the Republican Members of this House from Philadelphia must have had their tongues in their cheeks when they voted to accuse the New Deal of failing to balance its Budget.

Ladies and gentlemen, you should give thanks that the Federal Government's relief budget is unbalanced, for your problem would be far greater if it were. Let us suppose for a moment that the Senate were to take you seriously in the matter of Budget balancing and suddenly turn the relief problem entirely back to the States. It would be utterly appalling.

With your own budget more than $110,000,000 out of balance, with your principal city practically bankrupt, with your business establishments and industries complaining of taxation, with your real estate groaning under an already insupportable loan, you would have to go out and double—yes, more than double; triple and quadruple—your present emergency taxes.

Just think that over when you speak of Federal Budget balancing. And I warn you that your Pennsylvania friends and political supporters are in Washington right now fighting to have the Budget balanced. God help them—and you—if they should succeed, for the problem would then be yours, and any new taxes you might levy would be theirs, either directly if you taxed industry or indirectly if you attacked purchasing power through a consumers' tax.

The blunt fact is that the relief problem has to be met, and if Congress balances the National Budget by shirking its responsibility you will have to step into the breach.

I hope I may be pardoned if I remind you, since the political campaigning is over for the present, that the Republican Members of this House, and your Republican Governor, solemnly pledged to reduce taxes when elected. In fact, your Governor as a candidate charged that the Democratic administration had established a little New Deal—as if that were something dishonorable—and that the Democratic taxes were "punitive" taxes against business.

Yet today you have before you a budget which not only levies the same amount of taxes but the very same taxes, the identical taxes item by item, and it is freely admitted that even these will not be sufficient.

Now that the campaign is over, of course, the situation is different because you are faced with realities. I would like to ask that you face another reality, the need for continued Federal appropriations for the unemployed. Naturally Republican candidates were expected to fire away at the unbalancing of the Federal Budget while they were candidates, but it's time now to come down to earth. If you want to make good Governor James' implied budget prediction of recovery, and if you want to avoid the necessity for levying tremendous additional taxes a year from now, you should cooperate to the limit in the effort that we are making to provide adequate Federal aid to the needy.

As one of the two Representatives from Pennsylvania in the upper House of Congress I am doing everything in my power to bring that about. I want to declare now that I am going to vote to restore the $150,000,000 that was cut out of the W. P. A. relief appropriations bill some weeks ago. This will make available to Pennsylvania an additional sum in excess of $10,000,000 for W. P. A. relief purposes. If my associates and I should fail, you will have to take up the burden, and therefore it is of greatest importance to you that we succeed.

I offer you my fullest and heartiest cooperation. I'm down in Washington fighting for Pennsylvania's best interests, and I'll welcome your help. If you will approach the problems facing our State and our Nation with sincerity and candor, if you will consider the interests of all our citizens rather than a few, if you will concentrate on real issues rather than some of the ward politics' bugaboos that mark your resolution, we will make real progress.

Your request for guidance in the formulation of legislative policy may seem somewhat ironic when addressed to me, accom-

panied as it is by an attack upon policies to which I am unalterably committed, but nevertheless I am going to take it at face value.

My advice is simply this:

Defend and amplify the liberal statutes enacted by the legislature that preceded you, see to it that they are administered faithfully and well, fix your tax levies on the basis of ability to pay, cooperate with the New Deal in its effort to restore prosperity by restoring purchasing power, meet your legislative issues squarely instead of dodging them with a maximum of concern for public welfare and a minimum of politics.

If you can do that the platforms of both parties will be carried out and you will go down in history as one of the greatest legislatures ever to sit at Harrisburg.

STATUS OF PENDING MEASURES

Mr. GEORGE. Mr. President, when the Senate recessed on Tuesday last, Senate bill 572 was before the Senate, and it is carried on the calendar as the unfinished business. I desire to ask the Chair if Senate Resolution 107 is not the unfinished business, temporarily laid aside for the consideration of Senate bill 572? I have no desire to interfere with the completion of the debate on the pending bill, but I wish merely to elicit from the Chair the status of Senate Resolution 107.

The VICE PRESIDENT. The Chair will call the Senator's attention to a rather anomalous situation, and will read from the RECORD of Tuesday last, as follows:

Mr. BARKLEY. Mr. President, Senate Resolution 107, submitted by the Senator from Georgia [Mr. GEORGE], occupies practically the status of being the unfinished business.

The VICE PRESIDENT. Let the Chair state that in spirit it does, but not as a matter of parliamentary procedure.

Mr. BARKLEY. That is true.

I have conferred with the Senator from Georgia; and in view of the imminent action of the House on the agricultural appropriation bill, which contains items involving the cotton situation, and in view of the fact that the Senator from South Carolina [Mr. SMITH] has suggested, and it has been agreed and understood, that the bill from his committee, which is on the calendar, will go over awaiting action on the part of the House on the agricultural appropriation bill, which may have some bearing upon the legislation which is necessary or advisable, the Senator from Georgia has agreed that his resolution may preserve its present status and go over without prejudice.

The VICE PRESIDENT. Does the Senator mean to say that it shall be the pending business and go over without prejudice?

Mr. BARKLEY. That is correct.

The VICE PRESIDENT. Is there objection? The Chair hears none.

According to that discussion, while Senate Resolution 107 was not laid aside temporarily, as is ordinarily done when it is desired to take up other business, the Chair is compelled, it seems, as a matter of logic, to hold that the resolution of the Senator from Georgia was laid aside temporarily, that it is now the unfinished business, and that the other bill referred to was merely taken up while Senate Resolution 107 was temporarily laid aside. The Senate took a recess on Tuesday, so that the status then prevailing continues this morning. The Senator from Utah [Mr. THOMAS] now has the floor on his bill. If any Senator desires to question the ruling of the Chair, the Chair will be glad to hear him.

ACQUISITION OF STOCKS OF STRATEGIC MILITARY MATERIALS, ETC.

The Senate resumed the consideration of the bill (S. 572) to provide for the common defense by acquiring stocks of strategic and critical raw materials, concentrates, and alloys essential to the needs of industry for the manufacture of supplies for the armed forces and the civilian population in time of a national emergency, and for other purposes.

Mr. THOMAS of Utah. Mr. President, when the Senate recessed at its last session the pending amendment was that offered by the Senator from Massachusetts [Mr. LODGE], as modified. I suggest that the modified amendment be read by the clerk, so that it may be properly before the Senate.

The PRESIDENT pro tempore. The amendment, as modified, will be stated.

The CHIEF CLERK. It is proposed to insert in the bill the following new section:

SEC. 8. The President is hereby requested to enter into negotiations with foreign governments which are indebted to the United States with a view to arranging for such governments to furnish the United States with strategic and critical materials for national-defense purposes, which are not now produced in the United States, in payment or part payment of the indebtedness of such governments to the United States.

Mr. THOMAS of Utah. Mr. President, I trust this amendment will not be agreed to. While, of course, no one can disagree with the aim and the desirability of bringing about, in some way or other, the payment of debts which have been defaulted, it seems to me this is about as bad a place as could be found to make the suggestion.

The bill before us is supposed to lay down, as it will lay down if enacted, the Government policy in regard to providing a stock pile of necessary materials in case of an emergency and in case of war. In no sense is the bill a temporary emergency bill. In bringing our Government into this field and presenting this rather broad policy—the building-up of stock piles—the adoption of the amendment would be very unfortunate, especially in the light of the fact that the bill is dual in its nature, in that it not only seeks to have the stock piles gathered together but it seeks to encourage the American production of materials to be made part of such stock piles. To bring the international debt situation into the picture, to cause the President to enter into negotiations when we want materials from other countries, might greatly retard the second objective of the bill, which is to encourage the production of our own materials.

Then, too, the adoption of this amendment might be interpreted as an act of Congress wherein the idea would be put forth that America is ready and willing to settle the debts by receiving materials from debtor nations, instead of by receiving cash. That immediately opens up what has been one of the most contested questions in regard to the debts. There is no doubt that debtor nations would have been happy to send us, in payment of their interest and in payment of their principal installments, materials of various kinds. There is no doubt that the American people became aroused at such a prospect, and that if the amendment were adopted the very thing which they were more fearful of being accomplished than anything else—that is, that the debts might be turned into an arrangement whereby American producers of goods would be actively legislated against—would be brought forth at this time.

For example, to take a situation which now will probably never come about, but one which would come right home to the Senator from Massachusetts, the Czechoslovakian state owed us in debts something like $165,000,000. There is no doubt that that state would have been happy to settle that debt on some sort of an arrangement whereby they would be given the entire contract for providing shoes for our Army and our Navy.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I shall be glad to yield.

Mr. LODGE. That could not happen under the provisions of my amendment, because my amendment would exclude anything produced in the United States.

Mr. THOMAS of Utah. I understand that, Mr. President. I am talking against the philosophy of the amendment, bringing into this situation and this argument a matter which is not germane to the hopes and the aspirations of the American people in attempting to make themselves independent of the necessity of bringing in materials from the outside.

Our President, or his negotiators, would immediately be confronted with the necessity of trying to handle the debt question on the merits of the debt question in and of itself. No matter what provision were put into the amendment about negotiating in regard to something which is not produced in the United States, the question would be opened, and it would be opened in a very unfortunate way. If we want to open the debt question, let us do it forthrightly; let us do it in an open way; let us do it by negotiations about debts, not in connection with negotiations in an attempt to get some little quantity of a single product into our country.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I am glad to yield.

Mr. NORRIS. I do not understand what the Senator means when he says we ought to negotiate about the debts. The negotiations in reference to the debts have been concluded, have they not? The amounts have been determined;

there is no disagreement as to what the foreign countries owe the United States. Those matters have all been gone over and settled, and after adjudication the amount in every case determined definitely, as I understand. So there would be no negotiation about the debts, as I see it.

Mr. THOMAS of Utah. Mr. President, I probably used an unfortunate word in saying "negotiation," if the negotiation were limited to something which has been accomplished; and I did not wish to imply that. For example, there is one question involved in the debts due by foreign governments which I think, in some way or other, is before our country now, which may need some sort of further negotiation. If what I have read in the newspapers is correct, Hungary has made an offer to the United States to start paying tokens again. Immediately, if we accept some sort of arrangement as to tokens, or immediately if we accept some sort of arrangement concerning products, the whole question must of necessity again be opened up, and opened up in what I consider an unfortunate way if, for instance, the negotiations are, as the Senator from Nebraska has said, a closed incident, and the amounts have been concluded, and concluded forever.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. THOMAS of Utah. I am glad to yield.

Mr. BARKLEY. As I understand, the measure now pending has two objectives. One is to enable the United States to accumulate a supply of necessary materials which cannot be produced in this country, and at the same time possibly to encourage the production of the same materials which are not now being produced in this country. Is that correct?

Mr. THOMAS of Utah. That is correct.

Mr. BARKLEY. I suppose we all understand that the articles which we are proposing to buy are not owned in any country by the government, unless it might be in Russia, where the Government owns everything. The articles are owned by private individuals. They have them for sale, just as our private industries have their products for sale. So that if the President of the United States should undertake to negotiate with any foreign country under the amendment to accept some of the things contemplated in the bill in part payment of what that country owes us, that country would have first to go out and buy the things with its own money, and then exchange them, or sell them, to our Government, and get credit on what they owe. That would be the process, I suppose, by which the matter would be handled. If the President should negotiate for the entire $25,000,000 a year provided in the bill for a period of 4 years, then there would be no encouragement to any American industry, by reason of the proposed law, to produce the things needed, and which are not now purchasable in this country. Would that be the result?

Mr. THOMAS of Utah. I think that would be the result.

Mr. BARKLEY. Of course, while we all want the debts paid, and we talk about it, even if the countries could supply the whole hundred million dollars' worth of materials, it would scarcely make a dent on the size of the debts. It is questionable, in view of the insignificant amount compared with the total debt—a hundred million dollars compared with $12,000,000,000—whether this program, if it is worthy and meritorious, ought to be held up and delayed while we were undertaking to arrange with some foreign country some process by which that country would buy the things we want and then sell them to us and get credit on its debt.

Mr. NORRIS and Mr. BORAH addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Utah yield; and if so, to whom?

Mr. THOMAS of Utah. I yield again to the Senator from Nebraska.

Mr. NORRIS. Suppose what the Senator from Kentucky has said is a correct statement of what would happen—and I suppose that it is, at least to an extent that a foreign government desiring to take advantage of the proposed law, if the bill should become a law, would have to buy from its own citizens the materials for which they would get credit on their debts to us.

It would be advantageous to that government to take that method of paying its debt, assuming it wanted to pay its debt, because it would give encouragement to the manufacture or whatever might have to be done to get the materials ready, and it would buy from its own citizens, and at the same time it would get credit for the entire amount on the debt which it owed to this Government. That would make it much easier for the foreign government, it seems to me, than if it had to send us money instead. It seems to me it would be an advantage if a foreign government could pay its debt by buying materials in its own country from its own citizens, and getting credit for the full amount of the purchases on what the country owed some other government.

Mr. THOMAS of Utah. I yield to the Senator from Idaho.

Mr. BORAH. I wanted to ask the Senator from Massachusetts, the author of the amendment, whether the amendment is sufficiently comprehensive. It reads:

> The President is hereby requested to enter into negotiations with foreign governments which are indebted to the United States with a view to arranging for such governments to furnish the United States with strategic and critical materials—

And so on. Is it to be left entirely to the President? Is his negotiation to be final, or is it to take the form of a treaty?

Mr. LODGE. Mr. President, I think it would take the form of a treaty probably.

Mr. BORAH. Then I think the amendment should so state. I think that some of these days the Congress will have to meet the question of whether it is to have anything further to say about the debts.

Mr. THOMAS of Utah. Mr. President, the Senator from Idaho has in a very quick way brought before us the type of thing I had in mind. There are many complexities to the international debt situation. Even the use of a word such as "negotiations" brought misunderstanding, when the word "negotiations" is used in the amendment itself.

If, for instance, arrangements were made by the President of the United States, under the amendment would not those arrangements modify the contract or the understanding which has been made between the Congress of the United States, on the part of the Government of the United States and the foreign country involved? As the Senator from Idaho suggests, are we not here moving into a sphere which would probably give the executive branch of the Government the right to modify treaties, the right to modify international agreements, on its own initiative? I repeat what I stated in the beginning—and to me this argument is sufficient ground for rejecting the amendment—the debt question is not germane to the question of getting strategic materials. The debt question should be handled on the merits of the debt question itself, and not in connection with some endeavor to get advantageously some little bit of money credited by some roundabout movement.

I suggest that the Senate not agree to the amendment.

Mr. MURRAY. Mr. President, will the Senator yield to me?

Mr. THOMAS of Utah. I yield.

Mr. MURRAY. If the amendment should be agreed to, would it not result in a sort of dumping? It would enable those countries which develop manganese, for instance, to dump their manganese into this country to such an extent that it would absolutely preclude our domestic producers from taking advantage of one of the purposes of the proposed law, that is, to encourage the development in this country of manganese and other strategic minerals.

I think there is a great misunderstanding in the country, as well as in the Senate itself, with reference to these strategic minerals. The effort has been to make it appear that this country cannot produce manganese in sufficient quantities to supply the Government with manganese in case of war. As a matter of fact, in my State of Montana we have already developed manganese to such an extent that we are able at the present moment, with the equipment we have on hand, to furnish 70,000 tons a year, a capacity which can be

easily expanded so as to enable us to produce 150,000 tons within a very few months.

Mr. LODGE. Mr. President, will the Senator permit me a moment?

Mr. MURRAY. Certainly.

Mr. LODGE. The language of my amendment would specifically prevent the importation into this country of any product or material now produced here. So the Senator from Montana need have no fears on that score.

Mr. MURRAY. I should like to ask another question. Does the amendment as it is worded contemplate that the minerals brought in under the amendment would be applied exclusively as a credit, or would it permit the President to negotiate with a foreign country producing minerals and deal with it for the materials? There is nothing in the language of the amendment that would indicate that any minerals supplied under it would be merely in the form of a credit.

Mr. THOMAS of Utah. That, of course, would be a question for one interpreting the amendment.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. MILLER. I should like to make a suggestion in reference to the amendment proposed by the Senator from Massachusetts. The amendment provides that negotiations shall be entered into only with respect to such materials as are not now produced in the United States. But in addition to reopening the foreign debt question we will have ever present the same old question raised by certain interests in the United States which claim that this country is not able to produce a sufficient amount of strategic or critical material. That question always results in conflicting contentions.

The adoption of the amendment would also invalidate section 5 of the bill, which has been considered by the Senate. Section 5 provides that—

> Purchases under this act shall be made in accordance with title III of the act of March 3, 1933.

That is the Buy American Act. I know that the Senator is familiar with the provisions of the Buy American Act. One of the objectives of the pending bill is to lend encouragement to domestic producers of critical and strategic materials. It is even provided that as much time as possible may be given domestic producers to produce, if they do not have on hand an immediate supply. That time is limited to 1 year, in the discretion of the Army and Navy and the Treasury Department and the other departments which are to pass upon the question.

The whole question resolves itself into this one statement: The Army and Navy are definitely of the opinion that we do not have in the United States an adequate supply of certain materials and certain minerals. The industry involved is definitely of the opinion that we do have. The bill is an effort to prepare the Nation industrially for conflict, or to prepare and to aid it industrially in its national defense. If we want to reopen the entire question of the debt, very well. If the Lodge amendment should be adopted, we would, in my opinion, reopen the entire question of the debt settlement.

I agree most heartily with the Senator from Utah when he says that the debt question has no business on a bill of this kind. By the bill before us we are undertaking to furnish some encouragement to domestic producers of the minerals and the materials in question, and at the same time not tie the hands of the Army and the Navy so as to prevent them from obtaining material in the event of a crisis, which might come upon us unawares and unexpectedly.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. CHAVEZ. Along the line of what has been said by the Senator from Montana [Mr. MURRAY] as to the strategic and critical materials in the United States, I may say that in the State of New Mexico there is sufficient manganese to last the United States for many years if only we are given the opportunity to develop it. I believe that the suggestions made by the Senator from Montana and the Senator from Arkansas [Mr. MILLER] are correct in the present instance.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. LODGE. I am glad to assure the Senator from New Mexico that under the provisions of my amendment the situation of which he speaks would not be interfered with at all.

Mr. CHAVEZ. It would be interfered with to the extent that if the President should enter into negotiations with some country which may owe us money that country could discharge a part of its debt by payment of manganese, a product which is produced in this country.

Mr. LODGE. Not if manganese is produced in this country. In that case payment on the debt by the use of such a product is specifically prohibited.

Mr. JOHNSON of California. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. JOHNSON of California. I should like to ask the Senator from Arkansas [Mr. MILLER] a question. I do not quite see the cause of the suggestion that the adoption of the Lodge amendment would reopen the question of debts due by other countries to our country. I have not been able to be present during all the discussion; and, if the Senator from Arkansas is clear upon that point, I should be very glad if he would tell me why the amendment would open again the whole debt question.

Mr. MILLER. I understand the debt question has been settled by the Congress. If we should now authorize the Executive to enter into negotiations with any foreign government to furnish this Government any material to be applied as a credit upon the debt of such foreign government, why would it not open the entire question?

Mr. JOHNSON of California. No more so than a debtor seeking to pay his debt in part thereby reopens the whole question of his debt. If the President were to enter into negotiations with one of the debtor countries to receive an amount of material which in the market would be worth so much, and to apply it upon that country's debt to us, I do not see that that would reopen the whole debt situation.

Mr. MILLER. I would agree most heartily with the able Senator if the negotiations were to proceed only to the extent that the President would say to the debtor nation, "Give us so much and we will apply it as a credit." But, judging from past operations and past experiences we have had with the debtor countries, when we come to negotiate the arrangement is two-sided.

Mr. JOHNSON of California. Oh, I will admit that when we come to negotiate with them we will get the worst of it every time.

Mr. MILLER. That is what I am afraid of.

Mr. JOHNSON of California. I will admit that our negotiators do not always accomplish what I should like them to accomplish; but if they should comply with this measure and enter into negotiations for specific items which would be applied upon the indebtedness of the foreign government, why would we thereby reopen the whole subject?

Mr. MILLER. The Senator has more faith than I have in the result that might be achieved by negotiations at any time with any of the debtor nations with respect to the payment of their debts.

Mr. JOHNSON of California. No; I do not have more faith than has any other Senator upon this floor in anything being accomplished by those who do not want to accomplish anything, and I recognize that our negotiators would probably be in that position.

Mr. MILLER. I think so.

Mr. JOHNSON of California. But when they go to one of our debtors and say, "Give us so much of this particular article which is in the market, worth so many millions of dollars, and we will apply it upon your indebtedness," I rather think we could be safe under those circumstances, although I admit the fear that always assails me when we attempt to deal with any international subject and some of our brethren are given charge of the particular negotiation.

Mr. MILLER. If the negotiations were unilateral, I would agree entirely with the learned Senator, but they would be bilateral.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. BARKLEY. The negotiators who were chosen to negotiate the debts between the United States and other countries happened to be members of a joint congressional committee, made up of Members of the House and Senate, and when they made the report on their negotiations the Senate and House, by a very large majority, endorsed and ratified what they had done. So if there has been fault heretofore with respect to the negotiations concerning the debts, it is the fault of Congress and not of anyone else.

Mr. MILLER. I am not finding any fault with the Congress.

Mr. BARKLEY. No; I understand the Senator from Arkansas is not, but the Senator from California was casting some aspersions upon the negotiators who had had anything to do with the negotiations concerning the settlement of the debts.

Mr. JOHNSON of California. Mr. President, I did not hear all that the Senator from Kentucky just said. I am always very anxious to hear every word that may fall from his lips.

Mr. BARKLEY. I thank the Senator for that profound compliment.

I said that the Senator had indulged in some criticism or expression of lack of faith in the negotiators with respect to the settlement of the debts, and I called attention to the fact that the debt settlements, as they now exist, were negotiated by a joint committee of the House and Senate, and that the results of those negotiations were brought back to Congress, and by an overwhelming vote ratified. So if there has been any fault with respect to the negotiations concerning those debts heretofore, the fault lies at the doors of Congress as much, if not more so, than at the door of any other agency of our Government.

Mr. JOHNSON of California. I am willing that the Senator should place upon the heads of Congress anything that he wishes. That will be all right. We constantly accuse ourselves, and we accuse ourselves to excuse someone else. But in this instance I cannot see that the particular proposal in question would result in anything that would be to the detriment of the House or of the Senate or of the Executive, or of anyone else but the foreign country owing us a debt.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. ADAMS. It occurs to me that there is a good deal of needless alarm about the matter. The President pro tempore of the Senate some 4 or 5 years ago offered an amendment, which was agreed to, authorizing the debtor nations to make certain payments in silver, and I think up to this hour no debtor nation has taken advantage of the opportunity then afforded to pay us. I do not think that we need worry about the debtor nations crowding upon us and offering anything else in payment on their debts. I should be very glad to have payment in almost any form from them.

Mr. THOMAS of Utah. Mr. President, I am sure the remarks which have been made and the questions which have been put prove the contention that the amendment should not be put into the bill.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. SCHWARTZ. I am interested in what has been said about the existence of undeveloped manganese in the United States. I merely wish to add that in the State of Wyoming we have large amounts of chromium, which is of such character that in the past it could not be profitably worked with the knowledge we then had of the art, but with the new electric process and the new and effective methods that are being tested by the Bureau of Mines these deposits can be worked profitably and the product put on the market. As a matter of fact, in the United States we now produce less than 2,000 tons or 2,500 tons of chromium per year, while we import from South Africa and other countries 560,000 tons a year.

In case of an emergency, if we needed a large supply of chromium we might have difficulty in bringing it to this country from foreign waters. That is another reason why I am opposed to the Lodge amendment. It would have a tendency to discourage the kind of development we want to encourage.

I wish to add that the War Department itself is not very sympathetic toward our efforts to develop native deposits and domestic manufacture. From what I gathered from some of the testimony, the Department would prefer to buy a nicely graded lot on an order and have it shipped in the customary way. For that reason we need the protection of the bill to enable us to develop some of our own industries and some of our own deposits in the United States.

Mr. LODGE. Mr. President, the language of my amendment would specifically exclude the importation of any articles now produced in this country. Such a prohibition is written into the amendment. If a new industry were to begin the production of some new product, all those interested in that product would have to do would be to signify that fact to the President, and at once it would go into the category of things which can be produced in this country. I think we have sufficient confidence in the President of the United States to agree that he would take cognizance of any important fact of that kind.

Mr. SCHWARTZ. It is true that the Senator's amendment says "which are not now produced in the United States." In the case of chromium 2,000 tons are domestically produced to supply a need of 600,000 tons.

Mr. LODGE. Therefore the foreign product would not come in.

Mr. SCHWARTZ. There is not a single critical material mentioned some of which is not produced in the United States, even if it is only a handful in the laboratory.

Mr. LODGE. If we can obtain only a handful, that is better than nothing.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield to the Senator from Montana.

Mr. MURRAY. The Senator from Massachusetts calls attention to the fact that the language of his amendment is—

> Materials * * * which are not now produced in the United States.

While it is true that chromium is not now being produced in any substantial quantity, we have tremendous deposits of manganese in several States.

Numerous letters have recently come to me from the State of Montana with respect to huge deposits of chromium in the neighborhood of Red Lodge, Mont., and also in the neighborhood of Livingston, Mont. So, if the Lodge amendment were adopted, it would preclude the possibility of developing those deposits and putting the product on the market.

Mr. LODGE. I think the Senator is exactly reversing the language of the amendment. In my judgment, the exact opposite would be true. Under the terms of the amendment anything produced in this country would not come in. I do not believe there is a more sincere protectionist in the Senate than am I. If there is any clearer or more specific language to prohibit the importation of foreign goods into this country than is contained in the amendment, I should like to know what it is. The minute anything is produced it is no longer on the eligible list to be furnished to us by foreign governments.

Mr. THOMAS of Utah. From what the Senator from Massachusetts has said I take it that the amendment would require, first of all, that the President determine whether or not a product or material which was wanted was produced in the United States. If not, he would then have to determine whether or not the material or product could be furnished to us by a debtor nation. Then, when he found the material and the debtor nation which had the material he would have to enter into negotiations.

What about the practicality of such an arrangement as that? Go through the list of strategic and critical materials, and then go through the list of the debtor nations which would come under such an arrangement. What have we gained? All we have gained is that we have again sent

Mr. LEE. Mr. President, will the Senator yield to me to [illegible] amendment, because all the bill refers to is strategic and

forth to Europe the suggestion that we would like to have European nations pay their debts in any way in which they can pay them. What is there now in the bill to prevent a debtor nation from carrying out the arrangement which the Senator from California [Mr. JOHNSON] suggested in asking his question? What is to interfere with the payment of the debts? A debtor nation might buy products from some of its citizens and send them to us. It could just as well pay us the money.

It seems to me that if we consider the facts about the operation of the bill and the acquirement of materials, and the facts about the debtor nations, the amendment would be the merest kind of a gesture and would interfere with a straightforward policy, in that it would introduce an exceedingly confusing element.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I shall be glad to yield.

Mr. BARKLEY. The amendment is based upon a different premise from the provisions of the bill. The bill provides that certain strategic and critical materials may be purchased when there is a deficiency of them or when they are insufficiently developed in this country to supply industrial, military, and naval needs for the national defense. While it is true that the amendment limits the President's authority to negotiate for payment in goods on the debts to goods which are not produced in this country, if the spirit of the amendment were carried out it might be possible for the President to purchase goods which might be produced under the developing appropriation authorized in the bill. So if he bought all we needed of a given article which is not now being produced in this country, but which might be produced by development, he would thereby foreclose the Government in its efforts to develop at home the very materials which, if he carried out the spirit of the amendment, he would buy in some other country, accepting them in payment on the debt.

Looking at the mechanics of the operation, suppose Great Britain, France, or Italy, for example, had some material which we did not produce or did not produce in sufficient quantities for our own defense. If Great Britain, France, or Italy were anxious to pay a part of the debt, would it go through the roundabout method of paying money out of its own Treasury to some private industry within its borders, and then furnishing the material to us as a payment on the debt? Would not any government which desired to avoid circumlocution and all sorts of roundabout purchases prefer to pay us directly the amount which was involved in the purchase of the material, and allow the Government of the United States to purchase whatever it needed from the producer, as it would do under the bill as it is written? What government would go to the trouble of buying material involving the same amount of money that it might pay directly to the United States rather than permitting the Government of the United States to purchase the material privately?

Mr. THOMAS of Utah. I thank the Senator from Kentucky.

Mr. BARKLEY. If the Senator will permit me another suggestion, the Senator from Idaho [Mr. BORAH] inquired awhile ago as to whether or not such negotiations would be in the form of a treaty, and if so, whether or not it would have to be ratified by the Senate. The Senator from Utah can imagine how long it would take for the Government of the United States to buy any of such materials from another government, even if they were applied to the debt that government owed us, if it had to be done in the form of a treaty which must come before the Senate for ratification, especially if in the meantime the production of the material in this country had developed to the extent that we might supply our own demand.

Mr. THOMAS of Utah. I thank the Senator from Kentucky.

Mr. President, I ask that the Senate reject the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. LODGE].

Mr. LODGE. Mr. President, I should like to speak briefly with respect to some of the remarks which have been made today upon my amendment. Before doing so I should like to take advantage of the privilege which I understand I have, of modifying the amendment in accordance with the suggestion which has been made by the eminent Senator from Nebraska [Mr. NORRIS], by striking out the words "strategic and critical" appearing in lines 4 and 5. I am obliged to the Senator from Nebraska for his valuable suggestion.

In my opinion, the objections which have been made to the amendment are more imaginary than real. It is true, of course, that the amount which might be realized through a procedure of this kind would be small. However, I think a small amount is better than nothing.

It is also true that a little inconvenience might be caused some foreign governments, for they would have to enter into negotiations with private concerns in their own country. While I know we have no desire here to embarrass foreign governments, I think we have a duty to perform to our own citizens, which is certainly paramount.

Fear has been expressed that under the terms of this amendment the future development of articles which are not now produced in this country would be prevented. Mr. President, I think that is an absolutely unwarranted fear. So soon as any group of Americans discovered a new natural resource or engaged in the production of some new article that is not now produced here, they would simply have to signify that fact to the President, at once such articles would go off the eligible list, and would not be subject to negotiations under the terms of this amendment. If we cannot trust the President to take cognizance of a fact of that kind, in Heaven's name, whom can we trust?

The statement has been made that foreign nations would not pay; that, whether they are democracies of dictatorships, they have made up their minds that they are not going to pay these debts, and that is all there is to it. That pessimistic view may be correct; but there are certain rays of hope. In the first place, there are countries today that eagerly desire the friendship and support of the United States, and that situation might, possibly, color their views toward a proposition of this kind. In the second place, we have the example of Finland which did pay its debt; and we have the example of Ireland, which, if I am not misinformed, went even further and assumed a debt which, according to a strict legal construction, she did not have to assume, and paid that debt. I mention those instances of character and honesty among nations as something that is refreshing to think about at this time.

The technical question has been raised as to whether or not the adoption of this amendment would reopen the foreign-debt question. I am not an expert on a matter of that kind, but I ask the simple question, Do they owe us the money, or do they not? If they owe us the money, if they have borrowed it, the amendment, if adopted, would afford one perfectly honorable way to make good on that debt. The adoption of the amendment would constitute an asset to the national defense of the United States, and it could not possibly interfere with any type of American production.

As I said earlier, there is no more sincere or convinced protectionist in the United States Senate than am I. In my opinion, altogether too many foreign goods are coming into this country today. Several times I have spoken here about the influx of foreign goods that is literally taking the livelihood away from American citizens. In my judgment, this amendment, if adopted, would specifically make that kind of an occurrence impossible. Here is an opportunity in an orderly, peaceful, constructive way to right an injustice that has been done to the American people, and to do something, in these troublous times, for international good will.

Mr. ELLENDER obtained the floor.

Mr. LEE. Mr. President, will the Senator yield to me to permit me to ask the Senator from Massachusetts a question?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield for that purpose?

Mr. ELLENDER. I yield for that purpose.

Mr. LEE. As I understand, this is the second amendment the Senator has offered to his own amendment since he offered it. Is that true?

Mr. LODGE. No; that is not true. It is merely a modification suggested by the Senator from Nebraska, and I hope the Senator from Oklahoma will not object to the modification suggested by the Senator from Nebraska.

Mr. LEE. Is not that the second modification the Senator from Massachusetts has recommended to his own amendment since he submitted it on Tuesday last?

Mr. LODGE. There was another change I made because the Senator from Arizona [Mr. ASHURST] assured me that, with that change, he would support the amendment. To my mind, the change was not necessary, because the purpose of it was implicit in the amendment any way; but my regard for the Senator from Arizona is so great that, of course, I was happy to accept the suggestion. I hope the Senator from Oklahoma will not object to that.

Mr. LEE. That is not the point. I do not object, but the fact that the Senator has twice modified his own amendment since he offered it is the best proof I know of that it is not well-considered legislation that is attempted to be added at this time to a bill that has been considered by a subcommittee and the whole committee.

Mr. LODGE. Does the Senator think that every amendment that has been modified here on the floor of the Senate is ipso facto an inferior amendment for that reason?

Mr. LEE. Not at all; but when the Senator offers an amendment and then accepts two amendments to his own amendment, it is very good proof that it is not well considered.

Mr. LODGE. The Senator from Oklahoma has been a Member of the Senate for only a short time, as I have been, but he can remember numerous instances during the last few years when some of the leading Members of this body have accepted on the floor amendments which have been suggested by other Senators. If what the Senator suggests is going to be a disqualification of amendments offered in the future, I think that fact should be understood.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. ELLENDER. I yield to the Senator from Nebraska.

Mr. NORRIS. I should like to say, in regard to the Senator from Massachusetts modifying his own amendment, that such things occur every day. It is an absolute right that the Senator from Massachusetts has. He can change his amendment at any time before the Senate has taken some action on it. It is his property. He can withdraw it if he wants to, or he can modify it. I have never yet heard the argument made that such a proceeding is detrimental to an amendment. If that is a good objection, then, at least 50 percent of the amendments attached to bills on the floor should be stricken out, and there ought to be no amendments permitted, because they have not had sufficient consideration.

Mr. THOMAS of Utah. Mr. President——

The PRESIDENT pro tempore. The Senator from Louisiana has the floor. Does he yield to the Senator from Utah?

Mr. ELLENDER. I yield for a question.

Mr. THOMAS of Utah. I should like to take just a few moments to clarify the amendment to the amendment which the Senator from Massachusetts has offered. The Senator from Massachusetts suggests that the words "strategic and critical materials" be stricken from his amendment.

Mr. LODGE. No; that the words "strategic and critical" be stricken out but not the word "materials."

Mr. THOMAS of Utah. "Strategic and critical" are the words to be stricken out?

Mr. LODGE. That is correct.

Mr. BARKLEY. Mr. President, if the Senator will yield, that modification really does not change the effect of the amendment, because all the bill refers to is strategic and critical materials, so that it would apply to them anyway.

Mr. THOMAS of Utah. There is a further point which should be made. A classification has been made by the Army and Navy Munitions Board; they have a definite list of materials which are considered "strategic"; they have a definite list of materials which are considered "critical"; they have a list of materials which are considered essential in time of emergency. To strike out these words, which are more or less technical, in this rather technical measure would make the amendment read in such a way that the President of the United States could negotiate for the furnishing of any materials for national-defense purposes, which is an idea, of course, entirely out of harmony with the purposes of the bill, and would make the amendment so broad that it would open up the question even in a broader way than it has been opened up. The only limitation left is the word "materials" as found in the phrase "for national-defense purposes, which are not now produced in the United States."

I cannot help, Mr. President, but call attention to the facts in regard to this amendment and in regard to the purchase of these materials as they are related to materials which may be purchased from debtor nations. With these two words stricken from the amendment, of course, the President could go into the realm of anything which is used for national defense. With the words in the amendment, it was at least possible for us to see with what the President had to deal and with what nations he had to negotiate, but if he were required to go over the list of strategic and critical materials and try to fit them into the capabilities of the debtor nations, remembering that, first of all, there must be removed from the field of dispute the question whether or not the material is produced in the United States, which is a subject of controversy, practically nothing would be accomplished. I should not like, of course, to leave the impression that that is my idea of the Senator's amendment, but practically it is just exactly that.

Furthermore, we would enter into the realm of international relations, the realm of the President's authority in regard to treaties and international negotiations. Mr. President, I think it would be very unwise, especially in its modified form, to allow this amendment to be adopted.

Mr. LUCAS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Illinois?

Mr. ELLENDER. I have yielded several times, and I do not propose to yield any more unless it is to answer questions. I do not, however, desire to be discourteous.

Mr. LUCAS. Will the Senator permit me to ask the Senator from Utah just one question?

Mr. ELLENDER. I yield for that purpose.

Mr. LUCAS. In view of the modification of amendment offered by the Senator from Massachusetts the words "strategic and critical" having been eliminated from the amendment, can the distinguished Senator from Utah give to the Senate any comprehensive definition of what the word "materials" would include?

Mr. THOMAS of Utah. It would include, under this amendment, anything which is used for national defense except those materials which are produced within the United States.

Mr. LUCAS. And that would open up a rather broad and comprehensive field insofar as dealing with materials in a national-defense way is concerned?

Mr. THOMAS of Utah. It would cause utter confusion in the building of the stock piles.

SALE OF COTTON ABROAD BELOW COST

Mr. ELLENDER. Mr. President, I dislike to divert the attention of the Senate at this time from the pending amendment. I have been listening with a great deal of interest to the debate on the subject under discussion. I desire to address the Senate with respect to Resolution 107, by Senator GEORGE. A few days ago, when the resolution was under discussion, I obtained the floor for the pur-

pose of making a few remarks with reference thereto; but, because the resolution was laid aside temporarily, I decided to await another opportunity to speak. My reason for desiring to speak at this time is that at 2:30 o'clock I must engage in a very important hearing pertaining to the civil-service investigation ordered by the Senate, which I have scheduled for that hour. I ask the indulgence of the Senate to listen to me for only a few minutes with reference to the all-important subject of cotton.

I believe that one of the most perplexing problems confronting the Senate today is the one dealing with cotton. The large amount of the product that we now have on hand makes it imperative that something be done to relieve our country of the enormous surplus of cotton.

Our difficulty started in 1937, when we produced the largest crop in history, totaling the enormous figure of almost 19,000,000 bales. As a result of the production in that year of such a large amount of cotton, we have today a carry-over which is as large as any carry-over in our history.

Ordinarily speaking, a normal ratio of world carry-over of American cotton to normal production of American cotton should not exceed 40 percent. I will produce figures to show that the carry-over of American cotton at the close of the 1937–38 season was 74 percent of production, almost twice as much as a normal carry-over. I am informed that the carry-over of American cotton at the end of the current season will be as much as fourteen and five-tenths million bales and should that be the case, the carry-over will be over 122 percent of production.

Not only has this large increase occurred in the United States, but there has been an increase in the production of cotton all over the world. I have data that I will produce to the Senate to show that although the world's consumptive requirements for cotton aggregate from twenty-seven to thirty million bales per year, the world's supply is over 50,000,000 bales for the current season. Of this enormous supply the United States has in excess of 25,000,000 bales.

What are we to do with all this cotton? We have to find some method to get rid of it. We have to find some method by which cotton can be consumed; and until we find such a method I say that American cotton prices are destined to remain low.

If we could only return to normalcy with reference to our carry-over, there is no question in my mind that we would get a fair price for our cotton.

Let us see, according to statistics, how the production of cotton has increased from year to year.

In 1930 the world supply of commercial cotton was only 37,000,000 bales. The next year it was 41,000,000 bales; the next year it was 41,000,000 bales; and so on down to the year 1938, when the present available figures show a supply of 50,462,000 bales.

There is no doubt in my mind but that the condition which is now causing distress among the cotton farmers of our Nation is this enormous surplus. At this point let me read to you the resolution under discussion.

Whereas the world is today confronted with an international crisis of the gravest magnitude; and

Whereas the market for American cotton is rapidly becoming demoralized; and

Whereas cotton is a vital commodity to national defense; and

Whereas the United States Government is in possession of the largest quantity of raw cotton in the world; and

Whereas there is now under consideration the disposal of American cotton to the foreign trade below the cost of production and considerably below its cost to this Government; and

Whereas such policy is fraught with the gravest dangers and injustices to the American farmers, American industry, and the national economy: Therefore be it

Resolved, That it is the sense of the Senate that pending this world crisis no American cotton be sold to foreign purchasers at a price below the actual cost of said cotton to the Government of the United States, and that the Secretary of Agriculture is directed to negotiate no sales of American cotton to the foreign trade below its cost to this Government without the approval of the Congress.

Now, what would occur should we adopt the resolution? The Senate would go on record of simply closing every avenue for the exportation of cotton now under Government loans because it is specifically stated that no cotton that is under the loan may be sold for export purposes for less than the amount the Government has in the loan. I am not in favor of giving an advantage to a foreign mill as against our local operators. That, however, is not the question——

Mr. GEORGE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LEE in the chair). Does the Senator from Louisiana yield to the Senator from Georgia?

Mr. ELLENDER. I yield for a question; yes, sir.

Mr. GEORGE. Does not the Senator know that we now have in the United States 6,000,000 bales of free cotton that is not going into the foreign market?

Mr. ELLENDER. My figures do not so indicate. I propose to show to the Senate that the amount of free cotton at present is about 4,600,000 bales. As of January 31, 1939, it was almost 5,000,000 bales.

Mr. GEORGE. We have 4,600,000 bales of cotton, then, that is not under the loan and would not be affected by my resolution.

Mr. ELLENDER. It is my understanding that a good deal of that cotton is now in the hands of the mills. The mills have purchased it. And some of it is under contract.

Mr. GEORGE. They have less than 2,000,000 bales.

Mr. ELLENDER. My figures indicate that they have just about 2,000,000 bales on hand. That is correct.

Mr. GEORGE. Yes; and that leaves about 4,500,000 bales of free cotton.

Mr. ELLENDER. It is necessary to deduct that amount from the amount of free cotton.

Mr. GEORGE. Then, let me ask the Senator, will it do any good simply to transport a part of the American cotton now in the loan into the markets of Europe?

Mr. ELLENDER. Of course it will.

Mr. GEORGE. If that is done, where will we sell our 1939 crop?

Mr. ELLENDER. I mean, of course, for consumption.

Mr. GEORGE. Who is going to consume it?

Mr. ELLENDER. If we sell it abroad, I hope it will be consumed abroad and not brought back to this country.

Mr. GEORGE. Oh, I want to be courteous to the Senator.

Mr. ELLENDER. So do I.

Mr. GEORGE. But what purpose can be served by merely transferring cotton to Europe, when Europe already has a supply which she is not able to consume?

Mr. ELLENDER. Mr. President, I have here facts and figures to show that Europe—in fact, other foreign countries—are presently purchasing quite a large quantity of cotton from cotton-producing countries which are selling it just below the American price, and which are getting the market for their cotton.

Mr. GEORGE. Certainly.

Mr. ELLENDER. If we continue this policy, what will happen is that the foreign producers of cotton will increase their production; we shall be giving them a chance to do it; and so long as we make conditions such that their price will be just under ours, they are bound to get the market. To me that is just common sense.

Mr. GEORGE. Let me say to the Senator that if we shall now pay Europe a subsidy to take our cotton, we shall have no place to sell the 1939 crop, and then it will be necessary to redouble the subsidy in order to move it at all.

Mr. ELLENDER. Mr. President, if we should continue to sell cotton to foreign countries at the present pace, we shall sell abroad just about 3,400,000 bales of cotton for the current season. That amount is as low as, if not lower than, the amount sold to foreign countries in any year in our past history. We have to make every effort to find some way to get rid of this enormous surplus of cotton.

Mr. GEORGE. The Senator would not get rid of it by merely shipping it across the street. It would simply be there to fill up the gap, to fill up the pail which is already full, and we should have no place to sell the 1939 crop of cotton. We can get rid of it, but not in that way.

Mr. ELLENDER. I cannot agree with the Senator from Georgia on that point. I feel that if we could but remove the cotton—and when I say "remove," I do not necessarily mean for immediate consumption—from the warehouses, and put it beyond the seas, our local cotton prices naturally would have a tendency to rise, because any reduction in our present surplus of cotton to the extent of 1,000,000, 2,000,000, or 3,000,000 bales would have a healthy effect on the domestic price of cotton.

I wish to say to the distinguished Senator from Georgia that I am not wedded to any particular plan.

Mr. GEORGE. I should agree with the Senator if the cotton moved normally; but if we should pay somebody to take it we should not have any stimulus of the price at home, because we would furnish our customers with cotton at a price lower than that at which we could furnish it to all the rest of the world, including ourselves. If we now supply those customers with cotton at a lower price than that at which we sell it to our own people, we shall have no place to sell the 1939 crop except through a subsidy, and the subsidy will have to be increased.

Mr. ELLENDER. Mr. President, if we further curtail our exports, instead of having at the end of the current cotton year a surplus of about 14,500,000 bales, we may have a surplus of as much as sixteen and one-half million or seventeen million bales; and then God pity the farmers.

Mr. GEORGE. God is pitying the farmers now, and especially the cotton farmers.

Mr. ELLENDER. Why?

Mr. GEORGE. Because the program we have followed has virtually wrecked the industry. I have no doubt about that so far as I am concerned, and I do not propose to apologize for my opinion. But what I am talking about now is the question, How does the Senator propose to better the condition by merely having some of our cotton shipped abroad, especially if we have to cut our price down below the price to our own people? What the Senator says might be very forceful if we did not already have free cotton for export; but we undoubtedly have some four and a half million bales of free cotton. Assume, however, that we have only two and a half million bales of free cotton; there simply is not a demand for it, and we are trying to create one by cutting the price down.

Mr. ELLENDER. If the Senator will permit me, in the course of my few remarks——

Mr. GEORGE. I will not interrupt the Senator further.

Mr. ELLENDER. I desire to point out to the Senate how the prices of foreign cotton in some way, somehow, have always been a shade under American prices, and foreign countries got the business and we had to sit back.

As I pointed out a while ago, the normal carry-over of cotton in this country should be about 40 percent of production. After 1924–25 the carry-over increased from 24.1 percent—and I may say that it fluctuated above and below that figure before and after the years I have just mentioned—to as high as 94.4 percent of production. So long as we are confronted with such an abnormal carry-over as presently exists we are bound to be faced with lower prices.

As I said before, if we do not dispose of any of this cotton in some way, if we follow the policy proposed in the George resolution, we are going to have a carry-over next year of 122 percent of our production; and then what will prices be? Will the Government continue lending money to the farmers in order to peg the price at 8.3 cents? If it does not, and we have on hand enough cotton for about 2 years, we might be lucky if we sell cotton for 3 cents a pound or I may say for any price at all.

As I have stated, I believe we ought to stand back of any proposal which would mean a disposition of a portion of the enormous surplus now on hand, and I am not willing at this time, by the adoption of Senate Resolution 107, to close an avenue for the disposal of some of the cotton.

In connection with my remarks I ask to have printed a table showing in detail the figures for the years about which I have just been speaking.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Cotton, American and foreign—Production, end of season carry-over, and percentage carry-over of production, 1920–21 to date

Crop year	American			Foreign		
	United States production	World carry-over, end of season [1]	Percentage carry-over of production	Foreign production	World carry-over, end of season [1]	Percentage carry-over of production
	Bales	*Bales*		*Bales*	*Bales*	
1920–21	13,664,000	9,674,000	70.8	6,964,000	5,495,000	78.9
1921–22	8,285,000	5,680,000	68.6	6,888,000	4,814,000	69.9
1922–23	10,124,000	3,318,000	32.8	8,327,000	4,253,000	51.1
1923–24	10,330,000	2,711,000	26.2	8,760,000	3,903,000	44.6
1924–25	14,005,000	3,380,000	24.1	10,088,000	4,568,000	45.3
1925–26	16,181,000	5,501,000	34.0	10,562,000	4,972,000	47.1
1926–27	18,162,000	7,845,000	43.2	9,768,000	4,809,000	49.2
1927–28	12,957,000	5,206,000	40.2	10,386,000	5,329,000	51.3
1928–29	14,555,000	4,517,000	31.0	11,247,000	6,024,000	53.6
1929–30	14,716,000	6,187,000	42.0	11,535,000	5,705,000	49.5
1930–31	13,873,000	8,976,000	64.7	11,503,000	5,832,000	50.7
1931–32	16,477,000	13,263,000	78.6	9,602,000	5,073,000	52.8
1932–33	12,961,000	11,809,000	91.1	10,500,000	5,307,000	50.5
1933–34	12,712,000	10,701,000	84.2	13,354,000	6,839,000	51.2
1934–35	9,576,000	9,041,000	94.4	13,474,000	6,031,000	44.8
1935–36	10,495,000	6,998,000	66.7	15,825,000	6,651,000	42.0
1936–37	12,375,000	6,235,000	50.4	18,476,000	7,531,000	40.8
1937–38	18,412,000	13,652,000	74.1	18,164,000	8,960,000	49.3
1938–39	11,850,000	----------	----------	16,000,000	----------	----------

[1] The carry-over at the end of the season cannot be added to the production of the season to get the supply. To get the supply, production is added to the carry-over at the end of the preceding season.

Compiled from reports of New York Cotton Exchange Service.

Mr. ELLENDER. Mr. President, with reference to the question asked by the distinguished Senator from Georgia as to the free cotton, I have before me a table prepared from statistics gathered by the Department of Agriculture which gives for each year the amount of free cotton in this country beginning with 1922–23, from August 1 to January 31, and February 1 to July 31 of each year. I shall not take the time of the Senate to read the table, but the figures show that the amount of free cotton now on hand is about as small as we have ever had. I offer the table at this point as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 15.—*Supply of American cotton in the United States and distribution of American cotton for 2 periods, Aug. 1–Jan. 31 and Feb. 1–July 31*

[In thousands of running bales]

Period and season	Supply in the United States [1]	Distribution					"Free cotton" [3]
		Consumption	Exports	Mill stocks [2]	Government stocks	Total	
Aug. 1 to Jan. 31:							
1922–23	13,168	3,272	3,362	1,909	----------	8,543	4,625
1923–24	12,521	3,096	3,832	1,553	----------	8,481	4,040
1924–25	15,267	2,953	5,342	1,371	----------	9,666	5,601
1925–26	17,651	3,180	5,382	1,745	----------	10,307	7,344
1926–27	21,344	3,429	6,645	1,787	----------	11,861	9,483
1927–28	16,499	3,627	4,534	1,625	----------	9,786	6,713
1928–29	16,844	3,448	5,557	1,697	----------	10,702	6,142
1929–30	16,843	3,314	4,893	1,730	1,315	11,252	5,591
1930–31	18,292	2,460	4,466	1,522	3,592	12,040	6,252
1931–32	23,087	2,626	4,897	1,583	3,389	12,495	10,592
1932–33	22,390	2,812	4,968	1,455	2,579	11,814	10,576
1933–34	20,728	2,923	4,902	1,557	4,004	13,386	7,342
1934–35	17,196	2,622	2,874	1,148	5,531	12,175	5,021
1935–36	17,528	2,954	4,002	1,406	5,095	13,457	4,071
1936–37	17,498	3,773	3,464	2,041	3,018	12,296	5,202
1937–38	22,544	3,003	3,866	1,716	6,513	15,098	7,446
1938–39	23,067	3,332	2,192	1,589	11,011	18,124	4,943
Feb. 1 to July 31:							
1922–23	7,003	3,394	1,427	981	----------	5,802	1,201
1923–24	5,821	2,585	1,815	638	----------	5,038	783
1924–25	7,383	3,240	2,657	787	----------	6,684	699
1925–26	9,377	3,276	2,663	1,010	----------	6,949	2,428

[1] Supply first half of season includes carry-over Aug. 1, plus ginnings from Aug. 1 to Jan. 31 plus city crop accumulations.

[2] Stocks in consuming establishments on Jan. 31 and July 31.

[3] "Free cotton" is defined as that cotton which is available for trade channels and does not include mill stocks. Supply minus total distribution equals "free cotton."

TABLE 15.—*Supply of American cotton in the United States and distribution of American cotton for 2 periods, Aug. 1–Jan. 31 and Feb. 1–July 31*—Continued

Period and season	Supply in the United States	Distribution					"Free cotton"
		Consumption	Exports	Mill stocks	Government stocks	Total	
Feb. 1 to July 31—Con.							
1926–27	11,721	3,761	4,318	1,325	----------	9,404	2,317
1927–28	8,723	3,207	3,105	935	----------	7,247	1,476
1928–29	8,234	3,643	2,496	932	333	7,404	830
1929–30	8,968	2,792	1,804	1,048	1,312	6,956	2,012
1930–31	11,486	2,803	2,354	922	3,393	9,472	2,014
1931–32	15,762	2,240	3,857	1,163	2,379	9,639	6,123
1932–33	14,909	3,325	3,458	1,298	1,129	9,210	5,699
1933–34	13,133	2,777	2,650	1,172	3,002	9,601	3,532
1934–35	12,560	2,619	1,942	749	5,088	10,398	2,162
1935–36	10,641	3,267	2,038	855	3,237	9,397	1,244
1936–37	10,429	3,995	2,047	1,218	1,665	8,925	1,504
1937–38	15,865	2,613	1,806	1,223	6,964	12,606	3,259

Mr. OVERTON. Mr. President, will my colleague yield?

Mr. ELLENDER. I yield for a question.

Mr. OVERTON. Is there anything incompatible with the theory now being advocated by the junior Senator from Louisiana and the proposal that three or four million bales of Government-controlled cotton be turned over at a certain price to the producers of cotton in consideration of their reducing their acreage?

Mr. ELLENDER. No; there is not.

Mr. OVERTON. In connection with the Senator's remarks, I wish to say that I think both suggestions are worthy of consideration. We should undertake to get rid of the surplus in some way or other, and a very practical way would be to attempt to dispose of the cotton in foreign markets, under an export bonus, and also to attempt to dispose of the cotton by turning it over to the producers of cotton in the United States in consideration of their reduction of acreage during the coming season.

Mr. McNARY. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield for a question.

Mr. McNARY. I regard very highly the opinion and good judgment of the able Senator from Louisiana.

Mr. ELLENDER. I thank the Senator.

Mr. McNARY. A few days ago I expressed a want of sympathy with the proposal made by the distinguished senior Senator from Georgia [Mr. GEORGE], in which I think the Senator and I are in accord.

I read with considerable interest this morning the plan suggested by the President of the United States with respect to paying a bounty, a bonus, on the exportation of cotton, at the rate of about a quarter of a cent a pound, which would be $1.25 a bale. Has the Senator given any consideration to the proposal made by the President, and published in the press this morning?

Mr. ELLENDER. Mr. President, I have read in the newspapers of the proposal of the President, and offhand I should say it shows us a way, I believe, of getting rid of some of our surplus. If we can dispose of a million or a million and a half or two million bales of cotton, we will have that much cotton out of the way and, in my humble opinion, it would have a tendency to cause our domestic price to rise.

Mr. McNARY. Would it have the effect of restoring our influence in foreign markets?

Mr. ELLENDER. It certainly would. That is one of the purposes I have in mind as I propose to discuss with the Senate in just a few minutes. We have gradually lost our export cotton market during the past few years. There has been a gradual decrease and——

Mr. BILBO. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. BILBO. I wish to make a suggestion brought to mind by the Senator's observation. He says we have lost our export trade in the last 3 years.

Mr. ELLENDER. I will not say that we have entirely lost it, but we have been gradually losing it.

Mr. BILBO. Will the Senator kindly tell us why we have been gradually losing it?

Mr. ELLENDER. I tried to point out to the Senate awhile ago that the main reason for that is because we cannot compete with foreign producers.

Our enormous crop of 19,000,000 bales in 1937 has been a sore spot, to my way of thinking, to the cotton producers, and because of that crop and the large surplus on hand as the result of it I do not see how the price of cotton can go up more than the pegged price resulting from our loans. If we continue to follow the policy now being pursued, I fear that the increase in the production of foreign cotton will be greater than it has been; and that is the point which I now propose to present to the Senate to show exactly what has occurred in the past 20 years.

I do not believe that the Agricultural Act of 1937, under which we have curtailed cotton production in this country, has materially increased production abroad. I cannot see that it has. It may have had some effect, but the figures I will present to the Senate will demonstrate that the increase in foreign production has been gradual for over 20 years, and the foreign nations are in a measure doing what we are advocating for our farmers, the live-at-home program. That is what a good many of the foreign nations are doing, and, of course, that has given impetus to cotton production within those nations.

Listen to these figures which I quote to show the increased cotton acreage from 1920 to 1921. I have the figures by countries—Mexico, Argentina, Egypt, Turkey, Belgian Congo, Bulgaria, and other countries. The total foreign acreage in 1920 was 32,092,000. In 1921–22 it was 29,322,000 acres. There was a small drop. From that time on until the year 1937–38 the foreign planting of cotton increased to the total of 59,399,000 acres.

I ask unanimous consent that the table be placed in the RECORD at this point. I am not going to take the time of the Senate to discuss it. It shows that the increase in acreage has been gradual, and must not be considered to be limited to the last 3 or 4 years when our cotton-curtailment program has been in effect.

The PRESIDING OFFICER. Without objection, the table may be printed in the RECORD at this point.

The table is as follows:

Cotton: Acreage in specified countries, and world total, 1920–21 to date

Crop year	Mexico	Argentina	Anglo-Egyptian Sudan	Chosen	Turkey	Belgian Congo	Bulgaria	Total foreign	World
	1,000 acres	*1,000 acres*	*1,000 acres*	*1,000 acres*	*1,000 acres*	*1,000 acres*	*1,000 acres*	*1,000 acres*	*1,000 acres*
1920–21	(1)	59	85	359	(1)	74	5	32,092	66,500
1921–22	241	39	87	362	(1)	86	4	29,322	58,000
1922–23	343	56	64	370	(1)	124	4	33,539	64,900
1923–24	292	155	116	389	(1)	185	4	36,300	71,850
1924–25	246	258	174	418	396	148	5	41,199	80,700
1925–26	425	272	239	485	392	173	7	43,314	87,700
1926–27	613	177	216	529	346	235	7	39,942	84,550
1927–28	326	210	239	503	225	272	13	39,758	78,100
1928–29	502	245	284	503	407	265	13	42,866	85,300
1929–30	492	301	369	456	301	314	14	43,168	86,400
1930–31	390	315	387	473	609	337	13	43,006	85,450
1931–32	319	336	336	472	491	368	14	43,396	82,100
1932–33	192	342	325	390	358	472	20	42,609	78,500
1933–34	424	482	333	432	401	539	51	46,717	76,100
1934–35	418	707	365	474	486	662	48	48,634	75,500
1935–36	599	763	392	514	520	751	89	51,820	79,460
1936–37	845	713	475	561	627	852	77	54,882	84,910
1937–38 [2]	830	1,035	443	548	792	----------	114	59,399	93,400
1938–39 [2]	----------	1,018	----------	576	483	----------	143	50,144	75,490
1939–40									
1940–41									

[1] Comparable data not available.
[2] Preliminary.

NOTE.—Bureau of Agricultural Economics. Compiled from official sources and reports of the International Institute of Agriculture or estimates of the Bureau of Agricultural Economics.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. GEORGE. I ask the Senator from Louisiana to give the increase since 1933–34.

Mr. ELLENDER. Before I do so let me go back to the years 1929–30. The total foreign acreage in 1929–30 was 43,168,000. In 1930–31 it was 43,006,000 acres. In 1931–32 it was 43,396,000 acres. In 1932–33 it was 42,609,000 acres.

Mr. GEORGE. Did the Senator say 42,000,000 acres?

Mr. ELLENDER. Yes. Those are the figures I have.

In 1933–34 it was 46,717,000 acres. In 1934–35 it was 48,634,000 acres. In 1935–36 it was 51,820,000 acres. In 1936–37 it was 54,882,000 acres. In 1937–38 it was 59,399,000 acres.

Mr. President, if we are to continue a program under which we will keep on piling up cotton in our warehouses and not sell it, we are bound to invite further increases in cotton production abroad. Further curtailment will, no doubt, increase foreign expansion.

We ought to do all in our power to make the use of cotton "the thing," as it were.

Let me give the Senate some figures with respect to the increase in the use of rayon in competition with cotton. I have a table which shows the use of rayon by countries. It gives the figures with respect to Japan, Germany, Italy, Great Britain, France, and other nations. The increase in the use of rayon in the United States, from 1920 to 1937, was from 10,000,000 to 341,000,000 pounds. I am using round numbers. In Japan the use of rayon increased from 200,000 to 509,000,000 pounds. In Germany the use of rayon increased from 5,200,000 to 345,000,000 pounds.

The total of rayon used by all countries takes the place of over 4,000,000 bales of cotton, I am informed.

At this point I ask that the table from which I have just quoted be printed in the RECORD in connection with my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Production of continuous filament rayon and rayon stable fiber, in specified countries, 1920 to date

[In millions of pounds]

Year	United States	Japan	Germany	Italy	Great Britain	France	Other	World total
1920	10.1	0.2	5.2	1.6	6.0	3.4	6.6	33.1
1921	15.0	.2	7.7	3.2	9.0	4.4	8.7	48.2
1922	24.1	.5	11.0	6.6	14.5	6.8	13.1	76.6
1923	35.0	.8	14.3	11.0	17.0	7.7	17.2	103.0
1924	36.3	1.4	23.2	17.6	24.7	13.2	21.9	138.3
1925	51.0	3.2	26.0	30.8	29.8	14.3	30.2	185.3
1926	62.7	5.0	24.7	36.8	25.5	19.2	37.8	211.7
1927	75.6	10.5	41.3	53.8	38.8	24.2	50.9	295.1
1928	97.2	16.5	48.9	57.3	52.1	29.9	58.5	360.4
1929	121.9	27.0	60.8	73.0	55.3	41.8	62.6	442.4
1930	127.7	36.6	63.4	67.0	47.8	50.6	64.3	437.4
1931	151.8	49.0	66.3	75.6	53.9	44.5	67.6	508.7
1932	135.8	70.2	60.9	71.7	71.1	52.2	72.5	534.4
1933	215.6	99.3	71.6	84.4	82.5	59.2	78.6	691.2
1934	210.5	157.8	100.6	107.4	91.3	61.6	95.1	824.3
1935	262.2	237.9	135.5	153.4	121.5	66.7	101.7	1,078.9
1936	289.9	320.8	193.6	196.1	143.0	65.9	109.8	1,319.1
1937	341.9	509.1	345.0	262.9	152.4	77.7	129.3	1,818.3

Rayon staple fiber production not given prior to 1929.

Mr. NORRIS. Mr. President, will the Senator yield at this point for a question?

Mr. ELLENDER. Yes; I yield.

Mr. NORRIS. I have been very much interested in the Senator's statement with respect to the increase of cotton acreage in foreign countries. I cannot get away from this thought with respect to the matter. The figures presented have a tendency to show—I think they do show—that the production of cotton outside of the United States has been increasing for a great many years, and the cost of production in foreign countries, as I understand, has been decreasing. Is that true?

Mr. ELLENDER. The cost of what?

Mr. NORRIS. The cost of production of cotton. Is cotton produced cheaper in foreign countries than we can produce it in the United States?

Mr. ELLENDER. I have no figures on that point, I will say to the Senator from Nebraska, but I am sure that cotton is produced abroad much cheaper than we can produce it. Peon labor is largely used in the production of cotton. We produce a better staple of cotton and there is some demand for our cotton.

Mr. NORRIS. Admitting those two facts, it seems to me we are faced with the situation that the continued production of cotton in the United States, at least on a scale larger than we can consume, is doomed. I hate to say that, Mr. President. I do not want to reach that conclusion, but do not those figures lead logically to the conclusion that we in the United States must face the fact that as a permanent proposition we cannot expect to have much of a foreign market for cotton.

Mr. ELLENDER. I will say to the Senator from Nebraska that what we ought to do is to try to maintain as much of the foreign market for cotton as we possibly can.

Mr. NORRIS. The figures presented show that various countries can produce cotton, and I understand they have considerably more land on which they can produce cotton, and produce it cheaper than we can produce it. Therefore we cannot compete with them in the foreign markets; and we will come to the time when we will have to place a protective tariff on foreign cotton, and prohibit such cotton from coming into the United States and competing with the cotton we are producing. I do not reach that conclusion because I want to, but it seems to me that the logical mathematical figures which confront us lead to that conclusion, and that we cannot escape it. I should like to ask the Senator if that is his idea, and if the statement is correct?

Mr. ELLENDER. There is, I admit, a great deal of truth in what the Senator is saying; but we cannot remain idle and let our foreign trade in cotton be whittled down to nothing. It strikes me that we ought to do something about the situation. Let us make every effort to dispose of our present surpluses and grow better cotton than our competitors. That is possible, I believe.

Mr. NORRIS. I do not want to let our foreign trade in cotton be whittled down to nothing; but are we not faced with the situation I have stated?

Mr. ELLENDER. That is the proposition I am discussing; that by all means we ought not to close the doors to a possible method of ridding ourselves of some of this surplus cotton. If a subsidy is to be allowed under any plan proposed, I believe that the domestic mills which have cotton goods to sell abroad should be treated the same as foreign mills. In other words, all cotton that is manufactured into cloth in this country for foreign exportation should receive the same subsidy as is given to cotton shipped to foreign mills, so that it cannot be said that we are treating our local mills which operate in the foreign trade differently from the mills in foreign countries.

Mr. BILBO. Mr. President——

Mr. ELLENDER. Mr. President, I would like to yield to the Senator from Mississippi, but as I said a while ago, I have a very important hearing which I am conducting, and I should like to close my remarks. However, I will yield to the Senator from Mississippi for a question if he desires to ask one.

Mr. BILBO. Mr. President, I shall not ask the Senator to yield now.

Mr. ELLENDER. I wish to point out to the Senate that in this country we have some of the largest cotton factors, Americans, who are now interested in developing cotton production in Brazil, in competition with cotton produced in the United States. I cite figures of exports of cotton by leading firms through Santos, Brazil, from March 1 to November 30, 1938. At least three American concerns are interested in this Brazilian cotton. They are not only interested in exporting it but those patriotic Americans have advanced millions of dollars, I am informed, for the production of cotton in that country.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CHAVEZ. Is that not in keeping with the general idea of other American industrialists, especially the oil interests, who produce oil in Brazil, Colombia, Venezuela, and a little now in Mexico and send it over by tankers every day in the week, while the production of oil in New Mexico and Louisiana is curtailed?

Mr. ELLENDER. Yes; it is to some extent.

Let me give the figures of cotton exportations through Santos, Brazil, from March 1 to November 30, 1938. The

company heading the list is a foreigner, Algodoeira do Sul Limitada. The second is Anderson, Clayton & Co., an American firm which is supposedly deeply interested in the American cotton farmer. McFadden & Co. is a little farther down the list. Another American concern on the list is Dixon, Irmaos & Co.

Between March 1 and November 30, 1938, Anderson, Clayton & Co. exported from Brazil 93,686 bales of cotton. The highest amount exported was 133,169 bales, by Algodoeira do Sul Limitada. McFadden & Co. exported 29,800 bales; Dixon, Irmaos & Co., 22,838 bales. All those exportations were made by American firms in the face of the enormous surpluses which we have in the United States. I am not blaming these patriotic Americans, but, so far as I am concerned, I am trying to look out for the interests of our own people.

Let me give the Senate a few figures on the amount of money which has been spent in Brazil, largely, I am told, by some of the cotton factors of whom I have spoken. I cite figures with regard to investments in gins—machinery for removing the seed from the cotton. In 1933 the value of those investments was $68,081; in 1934, $558,305; in 1935, $847,197. That was money spent in Brazil to buy gins in order to create, as I conceive it, more cotton acreage. In 1936 the amount was $663,161; and in 1937, $631,942.

Mr. President, just a few more remarks and I shall have concluded. I present to the Senate, and I ask that there be printed in connection with my remarks, a few tables showing the price of American cotton on the Liverpool market in comparison with Indian cotton, Egyptian cotton, and Brazilian cotton.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Spot price per pound of specified growths of cotton at Liverpool expressed as a percentage—Each growth is of American Middling and exports from the United States

Season	As percentage of American Middling			Exports from the United States
	Indian [1]	Egyptian [1]	Brazilian [1]	
	Percent	*Percent*	*Percent*	*Running bales*
1920–21	71.6	139.7	92.2	5,745,000
1921–22	82.6	132.4	95.9	6,184,000
1922–23	74.2	104.6	96.0	4,823,000
1923–24	73.9	116.0	97.9	5,666,000
1924–25	86.7	141.4	100.6	8,005,000
1925–26	83.2	133.1	93.7	8,051,000
1926–27	88.0	142.5	91.2	10,927,000
1927–28	82.4	131.3	95.9	7,542,000
1928–29	76.4	115.0	96.6	8,044,000
1929–30	70.2	115.7	93.6	6,690,000
1930–31	70.6	119.9	98.1	6,760,000
1931–32	90.0	118.5	99.4	8,707,000
1932–33	86.1	125.2	101.0	8,419,000
1933–34	75.1	110.8	98.8	7,534,000
1934–35	75.8	108.8	97.4	4,798,000
1935–36	79.9	114.8	99.8	5,973,000
1936–37	74.4	119.0	96.6	5,440,000
1937–38	77.1	126.7	98.7	5,598,000
1937–38 [2]	78.4	132.0	98.9	3,832,000
1938–39 [2]	71.1	123.3	95.9	2,192,000

[1] Indian Oomra No. 1 Fine, Egyptian Uppers F. G. F., and Brazilian Sao Paulo Fair.

[2] Percentages are averages of 6 months, August-January. Exports, total 6 months, August-January.

Source: Compiled from reports of the Liverpool Cotton Association, Bureau of the Census, and New York Cotton Exchange.

Spot price per pound of specified growths at Liverpool, and percentage each growth is of American Middling, 1920–21 to date

Season beginning Aug. 1	Actual price per pound				As percentage of American Middling—		
	American Middling, ⅞-inch	Indian Oomra, No. 1 Fine	Egyptian Uppers, F. G. F.	Brazilian Sao Paulo, Fair	Indian	Egyptian	Brazilian
	Cents	*Cents*	*Cents*	*Cents*	*Percent*	*Percent*	*Percent*
1920–21	19.73	14.14	28.20	18.28	71.6	139.7	92.2
1921–22	20.19	16.71	26.63	19.36	82.6	132.4	95.9
1922–23	28.70	21.26	29.96	27.58	74.2	104.6	96.0
1923–24	32.99	24.37	38.19	32.31	73.9	116.0	97.9
1924–25	27.09	23.49	38.30	27.22	86.7	141.4	100.6
1925–26	21.82	18.15	29.14	20.48	83.2	133.1	93.7
1926–27	16.57	14.58	23.55	15.13	88.0	142.5	91.2

Spot price per pound of specified growths at Liverpool, and percentage each growth is of American Middling, 1920–21 to date—Continued

Season beginning Aug. 1	Actual price per pound				As percentage of American Middling—		
	American Middling, ⅞-inch	Indian Oomra, No. 1 Fine	Egyptian Uppers, F. G. F.	Brazilian Sao Paulo, Fair	Indian	Egyptian	Brazilian
	Cents	*Cents*	*Cents*	*Cents*	*Percent*	*Percent*	*Percent*
1927–28	22.65	18.66	29.71	21.72	82.4	131.3	95.9
1928–29	21.36	16.30	24.57	20.64	76.4	115.0	96.6
1929–30	18.44	12.95	21.25	17.27	70.2	115.7	93.6
1930–31	11.61	8.19	13.95	11.36	70.6	119.9	98.1
1931–32	7.54	6.76	8.93	7.50	90.0	118.5	99.4
1932–33	8.52	7.29	10.61	8.61	86.1	125.2	101.0
1933–34	12.47	9.35	13.77	12.28	75.1	110.8	98.8
1934–35	14.24	10.78	15.49	13.86	75.8	108.8	97.4
1935–36	13.50	10.78	15.49	13.45	79.9	114.8	99.8
1936–37	14.62	10.87	17.40	14.12	74.4	119.0	96.6
1937–38	10.31	7.96	13.10	10.18	77.1	126.7	98.7
1938–39 [1]	9.96	7.08	12.28	9.55	71.1	123.3	95.9
September 1937	11.06	8.46	14.80	10.86	76.5	133.8	98.1
September 1938	9.59	6.93	12.27	9.27	72.2	128.0	96.7
January 1938	10.29	8.06	13.04	10.29	78.3	126.7	100.0
January 1939	10.10	6.97	11.54	9.61	69.0	113.9	95.2
10-year average, 1920–21 to 1929–30	22.95	18.06	28.95	22.00	78.7	126.1	95.9

[1] Average of 6 months, August-January.

Source: Bureau of Agricultural Economics from reports of the Liverpool Cotton Association.

Mr. ELLENDER. With reference to Indian and Brazilian, but not Egyptian cotton, the price in almost every instance for every year has been just a shade under the price of American cotton. For that reason I believe that those countries obtained a good share of the market that was formerly ours.

The tables show, for example, that from 1920–21 to 1938–39 the price of Brazilian cotton on the Liverpool market has always been under that of American cotton except for the years 1924–25, 1932–33, and in January 1938, when it was the same.

Mr. President, there is another method of getting rid of some of our cotton. I have a bill pending which would have that effect. I should like to take more cotton and use it for our own people. In this country we have millions of people who could use better cotton mattresses or who could wear better overalls or better shirts. However, I fear that because of the enormous cost we can use only a limited amount of our cotton in order to carry out that purpose. I shall show why, especially with reference to the manufacture of the cotton into usable cloth. I have some figures to show the relative cost of manufacturing cloth, in comparison with the price of raw cotton and the retail price of the shirts, overalls, or what nots made from the cloth.

With respect to men's shirts, a bale of cotton at 8 cents a pound would cost $40. The wholesale value of the fabric alone would be $133. In other words, a bale of cotton made into available fabric would cost $133, or $93 more than the value of the cotton.

Let us go a step further. If we take that fabric and make it into men's shirts, the average retail price of those shirts would be $775.

Let us take pajamas. The average retail value of the garments would be $600 per bale of cotton.

In the case of a cheaper class of men's shirts than I have just mentioned, the cost of a bale of cotton would be $40; the wholesale value of the fabric, $144; and the average retail value of the garments would be $540.

In the case of trousers, the bale of cotton would cost $40. The average retail value of khaki trousers would be $520 per bale.

It can readily be seen from these figures that the Government would be required to put up an enormous amount of money to manufacture into cloth and distribute among the poor people any appreciable amount of the excess cotton. I want to do that, but I am convinced that we can do it only to a limited extent. My bill proposes that 1,600,000 bales of the old cotton from back in 1934 be used, not only to make shirts, pajamas, and overalls but mattresses as well.

In connection with my remarks, Mr. President, I ask that the table to which I have referred be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Approximate value of lint cotton and approximate value of cotton products at various stages of manufacture and distribution per bale of cotton [1]

Item	Cost of lint cotton	Wholesale value of fabric [2]	Average retail value of garments [2]	High retail value of garments [2]	Low retail value of garments [2]
	Per bale				
Men's shirts, 4.10-yard, white broadcloth	$40.00	$133.00	$775.00	$1,000.00	$580.00
Pajamas, printed, 5.35-yard print cloth	40.00	----------	600.00	650.00	550.00
Men's pajamas, 4.10-yard solid-color broadcloth	40.00	159.00	580.00	680.00	435.00
Men's shirts, 3.90-yard chambray, sanforized	40.00	144.00	540.00	650.00	440.00
Men's shirts, 5.90-yard covert, sanforized	40.00	----------	530.00	660.00	400.00
Trousers, work, 8-ounce khaki drill, sanforized	40.00	114.00	530.00	610.00	420.00
Trousers, work, 2.50-yard khaki drill, regular finish	40.00	----------	520.00	650.00	400.00
Men's shirts, 3.90-yard chambray, regular finish	40.00	110.00	460.00	650.00	360.00
Men's shorts, printed, 80 by 60 broadcloth	40.00	----------	420.00	610.00	350.00
Overalls, 2.20 denim	40.00	90.00	270.00	360.00	185.00

[1] No allowance made for seconds.
[2] Based on Works Progress Administration purchases and Daily News Record prices, June 1938.
[3] Based on preliminary Government data, March 1938.

Mr. ELLENDER. Mr. President, I shall not consume any more of the Senate's time to quote from a table showing the relative income of cotton farmers, hog farmers, tobacco farmers, and producers of other crops in relation to national income. I shall ask that the table be inserted in the RECORD in connection with my remarks. The figures are very interesting, and I hope that the Members of the Senate will take occasion to study them.

Mr. President, I ask that the table referred to be inserted in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Cash farm income from cotton and cottonseed and national income paid out, and ratio of farm income from cotton and cottonseed to national income, 1909–38

[In millions of dollars]

	Farm cash income from cotton and cottonseed	National income paid out	Ratio of income from cotton and cottonseed to national income
			Percent
1909	----------	26,235	----------
1910	880.5	27,924	3.15
1911	854.7	28,284	3.02
1912	851.7	30,178	2.82
1913	968.2	31,890	3.04
1914	602.0	31,694	1.90
1915	830.0	32,997	2.52
1916	1,148.3	38,794	2.96
1917	1,603.7	47,192	3.40
1918	1,784.5	55,097	3.24
1919	2,282.0	60,150	3.79
1920	1,475.8	64,115	2.30
1921	852.2	53,644	1.59
1922	1,147.9	57,037	2.01
1923	1,568.8	64,501	2.43
1924	1,663.5	68,160	2.44
1925	1,762.4	72,580	2.43
1926	1,222.3	74,795	1.63
1927	1,500.0	75,685	1.98
1928	1,452.6	77,359	1.88
1929	1,512.0	79,704	1.90
1930	824.1	73,542	1.12
1931	497.0	61,609	.81
1932	460.7	48,644	.95
1933	577.6	46,089	1.25
1934	862.9	53,172	1.62
1935	711.8	57,564	1.24
1936	904.9	64,809	1.40
1937	883.8	71,013	1.24
1938	667.2	65,991	1.01

Cash farm income from cotton and cottonseed and national income paid out, and ratio of farm income from cotton and cottonseed to national income, 1909–38—Continued

	Farm cash income from cotton and cottonseed	National income paid out	Ratio of income from cotton and cottonseed to national income
Including Government payments:			*Percent*
1933	689.0	----------	1.49
1934	1,005.2	----------	1.89
1935	857.7	----------	1.49
1936	990.9	----------	1.53
1937	952.8	----------	1.34
1938	933.2	----------	1.41

Sources: Farm income, Bureau of Agricultural Economics, except that Government payments since 1935 are Agricultural Adjustment Administration estimates of payments applicable to the year's production rather than calendar-year payments; national income, Agricultural Adjustment Administration estimates based on Department of Commerce national income studies and Bureau of Agricultural Economics farm-income data.

Cash and gross farm income from wheat and national income paid out, and ratio of farm income from wheat to national income, 1909–38

	Farm income from wheat		National income paid out	Ratio of income from wheat to national income	
	Gross	Cash		Gross income	Cash income
	Million dollars	*Million dollars*	*Million dollars*	*Percent*	*Percent*
1909	----------	----------	26,235	----------	----------
1910	505.5	494.6	27,924	1.81	1.77
1911	456.9	446.0	28,284	1.62	1.58
1912	503.4	493.3	30,178	1.67	1.63
1913	503.8	492.9	31,890	1.58	1.55
1914	684.3	674.0	31,694	2.16	2.13
1915	786.4	773.4	32,997	2.38	2.34
1916	844.3	828.6	38,794	2.18	2.14
1917	1,092.0	1,066.9	47,192	2.31	2.26
1918	1,560.7	1,532.7	55,097	2.83	2.78
1919	1,597.8	1,572.4	60,150	2.66	2.61
1920	1,394.0	1,367.8	64,115	2.17	2.13
1921	880.4	866.0	53,644	1.64	1.61
1922	673.5	661.0	57,037	1.18	1.16
1923	616.9	605.0	64,501	.96	.94
1924	811.5	798.8	68,160	1.19	1.17
1925	860.8	843.6	72,580	1.19	1.16
1926	857.9	842.9	74,795	1.15	1.13
1927	907.2	895.0	75,685	1.20	1.18
1928	780.7	770.5	77,359	1.01	1.00
1929	735.0	726.9	79,704	0.92	0.91
1930	460.5	451.4	73,542	.63	.61
1931	273.7	265.7	61,609	.44	.43
1932	207.0	199.8	48,644	.43	.41
1933	316.3	304.0	46,089	.69	.66
1934	330.6	316.7	53,172	.62	.60
1935	386.0	372.2	57,564	.67	.65
1936	464.5	450.8	64,809	.72	.70
1937	617.5	603.0	71,013	.87	.85
1938	440.0	430.4	65,991	.67	.65
Including Government payments:					
1933	334.7	322.4	----------	.73	.70
1934	459.0	445.1	----------	.86	.84
1935	494.9	481.1	----------	.86	.84
1936	519.5	505.8	----------	.80	.78
1937	647.5	633.0	----------	.91	.89
1938	500.0	490.4	----------	.76	.74

Sources: Farm income, Bureau of Agricultural Economics, except that Government payments since 1935 are Agricultural Adjustment Administration estimates of payments applicable to the year's production rather than calendar year payments; national income, Agricultural Adjustment Administration estimates based on Department of Commerce national income studies and Bureau of Agricultural Economics farm income data.

Cash and gross farm income from cattle and calves and national income paid out, and ratio of farm income from cattle and calves to national income, 1909–38

	Farm income from cattle and calves		National income paid out	Ratio of income from cattle and calves to national income	
	Gross	Cash		Gross income	Cash income
	Million dollars	*Million dollars*	*Million dollars*	*Percent*	*Percent*
1909	814.3	785.4	26,235	3.10	2.99
1910	882.6	851.0	27,924	3.16	3.05
1911	812.7	783.7	28,284	2.87	2.77
1912	917.1	894.6	30,178	3.04	2.93

Cash and gross farm income from cattle and calves and national income paid out, and ratio of farm income from cattle and calves to national income, 1909–38—Continued

	Farm income from cattle and calves		National income paid out	Ratio of income from cattle and calves to national income	
	Gross	Cash		Gross income	Cash income
	Million dollars	*Million dollars*	*Million dollars*	*Percent*	*Percent*
1913	1,035.6	999.3	31,890	3.25	3.13
1914	1,022.6	985.5	31,694	3.23	3.11
1915	998.9	965.6	32,997	3.03	2.93
1916	1,166.5	1,131.7	38,794	3.01	2.92
1917	1,693.0	1,650.8	47,192	3.59	3.50
1918	2,076.6	2,028.8	55,097	3.77	3.68
1919	1,967.7	1,920.8	60,150	3.27	3.19
1920	1,569.5	1,528.4	64,115	2.45	2.38
1921	902.8	875.9	53,644	1.68	1.63
1922	1,063.4	1,037.1	57,037	1.86	1.82
1923	1,068.5	1,042.5	64,501	1.66	1.62
1924	1,142.8	1,118.8	68,160	1.68	1.64
1925	1,275.7	1,252.1	72,580	1.76	1.73
1926	1,294.1	1,271.3	74,795	1.73	1.70
1927	1,359.6	1,335.9	75,685	1.80	1.77
1928	1,581.1	1,555.8	77,359	2.04	2.01
1929	1,519.2	1,494.8	79,704	1.91	1.88
1930	1,204.3	1,183.6	73,542	1.64	1.61
1931	854.1	838.0	61,609	1.39	1.36
1932	635.5	620.6	48,644	1.31	1.28
1933	613.5	599.5	46,089	1.33	1.30
1934	830.2	815.4	53,172	1.56	1.53
1935	1,082.5	1,061.8	57,564	1.88	1.84
1936	1,118.5	1,097.8	64,809	1.73	1.69
1937	1,240.2	1,217.2	71,013	1.75	1.71
1938	932.0	909.0	65,991	1.41	1.38

Source: Farm income, Bureau of Agricultural Economics; national income, Agricultural Adjustment Administration; estimates based on Department of Commerce national income studies and Bureau of Agricultural Economics farm income data.

Cash and gross farm income from hogs and national income paid out, and ratio of farm income from hogs to national income, 1909–38

	Farm income from hogs		National income paid out	Ratio of income from hogs to national income	
	Gross	Cash		Gross income	Cash income
	Million dollars	*Million dollars*	*Million dollars*	*Percent*	*Percent*
1909	792.3	592.8	26,235	3.02	2.26
1910	907.3	669.9	27,924	3.25	2.40
1911	797.0	617.0	28,284	2.82	2.18
1912	829.4	647.5	30,178	2.75	2.15
1913	947.7	740.5	31,890	2.97	2.32
1914	921.4	712.5	31,794	2.91	2.25
1915	885.6	691.2	32,997	2.68	2.09
1916	1,185.9	949.0	38,794	3.06	2.45
1917	1,692.7	1,298.9	47,192	3.59	2.75
1918	2,371.8	1,866.3	55,097	4.30	3.39
1919	2,433.3	1,911.2	60,150	4.05	3.18
1920	1,808.1	1,384.9	64,115	2.82	2.16
1921	1,105.1	856.9	53,644	2.06	1.60
1922	1,271.4	1,023.6	57,037	2.23	1.79
1923	1,238.5	1,027.1	64,501	1.92	1.59
1924	1,283.4	1,064.0	68,160	1.88	1.56
1925	1,621.1	1,318.6	72,580	2.23	1.82
1926	1,729.7	1,407.2	74,795	2.31	1.88
1927	1,510.2	1,237.5	75,685	2.00	1.64
1928	1,447.9	1,218.5	77,369	1.87	1.58
1929	1,540.6	1,296.8	79,704	1.93	1.63
1930	1,368.7	1,135.5	73,542	1.86	1.54
1931	949.8	774.2	61,609	1.54	1.26
1932	557.2	444.6	48,644	1.15	.91
1933	631.5	523.9	46,089	1.37	1.14
1934	646.0	520.6	53,172	1.21	.98
1935	877.6	671.4	57,564	1.52	1.17
1936	1,211.4	964.7	64,809	1.87	1.49
1937	1,140.7	906.5	71,013	1.61	1.28
1938	1,090.0	856.0	65,991	1.65	1.30

Cash and gross farm income from hogs and national income paid out, and ratio of farm income from hogs to national income, 1909–38—Continued

	Farm income from hogs		National income paid out	Ratio of income from hogs to national income	
	Gross	Cash		Gross income	Cash income
Including Government payments:	*Million dollars*	*Million dollars*	*Million dollars*	*Percent*	*Percent*
1934	749.0	623.6		1.41	1.17
1935	1,011.6	805.4		1.76	1.40
1936	1,246.4	999.7		1.92	1.54
1937	1,150.7	916.5		1.62	1.29
1938	1,124.0	890.0		1.70	1.35

Source: Farm income, Bureau of Agricultural Economics, except that Government payments since 1935 are Agricultural Adjustment Administration estimates; national income, Agricultural Adjustment Administration estimates based on Department of Commerce national income studies and Bureau of Agricultural Economics farm income data.

Cash farm income from tobacco and national income paid out, and ratio of farm income from tobacco to national income, 1909–38

[In millions of dollars]

	Farm cash income from tobacco	National income paid out	Ratio of income from tobacco to national income
			Percent
1909	87.8	26,235	0.33
1910	101.9	27,924	.36
1911	95.8	28,284	.34
1912	108.5	30,178	.36
1913	134.9	31,890	.42
1914	99.2	31,694	.31
1915	93.2	32,997	.28
1916	138.8	38,794	.36
1917	241.5	47,192	.51
1918	343.2	55,097	.62
1919	499.9	60,150	.83
1920	294.7	64,115	.46
1921	252.4	53,644	.47
1922	248.8	57,037	.44
1923	275.6	64,501	.43
1924	260.1	68,160	.38
1925	259.6	72,580	.36
1926	239.6	74,795	.32
1927	245.6	75,685	.32
1928	247.5	77,359	0.32
1929	278.7	79,704	.35
1930	243.9	73,542	.33
1931	156.8	61,609	.25
1932	115.2	48,644	.24
1933	156.5	46,089	.34
1934	235.9	53,172	.44
1935	242.5	57,564	.42
1936	243.2	64,809	.38
1937	318.3	71,013	.45
1938	294.1	65,991	.45
Including Government payments:			
1933	157.8		.34
1934	252.5		.47
1935	275.6		.48
1936	259.2		.40
1937	329.3		0.46
1938	303.1		.46

Sources: Farm income, Bureau of Agricultural Economics, except that Government payments since 1935 are Agricultural Adjustment Administration estimates of payments applicable to the year's production rather than calendar-year payments; national income, Agricultural Adjustment Administration estimates based on Department of Commerce national income studies and Bureau of Agricultural Economics farm-income data.

Mr. ELLENDER. I also wish to have printed as a part of my remarks at this point, a table showing the value of the cotton dollar today.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Cotton: Cash income from lint, cottonseed, and payments, purchasing power of crop, and index of purchasing power, 1909–10 to date

Crop year	Cash income from—					Index of prices paid by farmers [1]	Purchasing power of [2]—		Index of purchasing power of [3]—	
	Cotton lint	Cottonseed	Total crop	Payments	Crop, including payments		Total crop	Crop, including payments	Total crop	Crop, including payments
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*		*Million dollars*	*Million dollars*		
1909–10	676.5	71.8	748.4			(4)	(4)		(4)	
1910–11	810.5	100.1	910.6			97	938.8		108.2	
1911–12	756.9	77.1	834.0			100	834.0		96.1	
1912–13	787.7	77.0	864.7			100	864.7		99.6	
1913–14	882.4	98.7	981.1			102	961.9		110.8	
5-year average, 1909–10 to 1913–14	782.8	84.9	867.8			(4)	(4)		(4)	

See footnotes at end of table.

Cotton: Cash income from lint, cottonseed, and payments, purchasing power of crop, and index of purchasing power, 1909–10 to date— Continued

Crop year	Cash income from—					Index of prices paid by farmers	Purchasing power of—		Index of purchasing power of—	
	Cotton lint	Cotton-seed	Total crop	Payments	Crop, including payments		Total crop	Crop, including payments	Total crop	Crop, including payments
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*		*Million dollars*	*Million dollars*		
1914–15	592.0	182.5	674.5			101	667.8		77.0	
1915–16	626.9	118.3	745.2			107	696.4		80.2	
1916–17	993.8	193.6	1,187.3			124	957.5		110.3	
1917–18	1,528.4	262.1	1,790.5			148	1,209.8		139.4	
1918–19	1,735.2	275.6	2,010.7			174	1,155.6		133.2	
1919–20	2,016.2	244.7	2,260.9			201	1,124.8		129.6	
1920–21	1,066.7	91.3	1,158.0			205	564.9		65.1	
1921–22	675.5	74.4	749.9			164	457.2		52.7	
1922–23	1,116.2	88.2	1,204.4			162	743.5		85.7	
1923–24	1,454.0	124.2	1,578.2			164	962.3		110.9	
1924–25	1,561.6	142.5	1,704.1			168	1,014.3		116.9	
1925–26	1,578.7	162.6	1,741.4			169	1,030.4		118.7	
1926–27	1,121.1	130.8	1,251.8			167	749.6		86.4	
1927–28	1,308.1	148.2	1,456.3			167	872.0		100.5	
1928–29	1,302.1	162.1	1,464.2			167	876.8		101.0	
1929–30	1,245.3	145.7	1,391.0			163	853.4		98.3	
10-year average, 1920–21 to 1929–30	1,242.9	127.0	1,369.9			169	810.6		93.4	
1930–31	659.2	92.8	752.0			148	508.1		58.6	
1931–32	483.6	42.4	526.1			128	411.0		47.4	
1932–33	424.1	40.4	464.4			115	403.8		46.5	
1933–34	630.0	48.5	678.5	[5] 179.7	858.2	125	542.8	686.6	62.5	79.1
1934–35	629.1	105.9	734.9	[6] 115.2	850.1	131	561.0	648.9	64.6	74.8
1935–36	590.2	105.0	695.2	[6] 160.2	855.4	127	547.4	673.5	63.1	77.6
1936–37	764.4	141.3	905.7	[7] 82.0	987.7	134	675.9	737.1	77.9	84.9
1937–38	795.0	123.0	918.0	[7] 63.7	981.7	131	700.8	749.4	80.8	86.4
1938–39	[8] 500.0	[8] 100.0	600.0	[9] 266.0	866.0	126	476.2	687.3	54.9	79.2
6-year average 1933–34 to 1938–39	651.4	103.9	755.4	144.5	899.9	129	585.6	697.6	67.5	80.4

[1] Includes interest and taxes, 1910–14=100. Prior to 1923–24 season, index on calendar year basis; 1923–24 season to date, averages of monthly index, August–July.
[2] Cash income divided by index of prices paid by farmers.
[3] Purchasing power as percent of 1909–13 cash income.
[4] Comparable data not available.
[5] Rental and benefit payments as of Dec. 31, 1937; profits on cotton options as of June 30, 1938.
[6] As of Dec. 31, 1937.
[7] Preliminary estimates.
[8] Estimated.
[9] Includes 1937 price adjustment payments and 1938 American Cotton Pool.
Source: Income from Agricultural Outlook Charts (Cotton), 1939.

Mr. ELLENDER. The index price to the farmer in 1938–39, in terms of cotton, was $1.26 for the dollar. In other words, the cotton farmer, with the Government payments, received 79.2 cents in cotton value for every dollar.

Mr. President, I dislike very much to disagree with the distinguished Senator from Georgia [Mr. GEORGE]. However, I believe that we should do all in our power to get rid of cotton surpluses. I am convinced that if by the adoption of the resolution we close the outlet for some of our surplus cotton, the cotton farmers of the South will be faced next year and the year after with 3- or 4-cent cotton.

I would like to have had more time to discuss the problem more in detail. I hope to on some other occasion.

ACQUISITION OF STOCKS OF STRATEGIC MILITARY MATERIALS, ETC.

The Senate resumed the consideration of the bill (S. 572) to provide for the common defense by acquiring stocks of strategic and critical raw materials, concentrates, and alloys essential to the needs of industry for the manufacture of supplies for the armed forces and the civilian population in time of a national emergency, and for other purposes.

Mr. LODGE. Mr. President, the objection has been made to the pending amendment that it would not effectively safeguard the development of infant industries or new industries. While I think that objection is not valid in view of the discretion reposed in the President, in order to eliminate any possibility of doubt, particularly such as was expressed by the Senator from Wyoming [Mr. SCHWARTZ], I modify the amendment by striking out the word "now" in line 6.

The PRESIDING OFFICER. The Senator from Massachusetts modifies his amendment as stated by him. The question is on agreeing to the amendment as modified.

Mr. THOMAS of Utah. Mr. President, I think we should hear the amendment as the Senator has now modified it before we further consider it. Therefore, I ask that the clerk read the amendment as modified.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The CHIEF CLERK. It is proposed to insert in the bill the following new section:

SEC. 8. The President is hereby requested to enter into negotiations with foreign governments which are indebted to the United States with a view to arranging for such governments to furnish the United States with materials for national-defense purposes, which are not produced in the United States, in payment or part payment of the indebtedness of such governments to the United States.

Mr. THOMAS of Utah. Mr. President, the amendment as now modified is very much less germane to the bill proper than it was before the modification was made.

The bill has to do with strategic and critical materials. The only grant of power which is given to the administration is a grant of power to purchase strategic and critical materials. Now "strategic and critical" are left out, and the President is asked—

To enter into negotiations with foreign governments which are indebted to the United States with a view to arranging for such governments to furnish the United States with materials for national-defense purposes which are not produced in the United States in payment or part payment of the indebtedness of such governments to the United States.

In the beginning of the consideration of this amendment objection was made to it on the ground that the debt question is hardly a valid question to be brought into this bill. It was brought in in connection with the acquisition of merely two types of materials. Anything which the Government uses for national-defense purposes which is not produced in the United States is the sort of thing concerning which the Government should begin to negotiate. Of course, I realize that the last two modifications of the amendment have been made because of the list of those materials which are considered strategic and critical and because the field has been narrowed down so completely that we could see that the amendment

is the merest sort of a gesture. About all that can be said for it is that it is a gesture of confusion.

For example, if one will read over the list of materials—and I must repeat that what I am now saying is not germane to the latest suggestion, because anything not produced in the United States which is used for national defense is the only thing which is to guide the President in starting the negotiations—as we run down the list as worked out by the Army and the Navy we must find, under this scheme, something that comes from a debtor nation in the very narrow list of strategic and critical materials. While I do not want to read the list, I ask Senators to go over the list, found on page 11 of the committee report, and see what insignificant payments could possibly be made upon the debts, and how narrow is the field in which the debtors would have a chance to make such payments.

Mr. President, I suggest that the Senate reject the amendment as modified.

Mr. NORRIS. Mr. President, I am somewhat astonished by what seems to me to be the character of the objections that have been made to this amendment.

It is suggested that confusion would arise. It is said that the amendment would open up the question of the debts owed to the United States by foreign governments. It is suggested that when the report of the President came in it would be in the nature of a treaty and we should have to go through the formality of passing on it as a treaty.

Mr. GLASS. Mr. President, we do not have to do that any more in the case of treaties. The Senate has deprived itself of that function.

Mr. NORRIS. I am going to try to show that we shall not have to do it in this case, in any event.

It seems to me that there is a lack of seriousness in the objections that are made. When the Senator from Massachusetts modifies his amendment, it is objected that the modification broadens it somewhat. The second modification is said to broaden it a little more. There is an intimation that that is objectionable; but when the modifications are not made, the objection is that the amendment is not broad enough.

I am assuming that the amendment has been offered in good faith. I believe it to be a good amendment. I do not believe we ought to throw it aside simply because it will not result in very much, if any, reduction of the debts which foreign countries owe to our Government. There is nothing compulsory about the amendment. It does not compel foreign governments, even if we thought we had the power to do so, to have this credit made upon their debts; but the President is requested to negotiate with the various governments, and, if he can, to make a trade with them and get something in kind instead of money and credit it on the debts.

If I had it in my power, and if I were framing the amendment, I would make it still broader than it is. I do not see why it would give rise to any confusion. A treaty has to be ratified by the Senate. We have before us a law that we are going to pass. If we put this amendment in the law, it will have to have the approval not only of the Senate but of the House as well, and of the President. It will be more sacred than a treaty. There is no reason that I can see why it involves any of the attributes of a treaty. It is a proposed law by which the President is requested to negotiate and see if he can get some materials instead of money to apply on the debts; and if he can, to do so. That is the assumption. Why is not that a good thing?

Mr. President, to my mind the most important result that will come from the adoption of this amendment, if it is put into the bill—and I think that will be an important thing—is the notification to the world that we are still holding the debts, and we expect payment of them. It is a notification to our debtors that we have not forgotten what they owe us. The debts have been compromised. They were compromised by a commission composed in part of Members of the Senate. I did not like the compromise. I thought the commission surrendered too much. In many instances they gave away more than half of the debts before a settlement was reached. But a settlement having been made, and having been approved by Congress, I think it was my duty to accept it, and I have done so, and I have acted on that theory.

Now the time has arrived when the debtor countries have failed to pay what they agreed to pay under the settlement. I am not going to discuss the question whether or not they can do so; but no country has denied the debt. It is admitted. They receipted for the money when they got it. They have acknowledged and agreed to the settlement solemnly made and agreed to. If this amendment becomes a part of the law, it will be a reminder to the debtor nations that the Congress of the United States has not yet forgotten the debt, even if the debtors never pay it.

I should like, if I could, to write the foreign debt on the canopy of the international heavens in words that would not be blotted out or worn out or fade away, so that all posterity would know of the money that we have loaned; that our taxpayers have had to pay and are now paying in toil and in labor; a debt that ought to have been paid by the governments in Europe that owe us the money. I do not want it forgotten. I want it to stand as a warning when they ask us, if they ever do, to loan them some more money; I want us then to say, "Pay us what you owe us before you borrow any more."

There is nothing dishonorable in the amendment. There is no discourtesy in it. It simply requests the President to see if he can have something applied on the payment of the debt; if not in money, then in materials that the debtors may have. If they have not the materials, or even if for no reason on earth they do not want to furnish them, they do not have to do so. There is no compulsion, but it will be a reminder in a Federal statute to every government indebted to us, "You owe us money. If you cannot pay us in cash, pay something in kind, if you have it—something that we do not produce—and we will credit you for it."

That is not disrespectful to our debtors. It would be to the debtor's advantage to pay his debt in that way if he could. We do not ask to have any hardship inflicted on anybody. But here are these several billion dollars of debts scattered among nations that have been spending, spending, and spending for the production of cannon and ships of war and war materials and guns; and no nation except little Finland has felt under obligation to pay something every year upon her debt. If I were going to forgive a debt now, I would forgive the debt of Finland before I would forgive that of any other country on earth.

Mr. SMITH. Mr. President——

Mr. NORRIS. I yield to the Senator from South Carolina.

Mr. SMITH. Is it not the objective of this amendment to obtain materials which are necessary, which we do not produce, and to obtain them in the thriftiest and most economical way that we can get them?

Mr. NORRIS. Yes.

Mr. SMITH. Let us take it for granted that the debt is not likely to be paid in full. In that event, anything we get on it is that much to the good. The amendment has the dual purpose, as the Senator says, of reminding the world that the foreign countries owe us the money and of obtaining possession of materials that we cannot produce in part settlement of the debt. It seems to me it is the most economical way of attempting to get the materials which we have not.

Mr. NORRIS. Mr. President, it seems to me the amendment at least does not deserve all the insinuations and suggestions which have been offered against it. If we consider the amount of money or the material that is to be produced, it may not be of much importance; there may not be anything purchased; but at least the amendment says, and says in a friendly and courteous way, "If you would like to pay something on your debt and you have not the money, and you have something we do not produce, we will take that and give you credit."

Mr. President, I do not see any objection to the amendment, and I think it ought to be incorporated in the bill.

Mr. THOMAS of Utah rose.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts as modified.

Mr. McNARY. Mr. President, I thought the Senator from Utah was about to address the Senate on the amendment.

Mr. THOMAS of Utah. Mr. President, I was about to make just one more suggestion in relation to the amendment. Of course, like all the other junior Members of this body, I have followed for years the logic and the satire and the fine record of the great Senator from Nebraska. I for one wish with all my heart and with all my soul that the history of the debt situation brought about by the late war could be emblazoned upon the skies, so that all could read. I sometimes even go to the extreme suggested by the Senator from Massachusetts, who indirectly has quoted a former President of the United States when he said, "They hired the money, didn't they? Therefore they ought to pay the money, shouldn't they?", or words to that effect.

I have been brought up in the environment of Main Street and business, and I know that one should pay his debts, and that nations should pay their debts. But knowing that does not solve the question before us, and knowing that will not cause the experience of the United States and the experience of other nations of the world to erect that monument which the Senator from Nebraska wishes erected.

The mistakes of civilized nations in the last two generations are so manifold and so great that one who is a reader of history may rightfully ask the question, "Have men gone mad and have governments failed?" There is nothing in international politics and international arrangements on which men have placed their security and their lives which has not failed in the last two generations.

The international debt situation should bring home to every person in the United States what happens when the world goes crazy and ceases to think, and acts in an emotional way. I have all the hatred for war and for men pursuing insane methods anywhere that any man can have. Let us be constructive about overcoming such situations, however. Let us recognize the diseases which have been rampant in the world, and try to cure them. Let us think of our obligations toward the correction of those evils instead of everlastingly pointing a finger, and asking the youth of the world to look back and see the mistakes of the past, and profit by them.

Plato says that we are told we should read history in order that we may miss the pitfalls, and learn from the mistakes that have been made, but the main lesson that comes from reading history is that man does not learn from experience or from the mistakes which have been made.

We have been discussing cotton in relation to the pending bill. I think that everything that has been said in this debate adds to the realization that we are asked to attach to a rather simple bill a proposal which is intensely complex, and which cannot but add confusion to the proper administration of the proposed law. When I use the word "confusion," I mean confusion in relation to the proper administration of the law which may be enacted. It will not confuse a debtor nation, a nation which has already repudiated, a nation which justifies repudiation by another revolution, a nation which may turn itself inside out. It is not possible to confuse such a nation.

I wish the members of this body would think of the bill in its simple aspects. If we want to discuss world economics, if we want to discuss cotton in its relation to world economics, let us face the facts about the world, and not attempt to bring world problems, which are so hard to solve, into the radius of a bill which is very easy to understand and will be be very easy to administer.

Mr. President, if we begin to talk of war debts and international economics, if we undertake to discuss international politics and the course of nations in the last two generations, where will we stop? That is a field which I like to think about and like to speak of.

I trust that the amendment will be voted down as being not germane, and as being wholly inconsistent with the objectives and the purposes and the wording of the bill.

Mr. NEELY. Mr. President, I offer the following as a substitute for the amendment presented by the Senator from Massachusetts: Strike out all after "Sec. 8" and insert—

If any strategic or critical materials are, in pursuance of this act, purchased from any foreign government or agency that is indebted to the United States, the departments or officials who represent this Government in the transaction shall endeavor to have the amount of such purchase or purchases credited on the indebtedness of such foreign government or agency to the United States, instead of obligating this Government to pay therefor in cash or its equivalent.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. NEELY. I yield.

Mr. LODGE. Under the terms of the proposed substitute the United States would have to pay out the money. Is not that a correct statement?

Mr. NEELY. No, this Government would not have to pay one cent in cash.

Mr. LODGE. I thought the Senator's amendment provided for the case of strategic or necessary materials being purchased from any foreign country.

Mr. NEELY. Mr. President, I ask that the amendment be read from the desk for the information of the Senate.

Mr. McNARY. Mr. President, a parliamentary inquiry. Is this offered in the nature of a substitute or as an amendment?

Mr. NEELY. As a substitute.

The PRESIDING OFFICER. It is offered in the nature of a substitute.

Mr. McNARY. Mr. President, let it be reported.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to strike out all after "Sec. 8" in the pending amendment and to insert the following:

If any strategic or critical materials are, in pursuance of this act, purchased from any foreign government or agency that is indebted to the United States, the departments or officials who represent this Government in the transaction shall endeavor to have the amount of such purchase or purchases credited on the indebtedness of such foreign government or agency to the United States, instead of obligating this Government to pay therefor in cash or its equivalent.

Mr. NEELY. Mr. President, the senior Senator from Nebraska [Mr. NORRIS] has very appropriately and convincingly argued that there should be no further negotiations relative to the debts which are due the United States from foreign governments. The amount of the indebtedness of England, France, Italy, and various other European countries to this Government is definitely known. Additional negotiations would in all probability mean additional reductions and further prejudice to the people of this country. My proposed substitute for the Lodge amendment authorizes no negotiations or conversations concerning foreign debts; nor does it propose any instructions or advice to the President. But it does provide that in the event of our purchasing critical or strategic materials from foreign countries or agencies which are indebted to the United States, the departments or officials who represent this Government in the transaction shall endeavor to have the amounts of the purchases credited on the indebtedness of such countries or agencies to us instead of obligating the United States to pay cash or its equivalent therefor. The President should not be burdened with this matter.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. NEELY. I yield to the Senator from Massachusetts.

Mr. LODGE. Under the terms of the amendment the foreign countries furnish us with the materials, and under the terms of the Senator's proposed substitute we purchase the materials from the foreigin countries. Is not that a correct statement?

Mr. NEELY. With great respect for the Senator from Massachusetts, it must be observed that the difference which he has suggested is simply the difference between "tweedledum" and "tweedledee."

The important feature of the transaction is the delivery of something of value by the debtor to the creditor on account. It is a matter of no consequence whether such delivery be

designated as a purchase by the creditor or a sale by the debtor.

Mr. McNARY. Mr. President, I have no criticism to make of the Senator's substitute. What is the difference between the substitute the Senator proposes and the amendment presented by the Senator from Massachusetts? Both provide for negotiations, and in both cases the amount involved must be credited to the foreign nation concerned.

Mr. NEELY. Mr. President, as I previously explained, no negotiations by the President are required under the proposed substitute. He would have nothing to do with the transaction. The War Department or the Navy Department would make the purchases, the amounts of which would be credited on the indebtedness of the foreign country to the United States.

Mr. McNARY. Would not that require some conversations and negotiations?

Mr. NEELY. In my opinion, not by the President. There should be no more negotiations regarding the debts.

Mr. McNARY. No; but under either of the proposals the President, or the Secretary of War, or whoever had the power, would have to sit down and talk the matter over with the representatives of the foreign countries to see whether they were satisfied to have the value of the materials credited on their indebtedness. So we come out at the same place under either proposal.

Mr. NEELY. The financial result of the transaction would be the same. The principle of the amendment offered by the Senator from Massachusetts is praiseworthy, but we should deal with the question directly, without involving the President in further negotiations.

UNITED STATES EMPLOYEES' COMPENSATION COMMISSION

Mr. ADAMS. Mr. President, I wonder whether the Senator in charge of the pending measure will permit me to bring an emergency appropriation matter before the Senate. I will explain what it is.

The Employees' Compensation Commission, which provides awards for disabled employees, including relief employees, is absolutely out of money. There are awards which have to be paid, there are conditions of considerable distress, taken care of in the emergency bill which passed the House. It is now found that very serious distress and inconvenience would be incurred if it were necessary to wait even for the deficiency bill.

The House today passed a joint resolution which covers that item, which is merely substituted for the item in the deficiency bill. I presume the Senate will adjourn until Monday, and the matter is of sufficient importance to justify immediate consideration. Therefore, from the Committee on Appropriations I report back favorably, without amendment, the joint resolution (H. J. Res. 250) making an additional appropriation for the fiscal year 1939 for expenditure by the United States Employees' Compensation Commission in accordance with section 16 of the Emergency Relief Appropriation Act of 1938.

I ask unanimous consent for the immediate consideration of the joint resolution.

Mr. McNARY. Does the Senator desire to have the unfinished business temporarily laid aside for the purpose of considering the joint resolution in question?

Mr. ADAMS. Yes.

Mr. McNARY. I have no objection.

Mr. THOMAS of Utah. I have no objection, either, if the consideration of the joint resolution will take only a minute or two. I should like to know how long it will take.

Mr. ADAMS. I have made all the statement about it I care to make.

Mr. THOMAS of Utah. I have no objection, with the understanding, of course, that immediately after the consideration of the joint resolution we return to the pending business.

The PRESIDING OFFICER. If done by unanimous consent, it will not affect the pending legislation.

Mr. GEORGE. I will consent to it provided it does not affect the unfinished business.

The PRESIDING OFFICER. It will not affect the unfinished business.

Is there objection to the immediate consideration of the joint resolution?

There being no objection, the joint resolution (H. J. Res. 250) making an additional appropriation for the fiscal year 1939 for expenditure by the United States Employees' Compensation Commission in accordance with section 16 of the Emergency Relief Appropriation Act of 1938, was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That the sum of $2,000,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for expenditure during the fiscal year ending June 30, 1939, by the United States Employees' Compensation Commission in accordance with the provisions of section 16 of the Emergency Relief Appropriation Act of 1938.

RETIREMENT OF FEDERAL JUDGES—PROPOSED CONSTITUTIONAL AMENDMENT

Mr. ANDREWS. I ask unanimous consent to submit at this time an amendment in the nature of a substitute intended to be proposed by me to Senate Joint Resolution 14, heretofore introduced by me. I send the proposed amendment to the desk and ask that it be read by the clerk.

The PRESIDING OFFICER. The clerk will read.

The Chief Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment, when ratified by three-fourths of the several States, shall replace section 1 of article III of the Constitution of the United States of America:

"ARTICLE III

"SECTION 1. The judicial power of the United States shall be vested in a Supreme Court, circuit courts of appeal, district courts, and such inferior courts as the Congress may from time to time ordain and establish.

"The Supreme Court shall be composed of not less than nine Justices, no two of whom shall, after the ratification of this amendment, be appointed from territory embraced within the same circuit court of appeals.

"There shall be at least nine circuit courts of appeal composed of at least one judge from each State embraced within the territory comprising each circuit.

"The justices and judges of said courts shall be appointed by the President, by and with the advice and consent of the Senate. They shall hold their offices during good behavior and as herein provided and shall receive at stated times for their services a compensation which shall not be diminished during their continuance in office: *Provided*, That any justice or judge of said courts may voluntarily retire upon attaining the age of 70 years, and shall automatically retire upon attaining the age of 75 years and, in either instance, each justice or judge having held a commission or commissions as such justice or judge consecutively or otherwise for 10 years, shall thereafter, upon his request, be paid the same annual compensation received by him during his term of office.

"This section shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 5 years from the date of its submission."

Mr. ANDREWS. Mr. President, I desire to make a very short statement in regard to the proposed constitutional amendment in order that its purposes may be fully understood by the Senate.

Many Members of the Senate seem to feel there should be submitted at this session of Congress a proposed amendment to our Constitution providing, in substance:

First. An age limit for voluntary retirement of all Federal judges;

Second. An age limit for involuntary retirement;

Third. Appointment of Associate Justices of our Supreme Court one each only from the territory composing the respective circuit courts of appeal; and

Fourth. A further provision requiring that the membership of the respective circuit courts of appeal shall be composed of at least one judge from each State included in each circuit.

I am presenting a revision of Senate Joint Resolution 14, which is now offered as an amendment by way of substitute for a similar one introduced by me early in this session. This last draft seems to meet generally the views of those of the Senate and hundreds of officials and citizens who have expressed themselves on this subject.

I have asked that the amendment be read into the RECORD and request that it be referred to the Committee on the Judiciary to make a study and report to the Senate.

The debate between the distinguished Members of the Senate during the last Congress on the question as to whether the President has authority under our Constitution to fill a "vacancy" created by the "retirement" of a Justice, who may continue his duties, by appointing a "successor" has further emphasized and conclusively shown to us that the only proper and practical way to deal with the permanent retirement of Federal judges is by constitutional amendment.

I thank the Senate.

The PRESIDING OFFICER. Without objection, the proposed amendment is referred to the Committee on the Judiciary.

ACQUISITION OF STOCKS OF STRATEGIC MILITARY MATERIALS, ETC.

The Senate resumed the consideration of the bill (S. 572) to provide for the common defense by acquiring stocks of strategic and critical raw materials, concentrates, and alloys essential to the needs of the industry for the manufacture of supplies for the armed forces and the civilian population in time of a national emergency, and for other purposes.

The PRESIDING OFFICER. The question is on the amendment in the nature of a substitute offered by the Senator from West Virginia [Mr. NEELY].

Mr. THOMAS of Utah. Mr. President, about all one can say in regard to the substitute offered by the Senator from West Virginia [Mr. NEELY] is that it is just a little bit less objectionable than the amendment proposed by the Senator from Massachusetts [Mr. LODGE], when one takes into consideration the purpose of the bill and what is to be accomplished by it.

Mr. President, I ask for a vote on the question.

Mr. NEELY. I suggest the absence of a quorum.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. NEELY. I have suggested the absence of a quorum.

Mr. BORAH. Does the Senator suggest the absence of a quorum with a view to securing a quorum for a vote on the measure? I should like to make a few remarks before the vote.

Mr. NEELY. I now suggest the absence of a quorum so that Senators may hear the remarks of the Senator from Idaho.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Lodge	Schwellenbach
Andrews	Danaher	Logan	Sheppard
Ashurst	Davis	Lucas	Shipstead
Austin	Frazier	Lundeen	Smith
Bankhead	George	McKellar	Stewart
Barkley	Gillette	McNary	Taft
Bilbo	Green	Maloney	Thomas, Okla.
Borah	Guffey	Miller	Thomas, Utah
Bridges	Gurney	Minton	Townsend
Brown	Harrison	Murray	Tydings
Bulow	Hatch	Neely	Vandenberg
Burke	Hayden	Norris	Wagner
Byrd	Herring	O'Mahoney	Wheeler
Byrnes	Johnson, Colo.	Pepper	White
Capper	King	Reed	Wiley
Chavez	La Follette	Russell	
Clark, Mo.	Lee	Schwartz	

The PRESIDING OFFICER. Sixty-six Senators have answered to their names. A quorum is present.

Mr. BORAH. Mr. President, I wish to say a word about the amendment offered by the Senator from Massachusetts [Mr. LODGE] and the amendment in the nature of a substitute offered by the Senator from West Virginia [Mr. NEELY]. I think the two amendments have at least one benefit in common. They might remind the foreign governments that they are still indebted to us, which they seem long since to have forgotten.

Mr. President, I do not like the idea of reopening the debt negotiations. Some years ago we entered into negotiations with the nations which owe us, and we finally entered into contracts based largely upon figures which they themselves furnished us as to the amount which they could pay. If those negotiations or contracts are reopened in one respect, the debtors may expect them to be reopened in other respects; and if we send an agent to negotiate for a different kind of settlement from that which the Congress agreed upon, and which has gone into a firm contract, the debtors may expect a different contract in the future with reference to another phase of the matter.

In other words, we ought to consider the debt matter closed. It ought to be regarded as final. The Congress of the United States has acted. It has always been jealous not to give up any authority to anyone in any way to change the contract.

The proposal of the Senator from West Virginia [Mr. NEELY] is to have one of the departments negotiate in regard to the debts. That is reopening the contract. That is setting aside the contract which has been made final by Congress.

We do not know how much material may be offered, or at what price. The matter would pass out of our hands, to the extent of changing the contract as to the amount due and the amount which shall be paid.

The amendment of the able Senator from Massachusetts [Mr. LODGE] says:

> The President is hereby requested to enter into negotiations with foreign governments which are indebted to the United States.

Enter into negotiations for what purpose? It must necessarily be for the purpose of finding some amount which they are willing to pay. The whole contract, therefore, would be reopened. It is true that the debtors are permitted to pay in material; but the contract would be reopened as much as if we delegated to the President the power to open negotiations for a new contract with reference to the amount of money which should be paid.

The United States should stand firm on this question, because it settled the question after a most thorough investigation, and practically upon the figures which the nations themselves furnished as to the amount which they ought to pay. The United States stands before the world demanding nothing more than the amount which after the war the debtor nations concluded they could properly pay. I feel that we ought not to enter into negotiations in any respect whatever to change the amount or to change the method of payment. I feel very strongly that if the Government, as a government, should make known its determination that the debts should be paid or we would look upon the debtors as repudiating their obligations before the world, they would be paid. We should insist on payment, and that we are not doing.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. PEPPER. Does the Senator think it is barely possible that some of the nations of Europe which defaulted on their sacred debt obligations set a bad example to other nations of Europe on the question of nonobservance of treaties?

Mr. BORAH. I think that would be the effect.

The reason I hesitate to support either of the amendments is that I do not want to open up negotiations again. We have only one message to our debtors: "You agreed with us as to what you could pay. You furnished the figures of what you were able to pay, and what you should pay, and it is righteous that you should pay it. All we have to say is that we are taking your figures and your contract, and we ask you to pay." They cannot stand before the world refusing to pay and escape the odium of repudiation. The trouble is that this Government has been so sympathetic about the matter that the debtors have come to the conclusion—and it was practically so stated in the houses of commons—that the United States did not expect the payment of the debts.

Mr. BARKLEY. Mr. President, I wish to say only a word about the amendment and the substitute. I am opposed to both of them. However, as between the two, I prefer the Neely substitute. I shall vote for the Neely substitute, and if it is adopted I shall vote against the adoption of the amendment, because I do not think the debt question ought to be injected into the bill at all.

We have a bill authorizing the purchase of certain materials not sufficiently produced or developed in the United States in order that they may be stored and preserved against the time when we may need them in case of emergency.

There is also a provision authorizing an appropriation for the development of certain American materials which are not now efficiently or sufficiently produced. That is a simple matter. The question of the payment of the debt to the United States has no connection whatever with what we are trying to do.

I agree with the Senator from Idaho [Mr. BORAH]. At the end of the war the nations of Europe, or certain of them, owed the United States a certain amount of money. We appointed a joint congressional committee to negotiate with those nations as to what might properly be paid on those debts, and we very largely accepted their word as to what they could pay. Congress ratified the report of the joint committee, which practically cut in half the debt of the European nations to the United States, and that agreement provided that those debts should be paid in money.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BORAH. Some of the debts were so reduced that the debtors were paying only 28 cents on the dollar.

Mr. BARKLEY. That is true; but the average was about half of the entire amount of the debt at that time.

The Lodge amendment or the Neely substitute, or any similar amendment on the subject would change the whole picture. Whereas the contract calls for payment in money, any amendment such as those now under consideration would put the United States in the position of hawking itself around among the nations of Europe and saying, "Won't you pay something on these debts in chickens, turkeys, butter, eggs, and a pig now and then, so that you may obtain some credit on the debts which you owe us?"

Mr. LODGE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LODGE. The amendment could not possibly provide such a result, because we produce chickens, turkeys, butter, and eggs in this country.

Mr. BARKLEY. Of course. The Senator's amendment makes it the duty of the President of the United States to send agencies to Europe to hawk around among the nations and to say to them, "We want a little something that we do not have in our country."

Mr. LODGE. And to which we are entitled.

Mr. BARKLEY. Of course, we are entitled to it if we want it and can obtain it; but certainly the dignity of the United States does not require us on a $12,000,000,000 debt to hawk around among the nations of Europe to get a little credit of $100,000 or $100,000,000 on something which we are not producing in this country at the present time.

If the President were to carry out the spirit of the Senator's amendment for a period of 4 years it would foreclose the United States against the development of our natural resources and the production of the things that we do not now produce, as provided for in the bill.

Mr. LODGE. Mr. President——

Mr. BARKLEY. For that reason I do not think the debt question ought to be injected into a serious measure undertaking to provide for the national defense.

I yield to the Senator from Massachusetts.

Mr. LODGE. The Senator has said that my amendment would interfere with the development of infant industries. If the Senator will read my amendment he will see that as soon as any article or material is produced in this country, it is no longer eligible to be applied as a credit on the debts of foreign countries; and I am sure he will agree with me that we can trust President Roosevelt to accept the advices which will come to him when such new articles and new materials are produced.

Mr. BARKLEY. Yes; but if the Senator's amendment means anything, it means that any President, not particularly Mr. Roosevelt, but any President, if he accepts the spirit of it, would go out and purchase the materials not now produced so that we would have them on hand, regardless of the fact that over a period of 4 years we might be able to develop them in our own country. If he purchased all we needed, there would be no encouragement for the development of our own industries.

Mr. LODGE. My amendment says not one word about purchases. That is the amendment of the Senator from West Virginia. My amendment says that these materials shall be received and transmitted to us by the foreign countries in payment of the debts. There is no question of purchasing anything.

Mr. BARKLEY. There is bound to be a purchase. We cannot go over there and take the materials. We cannot assume that any nation will come to us voluntarily with materials and say, "We have bought these with our money, and we now wish to turn them over to you and receive credit on what we owe you." There is bound to be negotiation. There is bound to be an approach by somebody; and under the Senator's amendment it would have to be made by the President of the United States.

I do not at all disagree with the position taken by the Senator from Idaho [Mr. BORAH] that we made a contract with the debtor nations for a certain amount of money, to be paid in money.

Mr. LODGE. And they have not paid it, have they?

Mr. BARKLEY. No; they have not paid it; and there would not be a dime paid on the debts under the Senator's amendment.

Mr. LODGE. We would not lose anything by it.

Mr. BARKLEY. If the Senator thinks that any of the debtor governments will spend its own money to buy materials in order to turn them over to us and receive credit on the debt, the Senator does not know the nature of the governments indebted to the United States.

Mr. LODGE. Two nations, Finland and Ireland, have paid us.

Mr. BARKLEY. Only two nations.

Mr. LODGE. Other nations which desire the favor of the United States at the present time might be induced to pay.

Mr. BARKLEY. The fact that two nations paid their debts does not obligate any other nation which owes us to pay either in money, material, chips, or whetstones.

Mr. LODGE. The fact that two nations paid shows that it can be done.

Mr. BARKLEY. It can be done; but there is no way to force it. It cannot be done in the way provided in the Senator's amendment, and it will not be done in that way.

Mr. LODGE. It will not be done in that way if we will not try it in that way.

Mr. BARKLEY. The results would be insignificant on a debt of this sort. We should not handicap a bill like the one under consideration with the requirement that the President of the United States must go around with a feed basket on his arm and say to Italy, France, England, or any other nation, "I am out to collect our debt. If I cannot get it in money, give me something to fill up my feed basket, so that I may take it back home and give you credit."

I wish to reiterate that as between the two proposals I prefer the substitute of the Senator from West Virginia. However, I am opposed to both of them in principle.

OUR FOREIGN DEBTS

Mr. LUNDEEN. Mr. President, it is indeed a great pleasure to hear the Senate deliberate upon the subject of foreign debts. I am glad Senators are spending some time upon these matters, which involve, if we go into the entire amount, perhaps some $50,000,000,000; and at full interest rates our taxpayers will pay about that. It will be my pleasure, if the opportunity is afforded later, to give the figures. They are not twenty-four billion or twenty-five billion which we cut in half, refunding, and canceling $12,087,667,000. Over a period of 62 years the amount is far greater than that. The amount the American people actually are paying, the amount on which the taxpayers are paying interest, will prove to be about double the amount we were considering when we refunded the debts.

THEY HIRED THE MONEY, DIDN'T THEY?

I think the amendments under consideration are very mild in their nature. I would like to put a little iron into this thing. I would put a little backbone into the executive departments which deal with foreign governments. I would

adopt the good democratic doctrine of Andrew Jackson, who said he would seize their property. I had the pleasure of putting into the RECORD a few days ago quotations from that great state paper for the attention of the Senate of the United States. I am now referring to the French war debt of more than 100 years ago.

ANDREW JACKSON COLLECTED THE FRENCH WAR DEBT IN FULL

Let the officials of this Government read again the statement of a real, red-blooded, fighting American who was unafraid, and who was not spending his time making excuses for foreign governments, but who was actually thinking of his own country, his own America. When he left office there was no debt against America, and he had a surplus in the Treasury.

I should like to have the folks who are always talking about balancing the Budget, but meanwhile are precipitating our entire country into this financial abyss, give a little attention to that matter.

Mr. THOMAS of Utah. Mr. President, before we take a vote, I should like to have the parliamentary situation straight. We shall vote first, I suppose, upon the substitute of the Senator from West Virginia [Mr. NEELY].

The PRESIDING OFFICER. That is correct.

Mr. THOMAS of Utah. When we vote upon that proposal, do we vote upon it as a substitute for the modified amendment?

The PRESIDING OFFICER. That is correct.

Mr. THOMAS of Utah. That does not mean that we are carrying the amendment on a vote for the substitute; does it?

The PRESIDING OFFICER. No. If the Neely substitute should be adopted, the vote then would come on the amendment, as amended.

Mr. THOMAS of Utah. That is all right.

Mr. LODGE. Mr. President, I have studied the amendment offered to my amendment by the Senator from West Virginia [Mr. NEELY]. While I do not think it is quite so strong as mine is, and I do not think it is so specific in some of its provisions as mine is, nevertheless, I think the Senator from West Virginia is substantially correct when he says that the difference between the two is the difference between tweedledum and tweedledee. If his amendment shall be adopted, the notice will be given to which the Senator from Nebraska [Mr. NORRIS] referred in his splendid speech. The notice will be given to the world that we have not forgotten what has happened. So I am very glad indeed to accept the amendment of the Senator from West Virginia to my amendment; and I hope the modified amendment will be adopted.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Will this be a vote on the fifth or the sixth modification of the original Lodge amendment as offered by the Senator from Massachusetts? [Laughter.]

Mr. LODGE. The modifications do not have to be voted on.

Mr. SCHWELLENBACH. Mr. President, will the Senator from Massachusetts yield for a question?

The PRESIDING OFFICER. The Senator has yielded the floor.

Mr. LODGE. I yield the floor. I shall be glad to answer the question, however.

Mr. SCHWELLENBACH. I should like to submit a very serious question to the Senator from Massachusetts.

Mr. LODGE. I know the Senator is always serious.

Mr. SCHWELLENBACH. The first words of the Senator's amendment, as modified, are:

The President is hereby requested to enter into negotiations—

I should like to ask the Senator from Massachusetts just what the President would do to meet the requirement of negotiations. The amendment says, "enter into negotiations."

Mr. LODGE. Mr. President, the whole thing is permissive. I have great confidence in the way President Roosevelt would conduct this matter and I have no desire to tie him down to details of procedure.

Mr. SCHWELLENBACH. I know the Senator from Massachusetts never has had any such desire so far as the President of the United States is concerned.

Mr. LODGE. I am sure he would be faithful in carrying out the intent of the amendment if it should become law. He would ascertain the materials which are not produced in this country, and then, through the appropriate departments—I do not expect him to do it himself, of course—inquiries would be made. By this amendment notice would be given the foreign countries; and I have no doubt that some of them, in fact, might step forward with offers to make payments on this basis.

The Senator from Washington is much more experienced than I am in legal matters, and he knows perfectly well that if there were a will to do this, there would be a way.

Mr. SCHWELLENBACH. My specific question of the Senator from Massachusetts is, Just how much negotiations will the President be compelled to carry on in order to satisfy the intent of the amendment which the Senator offers?

Mr. LODGE. Just a reasonable amount.

Mr. SCHWELLENBACH. I think the fact that the Senator from Massachusetts has been unable to define the intent or the purpose of his amendment——

Mr. LODGE. Does the Senator from Washington think negotiations can be weighed by the pound, or measured out by the yard?

Mr. SCHWELLENBACH. I think unquestionably the failure and inability of the Senator from Massachusetts either to weigh them by the pound or to measure them by the yard, when he injects into this very serious question of national defense an amendment regarding which he is unable to state the requirements that would be placed upon the President——

Mr. LODGE. I can state them.

Mr. SCHWELLENBACH. I will yield in a second—is a pretty good indication of the impossibility of carrying out this amendment.

I am not saying that the Senator from Massachusetts is not acting in good faith. I am not saying that if the President went so far and did not go any further, the Senator from Massachusetts would then get up and charge the President with bad faith. I am not saying that any of the Senators upon the other side would do that. Of course, as the Senator says, and as Senators upon the other side always say, they have great faith in the President of the United States, except when anything important comes up.

Mr. LODGE. How about the amendment of the Senator from West Virginia?

Mr. SCHWELLENBACH. But I predict, and I say with all seriousness, that if this amendment is adopted, and it is not possible to secure payment of the obligations due to this country from foreign governments—I do not say in eggs and butter and cheese; I say in chips and whetstones; that is what the Senator from Massachusetts wants—if the President is not able to do that, I can see the Senator from Massachusetts and a number of estimable Senators on the other side standing in all their glory, and hear them saying, "Once again the President of the United States has broken faith with the Congress of the United States."

This amendment has one purpose, and one purpose only; and that is to put the President of the United States in a spot where he cannot possibly comply with it, because the Senator from Massachusetts himself cannot even define the requirements of the amendment.

Mr. LODGE. Mr. President, I can define the requirements of the amendment. The question is, Is the Senator from Washington in favor of having the foreign governments pay the just debts they owe to the American people, or is he not? That is a very simple question, and all the insinuations that are made here today are not going to alter it.

Mr. SCHWELLENBACH. It is a very simple question, and I will answer it.

Mr. LODGE. I have the floor now, because the Senator from Washington gave it up.

The second thing I intend to say is that I never on this floor have charged the President with breaking faith. I

challenge the Senator from Washington to mention a single instance in which I have ever made any remark that was in any way derogatory about the President of the United States. For the Senator to read a motive such as that into an amendment of this kind is, I think, most unfortunate.

Let me say also that I have accepted the amendment of the Senator from West Virginia [Mr. NEELY]. Consequently, if the Senator from Washington really wants to be up to date in his remarks, he ought to advert to that amendment. We cannot accuse the Senator from West Virginia of wanting to embarrass the President of the United States, can we?

Mr. SCHWELLENBACH. Mr. President, I merely want to answer the Senator's question, which is a very categorical one, as to whether I want the debts paid. I answer that question "yes."

Mr. MINTON. Mr. President, will the Senator from Washington yield?

Mr. SCHWELLENBACH. I yield to the Senator from Indiana.

Mr. MINTON. The Senator from Washington is of the opinion, as I understand, that this amendment is just one of those too-clever amendments?

Mr. SCHWELLENBACH. That is the proper description of it. I make no claim that the amendment is offered in bad faith; but I do say that the fact that the Senator who offered it is not able even to give a definition of what would be required of the President shows the value of the amendment which he has offered.

Mr. LODGE. Mr. President, I do not know how many times I shall have to repeat the same thing over and over again; but I shall be very glad to say what the amendment proposes. It requests the President to enter into negotiations to have these payments made. It is very simple; and anybody who does not understand it must have a great deal of difficulty in understanding other portions of the measure before us.

Mr. THOMAS of Utah. Mr. President, before we vote, I think as a result of the debate and the acceptance of the substitute there may be some parliamentary confusion. May I ask what we shall be voting on when the vote is taken?

The PRESIDING OFFICER. The parliamentary situation is that if the Senate votes now, it will vote on the Lodge amendment as modified. The Senator from Massachusetts has modified his own amendment by accepting the amendment offered by the Senator from West Virginia [Mr. NEELY]; and the vote will be on the wording offered by the Senator from West Virginia.

In order to clarify the matter, the Chair will ask the clerk to state the modified amendment.

Mr. THOMAS of Utah. Mr. President, one more question.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Utah. Those who are opposed to any amendment should therefore vote "no," should they not?

The PRESIDING OFFICER. That is correct.

The amendment, as modified, will be stated.

The CHIEF CLERK. As modified, the amendment reads as follows:

If any strategic or critical materials are, in pursuance of this act, purchased from any foreign government or agency that is indebted to the United States, the departments or officials who represent this Government in the transaction shall endeavor to have the amount of such purchase or purchases credited on the indebtedness of such foreign government or agency to the United States instead of obligating this Government to pay therefor in cash or its equivalent.

Mr. McNARY. I call for the yeas and nays on the adoption of the modified amendment.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, I merely wish to say that the Neely amendment was offered as a substitute for the original Lodge amendment because it was preferable. The fact that the Senator from Massachusetts has accepted it, and modified his own amendment by accepting the Neely amendment, does not remove the impropriety of having any sort of an amendment on this subject in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. LODGE], as modified. On that question the yeas and nays have been demanded and ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. AUSTIN. I announce the following pairs on the pending question:

The Senator from Vermont [Mr. GIBSON] with the Senator from Missouri [Mr. TRUMAN]; the Senator from California [Mr. JOHNSON] with the Senator from Louisiana [Mr. ELLENDER]; the Senator from Oregon [Mr. HOLMAN] with the Senator from North Carolina [Mr. REYNOLDS]; the Senator from New Jersey [Mr. BARBOUR] with the Senator from Alabama [Mr. HILL]; the Senator from New Hampshire [Mr. TOBEY] with the Senator from New York [Mr. MEAD]; the Senator from North Dakota [Mr. NYE] with the Senator from Indiana [Mr. VAN NUYS].

The Senator from Vermont [Mr. GIBSON], the Senator from California [Mr. JOHNSON], the Senator from Oregon [Mr. HOLMAN], the Senator from New Jersey [Mr. BARBOUR], the Senator from New Hampshire [Mr. TOBEY], the Senator from Maine [Mr. HALE], and the Senator from North Dakota [Mr. NYE] would vote "yea" if present and voting.

I am advised that the Senator from Missouri [Mr. TRUMAN], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Alabama [Mr. HILL], the Senator from New York [Mr. MEAD], and the Senator from Indiana [Mr. VAN NUYS] would vote "nay" if present and voting.

The Senator from California [Mr. JOHNSON] and the Senator from Oregon [Mr. HOLMAN] are detained in a meeting of the Committee on Public Lands and Surveys.

Mr. BYRNES (after having voted in the negative). I have a pair with the senior Senator from Maine [Mr. HALE], which I transfer to the senior Senator from Illinois [Mr. LEWIS], and permit my vote to stand.

Mr. SHIPSTEAD. I have a pair with the senior Senator from Virginia [Mr. GLASS]. I am informed that if present he would vote as I intend to vote. I vote "nay."

Mr. MINTON. I announce that the Senator from West Virginia [Mr. HOLT] is detained from the Senate because of illness in his family.

The Senator from North Carolina [Mr. BAILEY], the Senator from Washington [Mr. BONE], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Ohio [Mr. DONAHEY], the Senator from Virginia [Mr. GLASS], the Senator from Illinois [Mr. LEWIS], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained.

The Senator from Idaho [Mr. CLARK], the Senator from California [Mr. DOWNEY], the Senator from Louisiana [Mr. OVERTON], the Senator from Nevada [Mr. PITTMAN], and the Senator from New Jersey [Mr. SMATHERS] are detained from the Senate on departmental business.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Delaware [Mr. HUGHES] are detained in important committee meetings.

The Senator from Alabama [Mr. HILL], the Senator from Nevada [Mr. MCCARRAN], the Senator from New York [Mr. MEAD], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Missouri [Mr. TRUMAN] are absent on important public business.

The Senator from Washington [Mr. BONE] has a pair with the Senator from Delaware [Mr. HUGHES]. If the Senator from Washington were present, he would vote "yea," and the Senator from Delaware would vote "nay."

The result was announced—yeas 18, nays, 48, as follows:

YEAS—18

Austin	Frazier	Neely	Vandenberg
Bridges	Gurney	Norris	White
Capper	Lodge	Reed	Wiley
Danaher	Lundeen	Taft	
Davis	McNary	Townsend	

NAYS—48

Adams	Bilbo	Byrd	George
Andrews	Borah	Byrnes	Gillette
Ashurst	Brown	Chavez	Green
Bankhead	Bulow	Clark, Mo.	Guffey
Barkley	Burke	Connally	Harrison

Hatch	Logan	O'Mahoney	Smith
Hayden	Lucas	Pepper	Stewart
Herring	McKellar	Russell	Thomas, Okla.
Johnson, Colo.	Maloney	Schwartz	Thomas, Utah
King	Miller	Schwellenbach	Tydings
La Follette	Minton	Sheppard	Wagner
Lee	Murray	Shipstead	Wheeler

NOT VOTING—30

Bailey	Gerry	Johnson, Calif.	Reynolds
Barbour	Gibson	Lewis	Smathers
Bone	Glass	McCarran	Tobey
Caraway	Hale	Mead	Truman
Clark, Idaho	Hill	Nye	Van Nuys
Donahey	Holman	Overton	Walsh
Downey	Holt	Pittman	
Ellender	Hughes	Radcliffe	

So Mr. LODGE's amendment, as modified, was rejected.

Mr. BYRNES. Mr. President, I desire to offer an amendment.

The PRESIDING OFFICER. The Clerk will state the amendment.

The CHIEF CLERK. On page 5, line 7, it is proposed to strike out "$25,000,000" and to insert "$10,000,000."

Mr. BYRNES. Mr. President, the question of the purchase of critical and strategic materials has been before the Committee on Appropriations for several years, particularly under consideration by an able subcommittee.

I have communicated with the officials of the War Department, who state that the President has said that should the pending bill be passed he would not submit an estimate for more than $10,000,000 for this purpose. I have conferred with the Director of the Budget, who makes the same statement to me.

I therefore submit to the Senate that it would be unwise to authorize the appropriation of the sum of $25,000,000 a year, or a total of $100,000,000.

If the pending bill shall be passed in its present form, with the authorization fixed at $25,000,000, it matters not what may now be said by the departments, when the Congress again convene we will be met with an estimate for a larger amount. If the estimate is not for $25,000,000, then gentlemen in the House or in the Senate will say that, inasmuch as Congress has acted and has put the figure at $25,000,000 per year, the full amount of $25,000,000 should be appropriated. I think we may as well agree that it will mean $25,000,000 a year, or a hundred million dollars, for this purpose.

I submit to the Senate that, in view of the statements which have been made to the Committee on Appropriations by Army and Navy officials, it is unnecessary to appropriate so large an amount. I know that the argument is made that the appropriation is desired in order to encourage investments. There is a danger in that. If men throughout the country are encouraged to make investments in the development of nickel mines, manganese mines, and in the production of other materials referred to in the report, on the strength of contracts secured from the Army or the Navy, they are going to borrow money. If, at the end of 4 years, the Government, through the Army and Navy, no longer enters into those contracts, then the investments of those men will be on their hands, and they will come to Congress and say they were led into making the investments by reason of the legislation, which indicated to them that $25,000,000 a year would be appropriated. We will have a repetition of what occurred after the World War, when we had to undertake the settlement of claims of many citizens who maintained they were misled into making investments of all kinds for the production of war materials.

We have not yet settled those claims; and while I am sure that the Senator who reported the pending bill from the committee had no idea that such a thing would result, my experience with the war claims causes me to believe that there is some danger. Certainly, in view of the fact that the President himself has stated to the War Department and to the Budget Director that he would not submit an estimate for more than $10,000,000, there is no reason why we should authorize the appropriation of $25,000,000 a year.

Mr. THOMAS of Utah. Mr. President, in the beginning of the discussion of the bill I remarked that the amount of the appropriation was a subject which would go to conference. I have no objection in the least to the reduction of the figure to $10,000,000 for the first year, but I should like to retain the figure of $100,000,000 for the period of 4 years. The remarks made by the Senator from South Carolina [Mr. BYRNES] in regard to our experiences during the war-claims days were certainly not applicable or appropriate when referring to the pending bill, because under the provisions of the bill that which will be obviated, above all other things, will be the type of experience we went through after the World War.

Under the pending bill no contract will be entered into except in a formal way. The experience during the World War, and following the war, was that due to confusion almost every type of contract was entered into. The primary purpose of the pending bill is to bring order out of the chaos we would have if we did not have this kind of a law.

Mr. President, as I have stated, I have no objection in the least to the reduction of the sum for the first year to $10,000,000; but, because of the dual nature of the measure, I think the sum of $100,000,000 is a proper one to be spent over the period of 4 years.

Mr. BYRNES. Mr. President, I should like to ask the Senator whether he does not think the purpose of the bill, being to purchase and store materials which would be of use in time of war. From his investigation, the Senator knows that we have some of the materials on hand now, and the sole question is as to how much money we shall tie up in materials of this nature. I submit to the Senator that when we appropriate $10,000,000 a year we are going a pretty long way toward satisfying the requests of the officers of the Army and the Navy that a store of materials be provided. I ask the Senator whether he will not accept the proposal to make the amount $10,000,000, which in 4 years will mean $40,000,000 for the purchase of critical materials in addition to all the war materials we now have.

Mr. BARKLEY. Mr. President, will the Senator from Utah yield to me to ask a question of the Senator from South Carolina?

Mr. THOMAS of Utah. I yield.

Mr. BARKLEY. Of course, the pending bill is only an authorization. It provides $25,000,000 a year for a period of 4 years. The amount which will thereafter be spent will depend upon the Congress itself and largely upon the recommendations of the Committee on Appropriations, of which the Senator from South Carolina is a member.

No one can tell what will happen in the world or in this country in 4 years. It might be necessary, it may conceivably be necessary, within that 4-year period, for Congress to appropriate $25,000,000 in a year, but if it should not be necessary, if the contingencies should not require it, the amount actually expended could be controlled by the Committee on Appropriations, unless the Congress should be convinced that the Committee on Appropriations had recommended too small an amount.

Therefore, in view of the uncertainty, the world chaos, the impossibility of foreseeing what is going to happen in the world, what is the objection to authorizing the amount asked, understanding always that the Committee on Appropriations will be governed by the needs each year as the appropriation is asked for?

Knowing the Senator's ability to withstand pressure from departments, I should be willing to rely upon him and his committee to resist any unnecessary appropriations within the $25,000,000 limit each year if the committee and the Congress were not convinced it was necessary.

Mr. BYRNES. Mr. President, answering the Senator from Kentucky, the experience of the Senator from South Carolina is that whenever we authorize an expenditure, neither the Committee on Appropriations nor the Senate nor the House of Representatives withstands the pressure. At this time, when the world may be said to be in a chaotic condition, and the President of the United States, the commander in chief of the Army and the Navy, is of the opinion that $10,000,000 is sufficient, why should we not agree with the Commander in Chief, who is in a better position than we are to know? If

the conditions should become more chaotic next year, I have supreme confidence in the Congress of the United States being willing to increase the amount above $10,000,000. Would not the Senator be willing then, if conditions became more dangerous than at present, to vote to raise the amount above $10,000,000? There would not be any trouble about that being done.

Mr. BARKLEY. I understood the President in some roundabout way indicated to the press that $10,000,000 would be sufficient and that is all he wanted for the first year. I do not understand that he suggested a limitation of $10,000,000 a year for the whole period. There has been no official communication on the subject of which I know.

Mr. BYRNES. I do not know except that I communicated with the Chief of Staff and the Director of the Budget, and that is about as far as I could go in respect to that question.

Mr. THOMAS of Utah. I may first answer the Senator from South Carolina by saying that so far as the first year is concerned $10,000,000 would be sufficient for buying the materials. But the bill has a dual purpose, and by the time the second year rolls around we expect to see those purposes in operation. The second of the purposes is to increase America's production of strategic materials. If the amendment should authorize during the first year but $10,000,000, but over the period of the 4 years $100,000,000 was authorized, and if, after the year's investigation and the year's work on the part of the Bureau of Mines and on the part of the Geological Survey it should be ascertained that the production was feasible, then, of course, we would want to bring that production into the economic life of our Nation. I think if the Senator from South Carolina keeps in mind the dual purpose of the measure he will find that the authorization of $100,000,000 over the period of the 4 years is perfectly consistent, perfectly feasible, and not out of harmony with what the President has said.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. SCHWARTZ. I hope the Senator from Utah, when he suggests that he will accept the figure of $10,000,000, speaks for himself and not for the other members of the committee. I think the bill was very thoroughly considered in the Committee on Military Affairs and by all the departments interested who made their reports to the committee. Their reports are before us. Whatever grapevine information we may have respecting what is supposed to be the position of some officials that they do not need all the money recommended by the committee, that they can get along with less, should not be controlling now. Such information should have been given to the committee where the whole subject was discussed. As one member of the committee I do not desire to accept the suggestion that we not even authorize the appropriation of the money which may be needed.

I am sure that the iron-bound and economically inclined Committee on Appropriations will not provide a dollar more than ought to be appropriated, regardless of what we may authorize. It will do no harm to authorize what the committee determines as necessary and the various departments say is right. If anyone wishes to sidestep, let him sidestep when the time comes to vote on the amount to be appropriated. It will not do any harm to authorize the appropriation of the amount suggested.

Mr. THOMAS of Utah. Mr. President, the Senator from Wyoming I am sure realizes that my suggestion would not involve cutting down the total amount over the period of the 4 years. It would merely result in a limitation of $10,000,000 for the first year, and would leave, of course, $90,000,000 to spend, if need be, over the remaining 3 years. The theory I have in mind, and I think the theory in the minds of those who suggested $10,000,000 for the first year, is that so far as concerns the second purpose of the bill, not much of the money will be used in the first year if it is authorized.

Mr. TAFT. Mr. President, the important thing, it seems to me, is to limit the authorization, not for the first year, but for the second, third, and fourth years. So far as I can see, the authorization is the important thing, particularly in this field, because just as certainly as we stand here we will be told that industries have been started because of an authorization of $25,000,000 a year, and in one way or another Congress will have to provide $25,000,000 a year.

Mr. THOMAS of Utah. Mr. President——

Mr. TAFT. That argument will be made to justify the appropriation for the full amount authorized. We have seen that occur again and again at the present session. The important thing is the authorization.

If we are ever going to balance the Budget, there is only one way to do it, and that is by gradually reducing expenditures. We will appropriate this year apparently between $9,000,000,000 and $10,000,000,000; but the national income will never reach so large a figure that we can afford, without absolutely stifling industry, to raise taxes amounting to $10,000,000,000. The only way we can balance the Budget is by some deliberate plan gradually to cut down that $10,000,000,000 to something like $7,000,000,000. What stands in the way of cutting down that figure are the millions of dollars of authorizations in one bill after another bill.

Mr. THOMAS of Utah. Mr. President——

Mr. TAFT. What is proposed is purely an experiment. No one knows what is actually going to be done. If the plan works, we can increase the amount later. We do not have to increase it now. No one really knows what the $25,000,000 will be spent for. Twenty-five million dollars is a figure pulled out of the air. We might just as well make it $10,000,000. Every purpose desired could be accomplished with that amount and we would not interfere in any way with the development of the program to store strategic materials in the United States.

Mr. President, I personally feel it is far more important to limit authorizations for the second, third, and fourth years than for the first year. But the deficit is so great that, after all, I suppose it does not make any difference to the gentlemen who are now running the Government whether the amount authorized is $10,000,000 or $25,000,000.

Mr. THOMAS of Utah. I am sure the Senator from Ohio allowed his tongue to get ahead of his reasoning. I am sure the Senator from Ohio knows more about Government contracts than to assume that a thing would happen under the United States Government, which will make the contracts, which no freshman in any law school in the country would dare to assume could be possible under any system of contracts. Every safeguard which is put around the expenditure of a single cent under the scheme of the United States Government has been put into the bill. When anyone assumes that if the bill were passed the Procurement Division, the legal forces of our Nation, and the Army and the Navy would not seek to run their affairs in accordance with law, he allows his imagination to run so rampant that one wonders how he dares to stand here and suggest such a thing.

Mr. President, I am convinced that the bill embodies a most constructive idea. I have been told by men who had charge of acquiring necessary materials during the World War that if this bill had been a law in 1917 it would have saved millions and millions of dollars, and made unnecessary hundreds and hundreds of litigated cases.

Mr. President, do not let anyone for 1 minute imagine that the Senate Military Affairs Committee is suggesting a law which will allow someone in the Government to throw contracts out of the window. Do not let anyone imagine for a minute that the Senate of the United States will pass a law the effect of which will be to destroy the fiscal scheme of government which has been evolving over the last 150 years. Let no one imagine, simply because of someone's vain remarks, that serious study has not been made of the measure. Two years of the hardest kind of work has been put into the bill. In fact I have never known of a bill presented to the Congress of the United States in connection with which we had more meetings, at which were present representatives of more departments of government, dealing with fiscal questions and matters relating to the Army and the Navy. In those meetings there has been a meeting of

minds of the best authorities and the best officers the United States Government has.

I regret that anyone should assume or suggest the silly notion—and I cannot help but call it silly—that there might be a deviation in the purposes of the Army of the United States, the purposes of the Navy, the purposes of the Treasury Department, the purposes of the Interior Department, the purposes of the Procurement Division. The attack which has been made is an attack upon every good thing which the Government of the United States has stood for in regard to the handling of its funds.

It is an attack upon the honesty of its administrative officers. It is an attack upon the good judgment of those men whom we have honored probably more highly than anyone else by turning over to them the care of the affairs of our Government.

Mr. President, I do not object in the least to anyone discussing the question as to whether we should appropriate $25,000,000 or as to whether we should appropriate $10,000,000. That is a question for the Senate to decide and for the House of Representatives to decide. But it is ridiculous for anyone to assume that by passing such legislation the Senate of the United States has issued an invitation to those who have control over our fiscal affairs to throw all law out of bounds, to proceed in any way they want to proceed which is not according to law, the effect of which would be to destroy all the habits and customs of our administrative branch of the Government.

I repeat, I have never heard anything like it, and surely the Senator from Ohio would like to withdraw his remarks.

Mr. TAFT. Mr. President, I thoroughly agree that my remarks were a reflection on the judgment of the Senator and the judgment of the gentlemen who have adopted the present fiscal policy, but certainly they were expressed in the mildest of terms. If the Senator thinks we can continue such a fiscal policy for years to come, I wish he would state on the floor of the Senate how in the world we can pursue it. I frankly admit I did not know what the Senator was talking about in his remarks, in his attack on my speech.

Mr. THOMAS of Utah. Mr. President, let us get down to basic economics. If the Government of the United States buys $100,000,000 worth of products, and those products go up in value 100 percent, has the Government lost money? Does not the Senator realize the difference between an ordinary expenditure for one thing and an ordinary expenditure for stock with value? Where is there in this bill an opportunity for spending money in the sense that the money leaves the Government?

Mr. TAFT. Does the Senator think that prices always go up; as for instance, in the case of cotton which the Government bought?

Mr. THOMAS of Utah. I have never known it to happen in any emergency at any time in the history of the world that the prices for essential materials did not go up once war was declared, and if the Senator knows of a time when they did not I should like to have him correct my study of economics.

Mr. TAFT. Mr. President, however, there may be no war. Prices may go down just as likely as they may go up. We may lose money just as well. In any event, the only way tc balance the Budget, the only way to make our economy work is not to pay out the cash. I do not care what the Government buys with the cash. Of course, for the money it pays out it gets some value. In nearly every Government expenditure some value is obtained for what is paid. That is not the question. The question is, Where is the cash coming from that will have to be paid out for these strategic materials? Who is going to pay for them? The taxpayers of the United States are going to pay for them. There is only one way to stop spending, and that is to stop appropriating money, and so far as I can see, the only way to stop appropriating money is to stop authorizing appropriations.

Mr. THOMAS of Utah. Mr. President, I am sure the Senator did not mean what he said. He said he did not care how the Government spent its money, and what it bought for it. The committee does care, and it limits the expenditures for certain things.

We realize that there is a difference between spending money for something which the Government is going to use and merely spending it for whatever the Government wishes to spend it for.

Mr. PEPPER. Mr. President, a few mornings past I had the good fortune to hear the Senator from Ohio [Mr. TAFT], in the Committee on Education and Labor, complain about the extravagance of spending money for public education. This afternoon I have heard him complain about the folly of spending money for strategic and critical war materials. I am persuaded by at least those two illustrations that the Senator means what he says when he says that hardly anything is worth spending Government money for.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from South Carolina [Mr. BYRNES].

Mr. BYRNES. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. McNARY. Mr. President——

The legislative clerk proceeded to call the roll, and Mr. ADAMS voted in the affirmative.

Mr. McNARY. Mr. President, may the amendment be stated?

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from South Carolina [Mr. BYRNES]. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 5, line 7, it is proposed to strike out "$25,000,000" and insert "$10,000,000."

Mr. THOMAS of Utah. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Lodge	Russell
Ashurst	Davis	Logan	Schwartz
Austin	Frazier	Lucas	Schwellenbach
Barkley	George	Lundeen	Sheppard
Bilbo	Gillette	McKellar	Smith
Borah	Green	McNary	Stewart
Bridges	Guffey	Maloney	Taft
Brown	Gurney	Miller	Thomas, Okla.
Bulow	Harrison	Minton	Thomas, Utah
Burke	Hatch	Murray	Townsend
Byrd	Hayden	Neely	Tydings
Byrnes	Herring	Norris	Vandenberg
Capper	Hughes	O'Mahoney	Wagner
Chavez	Johnson, Colo.	Pepper	Wheeler
Clark, Mo.	La Follette	Pittman	White
Connally	Lee	Reed	Wiley

The PRESIDING OFFICER. Sixty-four Senators have answered to their names. A quorum is present.

Mr. THOMAS of Utah. Mr. President, I desire the floor.

Mr. BYRNES. Mr. President, the yeas and nays were ordered, and the first name had been called, and the Senator from Colorado [Mr. ADAMS] had voted when the point of no quorum was made. I make the point of order that the roll call had commenced.

The PRESIDING OFFICER. The Chair will inform the Senator that the Chair had recognized the Senator from Oregon before the roll call was started; but the clerk, not having heard the Chair, went ahead with the first name.

Mr. THOMAS of Utah. I merely have a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Utah. The way in which the amendment is now put will provide, will it not, for cutting the total appropriation from $100,000,000 to $40,000,000?

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian that the amount would be $10,000,000 for each of the 4 years.

Mr. BYRNES. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. BYRNES. Is it a parliamentary inquiry to ask the effect of striking out $25,000,000 and inserting $10,000,000? If so, I wish to present several inquiries as to the effect of the amendment.

Mr. THOMAS of Utah. I wonder if the question of the Senator from South Carolina is a parliamentary inquiry.

The PRESIDING OFFICER. The Chair understood the Senator from Utah to ask the form in which the amendment was stated. The Chair, in answering that question, was answering a parliamentary inquiry.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. SMITH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMITH. Are we now voting on the Byrnes amendment to reduce the amount to $10,000,000?

The PRESIDING OFFICER. That is correct.

The legislative clerk proceeded to call the roll.

Mr. BYRNES (when his name was called). I have a pair with the Senator from Maine [Mr. HALE]. I transfer that pair to the Senator from Nevada [Mr. MCCARRAN], and will vote. I vote "yea."

The roll call was concluded.

Mr. MINTON. I announce that the Senator from West Virginia [Mr. HOLT] is detained from the Senate because of illness in his family.

The Senator from North Carolina [Mr. BAILEY], the Senator from Washington [Mr. BONE], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Ohio [Mr. DONAHEY], the Senator from Virginia [Mr. GLASS], the Senator from Illinois [Mr. LEWIS], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained.

The Senator from Louisiana [Mr. ELLENDER], the Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. BANKHEAD], and the Senator from Utah [Mr. KING] are detained in important committee meetings.

The Senator from Idaho [Mr. CLARK], the Senator from California [Mr. DOWNEY], the Senator from Louisiana [Mr. OVERTON], and the Senator from New Jersey [Mr. SMATHERS] are detained on departmental business.

The Senator from Alabama [Mr. HILL], the Senator from Nevada [Mr. MCCARRAN], the Senator from New York [Mr. MEAD], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Missouri [Mr. TRUMAN] are absent on important public business.

The Senator from Utah [Mr. KING] has a pair with the Senator from New Jersey [Mr. SMATHERS]. If the Senator from Utah were present and voting, he would vote "yea," and if the Senator from New Jersey were present and voting he would vote "nay."

Mr. AUSTIN. I announce the following general pairs: The Senator from New Jersey [Mr. BARBOUR] with the Senator from Alabama [Mr. HILL], the Senator from Vermont [Mr. GIBSON] with the Senator from Missouri [Mr. TRUMAN], the Senator from New Hampshire [Mr. TOBEY] with the Senator from New York [Mr. MEAD], the Senator from North Dakota [Mr. NYE] with the Senator from Indiana [Mr. VAN NUYS], the Senator from California [Mr. JOHNSON] with the Senator from Louisiana [Mr. ELLENDER], the Senator from Oregon [Mr. HOLMAN] with the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Virginia [Mr. GLASS].

I am advised that if present the Senator from California [Mr. JOHNSON], the Senator from Oregon [Mr. HOLMAN], and the Senator from North Dakota [Mr. NYE] would vote "yea."

The result was announced—yeas 33, nays 31, as follows:

YEAS—33

Adams	Danaher	Lodge	Townsend
Borah	Davis	Lucas	Tydings
Brown	Frazier	Lundeen	Vandenberg
Burke	George	McNary	Wagner
Byrd	Gillette	Maloney	White
Byrnes	Harrison	O'Mahoney	Wiley
Capper	Herring	Reed	
Clark, Mo.	Johnson, Colo.	Russell	
Connally	La Follette	Taft	

NAYS—31

Ashurst	Guffey	Miller	Schwellenbach
Austin	Gurney	Minton	Sheppard
Barkley	Hatch	Murray	Smith
Bilbo	Hayden	Neely	Stewart
Bridges	Hughes	Norris	Thomas, Okla.
Bulow	Lee	Pepper	Thomas, Utah
Chavez	Logan	Pittman	Wheeler
Green	McKellar	Schwartz	

NOT VOTING—32

Andrews	Downey	Holt	Radcliffe
Bailey	Ellender	Johnson, Calif.	Reynolds
Bankhead	Gerry	King	Shipstead
Barbour	Gibson	Lewis	Smathers
Bone	Glass	McCarran	Tobey
Caraway	Hale	Mead	Truman
Clark, Idaho	Hill	Nye	Van Nuys
Donahey	Holman	Overton	Walsh

So Mr. BYRNES' amendment was agreed to.

Mr. NEELY. Mr. President, I move to amend the bill, on page 2, line 17, by striking out the period after the word "act" and inserting a colon and the following:

Provided, That bituminous coal shall be considered a strategic and critical material within the meaning of this act.

The VICE PRESIDENT. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 2, line 17, after the word "act" and before the period, it is proposed to insert a colon and the following:

Provided, That bituminous coal shall be considered a strategic and critical material within the meaning of this act.

Mr. NEELY. Mr. President, those who remember the industrial and financial confusion that prevailed during the World War will not fail to recall that under the inexorable law of supply and demand the price of bituminous coal soared to more than $25 a ton. In spite of this exorbitant price there was an insufficiency of coal.

A hundred thousand miners need employment. A multitude of operators are financially distressed and need a market for their potential production. In the circumstances the Government should prudently protect itself against a fuel famine in the event of war by immediately purchasing and storing at least a million tons of bituminous coal. Such action would be beneficial to our national defense, a blessing to the coal operators, and a godsend to the idle miners.

Mr. President, I urge that the amendment be adopted.

Mr. THOMAS of Utah. Mr. President, I trust the amendment will not be agreed to. I am sure that no definition which Congress may enact into law would make coal a strategic material in the United States.

AMERICAN DEVELOPMENT OF TRANSOCEANIC AIR NAVIGATION

Mr. LUNDEEN. Mr. President, I desire to speak briefly concerning the brilliant achievement of the Pan American *Yankee Clipper*, which landed in Lisbon, Portugal, today. It is a stellar achievement on the part of American aviation.

CROSSING THE ATLANTIC IN 17 HOURS

Senators will remember that a day or two ago the first portion of the journey, from the eastern coast of the United States to the Azores, was completed in 17½ hours. This great flying boat is the product of an American company which is the world's pioneer manufacturer of flying boats. The first modern flying boat constructed was used as the *China Clipper*. There were several of them. The first one, constructed in order to carry mail across the Atlantic, was diverted to the Pacific. I had the pleasure of flying in one of those boats from Honolulu to San Francisco in 1937, on Territory Committee business. We covered more than 2,000 miles over the mighty Pacific and we made the journey in something like 17 hours. Mrs. Lundeen left Honolulu on a fast ocean liner 2 days before I boarded the *China Clipper*, and I waited 2 days for that great ocean greyhound to arrive in San Francisco. That is aviation—the world's most marvelous method of transportation.

WINGED VICTORY—A NEW RECORD OF TRANSATLANTIC AVIATION

Pan American Airways started its operation in 1928 with a small line from Key West, Fla., to Habana. At that time both French and German subsidized airlines were strongly

entrenched in South America. Being heavily supported financially by their respective governments they threatened to dominate air transport service in Latin America. This trade area, with its millions of people and great undeveloped resources is one of the most important world markets for both Europe and the United States.

EUROPEAN COMPETITION

The countries of Europe fully appreciated that trade would follow improved communications. During the World War the United States had taken advantage of its opportunity to wrest from the nations of Europe a large portion of their trade with Latin America and immediately following the war these nations set out to regain the trade that they had lost. As a new and effective weapon in their drive for this market, France and Germany each commenced the development of services in Latin America in which at that time they had no competition from this country—air transport. The German-controlled Scadta line, then operating under exclusive contracts in interior Colombia and between Colombia and Ecuador, was actively planning to extend its operations to Panama and up through Central America to Cuba. Another German-controlled company had secured and was operating a monopoly concession in Bolivia, the service to be extended through Brazil to the Atlantic seaboard at Rio de Janeiro.

THE GERMAN SYSTEM

"Condor," a direct subsidiary of the Luft Hansa, the German air system, had commenced operations along the Brazilian coast, to be later extended across the South Atlantic to Europe.

Aeropostale, the French subsidized international line, was operating service between France and Buenos Aires, fast destroyers made available to the company by the French Government, transporting the mails between Dakar, Africa, and Natal, Brazil. Aeropostale also had a line in operation from Buenos Aires over the Andes to Santiago, Chile; held concessions to extend its service north from Natal to Trinidad and the French West Indies, and between Trinidad and Venezuela, and was actively negotiating for a monopoly international mail contract in Peru.

NEW AIR RECORDS FOR LATIN AMERICA

The result of the establishment of these air-transport services was the reduction in transit time for mail and express moving between Europe and Latin America from 16 to 9 days, bringing this valuable trade area 2 weeks nearer to Europe than the United States. The situation then existing constituted a serious menace to this country's trade and prestige in Latin America and a diminution of our share in this trade appeared to be inevitable unless the United States set up similar improved communications facilities.

At this time the possibility of extending its operation in Latin America had been considered by Pan American but, faced with the tremendous investment incident to the establishment of airways in foreign territory, it was found impossible to compete against air lines subsidized by European nations unless this Government should establish a national policy of encouraging such a service by private capital and enterprise through long-term air-mail contracts or other financial assistance.

PAN AMERICAN PIONEERS

This situation soon received the official consideration of our Government, and in time legislation was enacted to provide financial Government aid through long-term air-mail contracts for the projection and operation of American air transport service into the fertile but highly competitive field of Latin America. The assistance offered by the legislation was limited to payments for the carriage of mail. Unlike the Government systems in the domestic air-mail system whereby intermediate landing fields, communications, and other aids to navigation were provided and maintained by the Department of Commerce, operators in the foreign field were required to provide their own facilities. At their own expense they had to build thousands of miles of airways, including the negotiation and procurement of the necessary operating rights and concessions, the construction of airports and intermediate landing fields, the installation of radio communications and meteorological bureaus, and the provision of other essential aids to aerial navigation.

GREAT BRITAIN, GERMANY, FRANCE, AND ITALY IN SOUTH AMERICA

In the face of the strongly subsidized European competition and the unusual financial risk involved, Pan American projected itself into Latin America and established a network of air lines that serve every country in Latin America. In setting up the physical facilities for this system of 32,000 miles of airways, the company was obliged to invest approximately $15,000,000, nearly half of which has been devoted to airports, buildings, radio stations, equipment, and other fixed assets.

A unique record was accomplished in the raising of the necessary capital to finance this new and somewhat risky venture. The company made no public offering of its stock, and not a dollar was expended for any underwriter's or broker's commissions.

The United States can boast today of the largest and most efficient air service in Latin America. And while we maintain this expansive aerial artery, the cost of its maintenance by the Government as a result of mail payments is only one-half of the cost of European lines, whose total mileage is only one-half of ours.

PAN AMERICAN AIR SERVICE

Our air-transport system provides a service to every neighboring country and colony to the south of us. As an integral part of this system Pan American Airways provides and maintains approximately 150 land and marine airports, about 85 radio and weather stations, together with machine shops and overhaul bases adequate to maintain a service thousands of miles removed from its main terminals. Landing fields have been carved out of jungles and otherwise uninhabited areas, and pack-mule transportation was necessary on numerous occasions to successfully accomplish airways construction.

The existence of this aerial courier has been of inestimable value in the promotion of social, political, and economic relations between North and South America. The rendering of a dependable, impressive service by the Pan American System throughout Latin America, employing the most advanced equipment and the highest type of personnel, together with the opportunity afforded for closer intercourse between the people of the United States and the countries to the South, has necessarily been an outstanding factor toward the improvement of our relations with Latin America.

SUPERIOR FLYING EQUIPMENT

The flying equipment used by this system is far superior to anything that Europe has sent to Latin America. As a result of this demonstration of the superiority of American aeronautical equipment, substantial orders have been received by American manufacturers from the military organizations of the different countries, notwithstanding the large number of European military missions that have been employed in South America.

Pan American Airways has continuously taken steps to improve its Latin-American system. Larger and faster flying equipment has been installed and the travel time to the important commercial centers has been materially reduced. Today, Buenos Aires, the capital of Argentina and the metropolis of South America is but 4½ days from the United States by air as against 17 days by boat.

AMERICAN AIR-MAIL SERVICE

The American air-mail service established by this Government in Latin America has provided an outstanding and unique means for a more favorable contact between this country and Latin America. The peoples of Latin America know that Pan America's air-transport system is made possible by the support of the United States Government and the benefits received by them from the service are therefore largely attributed by them to this Government's spirit of cooperation. This makes for the creation of good will and a more "neighborly feeling" toward our Republic and its citizens.

Another helpful factor in building up friendly relations with Latin America has been the services rendered by the system in national emergencies in the countries served. When hur-

the service that the United States receives for half of that | There are no finer men in the service of the American

ricanes, floods, earthquakes, or other unfortunate disasters strike, Pan American Airways has performed important relief work in otherwise inaccessible stricken areas. The most recent case of relief work was the evacuation of the earthquake-stricken area of Chile. It was only by airplane that survivors could be evacuated and the Pan American system made available every possible resource to accomplish this errand of mercy.

At this point I ask unanimous consent to print an article by Mr. Pyle on the Pan American Airways and their activities in South America.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

[From the Washington Daily News of January 11, 1939]

PAN AMERICAN AIRWAYS

(By Ernie Pyle)

PORT OF SPAIN, TRINIDAD.—When your big clipper plane skims gently down into the busy harbor of Port of Spain you have left South America behind you.

Trinidad is an island—a British possession. It's just a few miles off the coast of South America. On a clear day you can see over to Venezuela from a hilltop.

Things are lovely here—hilly, verdant, immensely tropical, and comfortable with good British efficiency. The Negroes speak with a British accent. Cars drive on the left side.

And does it rain! All day long it has come down in one of those all-engulfing, straight-down deluges. It is a day for sitting on the balcony and reading and thinking.

I had planned sometime to write a column on Pan American Airways. So why not today—our first day off the continent, raining, nothing else to do, looking back.

The outstanding memory in this 3 months of delving into the Latin countries is, and must always be, Pan American Airways. It is one of the most amazing organizations I have ever known.

Most everybody in America knows something of Pan American Airways. But nobody can ever really have a full sense of its superiority until he has made one of these trips around South America.

By the time we return to Miami we will have flown nearly 15,000 miles. In all that time there was only one aerial "incident"—the time we had our forced landing in Peru. And that was such a beautifully handled thing that it added to Pan American's stature in our eyes instead of detracting. We felt even safer after it had happened.

In those 15,000 miles there has not been one single hitch. Only twice has the plane been late. For only two or three short periods have we had rough air, and then not very rough. There has never been a time, outside of the Peru incident, when we felt uneasy.

When we left Miami we took out $10,000 worth of air insurance, good for a year, at a cost of $18. I would do it again. And yet it seems to me the chances of getting hurt are less than if we were to start walking from Washington to Baltimore.

How Pan American has built up and holds together this terrifically scattered organization is beyond me. The perfect coordination they have trained into staffs of dozens of different countries is almost unbelievable.

Every Pan American station is a little gem. Often, as I have written before, it is the only clean and beautiful thing within hundreds of miles. And somehow Pan American has even drilled cleanliness into its native staffs.

The amount of money and the number of people it takes to run this outfit all through South America is staggering. At great division points like Rio there are as many as 500 employees. And even at the little places, where planes stop only once a week, there is a permanent crew of at least a dozen.

You fly always with American pilots and radio operators. Just to look at them gives you confidence. On these long flights, where you stay overnight in the same hotel with the crew, you get to know them all pretty well.

At every city Pan American traffic men keep close touch with the passengers. They know where you are, and keep you well informed on mail, plane schedules, and so on. They even act in the bigger cities as a sort of a travel agency for you.

Company busses or cars take you into town and pick you up when you leave. Pan American men interpret and are liaison men between you and foreign officials.

They don't do so much that they make you feel like a baby. But they do enough, and with no ostentation at all, that it lifts the worries from your shoulders.

If you know anything at all about flying, it doesn't take you long to sense the conservatism with which Pan American flies. There is a definite rule for everything. And they don't violate it. We sat on the ground for an hour one morning at Trujillo, Peru, waiting for the ceiling at Lima (200 miles away) to lift just a few feet.

I have seen our pilots fly clear around a high cloud bank, just to avoid maybe 30 seconds of rough air, for the passengers' comfort.

If Pan American were to pay me $1,000 for a serious criticism or suggestion, I do not believe I could think of one. They have done everything. Why, they even provide pilots' wives with booklets telling them what to feed their husbands before a flight.

Pan American Airways right now is facing very keen competition from the lines of Germany and France. It is competition that cannot be laughed off, for those countries are running good air lines, too, and they are pushing harder, perhaps, than the United States.

German lines now circle the southern half of South America, and have run up the east coast clear to Peru. It is said that Hitler has given orders to extend these lines right up to the boundary of the Panama Canal Zone.

Pan American Airways is one of the finest good-will-producing institutions the United States has in South America. It has given those countries something they need. And it has been run on a basis that shows Americans at their best.

Yet the battle is not yet won by any means. South American countries aren't always respectful of calm, efficient things. Pan American is getting kicked around in many places.

Of course our Government has always been good to Pan American. The line is heavily subsidized. But it seems to have built wisely and is worthy of its subsidy.

And if our Government has decided to get right down there in South America and fight the advances of Europe, one of the things is must not neglect in the future is this air line.

Mr. LUNDEEN. With the establishment of an efficient service to Latin America, Pan American turned its pioneering endeavors to bridging the world's largest ocean, the Pacific, with an aerial system. Fortunately, there existed in the Pacific a group of island stepping stones that our Government owned. There was no need to obtain flying and landing concessions, except at the western terminus of the line, which was readily accomplished. Then, with characteristic American courage and enterprise, Pan American and the Glenn L. Martin Co., of Baltimore, developed the first transocean flying boats. These were the *China Clipper* type of planes. In addition, if there was ever a modern Robinson Crusoe undertaking, it was the construction of the physical airway across this massive ocean. Facilities existed at Hawaii and Guam. But at Midway and Wake Islands, two outposts of the Pacific, it was necessary to send a large crew of engineers and technicians to construct the necessary ground facilities and accommodation. History will record the accomplishments of these hardy pioneers along with other builders of our country of earlier days.

EIGHT THOUSAND MILES OF PAN AMERICAN PACIFIC AIR SERVICE

At Wake Island there had never been any habitation of any kind. Almost overnight these Pacific pioneers turned an otherwise coral reef into an island air base with a comfortable hotel to accommodate passengers overnight. I am advised that the cost of setting up the physical facilities and the equipment for this great Pacific air service approximates $5,000,000. Today we have an 8,000-mile air-transport service that brings the Far East, with its rich trade of $10,000,000,000, just 6½ days from the United States. The arrival and departure of the giant clippers used in this service have become commonplace. Since this service started in November 1935 Pan American Airways has accomplished 270 crossings of the Pacific Ocean.

AIR SERVICE AND NATIONAL DEFENSE

In addition to its peculiar commercial value, the importance of Pan American Airways system from a national-defense standpoint is quite obvious. It is a spearhead for recovery of commerce and an important structure in our national defense. With its far-flung operations, circling Latin America, crossing the Pacific, and connecting the important communities of Alaska, this system must be considered in any calculations bearing on national defense. It possesses something more than 135 airplanes, of which 22 are of the clipper type; it has a trained flight corps and ground staff in 51 countries and colonies that are second to none in the world. As far as big-boat flying and transoceanic operations are concerned, the Pan American personnel are the peer of the world.

AMERICA FIRST

These gallant airmen in their particular field are pushing far ahead of our foreign competitors in the commercial field. Today every nation of any consequence is employing every possible resource and force to catch up to the United States in commercial air development. Commercial services of other countries are heavily supported financially by their governments. Great Britain, for instance, is spending $15,000,000 a year on its commercial system and is not getting one-half of

the service that the United States receives for half of that sum.

Today there is a trade war in the air and we can proudly say that America is in the forefront. Activities are centered for the time being on the Atlantic Ocean. And out in front is Pan American, carrying the banner of the United States. One of the new fleet of superclippers—the Boeing *Yankee Clipper*—has just crossed the Atlantic without incident with the largest number of people ever to be carried over this turbulent ocean by air in a heavier-than-air plane. There were 12 members of the crew, 3 officials of aircraft companies, and 6 Government observers, a total of 21 persons. And with this record-breaking number of people aboard, the mammoth plane was not filled to capacity.

NEW YORK TO LONDON IN 24 HOURS

Three years were required to build the *Yankee Clipper*, which is the flagship of a fleet of six superclippers for ocean flying. This plane cost $750,000 and when placed in regular passenger service across the Atlantic will carry 40 passengers with sleeping accommodations. Over the northern Atlantic route this plane will put the British Isles within 24 hours of the United States. Employing the southern route, via the Azores, there will be a 34-hour service to France and the continent.

COMMERCIAL AIR SERVICE WITH EUROPE

Mr. President, the aviation industry is not so far afield from this particular bill, in that these aviation lines are being extended to South America, to the West Indies, and to the far China coast. We have there established American air lines to Hong Kong through the Philippine Islands airways that are not equaled by those of any other nation in the world. I think we all anticipate with great pleasure the American achievement in establishing commercial air service with Europe.

Senators probably know that one of the air lines now in service in South America circumnavigates that continent.

We hear much about Germany, France, Great Britain, and Italy and their air lines and their activities in South America. I desire to say that, so far as I am concerned, I am in favor of the Government supporting our air lines, whether the support be by an air-mail subsidy or whatever it may be. We invented these planes. We first placed them in the skies. We shall lead, and I think we are leading. We should continue to lead. The more frequent the service to South America, the better the service, the more air lanes we have, the more lighted airways, the more landing fields—the safer the country will be from the imaginary foreign attacks about which we hear so much. If, however, they are to come; if some of us should be mistaken in that respect, let us build still more complete airways and increase the landing-field facilities, so that there may be increased commerce for our air lines and their splendid personnel. This will strengthen our national defense.

THE "YANKEE CLIPPER"

Mr. President, there is also here a description of the Pan American air liner, the *Yankee Clipper*—the one some of us saw at the landing field here recently, a magnificent ship, something of which America may be proud. This one boat cost $750,000. I would rather see American money invested in aircraft of that kind than in futile adventures across the seas. Let us build up American industry, American airways, American air boats, flying equipment, and flying fields.

I also ask permission to insert this description in the RECORD, together with a statement of the air-mail service to foreign countries giving the total revenue and expenditures for the fiscal years shown.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(The article and statement referred to appear at the end of Mr. LUNDEEN'S remarks.)

Mr. LUNDEEN. I thank the Senate for their indulgence in this matter. I think it is fitting and proper that some one should call attention to this magnificent achievement of our air pilots.

There are no finer men in the service of the American Government anywhere in the world than the men who take these ships into the uncharted ocean of the air, and take them across the great seas, and safely land their passengers and their air mail. We are all proud of them; and we hope this is only the beginning, the inauguration of a mighty air service the like of which no other nation will ever accomplish.

The matter referred to by Mr. LUNDEEN, and which was ordered printed in the RECORD, is as follows:

PAN AMERICAN AIRWAYS CLIPPERS

(Type Boeing 314)

The latest aircraft so far developed in America—and the largest in the world designed for regular transport service—the Boeing 314 type Pan American clippers were developed to permit commercially feasible transoceanic passenger, mail, and express service.

Six aircraft of this type were ordered from the Boeing Airplane Co., Seattle, Wash. The first of the series has been under continual test since June and this month completed the tests required for licensing by the Civil Aeronautics Authority. Only one supplementary test for seaworthiness in rough water remains to be done and awaits the necessary water conditions. The second is ready for immediate delivery at Seattle; the third will be completely fitted for delivery January 10. The first aircraft upon which the tests were made will, on completion of the rough-water test, return to the factory for final passenger fittings and is scheduled for delivery January 25. The fourth, fifth, and sixth in the series will be delivered thereafter at intervals of 3 weeks.

POWER PLANTS

The Pan American Airways clipper, Boeing type 314, is a four-engine, high-wing, all-metal, monoplane flying boat. It has an original gross weight of 82,500 pounds—41¼ tons—has flown successfully with loads as high as 84,500 pounds. It is powered with four 1,500-horsepower, double-row, Wright Cyclone engines, driving three-blade Hamilton standard, full-feathering hydromatic propellers.

One of the advanced features of these aircraft—and a safety factor impossible of incorporation in smaller types—is the accessibility of its four engines in flight. A companionway is provided through the wing from the flight deck to each of the four engine stations, which are large enough to permit four men to work.

Under full-load conditions the aircraft can take off and land with three engines operating and can fly and climb with two of the four engines operating.

DIMENSIONS

The wing span is 152 feet; the over-all length, 109 feet. The surface ability is provided by sponsons or "seawings" attached to the fuselage at the water line. In addition to providing lateral stability on the surface, these sponsons also carry the main fuel supply, 3,000 gallons. An additional 1,200 gallons is carried in wing tanks immediately behind the engines. The over-all height from the water line is 24 feet.

PERFORMANCE

As a transoceanic mail plane (no passengers) the B-314 can carry 5,000 pounds of mail cargo for over a range of 5,000 miles, nonstop. For transoceanic passenger service the B-314 will carry 10,000 pounds of net pay load over a range of 4,000 miles, nonstop. This load will permit carrying 40 to 50 passengers in berths, in addition to 2,000 pounds of mail, over the 2,500-mile (the longest) sectors of the Pacific and Atlantic routes, each with a safety margin in excess of 1,000 miles.

For shorter routes the B-314 will carry a pay load of 26,000 pounds for a range of 1,750 miles nonstop. This load will permit carrying 75 passengers (for which individual seats are provided), in addition to 12,500 pounds of mail and freight cargo over this range.

The top speed of the Boeing 314 has been recorded at 201.5 miles per hour. The cruising speed on a full load, over full range, at 50 to 60 percent horsepower (for minimum fuel consumption and maximum power reserve) is in excess of 150 miles per hour.

ACCOMMODATIONS

The Boeing 314 type are two-deck flying boats. The upper deck, or flight deck, is equivalent in size to the cabin space of the largest transcontinental transport aircraft in current use and is reserved exclusively for the multiple flight crew of eight. Working stations are provided for two pilots, radio officer, navigation officer, chief engineering officer, two flight mechanics at wing-engine stations, and a junior flight officer. In addition, private captain's office is provided on the flight deck, forward of which is the marine compartment in the bow, and aft a special navigation observatory, sleeping and rest quarters for the flight crew, and the main cargo holds with a capacity for 5,000 pounds of transoceanic mail and express.

On the lower or main deck are accommodations for 75 daytime and 50 nighttime passengers. In addition to the regular passengers' seating and berth accommodations, on this deck are located the steward's galley and pantry for the preparation and serving of meals aloft, ladies' and men's lavatories and dressing rooms, and the main dining lounge. Aft of the main deck is a private cabin for two or more passengers and equipped as a stateroom lounge.

(The above statement was furnished by Pan American Airways.)

Air-mail service to foreign countries—Total revenue and expenditures for the fiscal year shown

Fiscal year—	Revenue	Expenditures	Excess expenditures over revenues	Miles flown
1929	$6,731.04	$1,150,711.96	$1,143,980.92	
1930	308,812.57	4,300,000.00	3,991,187.43	
1931	989,191.38	6,564,858.17	5,575,666.79	3,535,864
1932	1,199,997.85	6,962,984.28	5,762,986.43	3,778,729
1933	1,303,743.21	6,948,188.77	5,644,445.56	3,775,434.5
1934	1,786,173.31	6,942,375.29	5,156,201.98	3,767,102
1935	2,170,807.67	6,828,178.06	4,657,370.39	3,682,621
1936	2,685,149.09	6,610,271.15	3,925,122.06	3,754,537.3
1937	3,864,140.32	7,874,670.60	4,101,530.28	4,445,591.6
1938	4,170,516.83	8,579,524.57	4,409,007.74	4,994,557.6

ACQUISITION OF STOCKS OF STRATEGIC MILITARY MATERIALS, ETC.

The Senate resumed the consideration of the bill (S. 572) to provide for the common defense by acquiring stocks of strategic and critical raw materials, concentrates, and alloys essential to the needs of industry for the manufacture of supplies for the armed forces and the civilian population in time of a national emergency, and for other purposes.

The PRESIDENT pro tempore. The pending question is on the adoption of the amendment offered by the Senator from West Viriginia [Mr. NEELY].

Mr. GUFFEY. Mr. President, I am entirely in sympathy with the amendment offered by the Senator from West Virginia, and I hope the amendment will prevail.

Mr. ASHURST. Mr. President, I rise to ask a question of the able Senator from Utah [Mr. THOMAS] in charge of the bill. What agency of the Government or what authority will determine what commodities, metals, or other things, are strategic and critical?

Mr. THOMAS of Utah. Mr. President, the determination of what is strategic and critical is left with the War Department and the Navy Department.

Mr. ASHURST. I am content.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from West Virginia [Mr. NEELY].

The amendment was rejected.

Mr. DANAHER. Mr. President, I ask unanimous consent to return to the committee amendment in line 2 on page 2 for the purpose of offering an amendment to it. I send the amendment to the desk and ask to have it stated.

The PRESIDENT pro tempore. Without objection, the amendment to the committee amendment will be stated.

The CHIEF CLERK. On page 2, line 2, it is proposed to strike from lines 2 and 3 the following words:

to encourage the further development of mines and deposits of these materials in the United States, and—

It is also proposed in line 7, after the word "emergency", to insert the following words:

and to encourage the further development of mines and deposits of these minerals in the United States, provided that such development shall be undertaken through the use of private capital, except that the Reconstruction Finance Corporation is authorized and empowered to make loans to private corporations to aid in such development in accordance with, and subject to the limitations contained in, the Reconstruction Finance Corporation Act.

Mr. DANAHER. Mr. President, it will be observed that by this amendment the phrase now appearing in lines 2 and 3, at the top of page 2, is transposed to follow the word "emergency" in line 7.

The purpose of the amendment is phraseologically to tie in the more readily with a proviso or limitation upon the proposal to develop mines and deposits of materials.

The reason must become apparent from the very answer which the Senator in charge of the bill gave to the distinguished Senator from Arizona [Mr. ASHURST] only a few minutes ago. There is nothing in the bill to provide for the allocation of any given amount for the development of mines or mineral resources of whatever kind. For all we know, the entire fund—provided the Secretaries of the departments agree—may be used for the development of mines and deposits.

As the bill is drawn, Mr. President, it has the singular vice of devoting public funds to the development of these mines and the deposits of these materials, when the crying need of the hour is the encouragement of private capital to be directed into those very fields. It would seem to me to be the height of wisdom not only to encourage private capitsl to develop these mines and deposits of materials indigenous to the United States but, if there be a shortage of them, or if there be required additional credit, that R. F. C. funds be made available for such purpose. Certainly we all realize that if there were deposits of tin, for instance, in the United States they would long ago have been developed, or molybdenum, or any of the other materials supposed to be covered by this development and research program.

Mr. President, I submit that the amendment is in the interest of the development of a sound national economy. At the same time, the amendment in no way militates against the proposal that the Secretary of War and the Secretary of the Navy may acquire such stores of natural resources not indigenous to our soil as may be needed in times of war.

I submit that the amendment ought to be adopted.

Mr. THOMAS of Utah. Mr. President, I trust the amendment will be rejected.

In the bill there is no provision for the expenditure of public money, as such, to carry on the private affairs of a mine or any sort of corporation which may be organized. The suggestion that the R. F. C. may be allowed to lend to these organizations is not adding anything to the law of the land as it stands today, because I think the R. F. C. has that right at the present time. If, for example, section 7 of the bill is construed to provide for setting up companies with public funds, I think that is a reading of the section which is hardly correct. The bill still has just two purposes—one, to establish a stock pile; the other, to encourage discovering methods whereby American products may be available.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I am glad to yield.

Mr. DANAHER. Will the Senator please advise us how much of the proposed fund may be allocated to the second of the so-called dual purposes; namely, to provide employment at the mines?

Mr. THOMAS of Utah. There is nothing in the bill about employment at the mines.

Mr. DANAHER. Mr. President, I have distinctly in mind the references of the Senator from Montana a few days ago to the opening of mines in Butte.

Mr. THOMAS of Utah. I do not recall the remarks of the Senator from Montana; but there is nothing in the bill to provide directly for employment. It is not a relief measure in any way.

Mr. DANAHER. Mr. President, may I ask the Senator how much money would be allocated under the committee bill to the development of mines?

Mr. THOMAS of Utah. That amount of money is in the appropriation made under paragraph (b) of section 7—$350,000 to the Bureau of Mines and $150,000 to the Geological Survey—and those sums are to be used primarily and, in fact, entirely for experimental purposes.

Mr. SCHWARTZ. Mr. President, I think what the Senator from Montana said the other day was that in the event the Government of the United States should buy extensively of the strategic materials produced in the United States, the necessary production of those materials by private industry would employ men; not that any of this money should be used for the purpose of paying wages, but that it would simply induce the employment of men by private industry.

Mr. DANAHER. I thank the Senator for the contribution from his recollection.

Mr. President, I ask the distinguished Senator in charge of the bill in what fields the development of mines and deposits of materials is contemplated?

Mr. THOMAS of Utah. Merely in the field of experimentation. For example, if the Bureau of Mines believes that it

has a process for the development of nickel in our country which we are not now developing in sufficient quantity to take care of our national needs, that experimentation will go forward. Experimentation may be conducted on private land or on public land, but it always remains in the realm of experiment; and the development will come in accordance with the ordinary objectives of the two great Bureaus which will be put to work.

Mr. DANAHER. Will the Senator inform us if there is any field covered by minerals sought to be purchased and accumulated in stock piles as to which our Bureau of Mines has not long since made complete surveys?

Mr. THOMAS of Utah. I can answer that question in many ways. If the Senator had been present at all of the hearings he would have found that each answer would have been extremely valuable.

There is the testimony, for example, that America never can produce manganese of a grade which will be acceptable to our Navy. There was the testimony that we have plenty of manganese if we just have a right to develop it.

We have all types of expert testimony given to us. It was told by one man who calls himself, and who has been recognized, as one of the greatest experts in metallurgy and mining in our country, that there are in our country large deposits of tin, and that he would like to prove that there is plenty of tin to be found here.

The point is that we are dealing here with an experimental field, and there has been difference of opinion about whether we produce in the United States the materials in question. The theory of the bill is that if they are found in this country, we should encourage their development and their use.

Mr. DANAHER. But, Mr. President, we do it at the expense of the Public Treasury, do we not, under the bill?

Mr. THOMAS of Utah. To the extent of half a million dollars a year, and the half a million dollars a year will be spent under the direction of the Government's greatest experts in the fields where they work.

Mr. DANAHER. Does not the Senator feel that if these fields in fact await exploration and development, they can be developed through private capital?

Mr. THOMAS of Utah. It will be accomplished by private capital, because that is the only way in which they can be developed in a big way. But for the Senator to turn his back upon the tremendously great achievements of the Bureau of Mines, for example, and the Geological Survey would be to turn his back upon some of the most valuable contributions which have been made to our economic life. For instance, there is the process, simple to us now, for the proper treatment economically of low-grade copper ore, a process which I myself saw worked out, which process all came about as the result of experiment, and it has brought millions and millions and millions of dollars of wealth to our country.

Mr. DANAHER. Mr. President, I recognize and applaud the efforts of the Bureau of Mines and all the valuable activities to which the Senator has referred. I also wish to thank the Senator for the earnestness with which he has attended upon this whole subject. The point of objection, when we reduce it to its fundamentals, is that public funds are being used to develop and to exploit what should be a field of private endeavor.

Mr. THOMAS of Utah. Public funds will be used for private endeavor only to the extent that public funds have been used to encourage private endeavor by these two great institutions, the Geological Survey and the Bureau of Mines. The line of demarcation between that which is public and that which is private in the realm of experiment is very narrow, because when an experiment is developed and a new process is discovered in the Bureau of Mines, it belongs to all the people of the United States.

If a process were discovered by a private individual, it might be patented and so be protected by the patent laws of the United States. Probably in no better way can we use public funds to increase the wealth of private individuals and private property than through the medium which is set up in the bill.

Mr. DANAHER. Mr. President, will the Senator inform us whether there is any provision in the bill which limits the field of research to public lands of the United States?

Mr. THOMAS of Utah. Quite the contrary. The Bureau of Mines may go on private property; the Bureau of Mines may take over for experimental purposes a given mine owned by a given person if that person wants experiments carried on there, and if mining feasibility is proven, and then the processes are proven by public endeavor, the profit, the benefit, goes to all the people, and the mine owners still own their mines.

Mr. MURRAY. Mr. President, I should like to ask the Senator whether there is anything new or novel in the policy to which he has just adverted. Is it not true that for the past 50 years the Bureau of Mines and the Geological Survey have been conducting studies of this kind in every mineral area of the United States, and is it not true that we have been told in the committee hearings that approximately 20 States in the Union claim they have within their borders enormous deposits of manganese, and that a great number of States claim they have deposits of chromium, which should be uncovered, and which, if the claim be true, would be a great addition to the wealth of this country? All new wealth comes from the ground. This measure is an effort to uncover mineral wealth, and will be a great advantage to the country, inasmuch as it will result in the production of minerals of a character which are absolutely essential for our defense purposes.

Mr. THOMAS of Utah. I thank the Senator. He has answered his own question in the explanation made.

Mr. HATCH. Mr. President, the questions which have been asked by the Senator from Connecticut, and also portions of the debate as it has proceeded, prompt me at this time to refer to certain conditions which developed in this country under a law somewhat similar to the pending bill, which will verify what the Senator from Montana has stated, that the bill is not a new or novel thing in our history.

Before the World War practically the entire supply of potash used in the United States came from Germany and other foreign countries. As a consequence, as every person who is familiar with the subject at all knows full well, during the war our country was placed in dire straits, especially the agricultural interests, on account of the lack of potash.

Some years later in the State of New Mexico a private company searching for oil found evidences of potash deposits. Under a bill sponsored by the senior Senator from Texas [Mr. SHEPPARD], Congress authorized an appropriation for an investigation and development of the potash resources of the United States. As I recall, the bill carried an appropriation of $100,000 a year for 5 years, a total of some $500,000, quite a large sum at that time to be devoted to one industry, the mining industry.

Using that fund wisely, the Geological Survey, the Bureau of Mines, and other departments of the Government, cooperated with the private companies developing potash in New Mexico and as the result of their joint efforts it was discovered that there were in the State of New Mexico sufficient deposits of potash to supply our entire country, if the necessity arose. Should war come, no longer would our country be dependent upon foreign supplies of potash. We could supply it all from the deposits in New Mexico.

As a further result, we have in the State of New Mexico two companies, possibly three, operating the potash mines, with which the Senator from Nevada [Mr. PITTMAN], who now presides over the Senate, is familiar, and with which the Senator from Colorado [Mr. ADAMS], who sits by my side, is especially familiar, having been through those mines with me, mines which now employ more than a thousand men, paying to those men the highest wages paid labor in the State of New Mexico. Those mines are a profitable investment. They have placed on the tax rolls of my State property which pays a good share of the taxes returned.

Mr. SMITH. Mr. President, let me call the Senator's attention to the price to which potash went during the World War.

Mr. HATCH. I quite well recall that the price went up, but I do not recall the figure to which it rose.

Mr. SMITH. It went to two or three hundred dollars a ton for the muriatic form, and was somewhat less than that for the sulphuric form.

Mr. HATCH. I wonder whether the Senator has in mind how many thousands or perhaps millions of dollars were spent during that period in the dry-lake region in Nebraska, and in the seaweed development, and other experiments in an attempt to develop a supply of potash?

Mr. SMITH. I recall that the kelp on the west coast was supposed to be a prolific source of readily available potash. The device to clip the kelp under water, dry it out in sheds, and extract the potash was very costly in the experimental stage, and then there was in the Searles Lake region all kinds of experimentation in an effort to develop a supply. The difficulty is now solved, because the war brought to us a very vivid realization of our dependence on this material.

Mr. HATCH. I wonder whether it would be too much to say that if the Congress of the United States had been sufficiently far-sighted before the war to enact a measure such as the one we are considering today, we might have had supplies of potash developed in our own country, such as we now have, and would have been saved the experience of which the Senator speaks.

Mr. SMITH. There are two illustrations, one the development of nitrates, brought about by a realization that we were dependent on Chile for that basic element in the manufacture of explosives; and the development of potash, which is just as essential in the manufacture of war materials. We lacked both those materials, and the exigencies of war caused us to spend untold millions of dollars, which expenditures would have been avoided had we had such a law on the statute books as the bill now before us.

Mr. HATCH. Mr. President, I shall not delay the Senate. I merely desired to mention the incident to which I have referred, because it is a matter of which I have personal knowledge, and I know full well that a short-sighted economic policy sometimes proves to be the most expensive in the long run.

Because I have seen cooperation between Government agencies with private industry, have seen them work together wisely and intelligently and honestly, to the progress and development of my own State and her industries, I felt compelled to pay this tribute to the Congress of the United States, to the Senator from Texas [Mr. SHEPPARD], who encouraged the measure to which I called attention awhile ago, and the type of legislation represented by the bill now before us.

Mr. SMITH. Mr. President, in this connection, as the Senator has mentioned the cooperation of private industry with the Government, I wish to state that that was preeminently true in the development of the nitrate process. The price of nitrate went up to something like $100 or $110 a ton, on account of the war exigency, but now, under the process as it is being developed, the price is down to something like $25 or $30 a ton, with an abundant supply in the United States.

I was not so familiar with the development of the potash business; but, as the Senator has indicated, we now have developed a process by which we can be assured of all the potash we need.

Mr. HATCH. The potash is mined as a mineral in New Mexico and in the Searles Lake region, and between the two supplies there is no question that we could supply this country with all the potash necessary for many years.

Mr. SMITH. Mr. President, I voted against the restriction of the appropriation to $10,000,000 a year, because I am convinced that supplying a sufficient amount of money to encourage investigation and development will result in the best economy we can practice.

I am apprehensive that reducing the annual appropriation to $10,000,000 would impose such a limitation that the different materials and chemicals which we wish to develop might not be developed in sufficient quantities. I am sorry that the chairman of the committee accepted the amendment, when I recall our experience with the two chemicals upon which we have to depend in carrying on a war which we had to develop during the war at an enormous expense to the Government. In the case of one of these materials, our early participation in the war was jeopardized, because had Chile been blockaded we would have been without the prime essential in the manufacture of explosives.

I cannot for the life of me see why we should object to appropriating the full $25,000,000. It is not a question of balancing the Budget. It is a question of getting ready to preserve our country with our own resources. The question of economy does not enter into the consideration of the question. It is a question of developing the resources of this country to such a point that under all conditions we will be prepared to meet any exigency which may arise.

As I stated last Tuesday in my remarks on the Senator's bill, I do not believe in mixing in European quarrels; but I know that we are one of the sisters among the nations of the earth.

Mr. President, I want to go on record as being in favor of our country being prepared for any exigency that may arise. No Senator can tell what conditions we may be called upon to meet, when we consider the crazy, lunatic way affairs are being run in Europe, reversing the order and the progress of civilization and reverting back to the times of dictators, emperors, and kings. The idea of a great country such as Germany being subjected to the will of one man and the other nations of the earth either quaking at his tremendous exhibition of power or surrendering to him at his behest without the shedding of a drop of blood. How soon we may be called upon to consider some of the demands of this crazy egomaniac we do not know. I think it is time for us to get ready, and I hail with delight the bill of the Senator from Utah which looks to the appropriation of an amount sufficient to enable us to be provided with all the things necessary to protect ourselves in the event of attack.

Mr. President, of course we get very economical when it comes to certain fundamentals, but we can pour out billions of dollars to support people who never contribute one iota to the progress or welfare of the country. We all know humanity sufficiently well to realize that the unemployed will keep pace with our appropriations. As we increase the appropriation we are going to increase unemployment. We know that a man who can be supported by the Government is not going to hunt a job. No. So long as he is supported he is satisfied. I say here today, that the greatest crime ever committed by the Federal Government was to assume the role of relief agent for all the unemployed in America. Forty-eight sovereign States had their unemployment problem with their reserved power. What was done by the United States Government made for national unemployment. Had we divided the problem among the 48 States, and made each State responsible for its own unemployment we would not have the degrading condition of twelve or thirteen million persons on relief at the expense of the taxpayers, regardless of the amount of unemployment within the States.

What is the use? I am in the dog house. [Laughter.] I am in the dog house. All I can do is to stick my head out and bark. [Laughter.] Yes; and whenever they get too close to me, I want to bite. [Laughter.]

It is time for us to call a halt on this tremendous expenditure of public money that has grown up in the billions when we know that the basis of it all is to corral votes.

Let us call a spade a spade. The money is voted in the House and voted in the Senate, not for the welfare of America but to corral votes for some persons so they can warm these seats.

What Congress has done has had the effect, indirectly, of buying votes. What is done may be according to the law Congress enacted, but the time will come when everyone who has been a party to this impoverishment of our country in order to buy votes will cover his head in shame. That page in our history will contain a record which will be to the everlasting shame of this body. We do not study the economic situation. Listen to the speeches that are made here,

consider the votes that are cast, and when examined and analyzed they will be found to be based on the hope that "I am going to be the fair-haired boy on election day."

Mr. President, it is not very encouraging for a man who thinks it his duty to stay within the delegated powers of the Constitution and make laws under its limitations to see others forget their duty and, with a senseless, mad rush, spend billions and billions of dollars for no other purpose in the wide world than to make the recipients of their largess remember them on election day.

There is not a Senator who will deny that that is the purpose. And some of us must be crucified, some of us must be denounced, we who have kept the faith for 30 and 35 long years, who have never been apostates, who have never digressed from our sense of obligation to that splendid instrument which has kept us within the bounds of democracy. That document left it to the 48 States, with their divergent interests, divergent local feeling, and different psychologies to work out their own problems under the powers reserved to them.

There never was conceived in the mind of man a more splendid arrangement than our dual form of government. But step by step we have eliminated the powers of the States, until now the eyes of 130,000,000 people are turned to Washington, and to a little group of men who, if even they had all the brains that man could have, if they were touched by divine power and made geniuses such as exist in the manufacturing world, could not comprehend the difference in psychology and the difference in local feeling that exists within the several States. And yet we sit down here and at the crack of the whip jump through a hoop. We have a two-ringed circus, one here and one at the other end of the Capitol. [Laughter.] Crack the whip, jump through the hoop!

Mr. President, I think I had better desist. The way we are going, and, after listening to the speeches and watching the votes of my colleagues, I despair of ever getting back to the old "horse and buggy" days. Yes, my God, I would rather be in the "horse and buggy" age than be in the "jackass age." [Laughter.]

I think I had better quit. I feel that I am getting to the point where I may tell the truth. [Laughter.]

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. ASHURST. Mr. President, I always listen with attention when the able Senator from South Carolina speaks. If I am in the reception room, or even if I am holding a conference with a constituent, I leave the conference in order to hear the able Senator, whose philosophy, although exceedingly rich, apparently does not go sufficiently deep to give him much comfort.

During the years I have been a Member of the Senate I have received upward of 30,000 telegraphic dispatches, only 3 or 4 of which have urged me to vote against appropriations, whereas many thousand telegrams have urged me to vote for appropriations. When the taxpayers cease sending telegrams requesting Congress to provide unnecessary appropriations, the taxpayers will obtain relief from high taxes.

We need not despair. There are in this world some laws that may not be repealed. There is the law of the survival of the fittest, the law of supply and demand, the law of compensation, and the law of reaction. Even if Congress should refuse to grant relief from excessive taxes, the law of reaction would ultimately do its perfect work.

Mr. SMITH. Mr. President, I hope and trust to God that law will never be applied to the United States Senate.

Mr. ASHURST. Mr. President, as a fiercely raging fire will burn itself out, and a rapidly running river will create obstructions for itself, as Aristides the Just was banished because people grew tired of hearing him called Aristides the Just, likewise an era of prodigal expenditures will be followed by an era of economy to the point of parsimony, and in due time there will ensue an era of economy that will make Calvin Coolidge look like a spendthrift.

Mr. SMITH. Mr. President, I wish to take up one suggestion made by the Senator, and that is that we will start economy when the people demand it. The people did not start the demand for this orgy of senseless spending. They did not do it, but once they got a taste of it, who in the name of Heaven would expect them not to say, "Give us some more?" They did not start it.

Mr. President, I felt that if I went on with my opposition to certain encroachments upon the sacred rights of the States, as I interpret their rights, I would be ignominiously defeated. I told the people, "Whenever I reach the point where I think more of sitting in this body than of doing my duty as a Senator, you may have the seat." Thank God, the little State of South Carolina, the storm center of the Union, the home of nullification, the home of secession, responded gloriously. I carried my case to the people and received the biggest majority I have ever received since I have been running for office. All honor to South Carolina for ratifying and endorsing a man who was not afraid!

I am not afraid to stand in this one-time august body and declare my faith in the American people if we will do our duty. Talk about the recession of the tide. Mark my prediction: Whenever we cut off the flow of public money to the unworthy we have given such hostages to fortune that we shall have riots, if not revolution, in America. A man does not stop being a recipient of the public largess without a fight. There is an element in this country which we have trained for 6 long years to look to the Government for support rather than to its own efforts. We shall not loosen them from their hold until there is a totally new body in the Senate and in the House.

Mr. President at some future time I shall take up seriatim the acts which are now on the statute books and, without passion, show whether or not they are in accordance with my conception of the Constitution of the United States. I know that an effort is being made to amend that instrument. It is said that we have moved far beyond the application of the old doctrine. However, I think there are some fundamental truths which will never change as long as we are human beings. I think the first 10 amendments voiced beyond a doubt the inalienable rights of the individual—rights which neither Congress, nor any legislature, nor any President, nor any dictator, nor any man, has the human right to invade, to curtail, or to interfere with. They are congenital rights and they were were written into our organic law.

The relations between the sovereign States and the Federal Government were very clearly outlined in the first seven articles of the Constitution. Take that instrument, from the first article to the eleventh, and it will be applicable a thousand years from now, just as the stability of the sunrise is necessary for us to calculate time. Such principles are the fundamentals upon which all democratic governments must be based.

Mr. President, I apologize for taking so much time.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. DANAHER].

Mr. DANAHER. Mr. President, if I may advert to the pending amendment without disrupting the trend of thought of the Senate, I call the attention of the Senator from Utah to subsection (b) of section 7, beginning in line 10 of page 6. We there find that for the purposes of carrying out the provisions of the section there are authorized to be appropriated the sums therein mentioned. The appropriation therein set forth has no reference whatever to section 1, and particularly the part of it appearing at the top of page 2.

That is the first observation by way of rebuttal to my colleague.

With reference to the next objective declared in the amendment, Mr. President, I should like to point out that lines 2 and 3 on page 2 are not stricken from the bill. There is nothing in the amendment as offered that is subversive of the announced purposes of the bill as first introduced and set forth in its title; quite the contrary. The provisions of

lines 2 and 3 on page 2 are preserved, but are merely restated after the word "emergency" in line 7.

Consequently, after the Bureau of Mines or any other Government bureau has explored the possibilities, as provided by the authorization in section 7, the development is limited to the use of private capital which, if need be, may be supplemented by a loan from the Reconstruction Finance Corporation.

With the amendment thus stated, Mr. President, I submit that the whole purpose of the bill, devoid of its present vice, can be served.

I ask that the amendment be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. DANAHER].

The amendment was rejected.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 250) making an additional appropriation for the fiscal year 1939 for expenditure by the United States Employees' Compensation Commission in accordance with section 16 of the Emergency Relief Appropriation Act of 1938, and it was signed by the President pro tempore.

REFUSAL OF PULLMAN CO. TO OBEY AWARDS OF NATIONAL RAILROAD ADJUSTMENT BOARD

Mr. PEPPER. Mr. President, I shall ask for only a short time to speak with regard to a matter discussed in a communication to me from Mr. M. S. Warfield, president of the Order of Sleeping Car Conductors.

In 1934 the Congress passed an amendment to the Railway Retirement Act, and in that amendment the Congress made two very important contributions to industrial stability and economic peace.

The Congress created a Railway Adjustment Board and a National Mediation Board. By the statute itself it was made the duty of the carriers to observe the adjudications made by the Railway Adjustment Board.

That Board has now functioned for 4 years with a satisfactory experience behind it. It has succeeded so well in preserving peace between the employer and the employee that that statute has often been referred to as a model statute pertaining to that vital subject of industrial peace. In my opinion, Mr. President, that principle of settling disputes between employer and employee is important to America, and the violation of that principle and the lack of confidence of either the employer, the employee, or the public in that principle and in such an institution is detrimental to the economic order.

Such a situation has recently arisen. A few years ago an agreement was entered into between the Order of Sleeping Car Conductors and the Pullman Co., their employer. Subsequent to that time the Pullman Co. began to require that the Pullman conductor should be relieved from his conductor's employment, and that the cars be left in charge only of Pullman porters. There had been a previous adjudication on this question by the Adjustment Board, which had adjudicated that if there were any conductor's work to be done, under the agreement the right to perform that work belonged to the conductors, who were the beneficiaries of that agreement. However, the case was specifically presented to the Adjustment Board, under award No. 779, involving the question as to whether or not certain conductors, who were assigned to line 161 of the Burlington Railroad operating between Kansas City and Billings, Mont., and beyond during certain seasons, were subject to removal. The porters who had previously served upon the cars were to retain their places and be the only representatives of the Pullman Co. in charge of such Pullman cars. In that case the Railway Adjustment Board made it clear and certain that the claimants were entitled to the claims they made, and the award was in favor of the Order of Railway Conductors, which had protested the violation of the agreement on the part of the Pullman Co.

Mr. President, under the terms of the 1934 act an alternative is open to the employee. That is to say, he has the right to resort to a Federal court for the purpose of enforcing the award which is made by the Railway Adjustment Board set up by the Congress, composed of an equal number of representatives of the employer and the employees. The employer is now acting contrary to the literal requirement of the letter of the law, which makes it the statutory duty of the carrier to observe the adjudication of the Railway Adjustment Board, in violation of the spirit of that remedial legislation, and in violation, I believe, of the sentiment of the country for an orderly and lawful industrial peace.

The controversy has reached the point where the employees have been thrown back outside the scope of the remedial legislation, into the forum of the courts, where they could have gone before such legislation was ever enacted. I think it is worthy of public notice, Mr. President, that this attitude has been manifested on the part of the employer, not alone for its importance in this particular case but for the bad example it sets in the country at a time when we are trying to obtain some proper method of determining what is right between employer and employee, before a competent tribunal which can adjudicate those rights, and trying to encourage a spirit on the part of both parties to observe what may be the adjudication of such a forum.

Mr. President, I wish to submit my views on this matter and to express the very earnest hope that the employer in this case will lend a beneficent example to the employers of the country by observing the adjudication of the adjustment board, on which the employer and employees are equally represented. I hope the employer will see fit to reconsider its policy and to observe what the statute requires with respect to the decisions of the Board. This will probably avoid the necessity of reviewing this legislation with a view to strengthening its provisions as to observance of awards, and will make for good feeling generally.

Mr. President, I ask leave to supplement my remarks by having printed at this point, in the body of the RECORD, the statement to which I have referred.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REFUSAL OF THE PULLMAN CO. TO OBEY AWARDS OF THE NATIONAL RAILROAD ADJUSTMENT BOARD THREATENS TO DESTROY THE EFFECTIVENESS OF THE RAILWAY LABOR ACT

(By M. S. Warfield, president, Order Sleeping Car Conductors)

The purpose of amending the Railway Labor Act by Congress in 1934 was to establish methods for more prompt and equitable adjustment of disputes between the carriers and organizations of employees, which was shown by experience under the original act to be much needed.

The National Railroad Adjustment Board and the new Mediation Board created by these amendments have been functioning now for over 4 years, and their record of achievement leaves no doubt as to their value. So successful have been the services of these Boards in preserving peace in the industry and providing for uninterrupted interstate commerce during these most difficult years that the amended Railway Labor Act has come to be known as a model for the guidance of others whose labor relations are less efficiently handled.

Commerce between the States has been maintained continuously under voluntary agreements between the carriers and the organizations of employees, and these amicable relations have resulted in the passage of other legislation to stabilize and improve conditions of employment.

It is therefore gravely disconcerting to learn that the Pullman Co. and a few other carriers are attempting to discredit the Railway Labor Act by paralyzing the machinery created for the purpose of adjudicating disputes. This is being done by ignoring Adjustment Board awards and otherwise interfering with the prompt disposition of claims under the rules of procedure adopted by the Board. This refusal of the carriers to settle claims or apply the rules of agreements as interpreted by Adjustment Board awards has the effect of short-circuiting the law and substituting managerial domination for voluntary agreements entered into in good faith by the employees.

Resort to Federal court action by the employees to force observance of Adjustment Board awards is not the answer to this problem. Carrying on their contractual relations with the carriers by court orders was not intended as a part of routine procedure open

to the carriers as a matter of course. The courts could not handle the flood of complaints thus produced and the country would be confronted with a new and serious problem concerning uninterrupted interstate commerce.

The Order of Sleeping Car Conductors, representing all conductors employed by the Pullman Co., recently obtained Adjustment Board awards regulating pay for certain types of overtime work and interpreting the agreement with the carrier to mean that wherever it is established that conductors' work exists, the conductors have the right to perform it. Under that interpretation of the agreement the carrier does not have the right to remove conductors from their regular assignments and give their work to porters, thus making the porters do two men's work for one man's pay. In each case where porters are given conductors' work the conductor loses his job, but when this work is returned to conductors the porters remain on their jobs; they are simply relieved of the necessity of doing two men's work.

Instead of applying the award interpreting the agreement to mean that the conductors have the right to perform the work for which they were employed, the Pullman Co. continues to remove conductors from their assignments with accelerated speed. Men who have spent their lives in the service are now out of work on that account.

Aside from the fact that this practice is contributing to unemployment at a time when all employers are being urged to create more jobs to stimulate business revival, it is depriving the patrons of Pullman cars of the safety, comfort, and convenience afforded by the supervisory services rendered by conductors. Conductors and porters have their separate duties to perform and each in his own field does his work efficiently. It is out of the question, however, to expect either one to do the work of both. Conductors are the supervisors of service, patrolling the cars to insure the safety of passengers and their property, and making sure that their needs are properly taken care of. The importance of these services to the patrons of Pullman cars should make their continuance a certainity. Under no circumstances should an Adjustment Board award preserving them be disregarded.

The success of the amended Railway Labor Act has been so convincingly demonstrated that no interference with its functions should exist, certainly not where the safety or convenience of the traveling public is adversely affected.

Under the law it is the duty of the carriers to make and maintain agreements with the organizations of their employees but here we find a situation where the Pullman Co., after signing an agreement with its conductors, refuses to maintain it as interpreted by the Adjustment Board designated by law and the agreement for that purpose. Under the law these awards are final and binding upon the parties. In cases of this character the company attempts to defend its position by asserting that the revenue produced on the line is not sufficient to warrant the operation of conductors or that the service is adequate without conductors. Neither of these excuses establishes the right to farm out conductors' work to porters under the agreement. Furthermore, it will be obvious that the smaller the number of passengers, the greater the need for the protection afforded by the conductor.

One or two passengers in a car constitutes an invitation to anyone inclined to commit criminal acts to do what they will at night when there is nothing between them and the passengers who are asleep but a cloth curtain. Adequate protection to passengers at such times, especially women, is an inescapable obligation. Up to the present time passengers in Pullman cars are undoubtedly enjoying considerable immunity from such dangers due to the well-known protection afforded them through constant conductor supervision of service. The removal of conductors from their runs has not been advertised. On the contrary, by having conductors receive passengers at terminals and take care of their transportation, it has been largely taken for granted that they continue with the train. Now that the veil has been lifted and it is public knowledge that the Pullman Co. has withdrawn the safety and service supervisor from so many trains, favorable reactions can hardly be expected. The employees who are devoting their lives to this service and know its inside story are alarmed at the future prospects. They know that business lost to other modes of transportation where better supervision is assured will be almost impossible to recover.

There is no justification for this let-down in service from the standpoint of expense. The Pullman Co. is financially sound. It has no bonded debt, and has been a consistent dividend payer. An analysis of its reports to the Interstate Commerce Commission shows that it is in no danger of insolvency. The last available annual reports to the Interstate Commerce Commission are for 1937 and show net income after all charges of $4,571,686, dividends of $3,243,855, profit and loss surplus of $5,944,656, and total corporate surplus of $7,436,981. At the close of 1937 the total outstanding capital of the Pullman Co. aggregated $108,135,000.

The assertion of the need for economy merely serves to divert attention from the real issue, which is an attack on the machinery created by the amended Railway Labor Act for the adjudication of disputes between carriers and their employees. In this matter it will be found that the attitude and practices of the company are in violation of the act and its agreement with conductors. The company still maintains that the assignment of conductors to service or removal therefrom is strictly a managerial function in no way limited by its agreement with its conductors, in spite of Adjustment Board awards to the contrary.

Under the previous agreement the right of conductors to perform terminal duties was established. The Adjustment Board rendered a decision, effective April 23, 1937, that receiving passengers at the terminal was a conductor's work which could not be assigned to any other employee not covered by the agreement. The award states:

"The statement has been made in connection with this claim that the application of rule 2 (d) is 'permissive and not mandatory.' the Board cannot agree to this interpretation. * * * If it were applied only 'when required' according to the interpretation of the carrier it would result in a confusing and uncertain application of the rules and, unless checked, with a resultant nullification of their object."

Under the current agreement the right of conductors to perform conductors' work to the exclusion of other employees not covered by the contract has been ruled on by the Adjustment Board. Certain conductors who were assigned to line 161, Burlington Railroad, operating between Kansas City and Billings, Mont., or beyond, during certain seasons, were removed on September 26, 1937, and porters took their places. The conductors made claim for return to their runs and pay for time lost on account of removal. Their claims were sustained in award No. 779, effective February 1, 1939, but the company has refused to pay their claims. It is also continuing to remove conductors from their runs in a similar manner elsewhere in spite of the interpretation placed upon the agreement by the Board that such removals are not permissible. Award No. 779 states:

"It therefore becomes necessary to inquire as to the scope or extent of coverage of the agreement between the parties. This and other boards have held many times that work subject to an agreement cannot be removed therefrom arbitrarily and that principle is too well settled to admit of further questioning. * * * The reason for the implication that the agreement embraces all of the work of the class involved (except such as is specifically excepted) is that any contract must have a definite, ascertainable, subject matter in order to be a contract at all. A contention, therefore, such as that advanced by the management here; that is, that it can, at will, unilaterally, subject to or withhold from the agreement such work as it sees fit, is quite untenable since it would be destructive of the agreement."

In spite of this clear and positive interpretation of the scope of the agreement the company is still pursuing its practice of substituting porters for conductors. It is also introducing the same arguments in subsequent cases which the Board has declared to be "untenable."

Acting in conformity with the terms of the amended Railway Labor Act the Pullman Co., voluntarily, has signed a contract with its conductors which gives to those employees the right to perform all of that class of work. Having executed this agreement it is bound by its terms. Any attempt to evade or violate the rules thus created should be severely condemned. Otherwise, the Pullman Co. will establish a precedent that will undermine the law and ultimately destroy it.

No employer has less reason for treating its employees unfairly. The Order of Sleeping Car Conductors has tried in every way to cooperate with the Pullman Co. It originated safety and service movements in Pullman service and tried to interest the company in a cooperative plan for scientific treatment of service problems but all without success. Pullman conductors work longer than any other train service employees with the exception of dining-car crews. Their rest periods en route are deducted from hours of work, running as high as 4 to 6 hours a night. Two hundred and forty hours, exclusive of rest periods, constitutes a month's work. They frequently work from 12 to 14 cars, heavily loaded, without help.

The Pullman Co., insofar as its attitude toward its employees is concerned, has not changed much since 1915, when the Commission on Industrial Relations appointed by President Wilson investigated its relations with employees and reported to Congress in part as follows:

"1. The conductors and porters employed in the car service of the Pullman Co. are employed under conditions which seem to require radical readjustment. Both classes of employees are admitted by officials of the company to be underpaid.

"4. The employees of the Pullman Co. are unable to improve their condition through organization, as employees known to be members of labor unions are discharged, and through means of an effective system of espionage employees are deterred from affiliating with labor unions."

In the State of Kentucky, where Pullman conductors have recently been removed from a train between Louisville and Fulton, on the State line, the railroad commission requested the Pullman Co. to restore these conductors to service. The request was refused, whereupon the commission cited the company to appear before it on January 28, 1939, to show cause for its action. This case is still pending.

Bills to require the continual operation of Pullman conductors on trains have been introduced in the States of Texas, Arkansas, and Tennessee, with more to follow. In Florida and South Carolina there are orders of the State commissions requiring the operation of Pullman conductors on all trains within the State.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, it is obvious that we cannot finish the pending bill today. I therefore move that

the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

FRED H. BROWN

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read:

To the Senate of the United States:

I nominate Fred H. Brown, of New Hampshire, to be Comptroller General of the United States for a term of 15 years.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 30, 1939.*

Mr. BARKLEY. Mr. President, I ask unanimous consent that that nomination be acted upon without reference to a committee.

The PRESIDENT pro tempore. Is there objection?

Mr. McNARY. Mr. President, of course the request is unusual, but it is a courtesy often extended to former distinguished Members of this body. For that reason I have no objection.

Mr. McKELLAR. Mr. President, I certainly hope the request will be agreed to.

Mr. BURKE. Mr. President, is there a unanimous-consent request that we act on a nomination for an important office without reference to a committee?

Mr. BARKLEY. I have asked unanimous consent that the nomination of Hon. Fred H. Brown, formerly a Member of this body, to be Comptroller General, be considered without reference to a committee.

Mr. BURKE. I think all nominations should be referred to the appropriate committees for study; and I object.

The PRESIDENT pro tempore. The nomination will be referred to the Committee on Finance.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. HARRISON, from the Committee on Finance, reported favorably the following nominations:

Fannie Dixon Welch, of Columbia, Conn., to be collector of customs for customs collection district No. 6, with headquarters at Bridgeport, Conn. (reappointment);

Charles E. Kemper, of Columbus, Ind., to be collector of customs for customs collection district No. 40, with headquarters at Indianapolis, Ind., in place of Wray Fleming, whose term of office has expired;

Florence Clarke Lynch, of New York, to be appraiser of merchandise in customs collection district No. 10, with headquarters at New York, N. Y., to fill an existing vacancy;

Abe D. Waldauer, of Memphis, Tenn., to be collector of customs for customs collection district No. 43, with headquarters at Memphis, Tenn., to fill an existing vacancy; and

Dr. Filip C. Forsbeck to be surgeon in the United States Public Health Service, to take effect from date of oath.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state in their order the nominations on the Executive Calendar.

THE JUDICIARY—WILLIAM O. DOUGLAS

The legislative clerk read the nomination of William O. Douglas to be an Associate Justice of the Supreme Court of the United States.

Mr. McNARY. Mr. President, one of the Members of the Senate was called from the Chamber a short time ago, and desires that the nomination go over for the day. In his behalf I make that request.

Mr. BARKLEY. Mr. President, in that connection I wish to say that it is my understanding that on Monday next the Supreme Court will recess until the 17th day of April. If this nomination should go over beyond tomorrow, Mr. Douglas would not be able to take the oath prior to the recess of the Supreme Court. I do not wish to press the matter today, however, if there is any legitimate objection to its consideration at this time.

Mr. McNARY. It always has been customary, of course, when a Senator is called from the Chamber and makes such a request, to comply with it. The request was made to me by the senior Senator from North Dakota [Mr. FRAZIER], who was called away, and desired further to investigate the record of the nominee. We are to have a session tomorrow, as I understand; and I ask that the nomination go over for the day.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oregon? The Chair hears none, and the nomination will go over for the day.

The clerk will state the next nomination on the calendar.

HARRY E. KALODNER

The legislative clerk read the nomination of Harry E. Kalodner to be district judge for the eastern district of Pennsylvania.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF THE NAVY

The legislative clerk read the nomination of Ray Spear to be Paymaster General and Chief of the Bureau of Supplies and Accounts, with the rank of rear admiral.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF LABOR

The legislative clerk read the nomination of Elmer F. Andrews to be Administrator of the Wage and Hour Division, Department of Labor.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COAST GUARD OF THE UNITED STATES

The legislative clerk read the nomination of Ensign Bernard E. Scalan to be a lieutenant (junior grade).

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, it is so ordered.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, it is so ordered.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. BARKLEY. I make the same request with reference to the nominations in the Marine Corps.

The PRESIDENT pro tempore. Without objection, it is so ordered.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 3 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 31, 1939, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 30 (legislative day of March 28) 1939

COMPTROLLER GENERAL OF THE UNITED STATES

Fred H. Brown, of New Hampshire, to be Comptroller General of the United States for a term of 15 years.

APPOINTMENT IN THE REGULAR ARMY

Capt. George Edwin Adamson, Quartermaster Corps, to be military secretary to the General of the Armies of the United States with the rank of colonel, with rank from March 28, 1939.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 30 (legislative day of March 28) 1939

UNITED STATES DISTRICT JUDGE

Harry E. Kalodner to be the district judge, eastern district of Pennsylvania.

DEPARTMENT OF LABOR

Elmer F. Andrews to be Administrator of the Wage and Hour Division, Department of Labor.

COAST GUARD OF THE UNITED STATES

Bernard E. Scalan to be a lieutenant (junior grade) in the Coast Guard of the United States.

APPOINTMENT IN THE REGULAR ARMY

Capt. George Edwin Adamson to be military secretary to the General of the Armies of the United States, with the rank of colonel.

APPOINTMENT BY TRANSFER IN THE REGULAR ARMY

Capt. John Baylis Cooley to Adjutant General's Department.

First Lt. Loren Boyd Hillsinger to Cavalry.

APPOINTMENT IN THE NAVY

Ray Spear to be Paymaster General and Chief of the Bureau of Supplies and Accounts in the Department of the Navy with the rank of rear admiral.

PROMOTIONS IN THE NAVY

MARINE CORPS

To be lieutenant colonels

Martin J. Kelleher — David R. Nimmer
William E. Riley — Merwin H. Silverthorn

POSTMASTERS

ARKANSAS

Wayne S. Ross, Gillham.

DELAWARE

Walton Owens, Bridgeville.
Mary C. O'Connor, Greenville.

GEORGIA

Carey C. Earnest, Blairsville.
George H. Busha, Toccoa.

ILLINOIS

Raymond J. Kelley, Huntley.
Lenora B. Dickerson, La Fayette.
Herman C. Thiemann, Roselle.
Lillian R. M. Yerke, Union.
August Grewe, Wheeling.

MICHIGAN

Flossie A. Brown, Williamston.

PENNSYLVANIA

Daniel Leffler, Clearfield.
Albert F. Buck, Emmaus.
Fred Schneider, Leetsdale.
James F. Dugan, Osceola Mills.
Robert J. Miller, State College.
Mary K. Pavlik, Universal.

TENNESSEE

George F. Barfield, Henning.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 30, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O loving, living Father, we thank Thee that our times are in Thy hands. Thy mercies are fresh every morning and new every night. We pray that Thy wisdom may lead us to seek the harmonies of law and grace. Oh, let the bigness of our lives and the richness of our service spring out of the higher unity as revealed by the Teacher of Galilee. Help us to respond to every whisper of truth and every appeal of humanity. We praise Thee for life deep, boundless, and everlasting and deathlessly nourished. We rejoice that the wings of the morning are not strong enough to bear us away from Thy hovering providence. In the immortal name of the Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

NORTH BEACH AIRPORT, N. Y.

Mr. CULLEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point and to incorporate therein a telegram which I received from Mayor LaGuardia, of the city of New York, dealing with the airport at North Beach, N. Y.

The SPEAKER. Is there objection?

There was no objection.

Mr. CULLEN. Mr. Speaker, the telegram is as follows:

NEW YORK, *March 29, 1939.*

The Honorable THOMAS H. CULLEN,
House of Representatives, Washington, D. C.:

Have sent following telegram to Representative CANNON of Missouri. Will you please give copy to MERRITT, SIROVICH, and others, who will answer misinformed critics. Telegram follows: "In reply to several inquiries from former colleagues I am sending you information concerning North Beach Airport. This project is, without doubt, the largest undertaken by W. P. A. Everyone connected with it may well be proud of it. This includes the approval of the project, the design, engineering, and every man who worked on it. There have been many misrepresentations concerning it by petty politicians and disappointed landmongers as well as incompetents who could not qualify for a job. The project, and everything concerning it, speaks for itself. In the first place, the relation between the United States Government and sponsors of W. P. A. projects was not at all followed here. The city's contribution is beyond any sponsor's contribution anywhere in the country. For your information, please be advised that the city has expended and authorized no less than $16,350,000. This is actual cash, all expended but about $1,350,000, already committed. I understand that it has been stated that workers are working 5 days a week regularly. This is on contract work for which the city is paying 100 percent. Such as pile driving, foundations, bulkheads, and dredging, it is true that some of the skilled workers on W. P. A. are paid a dollar and half an hour. That is not our fault; that is because Congress required all skilled mechanics to be paid the prevailing rate of wages, and it is necessary, therefore, to pay the prevailing rate as they exist and as certified in New York City. As to overtime, it is necessary in three trades to work extra hours in order that their work may keep pace with the forty-odd other trades involved in a construction of this magnitude. Electricians are working 5 days a week, ornamental-iron workers are working 3 extra days a month; in other words, paying them the prevailing rate of wages, as provided by act of Congress, they can work but 7 days a month within the maximum allowed. They are now working 3 extra days a month. The structural-iron workers are working 5 extra days a month. They can work but 12 days a month within the maximum allowed. We expect to open North Beach Airport before Congress adjourns and cordially invite critics and supporters to visit this great project. I am sure every Member of the House will be proud of his contribution to this necessary addition to the national net of airports for commercial and defensive use. Incidentally, the city receives no direct benefit of contribution of Federal Government, for rentals and charges are calculated on actual city expenditures, and Government's contribution, therefore, reflecting in aid to subsidized air mail and subsidized commercial aviation. Should you desire any additional information, will be glad to furnish it, or will come down personally and answer any question any Member may desire to put.

"Regards to all."

F. H. LAGUARDIA, *Mayor.*

EMPLOYEES' COMPENSATION COMMISSION

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOODRUM of Virginia. Mr. Speaker, in the second deficiency appropriation bill, now pending in the Senate, there is an item of $2,000,000 for the Employees' Compensation Commission for the payment of injury claims for relief workers. Under the organic act it will be remembered that employees of the P. W. A. and the W. P. A. injured in line of duty are entitled to compensation; a reduced rate of com-

pensation, however. An item of $2,000,000 was reported by the committee and passed by the House and is in the deficiency appropriation, as I say, pending in the Senate. No hearings have been started on the bill. The Employees' Compensation Commission is faced with the contingency of not being able to pay the claims which have been adjudicated and which the beneficiaries are badly in need of having paid. Therefore I ask unanimous consent for the present consideration of House Joint Resolution 250, which I send to the desk.

The SPEAKER. The Clerk will report the joint resolution.

The Clerk read as follows:

House Joint Resolution 250

Joint resolution making an additional appropriation for the fiscal year 1939 for expenditure by the United States Employees' Compensation Commission in accordance with section 16 of the Emergency Relief Appropriation Act of 1938

Resolved, etc., That the sum of $2,000,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for expenditure during the fiscal year ending June 30, 1939, by the United States Employees' Compensation Commission in accordance with the provisions of section 16 of the Emergency Relief Appropriation Act of 1938.

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, I reserve the right to object. Has the gentleman assurance from the Senate committee that it will report an amendment eliminating that amount from the bill?

Mr. WOODRUM of Virginia. I have no assurance, but I have no doubt they will do it.

Mr. TABER. It will be presented to them?

Mr. WOODRUM of Virginia. Yes; and the conferees can control it in any event.

Mr. TABER. It is the intention to have it eliminated from the regular bill?

Mr. WOODRUM of Virginia. That is correct.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ROGER Q. MILLS

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUTHER A. JOHNSON. Mr. Speaker, today, in my home city of Corsicana, Tex., exercises are being held commemorating the one hundred and seventh anniversary of the birth of a distinguished American statesman, Hon. Roger Quarles Mills.

His home was in Corsicana from 1852 until his death on September 2, 1911. For 27 years he served in the Congress of the United States; 20 years as a distinguished Member of this House, and in 1892 resigned his membership here to accept a seat in the United States Senate from Texas, to which he had been elected to succeed Hon. John H. Reagan. He was reelected to the Senate for a 6-year term, and voluntarily retired at the expiration of his term on March 3, 1899, and never thereafter held, or aspired to, public office, but spent the evening of his life in his beautiful colonial home surrounded by huge oak trees, and which home and grounds is still one of the most attractive of the many beautiful homes in Corsicana.

During his service in the Congress of the United States, he was an outstanding and distinguished Member, having a national reputation as an orator and a statesman and a leader of the Democratic Party.

While in the House, he served as chairman of the Ways and Means Committee, and was recognized as the best informed authority in the United States upon the subject of the tariff, and speeches upon this subject which he made in this Chamber are still quoted and referred to by those of this generation.

In the Fifty-second Congress, he was a candidate for Speaker of the House, and was defeated by Hon. Charles F. Crisp by a very few votes.

Serving with him on the Ways and Means Committee, but entertaining opposite views on the tariff, was Hon. William McKinley, of Ohio, afterward President of the United States, and while they were members of different political parties, they were close friends. I recall that when Maj. Charles H. Mills, his son, came to Washington soon after my election to Congress, and a portrait of Senator Mills was to be hung in the Ways and Means Committee room, our old colored friend, Harry Parker, who retired a year ago after a long service as an employee of that committee, said:

I know right where Colonel Mills' picture ought to be hung, right by Major McKinley, for he and Colonel Mills were always such good friends.

And in the Ways and Means Committee there hangs today, side by side, the portraits of these two distinguished Americans.

During the War between the States, he served with distinction in the Army of the Confederate States, having attained the rank of colonel of the Tenth Regiment, Texas Infantry, and he led his regiment through many of the bloody battles in that fratricidal conflict.

He was a gallant soldier, an eminent lawyer, and a great statesman. At a banquet following Mills' address to the graduating class of Washington and Lee University in June 1894, John Randolph Tucker gave this toast:

To Roger Q. Mills—by race Virginian; by birth Kentuckian; by adoption, the reflex representative of the brilliant Lone Star; by patriotic statesmanship, an American citizen.

Now, after the lapse of 40 years since his retirement from public life, and nearly 30 years after he has crossed over the river, and is resting tranquilly under the shades of the trees with Robert E. Lee and Stonewall Jackson and other great Confederate leaders with whom he served, we can say of him, as was said of another son of the South:

He was tried in many high offices and critical enterprises and found faithful in them all. No country e'er had a truer son, no cause a nobler champion, no people a bolder defender.

And as his old friends in Corsicana meet today to revere his memory, may we in the House pause long enough to pay tribute to his sainted memory. [Applause.]

EXTENSION OF REMARKS

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include certain letters and telegrams from mayors in my district in respect to the W. P. A.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to place in the RECORD a report from F. C. Harrington, Administrator of the Works Progress Administration, with reference to the interstate migration problem and its effect on California, including also a report upon the same subject from the San Francisco administrator.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. GOLDSBOROUGH. Mr. Speaker, on Wednesday next, April 5, after the disposition of matters on the Speaker's table and the reading of the Journal, I ask unanimous consent to address the House for 1 hour.

The SPEAKER. Is there objection?

Mr. RAYBURN. Mr. Speaker, I reserve the right to object. As everyone knows, I have objected heretofore to any Member of the House proceeding for more than 1 minute until the legislative program of the day is finished. I am not going to object to this request for this reason: The gentleman from Maryland [Mr. GOLDSBOROUGH] has had a long

and distinguished career in the House. On that day he intends to submit his resignation as a Member of this House and go upon the bench.

I simply make that explanation for the reason that I do not intend to object, and I, therefore, withdraw the reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. RICH. Mr. Speaker, reserving the right to object, when will this speech be made?

The SPEAKER. On Wednesday next.

Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. FERNANDEZ. Mr. Speaker, I ask unanimous consent to insert at this point in the CONGRESSIONAL RECORD a letter written by Commander Louis L. McCormick, of the Louisiana Department of the American Legion, addressed to me. The same letter was addressed to Congressmen ALLEN, BROOKS, MILLS, and MOUTON of Louisiana, and I am also making this offering on their behalf.

The SPEAKER. Is there objection?

There was no objection.

The letter referred to is as follows:

THE AMERICAN LEGION,
DEPARTMENT OF LOUISIANA,
Destrehan, La., March 27, 1939.

Hon. J. O. FERNANDEZ,
Member of Congress, Washington, D. C.

DEAR CONGRESSMAN FERNANDEZ: We were interested to note in yesterday's Times-Picayune that Congressmen MALONEY, GRIFFITH, and DEROUEN had a conference with General Hines, and that a recommendation with regard to the additional hospital facilities for Louisiana would be forthcoming within 30 days. General Hines is also quoted as saying that the results of the Nation-wide survey of hospital sites would be available within 10 days, and with that information at hand, the determination of locations could be made promptly.

We realize that you too have been most active and interested in securing these additional facilities for our State, and it is with sincere appreciation that I want to thank you both in behalf of the Louisiana department and personally, for the interest you have taken and for the cooperation you have given us in this worthwhile undertaking. We know that your activities in our behalf will not cease until these additional hospital facilities for our State are an actual reality, for you have long since proven yourself a friend of the ex-service men. If there is any way in which we can assist, either as individuals or as an organization, we will appreciate your suggestions.

Again thanking you for your continued interest and cooperation, and with the kindest of personal regards, I am

Sincerely,

LOUIS L. MCCORMICK,
Department Commander.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter from the director of the California State Department of Industrial Relations on the fine work that has been done by the National Youth Administration in that State.

The SPEAKER. Is there objection?

There was no objection.

W. P. A. RELIEF BILL—SITUATION IN STATE OF WASHINGTON

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein a statement which I made before the Appropriations Committee.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I am supporting the appropriation of $150,000,000 additional W. P. A. funds, as requested by President Roosevelt. I supported vigorously his original request for $875,000,000 because I felt certain that $725,000,000 would be inadequate, which it has proven to be. I am strongly opposed to reducing the present appropriation to $100,000,000, for it will result in many deserving citizens and heads of families being dropped from the work relief rolls.

According to an Associated Press dispatch from Seattle, Wash., Hon. Don G. Abel, director of the W. P. A. in the State of Washington, has stated that 7,000 more persons are due to be dropped from the State rolls before April 3. He further stated that he had received notice from Col. F. C. Harrington, National Administrator, that such a slash would be necessary if Congress fails to appropriate an additional $150,000,000 W. P. A. appropriation by that date.

The W. P. A. State employment total last fall in the State of Washington was 64,000, of which 56,000 were on projects and 8,000 on other Federal agency jobs. The March quota is 39,000, according to Mr. Abel; and if this is further reduced by 7,000, it will leave only 32,000 on the rolls, exactly 50 percent of the number who were on the rolls last fall. This is so drastic a cut that suffering and hardship will be inflicted upon many thousand families.

My statement before the Committee on Appropriations during the recent hearings sets forth my views more fully, and was as follows:

STATEMENT OF HON. MARTIN F. SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

The CHAIRMAN. We will now be glad to hear Mr. SMITH of Washington.

Mr. SMITH. Mr. Chairman and gentlemen of the committee, I fear that after listening to my colleague from Pennsylvania, Mr. ALLEN, my testimony is going to be rather drab and colorless, because I have nothing very sensational to offer. However, in view of the fact that my testimony will follow his in the record, I do believe that I should make a statement in regard to politics, or rather of lack of politics, in the W. P. A. in the State of Washington and in my own congressional district.

I think I am thoroughly conversant with what transpired in my district and in the State of Washington, and I want to take this occasion to say that in my opinion there was absolutely no politics practiced.

Mr. WOODRUM. Did you have a hot campaign, Mr. SMITH?

Mr. SMITH. I had a very hot campaign—the most strenuous that I have had in the past 6 years, but I emerged with a majority of 18,000. But I have every reason to believe that there was no politics played on the part of any W. P. A. supervisor, any foreman, or any of the men individually, and certainly not by our State director, Mr. Don G. Abel, who had given very strict instructions—which were fully carried out, too—that anyone that indulged in politics, who was employed by W. P. A., would be immediately discharged. In fact, I think that some of the W. P. A. workers who were dissatisfied on account of some of the conditions which existed on the jobs and the wage scales supported my opponent, which I think they had a perfect right to do. We are still a democracy, and I think, regardless of whether people are on W. P. A. or how they derive their livelihood, they are entitled to vote as they see fit.

Mr. WOODRUM. You would not approve of a situation such as has been outlined by Mr. ALLEN?

Mr. SMITH. I certainly would not. I would condemn it in unmeasured terms. But according to all my observations, and my own experience, and contacts that I have had with many of our colleagues in the House in discussing this very matter, I think that the amount of politics in the W. P. A. throughout the country, taking into consideration our vast geographical area and vast population, has been infinitesimal; that it would be a very small fraction of 1 percent; and that there is probably less politics in W. P. A. than there would be in fraternal organizations, religious organizations, in church work, or in any group of the population. Of course, it is utterly impossible entirely to eliminate politics or participation in elections from any great group of our population, whether they are on W. P. A. or wherever they may be found.

Mr. LUDLOW. Did our Republican friends in your State flirt with the W. P. A.?

Mr. SMITH. They certainly did. They made promises that they would give them more work and better work and pay them higher wages than we have ever done, and that they would fare much better if my opponent were sent down to Washington. They did not promise to economize in the State of Washington or to reduce the relief rolls, as they now favor doing here in Congress.

But, with all due deference to my colleague from Pennsylvania, for whom I have the highest regard, and whom I like very much personally, as I know we all do, I just have the feeling that such testimony as he has given is probably premature, and would more properly be presented as testimony before a committee investigating the W. P. A. Personally, I hope that in justice to the W. P. A. there may be sometime such a nonpartisan investigation, and it is my opinion that when such an investigation is held it will rebound to the credit of the Works Progress Administration. I think they have done a fine, constructive job.

Mr. WIGGLESWORTH. Mr. Smith, have you read the so-called Sheppard report of the Special Committee to Investigate Senatorial Campaign Expenditures, dated January 3, 1939?

Mr. SMITH. Yes, sir; I have. I was, of course, somewhat impressed by it; but I think a thorough probe all over the country would be more apt to show the true picture.

Mr. WIGGLESWORTH. Do you approve of the scandalous use of funds appropriated for those in need which the committee found in State after State and condemned in its 440-page report?

Mr. SMITH. I do not. I think that, insofar as is humanly possible, we ought to keep politics out of the W. P. A., and I think,

to a great extent, it has been kept out, although I think it has crept in in some parts of the country.

Mr. LUDLOW. You have a very comprehensive knowledge of the entire far West. Is W. P. A., generally speaking, as clean in the other States out there as it is in your State?

Mr. SMITH. I think so. There has been very little complaint out there. There has not even been very much in the press concerning charges that there have been politics and, of course, all of the press in that part of the country is Republican—all the daily newspapers are Republican.

The CHAIRMAN. Aside from the very few large cities, we do not have any bosses that run us people in the West, do we?

Mr. SMITH. We do not, Mr. Chairman. Our people would not tolerate it.

Mr. LUDLOW. Every Democrat is a general out there; there are no privates.

Mr. SMITH. No privates; all generals, yes.

Mr. LAMBERTSON. The Chairman does not live in Kansas City, of course.

The CHAIRMAN. I said, outside of the large cities; and then we do call Kansas City the West.

Mr. SMITH. Gentlemen, I would like to come to the matter in which I am most interested, and I am sure you are most interested in, and that is the relief appropriation for the unemployed and the hungry people of our country. I urge the committee to report favorably the appropriation for $150,000,000 requested by President Roosevelt. As you know, I supported the original request of $875,000,000 and was sorry that it was reduced to $725,000,000, which has proved inadequate, as many of us felt that it would.

We have a very serious condition out in the West, in my State and in my district particularly. And in the last 2 months we have had conditions out there which have never existed before.

I have a clipping here from the Longview News of January 10, 1939, published at Longview, Wash., where we have the plants of the big Long-Bell and Weyerhaeuser Lumber Cos., which has been, in the past, a very prosperous community, and just to summarize the story of what happened, there were 20 mothers who went to the office of the county commissioners at the county courthouse, and said that they had to abandon their children and turn their children over to the county commissioners on account of the insufficient relief that they were receiving.

Some of these were women whose husbands had been on W. P. A.

Then we have the condition out there of the single men. I do not know whether there has ever been brought to the attention of this committee information in regard to the rations of these single men, as relief, which they are given when they are dropped from the W. P. A. rolls. But I think it is pitiful when you consider the great natural resources of this country and the wealth which we know that we have here in America, surpassing that to be found anywhere in the world.

Here are the surplus commodities that a single man gets for 2 weeks.

Mr. O'NEAL. This is relief?

Mr. SMITH. This is relief for single men dropped from W. P. A. In one county alone they dropped 2,000 single men from the relief rolls: 1 pound of rice, 1 pound of beans, 3 pounds of flour, 1 pound of dried fruits, 2 dozen small oranges, 1 pound of corn meal, 1 pound of coffee, 3 pounds of sugar, 1 cup of salt, 1 pound of shortening, 1 pound of whole-wheat cereal, half a pound of butter.

That is what an able-bodied man has to live on for 2 weeks.

Mr. LUDLOW. Translated into money, how much would that be, Mr. Smith?

Mr. SMITH. I will say to my distinguished friend from Indiana that I have not estimated that, but it seems to me that it would be very small.

Mr. WOODRUM. That is State relief, is it not?

Mr. SMITH. State and Federal and county; everything. That is all they get from all sources.

Mr. WOODRUM. The Federal Government does not participate in any direct relief.

Mr. SMITH. No.

Mr. WOODRUM. This is not the Federal program that you are talking about.

Mr. SMITH. Is it not a fact that they do receive surplus commodities from the Surplus Commodities Corporation?

Mr. WOODRUM. The Federal Government does not undertake to do anything for unemployed single people who are employable.

Mr. SMITH. No.

Mr. WOODRUM. Am I right in that, Colonel, or not?

Colonel HARRINGTON. This is not Federal relief; you are correct.

Mr. TABER. It is surplus commodities, is it not, Mr. Smith?

Mr. SMITH. Yes.

Mr. TABER. That is Federal, is it not?

Mr. SMITH. That is what I thought.

Mr. TABER. Surely.

Mr. SMITH. These surplus commodities come from the Federal Government.

Colonel HARRINGTON. The surplus commodities are turned over by the Federal Surplus Commodities Corporation to local relief agencies to distribute.

Mr. WOODRUM. The point I want to make right here is that the inadequacy that you are talking about is not chargeable to the inadequacy of any Federal program.

Mr. SMITH. Probably not.

Mr. WOODRUM. But it is the State program.

Mr. SMITH. But it proves, does it not, that that is all the more reason why we cannot afford, and certainly should not, from every humanitarian standpoint and every patriotic standpoint, to reduce the W. P. A. appropriation to an extent where millions of these people are compelled to subsist upon that kind of a diet and to live under those conditions.

Mr. WOODRUM. Why does not your State do more for them? Why does not your State take better care of them than that?

Mr. SMITH. We know how limited the resources of the States and municipalities are. There are many of them on the borderline of bankruptcy.

Mr. WOODRUM. The State of Washington is in good shape, is it not?

Mr. SMITH. I would say compared to the other States of the Union that it is.

Mr. WOODRUM. I think the statement that you have just read is absolute proof of the fact that the State is not doing its duty to its people on relief, and that the burden of your argument is that you want the Federal Government to take them over, so that the State will not be compelled to do its own duty.

Mr. SMITH. I would say to the distinguished gentleman from Virginia——

Mr. WOODRUM. If that is unfair, please show us where it is unfair.

Mr. SMITH (continuing). For whose opinion I have the highest regard, that I cannot agree with that statement, because I happen to know that our State officials have done everything within their power, based upon the tax money that can be raised and the means that they have out there.

Mr. LUDLOW. Do you have a constitutional debt limit?

Mr. SMITH. Yes.

Mr. LUDLOW. Are you pretty nearly up to the limit?

Mr. SMITH. We are.

Mr. LAMBERTSON. You were boasting of your wonderful, natural resources, were you not, Mr. Smith?

Mr. SMITH. Yes. We have wonderful natural resources in this country.

Mr. LAMBERTSON. And you were including the natural resources of your State with the rest, were you not?

Mr. SMITH. I certainly did include the State of Washington. Of course, that would be too long a story to go into now. But I believe that if we properly managed our economy in this country we could increase the productive capacity of our factories and farms to such an extent that we could create so much new wealth that there would be an abundance of food, clothing, and proper shelter for every man, woman, and child in this country, and that we would have absolutely no need of a W. P. A. or any other program if we availed ourselves of the benefits to be derived from the developments and improvements brought about by science and invention and technological discoveries. Why, we could open the door of oportunity in this country to such an extent that we would have the highest standard of living that has ever been enjoyed by any people in the history of the human race. But we just seem to lack the intelligence to utilize the resources and the means which Nature and God have provided.

Mr. TABER. We have been preventing the use of them by legislation for 6 years.

Mr. SMITH. I cannot agree with that statement.

Mr. TABER. Your State has managed pretty well in the last year, has it not?

Mr. SMITH. Indeed it has.

Mr. TABER. In December 1937, a year ago last December, your general relief load was 45,692. In January 1939 it was 31,682, a reduction of 14,000.

Your employment on W. P. A., December 31, 1937, was 31,741. On March 11, 1939, it was 45,688, an increase of 14,000.

In other words, you shifted 14,000 from the general relief which was being taken care of by the Surplus Commodities Corporation to the W. P. A.

Your State managed pretty well.

Mr. SMITH. How does that compare with the rest of the country, Mr. TABER, with the other States?

Mr. TABER. It is doing a little better than the rest of the country; managing a little better.

Mr. LAMBERTSON. Also, your State, through the appropriations that have been made for expenditure at Bonneville and Grand Coulee and other projects of that kind, has been helped a great deal by the Government. No other State surpasses Washington in what they are receiving from the Federal Government along those lines.

Mr. SMITH. That is very true. But, of course, many of those apropriations for those very projects that you mentioned are expended in the purchase of material and equipment from firms scattered all over the United States. I think my colleague, Congressman LEAVY, has placed in the record several times statements showing the break-down of those expenditures and how every State in the Union, pretty nearly, has participated and benefited.

Mr. LAMBERTSON. You must have had a large labor use out there.

Mr. SMITH. We have employed a considerable amount of labor on those projects and they have been a big help to us in taking up the slack of employment.

Mr. JOHNSON. If I understand your argument, you want the Federal Government to step in here and take charge of your entire relief situation in Washington, is that it?

Mr. SMITH. I would not say that, in reply to my friend from West Virginia, but we desire that as many as possible be employed on

W. P. A. in preference to relief or a dole. The people want to work.

Mr. JOHNSON. That is the impression that I got.

Mr. SMITH. That is not the impression that I intended to give. I was simply calling attention to these facts to show what would happen if we further curtailed these W. P. A. appropriations. And, of course, it would not only happen in the State of Washington, but I am sure it would happen in every one of the 48 States of this Union until there is a decided improvement in business, so that we can move these people from W. P. A. rolls to private industry, and give them regular employment at regular wages.

Mr. LUDLOW. Is not business showing an upturn in your section of the country?

Mr. SMITH. It is showing a slight upturn, I will say to the gentleman from Indiana. We are very gratified about that improvement and hope that it will continue. But it is slight, so far.

Mr. JOHNSON. You want the W. P. A. to continue more extensively, then, in view of the fact that private employment is improving, is that the idea?

Mr. SMITH. That would not be logical, I would not say that. We want the W. P. A. to continue until the unemployed can secure jobs in private industry.

Mr. CANNON. The purpose for which this appropriation is to be provided is to take up the unemployment; it is to provide employment.

Mr. SMITH. Yes.

Mr. CANNON. These men are not asking for a dole; they are not asking for alms. They are just asking for a chance to work.

Mr. SMITH. That is it.

Mr. CANNON. To make an honest day's wages, and when we curtail this appropriation and take these men from the W. P. A. rolls, the only alternative is the starvation diet that you have just given to us.

Mr. SMITH. That is the point that I tried to make, I will say to the gentleman from Missouri, who expressed the situation exactly.

Mr. JOHNSON. Your theory is that the Federal Government ought to make an appropriation large enough to take care of all the unemployed and the needy?

Mr. SMITH. I would not go that far.

Mr. JOHNSON. Why not?

Mr. SMITH. But I would say that we should take care of as many as we can consistently until such time as they are absorbed in private industry.

Incidentally, there is another argument that I want briefly to call to your attention, and then I feel that I have trespassed on your time sufficiently and should conclude my testimony. That is this. Not only is this appropriation for the relief of the unemployed, who must have this employment if they are going to live and if their families are going to be half-way decently supported, but it will be a relief to business and industry, the mercantile businesses especially.

Mr. CANNON. The businessmen of your State approve this plan of providing work, do they?

Mr. SMITH. They do. And I am sure that the experience that we have had out there accords with the experience they have had in Passaic, Passaic County, N. J., where we have had a very interesting and significant break-down of W. P. A. expenditures, which I would like to read and place in the record.

This has been compiled by John J. Schneider, city engineer, Passaic County, N. J. [reading]:

"As the projects were evenly distributed it is estimated that they will directly serve 90 percent of the community or about 57,000 people. During the past 2½ years the Works Progress Administration has brought into the city of Passaic, a substantial income by means of the Works Progress Administration pay roll, which is estimated at about $1,000,000. A survey among Works Progress Administration workers indicates that the money was distributed as follows:

Butcher, grocers, and baker	$335,000
Property owner for rents	250,000
Clothier, dry goods, shoe shop	145,000
Ice and coal dealer	62,000
Tobacco shop, social clubs, recreation	53,000
Gas and electricity	50,000
Show houses, bingo games	28,000
Loan organizations	18,000
Insurance, benefit societies	16,000
Druggist, doctor	15,000
Churches	14,000
Miscellaneous, savings, auto expenses	14,000

"From the foregoing it can be seen that the Works Progress Administration funds had some effect on the general business conditions in the city."

And that is why, I will say to the gentleman from Missouri, most retail businessmen, small-business men, are in favor of the W. P. A. program and consider that it has proved itself a sound investment of Federal moneys, because it has been a stimulus to business in every community.

We have noted it. I have talked to merchants and storekeepers in my home community. It has been very noticeable to them that every time you have curtailed the W. P. A. rolls they have had a decrease in the volume of their sales, in the volume of their business.

Mr. O'NEAL. Mr. Smith, the list that you read of food that was given to relief workers—I may be mistaken as to the price, but I think it would represent about one-third of what my city gives to their relief people, people on relief. Would not that lead you to believe that perhaps the State of Washington could do a little more along that line and assume a little larger burden without putting it back on the Federal Government? The list that you read would be a pitifully small sum for a State to be giving for that purpose.

Mr. SMITH. To which sum do you refer?

Mr. O'NEAL. You read a list of food commodities that were supposed to last a man for 2 weeks. That was a pitifully small amount for a community to furnish to a person on relief.

Mr. SMITH. While I have not computed what the cost of those items would be—but bear in mind that these rations were for single men only—I took this from the Longview (Wash.) News, that where apparently there are two children in the family, they receive a total of $33.45 per month in relief, plus approximately $2.50 worth of commodities. This lady who was interviewed by the reporters said:

"We spend $16 for rent; $2.80 for fuel; $4 for milk, and the rest for food. We never have meat. And now the county welfare department is trying to move us into a $10 house. We have no lights. My children need shoes and underclothes, and I must buy these for them out of my food allowance."

And then there was a lady who had six children and was facing immediate eviction from their home.

Mr. WOODRUM. How would an appropriation here of $150,000,000 affect that family? You are talking about direct relief and this is unemployment relief.

Mr. SMITH. I would not know whether her husband was on relief or not, on the W. P. A. rolls, or not. I could not answer that question. But my purpose in giving these figures was partly in answer to the question of the gentleman from Kentucky, showing that the State of Washington is doing very well when they are paying $33.45 a month to that type of family. I would say that we are doing an excellent job by our people out there, as well as they are doing in any other State in the Union. I think that is undoubtedly true.

Mr. LUDLOW. Bingo games have been outlawed in Indianapolis as a form of lottery. That would deprive us of that form of relief.

Mr. SMITH. Yes; I think they are taboo out in the State of Washington, too. However, I think that break-down from Passaic, N. J., is very significant as showing what a great benefit W. P. A. expenditures are to the business of the community. It certainly has acted as a stimulus to business and that is an added reason why, until business recovers, we should not curtail W. P. A. appropriations by the Federal Government.

The CHAIRMAN. Does that conclude your statement?

Mr. SMITH. That concludes my statement, and I want to thank the committee very much.

QUESTION OF PERSONAL PRIVILEGE

Mr. PIERCE of New York. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman from New York will state his question of personal privilege.

Mr. PIERCE of New York. Mr. Speaker, I rise to discuss and deny statements contained in a newspaper article which appeared yesterday morning on the editorial page of the Washington Times-Herald in the column entitled "Washington Daily Merry-Go-Round," which reflected upon my conduct and integrity as a member of the Judiciary Committee of the House and as a Member of the House itself, and also affected my rights and the rights of the House collectively, its dignity and the integrity of its proceedings.

The SPEAKER. Has the gentleman a copy of the article of which he complains?

Mr. PIERCE of New York. I have.

The SPEAKER. Will the gentleman kindly read the language in the article of which he complains, so that it may appear in the RECORD?

Mr. PIERCE of New York. Mr. Speaker, I read the article to which I refer. I am quoting:

REAL G. O. P. AUTHORS

Real authors of the House Judiciary Committee minority report censuring Mme. Perkins were several master minds in the Republican National Committee. Here is how they put over the rap at the administration.

The subcommittee considering the resolution to impeach Miss Perkins was composed of three Democrats and two Republicans. Last week, after months of deliberating, the committee unanimously agreed that the charges against Miss Perkins did not warrant impeachment and selected Representative SAM HOBBS, of Alabama, to write a report to this effect.

Hobbs circulated copies of his draft among the members of the subcommittee for suggestions and corrections. All returned them promptly, except Representative WALLACE E. PIERCE, up-State New York Republican, who kept his copy for several days.

Reason for his delay was that he sent the report to the national committee, where, in the absence of Chairman John Hamilton, several assistants decided that it would be clever politics if PIERCE and the other G. O. P. member, Representative LOUIS E. GRAHAM, of Pennsylvania, reneged on their approval of the Hobbs report. Instead they were to file a minority report panning Miss Perkins. PIERCE and GRAHAM agreed to the scheme and several days later they were supplied with the minority report which now bears their names.

NOTE.—When Chairman Hamilton returned, learned of the affair, he expressed sharp disapproval, characterized the Pierce-Graham report as written in "very bad taste."

The SPEAKER. The Chair is prepared to rule on the question of privilege raised by the gentleman from New York.

The Chair, of course, can well understand the indignation of any Member of the House at a newspaper article that appears to be absolutely unfair or critical of his conduct as a Member of the House, but on this question of personal privilege the Chair is of course compelled to follow the precedents of the House, very few of which were established by the present occupant of the Chair.

The Chair has read the newspaper article which the gentleman from New York has read, to see if under the precedents and under the philosophy of the rule, the gentleman would be entitled to present this matter as a question of personal privilege. The Chair, within the past few days, has upon several occasions read into the RECORD the rule affecting this question of personal privilege. There are several precedents upon this particular question of newspaper criticism. One of them is found in section 2712 of Hinds' Precedents, volume 3:

A newspaper article in the nature of criticism of a Member's acts in the House does not present a question of personal privilege.

That is the syllabus of the decision.

Another decision holds that a newspaper article citicizing Members generally involves no question of privilege.

Mr. MICHENER. Mr. Speaker, may I interrupt at this point for a suggestion in reference to this particular newspaper article?

The SPEAKER. The Chair will be glad to hear the gentleman from Michigan.

Mr. MICHENER. It seems to me that there is a difference between newspaper criticism and a newspaper article stating what purports to be factual matter. This article, if carefully read, indicates that the gentleman from New York [Mr. PIERCE] has violated his obligations as a Member of the House, it being the function of the House and the Judiciary Committee, when considering impeachment proceedings, to render their judgment and their opinion based upon evidence adduced before the committee. This article alleges that this was not done; that this Member of this House violated his obligation as a Member of the House and proceeded to take a part of the confidential proceedings of the committee to a political organization, delaying the proceedings in the House by subterfuge until this political organization prepared the report which this article alleges was delivered to the gentleman from New York [Mr. PIERCE]. Mr. PIERCE of New York, in turn, is said to have delivered it to the gentleman from Pannsylvania [Mr. GRAHAM]. The two gentlemen then represented that it was their report. They were charged with entering into a scheme to keep from the members of the Judiciary Committee of the House the fact that this was not the report of these members of the committee but was the report of intriguing political partisans.

It seems to me there is a vast difference between this article and a newspaper article criticizing a Member of the House. For instance, saying that the Member is the most useless Member of the Congress. Some people might agree with that statement. It expresses a conclusion and not a fact. This article, however, does not do anything like that. It touches on the very sanctity of the privileges of this House. I think the Chair should take judicial notice of the fact that when the Congress is dealing with this solemn task of considering charges of impeachment for commission of high crimes and misdemeanors against a Cabinet officer, it is not considering legislation, and is not acting in its legislative capacity; it is acting in a capacity where the integrity of the proceedings, the integrity of the members of the committee, is of vital importance. If a newspaper may charge as a fact that a Member of Congress has been guilty of fraud and deception, and such statement is to be considered only newspaper criticism, and if the Member is to be denied the right under the rules of the House to come here and state the facts as he knows them, and as the entire committee knows them, then I think the Member is not receiving the protection guaranteed by the rules of the House.

Mr. Speaker, rule IX provides, in part, as follows:

Questions of privilege shall be, first, those affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings; second, the rights, reputation, and conduct of Members, individually, in their representative capacity only.

It is the purpose of this rule to protect the safety, dignity, and integrity of the proceedings of the House as well as the rights, reputation, and conduct of Members, individually, in their representative capacity only. Now, if this article does not reflect upon the dignity and integrity of the proceedings of the House, or state affirmatively that the conduct of the gentleman from New York [Mr. PIERCE] and the gentleman from Pennsylvania [Mr. GRAHAM] has been such as to show fraud, deception, or unseeming conduct by them or either of them in their representative capacity as Members of the House, then the question before the Speaker might turn on the question of criticism. This article does not indulge in criticism. It boldly alleges and sets forth a course of conduct and designates, without qualification, specific overt acts performed by the gentleman from New York [Mr. PIERCE].

In short, the article alleges that the real authors of the House Judiciary Committee minority report were not the gentleman from New York [Mr. PIERCE] and the gentleman from Pennsylvania [Mr. GRAHAM] who signed the report and who alleged to the full committee that they were the authors of the report, and that a deception was worked upon the committee by the gentleman from New York, when in truth and in fact the report was prepared at Republican headquarters. Further, that the report was inspired by sinister motives and that the gentleman from New York was used as the tool of certain representatives in the Republican national headquarters.

It is further alleged that the gentleman from New York betrayed a confidence of his subcommittee and sent the report referred to to the national committee headquarters, and that because these assistants in headquarters thought that it would "be clever politics if PIERCE of New York and the other G. O. P. member, Representative LOUIS E. GRAHAM, of Pennsylvania, reneged on their approval of the report." It is further alleged that they were to file a minority report prepared by these assistants and that "PIERCE of New York and GRAHAM agreed to the scheme and several days later they were supplied with a minority report which now bears their names."

This is not a legislative proceeding. It is judicial. The right of a Cabinet officer to hold her position of trust and honor is at stake. The Constitution has entrusted to the House of Representatives the performance of a function before this officer may be removed from office. No more solemn and important undertaking ever confronts the House of Representatives and its Judiciary Committee than the consideration of impeachment charges filed against high officials. The proceedings in these impeachment cases, and especially the proceedings before the Judiciary Committee, must be above suspicion. The perpetuity of our form of government depends upon the faith and confidence of the people in the Members of the House of Representatives when dealing with matters of so serious a nature. If individuals, over their signature, or newspapers in their columns, may state as positive facts that members of the Judiciary Committee, in a specific case of this kind, have acted fraudulently, deceitfully, and with political partisanship and bias rather than in accordance with right and justice, then it would seem that the rule to which I have referred is meaningless.

If the gentleman from New York [Mr. PIERCE] and the gentleman from Pennsylvania [Mr. GRAHAM] agreed to any scheme with those outside the committee in reference to what manner of report or findings the committee should make, that surely would not only reflect upon the safety and dignity but also upon the integrity of the proceedings of the House. Surely, if the allegations as to facts set forth in this article are untrue, then the rights, reputation, and conduct of the gentleman from New York and the gentleman from Pennsylvania, in their representative capacity, have been impinged upon.

If the gentleman from New York is granted the privilege of the floor, as provided in this rule, the only thing that he can do about it is to deny these slanderous and libelous charges and tell the House and proclaim to the world the truth and to this extent protect his rights and reputation. I cannot escape the conclusion that if this article does not come within the purview of the above rule, then there is little protection for Members of the House against untrue statements concerning their conduct in the House.

It occurs to me, if the Speaker will permit a crude illustration, that if the Speaker were called upon to make an important ruling affecting the right of a Member of this body to continue in the House, and if some newspaper should state as a fact that the Speaker, before rendering a decision, submitted the matter to the political headquarters of his party, that the Speaker's opinion was prepared in the political headquarters, and that the Speaker read the report to the House as his own report, all of which was untrue, that this rule would grant the Speaker the privilege to come upon the floor, state the facts as they are, and thus remedy, insofar as such statement could remedy, so outrageous an allegation.

As one of the signers of the final minority report submitted in the Perkins case, I believe it is a reflection upon me and every member of the committee if the gentleman from New York [Mr. PIERCE] and the gentleman from Pennsylvania [Mr. GRAHAM], did enter into any scheme with any outsider, and I resent the allegation of the perpetration of any such fraud. I conclude as I began: There is a distinction between newspaper criticism and definite, specific charges alleged as facts appearing in newspapers.

The SPEAKER. The Chair stated in the beginning of his decision on this question that the Chair can, of course, well understand the spirit that animates the gentleman from New York; but the Chair, as the gentleman from Michigan well knows, must conform to the general principles involved in this question of personal privilege, and unless pretty sharp restrictions were thrown around its interpretation it would probably open a very great field for Members to rise to questions of personal privilege upon adverse newspaper criticism.

The Chair can find nothing in the newspaper article referred to which charges anything that would be a violation of the oath of office of the Member from New York. There is no statement in the article that it was a confidential or executive communication of any sort, and there is nothing in the article that charges any moral obliquity on the part of the gentleman from New York as the Chair understands it, for the reason that he would have the right, if he chose to do so, to have done the particular acts charged in the newspaper article.

Having recourse again to the precedents the Chair finds the following: "The fact that a Member is misrepresented in his acts or speech does not constitute a matter of personal privilege, nor does misrepresentating a Member's vote."

The Chair personally would be delighted to have the gentleman from New York given the opportunity to address himself to the membership of the House on the question presented by him. The Chair, however, is constrained to rule in this instance as well as all others according to the precedents of the House and therefore rules that the matter complained of does not, in the opinion of the Chair, constitute a matter of personal privilege.

The Chair will be glad if the gentleman will submit a unanimous-consent request to address the House.

Mr. HOBBS. Mr. Speaker——

The SPEAKER. The gentleman from Alabama.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. PIERCE] be granted 15 minutes to address the House and may proceed for that length of time on this point.

Mr. RAYBURN. Mr. Speaker, reserving the right to object, this situation is a little bit peculiar, as was the situation with reference to the request submitted by the gentleman from Maryland [Mr. GOLDSBOROUGH]. Because of the pressing and important matters that are to come before the House today, I wish the gentleman from Alabama might modify his request to 10 minutes. I think under the circumstances that would be reasonable, but I shall not object to the gentleman's request.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. PIERCE of New York. Mr. Speaker, I thank my colleague and fellow Member of the House, the gentleman from Alabama [Mr. HOBBS], who was a member of the subcommittee to which I shall later refer, for his courtesy and his kindness.

Mr. Speaker, yesterday afternoon my attention was called to an article which appeared in the Washington Times-Herald in a column entitled "Washington Daily Merry-Go-Round." This is a syndicated column, and doubtless the article appeared in many papers throughout the country. My attention was called to the article too late in the day for me to act at yesterday's session, which adjourned at 4 o'clock.

The article in question is replete with utterly false statements, which reflect upon my conduct and integrity as a member of the Judiciary Committee of this House, and as a Member of the House itself. I quote:

REAL G. O. P. AUTHORS

Real authors of the House Judiciary Committee minority report censuring Mme. Perkins were several master minds in the Republican national committee. Here is how they put over the rap at the administration.

The subcommittee considering the resolution to impeach Miss Perkins was composed of three Democrats and two Republicans. Last week, after months of deliberating, the committee unanimously agreed that the charges against Miss Perkins did not warrant impeachment and selected Representative SAM HOBBS, of Alabama, to write a report to this effect.

HOBBS circulated copies of his draft among the members of the subcommittee for suggestions and corrections. All returned them promptly, except Representative WALLACE E. PIERCE, up-State New York Republican, who kept his copy for several days.

Reason for his delay was that he sent the report to the national committee where, in the absence of Chairman John Hamilton, several assistants decided that it would be clever politics if PIERCE and the other G. O. P. member, Representatives LOUIS E. GRAHAM, of Pennsylvania, reneged on their approval of the Hobbs report. Instead they were to file a minority report panning Miss Perkins. PIERCE and GRAHAM agreed to the scheme, and several days later they were supplied with the minority report which now bears their names.

NOTE.—When Chairman Hamilton returned, learned of the affair, he expressed sharp disapproval, characterized the Pierce-Graham report as written in "very bad taste."

Permit me to make a brief statement of the conduct of the proceedings. When the resolution to impeach Mme. Perkins was referred to the Judiciary Committee it conducted hearings and heard testimony in executive session. When that was concluded a subcommittee of five was appointed by the chairman to draft a proposed report to the House for the full committee, in the hope that general agreement could be arrived at therein. The gentleman from Pennsylvania [Mr. GRAHAM] and I were the two Republican members of that subcommittee of five, of which the gentleman from Alabama [Mr. HOBBS] was the chairman. The subcommittee held several meetings and drafted its confidential report to the full committee, and when we had agreed in general that there were not grounds sufficient to justify the interposition of the constitutional power of impeachment the gentleman from Pennsylvania [Mr. GRAHAM] and I informed the members of the subcommittee that we felt we should file additional views, in which we hoped that other members of the committee might join. It was known to the chairman of the sub-

committee, from the beginning, that additional views might be submitted by a part of the minority at least.

The statement that the "real authors of the House Judiciary Committee minority report censuring Mme. Perkins were several 'master minds' in the Republican National Committee" is false. No one else than the gentleman from Pennsylvania [Mr. GRAHAM] and myself had anything to do with the preparation of the additional views submitted by the minority. No one other than our colleagues in the minority on the full committee ever saw the additional views until they were submitted to the full committee, which was done after the Republican members of the committee had agreed upon their form and content.

The statement therein that Congressman HOBBS circulated copies of his draft among members of the subcommittee for suggestions and corrections and that all returned them promptly except myself is false. Each member of the subcommittee kept his draft of the gentleman from Alabama [Mr. HOBBS'] suggested report until the conclusion of our deliberations, and so far as I know none of them were returned to the gentleman from Alabama [Mr. HOBBS]. I have verified this statement by inquiry from the gentleman from Alabama [Mr. HOBBS].

The statement that the reason for my delay in returning my draft of the suggested report was that I sent the report to the national committee is false. The statement that several assistants of the national committee decided that it would be clever politics if I and the gentleman from Pennsylvania [Mr. GRAHAM], being the Republican members of the subcommittee, reneged on our approval of the Hobbs report is false. The statement that it was proposed to us by representatives of the national committee to file a minority report "panning Mme. Perkins" is false. The statement that the gentleman from Pennsylvania [Mr. GRAHAM] and I agreed so to do and several days later were supplied with such a minority report, which now bears our names, is false.

I can conceive of no higher duty or greater responsibility laid upon a Member of this House than to be a member of its Judiciary Committee, and particularly, as such a member, to take part in the deliberations of the committee respecting a proposal referred to the committee to impeach a Cabinet officer. I accepted that duty and that responsibility as a member of the Judiciary Committee with full knowledge of its import and obligations. The committee proceeded with its deliberations in executive session. When the taking of testimony and examination of records before the committee was concluded I was appointed one of a subcommittee of five to draft, if possible, a proposed report of the committee upon the subject in hand. The discussions and the proceedings of the subcommittee were confidential in character, and each member of the subcommittee was in honor bound not to discuss the matter with any other than members of the subcommittee and of the committee.

The draft of the proposed report which the gentleman from Alabama [Mr. HOBBS] prepared never left my immediate possession either on my person or carefully locked in my office here. No copy of that draft was ever made. I never consulted, advised with, or even spoke to a member of the national committee, any administrative officer thereof, any representative thereof, or anyone connected therewith about the proposed report or the proposed dissenting views of the minority on the committee. I never discussed the report or the proposed minority report with any person other than a member of the Subcommittee of the Judiciary or with the members of the committee itself, from the time that the resolution first came to the committee until after the time that the committee made its report to the House. The so-called minority report of the committee, which is entitled in the committee report "additional views," was first agreed upon by the gentleman from Pennsylvania [Mr. GRAHAM] and myself, and no living person except ourselves had any part in the preparation of the first draft. When that first draft was completed it was submitted to the 10 Republican members of the committee, and to them and no one else. It was approved by them and accompanied the committee report to the House.

I wish to read to the House a telegram received from Mr. John D. Hamilton, chairman of the Republican National Committee, which speaks for itself in this connection.

ARDMORE, PA., *March 29, 1939.*

Hon. WALLACE E. PIERCE,
House of Representatives, United States Capitol, Washington, D. C.:

Regarding our telephone conversation in connection with the Washington Merry-Go-Round column of today referring to the Perkins impeachment report I authorize you to say for me that no one at Republican National Committee headquarters had any knowledge regarding either the minority or majority reports of the Judiciary Committee until their publication. Consequently I catagorically deny my expressed disapproval of participation by anyone of the national headquarters staff by advising with regard to or preparing the minority report because no such participation ever took place. Certainly under these circumstances I could neither approve nor disapprove an imputed action which did not occur.

JOHN HAMILTON,
Chairman of Republican National Committee.

May I read also a letter of Franklyn Waltman, director of publicity, Republican National Committee, which likewise speaks for itself:

MARCH 29, 1939.

Hon. WALLACE E. PIERCE,
House of Representatives, Washington, D. C.

DEAR MR. PIERCE: I wish to acknowledge your inquiry regarding the references to an alleged part played by the Republican National Committee in connection with the minority report in the matter of the proposed impeachment of Secretary of Labor Frances Perkins appearing in the Washington Merry-Go-Round column published today in the Washington Times-Herald.

As I told you earlier today, this purported "inside" story regarding the minority report was all news to me. As you well know, I at no time consulted with you regarding this matter. Nor did I consult in any manner with anyone else regarding the attitude which any member of the House Judiciary Committee should take toward Secretary Perkins in the matter of her impeachment. Indeed, I would not have made any suggestions in regard to such a matter, even if asked—which I was not—because an impeachment proceeding, in my opinion, is a sacred judicial function. Consequently, I believe it would be highly improper for anyone outside of the Judiciary Committee to undertake to influence that committee's deliberations.

I have made a canvass of the entire headquarters staff in all divisions in an effort to locate anyone who had consulted with any person regarding the report in the Perkins case. Everyone in the headquarters was as amazed as I was over the allegations in the Washington Merry-Go-Round column. Not a single person in this headquarters had any knowledge whatever of the intention of the Republican members of the subcommittee even to file a minority report. Nor did anyone here have any knowledge of the so-called Hobbs report prior to its publication. The statement that a copy of this report was received in this headquarters prior to its publication by the press is absolutely and unqualifiedly untrue.

Certainly, in the absence of Chairman Hamilton last week, had the incident described taken place, I would have had knowledge of it. Moreover, since the chairman's return to the city I have not heard from him any expression which would indicate he had knowledge of such an incident. Consequently I am forced to the conviction that there is absolutely no foundation for this story insofar as it relates to the Republican National Committee.

Sincerely yours,

FRANKLYN WALTMAN.

That politics, directly or indirectly, entered into the preparation of the report or of the dissenting additional views is a false statement. The members of the Judiciary Committee acted with respect to this resolution as members of, and were charged with a responsibility equal to, that of the highest court in the land. The dissenting report or additional views of the minority were based solely and entirely on consideration of the testimony before the committee and were not influenced in any manner or to any degree by political considerations.

I would not dignify the article in question by notice or discussion of it and this denial of its false statements were it not for the fact that, in addition to being a reflection on my personal integrity and course of conduct as a Member of this House, it makes the false and damnable statement that a minority report or dissenting views of the Republican members of the Judiciary Committee upon a matter of such import were in fact the product of a political body. That is a statement so serious that it cannot be allowed to pass unchallenged. That charge, and the article in its entirety and

its every detail and implication, are shamefully false. [Applause.]

Mr. GRAHAM. Mr. Speaker, will the gentleman yield?

Mr. PIERCE of New York. I yield.

Mr. GRAHAM. Mr. Speaker, being one of the persons named in the newspaper article referred to by the gentleman from New York [Mr. PIERCE] as having been a member of the subcommittee appointed to draft a report relative to the Perkins impeachment and being charged with having so far betrayed my trust as to disclose confidential information to persons outside of the Committee on the Judiciary, and even outside of Congress itself, I wish to take this opportunity to supplement the remarks already made by my colleague. In short, this newspaper article states that my colleague from New York, Mr. PIERCE, and myself betrayed the confidence which was reposed in us by the committee by disclosing confidential information. That we sought the aid and assistance of leaders of the political party with which we are affiliated, but who are not Members of Congress, to assist us in making a report on a matter which, to our minds, is one of the most serious judicial functions that this committee may ever be called upon to exercise.

It is a matter of public knowledge that on January 24 the matter of the proposed impeachment of Mme. Frances Perkins, Secretary of Labor, was referred to the Committee on the Judiciary. The Members also know that for several weeks the Committee on the Judiciary conducted hearings relative to that matter. On the 16th day of March these hearings were terminated and a committee consisting of the gentleman from Alabama [Mr. HOBBS] as chairman, the gentleman from Tennessee [Mr. CHANDLER], the gentleman from Nebraska [Mr. MCLAUGHLIN], the gentleman from New York [Mr. PIERCE], and myself were appointed to draft a report to be submitted to the full committee for their consideration. This particular subcommittee began its work on Thursday, March 16, and with some interruptions, proceeded therewith until on Tuesday, March 21, it had completed its labors.

It was decided to have the committee report in print, and in order to expedite this matter, Chairman HOBBS left his office to take the report to the clerk of the Committee on the Judiciary in order that the report would be in print and before the committee on the following day, March 22. At that time the additional views of the minority had not yet been finally drafted, and the gentleman from New York [Mr. PIERCE] and myself remained in the office of the gentleman from Alabama [Mr. HOBBS] and there, after the departure of the gentleman from Alabama [Mr. HOBBS], the gentleman from Tennessee [Mr. CHANDLER], and the gentleman from Nebraska [Mr. MCLAUGHLIN], with the complete knowledge on their part of what we were about to do, I having previously informed the chairman of the subcommittee of our intention so to do, we drew up the additional views contained in our confidential committee print of March 22, 1939. These views were signed by the gentleman from New York [Mr. PIERCE] and myself. Immediately after this was done, the Representative from New York [Mr. PIERCE] followed the gentleman from Alabama [Mr. HOBBS] to the office of the clerk of the Committee on the Judiciary and left with him the only copy in existence of these views.

These opinions were the sole product, so far as I know, of the minds of the gentleman from New York [Mr. PIERCE] and myself, and were written in longhand by the gentleman from New York [Mr. PIERCE] in my presence in the office of the gentleman from Alabama, Chairman HOBBS, and contained suggestions from both of us. The ones emanating from me were my own and of which the gentleman from New York [Mr. PIECRE] could have had no previous knowledge.

In the light of these facts, it is thus apparent that there was no scheme between the gentleman from New York [Mr. PIERCE] and myself to use or to resort to a report prepared by an outside source. At no time did the gentleman from New York [Mr. PIERCE] seek to impose upon me his own ideas or urge me to accept any views which he advanced. The opinions expressed are the expresions of both minds, and were only reduced to writing after about an hour's discussion. At no time did the gentleman from New York [Mr. PIERCE] suggest any scheme to me or even intimate that he had in his possession a report prepared from an outside source which we should adopt.

I have never talked with Chairman John Hamilton about this matter. I have only met the gentleman once and this was at a social gathering several months ago, and our meeting was simply an introduction. It lasted less than 1 minute. I have never been to the national headquarters of the Republican Party in Washington and I am not acquainted with any person therein employed, nor have I ever had any conversation with Chairman Hamilton or any of the personnel of the Republican National Committee on this or any other subject pertaining to this Congress, and at no time did Chairman Hamilton express to me his disapproval of this report. I do not know what Chairman Hamilton's views are concerning this report. The only information I have concerning them is what I have seen in this newspaper article, and which I certainly consider untrue.

When the gentleman from New York [Mr. PIERCE] stands upon the floor of this House as he has this afternoon and states to his colleagues that he had in his possession the preliminary report which Chairman HOBBS had asked us to study, and that he did not disclose that report, nor seek the advice or assistance of any person other than the members of the committee, I know it to be true.

I consider it a distinct honor to be a member of the Committee on the Judiciary of the House of Representatives.

For 22 years I served in public office—12 years as a State district attorney, 4 years as a State deputy attorney general, 4 years as a United States attorney, and 2 years as Special Assistant to the Attorney General of the United States—the last appointment being at the hands of former Attorney General Homer Cummings in the prosecution of the so-called Pittsburgh vote fraud cases in which I was called upon to prosecute a number of Republican leaders. I feel that having served in these several capacities that I do have a conception of the great responsibility that is mine as a member of the Committee on the Judiciary, and I have an earnest desire to uphold its highest traditions. This committee has always enjoyed the utmost confidence of this House. This is probably the first attack ever made upon its integrity, and I feel that I owe it, not only to myself but to the committee as a whole, to make this complete statement in order that all may know just what occurred in this matter.

The accusations contained in this newspaper statement are false from beginning to end. [Applause.]

[Here the gavel fell.]

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOBBS. Mr. Speaker, in justice to my fellow members of the Judiciary Committee who have just addressed you, I feel it obligatory upon me to say that the draft of the subcommittee's report was not returned after its distribution to the members of the subcommittee by any member of the committee "promptly," nor at all, nor was it ever intended to be returned.

In the second place, I wish to make it abundantly clear that before the subcommittee ever began its labors, just before its first meeting, the gentleman from Pennsylvania [Mr. GRAHAM] stated to me that there might be a desire on the part of himself and the gentleman from New York [Mr. PIERCE] to file minority views, and that by participating in the attempt to prepare a report to which all could agree, they wished it understood that they would not thereby be precluded from expressing additional views. [Applause.]

Please permit me to express to you, and to the majority leader, and to the Members of the House at large the thanks of the gentleman from New York [Mr. PIERCE], the gentleman from Pennsylvania [Mr. GRAHAM], and myself for the time granted us. [Applause.]

Mr. PIERCE of New York. Mr. Speaker, I ask unanimous consent to extend the remarks I made a few minutes ago and to include therein the telegram and letter to which I referred therein.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. PIERCE]?

There was no objection.

ADDITIONAL APPROPRIATION FOR WORK RELIEF

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution No. 149.

The Clerk read as follows:

House Resolution 149

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of House Joint Resolution 246, a joint resolution making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939, and all points of order against said joint resolution are hereby waived. That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the joint resolution shall be read for amendment under the 5-minute rule. No amendments shall be in order to said joint resolution except amendments proposing a change in the amount of the appropriation contained in said joint resolution. At the conclusion of the reading of the joint resolution for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

The SPEAKER. The gentleman from Virginia is entitled to 1 hour.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee [Mr. TAYLOR] for general debate.

Mr. Speaker, at this time I yield 5 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. BRADLEY of Pennsylvania. Mr. Speaker, will the gentleman from Virginia [Mr. SMITH] yield for a parliamentary inquiry?

Mr. SMITH of Virginia. Mr. Speaker, I have already yielded to the gentleman from Illinois.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, will the gentleman from Illinois [Mr. SABATH] yield for a parliamentary inquiry?

Mr. SABATH. I yield to the gentleman from Pennsylvania [Mr. BRADLEY].

Mr. BRADLEY of Pennsylvania. Are we to understand, if this rule is adopted, we will be precluded from offering amendments as to the amount unless the gentleman from Virginia [Mr. SMITH] consents?

The SPEAKER. No; the Chair does not so construe the rule. It prohibits the offering of other amendments, but it is wide open as far as amendments with reference to amount are concerned.

Mr. SABATH. Mr. Speaker, the Rules resolution just read provides for 4 hours' general debate on the resolution appropriating funds to the W. P. A., with which the Members are familiar. This is legislation demanded from every section of the country. The rule is not one I would have wished for or offered, but unfortunately time is short. We are all familiar with the situation that faces us at the present time, and since the resolution permits the offering of amendments with reference to amount, which is the only question to be raised, I feel it is the duty of all those who recognize the dire needs of the Nation and the demands that are coming to us to support and favorably vote upon the rule.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. My good friend the gentleman from Illinois [Mr. SABATH], with whom I have served a good many years on committees, has always been considered a progressive and a liberal. How can he stand up here and advocate this arrogant gag rule?

Mr. SABATH. I say that the country today is faced with a condition which is more important than any technicality. I for one am willing to forego technicalities to see that 400,000 people are not thrown upon our streets in want and misery.

Mr. MARTIN of Massachusetts. Why does not the gentleman join with us in voting down the previous question? In 15 minutes then we can have a rule the gentleman likes.

Mr. SABATH. Will the gentleman then vote for the $150,000,000?

Mr. MARTIN of Massachusetts. I reserve all rights in regard to that.

Mr. SABATH. I regret that the gentleman from Massachusetts [Mr. MARTIN] will not agree to vote for the $150,000,000. I know that his sympathies are that way, but party politics will not permit him to go along with us. I will say this to him: You on the Republican side are given the privilege, under precedents and rules of the House, to offer a motion to recommit. We Democrats cannot do so. Therefore, if you can assure me that the majority of Republicans will vote to recommit the bill to provide for $150,000,000 I will most certainly support the motion. That is providing, of course, that we are unfortunate in not being able to get a vote in favor of $150,000,000 when an amendment so providing is offered.

[Here the gavel fell.]

Mr. SMITH of Virginia. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New York.

Mr. MARCANTONIO. If the previous question is voted down the control then passes to the minority?

Mr. SABATH. Yes.

Mr. MARCANTONIO. Have we any assurance that the minority will amend the rule so the bill will be considered in the House rather than in the Committee of the Whole?

Mr. SABATH. We have not. As I have stated, the minority have the advantage, because they have the right to make the only motion to recommit. I hope they will make a motion to recommit that will call for $150,000,000, and prove that they are sincere and not only playing politics.

Mr. DOWELL. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Iowa.

Mr. DOWELL. May I ask the gentleman this: If the previous question is voted down, can the rule be amended to permit those who favor a larger sum than the resolution calls for to offer amendments?

Mr. SABATH. If the previous question were voted down, and we had the votes we could then amend the rule to permit a yea-and-nay vote on amendments. But I am satisfied, since I have canvassed the situation, that we cannot get the rule amended, because some of the very men on your side who would vote for it will vote against an amendment appropriating $150,000,000. I myself am in favor of the $150,000,000, and from what I know of the gentleman from Iowa [Mr. DOWELL], who has always tried to help the underprivileged, I feel that he is likewise in favor of it. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, it is not my purpose to discuss at any great length this rule or the resolution the consideration of which it makes in order. Since the beginning of the depression I have supported, uniformly, every measure that has been brought on the floor of this House for the relief of the distressed of this country, but I have carefully gone through the hearings on the pending bill and I fail to find justification for the appropriation this resolution provides. Even an analysis of the testimony of Colonel Harrington, as stated by the minority members of the subcommittee, shows that $55,000,000 will be amply sufficient to provide the necessary relief to the end of the present fiscal year. And if W. P. A. will purge its rolls of those who are not entitled to relief, it will not be necessary to appropriate any additional amount.

According to the Index of the American Federation of Labor, during the past month, the month of February, 120,000 previously unemployed found work in private industry, and according to the figures released by the Labor Department during the same period a substantial number of unemployed found such work.

Mr. HEALEY. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. For a brief question.

Mr. HEALEY. Does the gentleman know whether, in submitting this figure, the Committee on Appropriations had any basis for it? Has the committee any accurate figures on unemployment?

Mr. TAYLOR of Tennessee. I do not know that the committee ascertained the number of unemployed, but it is generally understood that the figure is around 12,500,000 to 15,000,000.

Mr. HEALEY. There is no accurate basis for that figure, is there? It is speculation?

Mr. TAYLOR of Tennessee. I do not believe a census has been taken to determine the fact.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman from Texas.

Mr. POAGE. Is it not a fact that under the resolution as it is now written anyone who wants to try to equalize the wage scales among the various sections of the country has no opportunity even to offer such an amendment?

Mr. TAYLOR of Tennessee. Yes, under the terms of the rule.

Mr. POAGE. It was attempted the last time this subject was under consideration and the House thought we ought to do some equalizing, but now they are afraid to let us have a chance to equalize.

Mr. TAYLOR of Tennessee. This House recently passed a bill which provided for a more or less equalization in pay rates, but the provision was stricken out in the Senate, as the gentleman recalls.

Mr. POAGE. That is right.

Mr. TAYLOR of Tennessee. It is not my intention to recite the sordid history of the W. P. A., reeking with partisan politics, favoritism, nepotism, and a considerable degree, I regret to say, of communism. You have only to read the Sheppard report of the investigation of the recent election in order to find ample evidence of the activity, the vulgar activity of the W. P. A. in political contests. The morning paper carries a story from New Mexico that 5 defendants in the Federal court out there were convicted yesterday in addition to the 11 who had previously been convicted for violating the law in connection with the administration of W. P. A. I do not have to go to Pennsylvania, to Kentucky, to New Mexico, to Oklahoma, or to any other State to get information as to the use of the W. P. A. in politics. In the campaign of 1936 I saw ample evidence of W. P. A. activity in my own district and in my own election. I saw thousands of W. P. A. workers organized and drilled. I saw them carried to the precinct registration office in W. P. A. automobiles, running upon power produced by Government gasoline, to be registered. I saw those under 50 years of age required to pay their poll tax in order to qualify them to vote in the election. Then I saw them herded like so many sheep and taken in Government cars to the polls, where they were told to vote and they were told that the W. P. A. representative there would know how they voted, and if they did not vote according to instructions they would immediately be dropped from the W. P. A. pay roll.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman from Minnesota.

Mr. PITTENGER. Has not the W. P. A. been used as a political football right straight through, everywhere?

Mr. TAYLOR of Tennessee. There is absolutely no question about that. The W. P. A. has been debauched to the limit in efforts to elect New Deal candidates for office everywhere. In addition to requiring W. P. A. employees to vote according to the dictation of New Deal politicians, they were required to donate contributions to the New Deal slush fund. This was not confined to the salaried, white-collared employees, but the common laborer, and even the women working on sewing projects were required to "kick in." A widow came to my office after the election and told me that she had been required to contribute $1.50 to provide transportation for New Dealers to attend a political rally in an adjoining county. This widow was employed on a sewing project and was paid less than $20 per month. She contributed the $1.50 and a little later she was called upon for a contribution of $1 to provide a banquet for the political big wigs. She was not expected to be present at the banquet and partake of the refreshments thereof, so she declined to make the contribution and within the next day or two she was discharged.

Business concerns who furnished cement and other materials and equipment on W. P. A. projects were likewise the prey of the New Deal politicians. I stated on this floor some time ago that a representative of the Democratic National Committee came to Knoxville and summoned to his hotel a number of people who had done business with W. P. A. and other New Deal alphabetical agencies, and after being reminded of the business which they had enjoyed, these businessmen were asked to purchase the Democratic handbook, which had been autographed by President Roosevelt. The number of books were to be purchased in proportion to the amount of business which they had received. The price of the campaign book was only a paltry, insignificant $250 per copy. These businessmen were covertly given to understand that future orders would depend on their liberality. There never has been such a shake-down of businessmen by political highjackers as in this instance, which I understand was carried on throughout the Nation.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. KNUTSON. Is it the gentleman's contention that the W. P. A. is overripe?

Mr. TAYLOR of Tennessee. Overripe?

Mr. KNUTSON. Yes.

Mr. TAYLOR of Tennessee. I think it is ripe enough to pull, yes, if that is what the gentleman means. [Laughter.]

Is the W. P. A. in politics?

Mr. Speaker, in my own State, according to the testimony of Colonel Harrington and the chart which he submitted, we have 559 salaried employees working in W. P. A. and there they are paid an average of $122.36 a month, and I make the statement without fear of contradiction that of the 559 salaried employees in W. P. A. there is not one single, solitary Republican among them. Why, the only way a Republican can get employment on W. P. A., even with a pick and shovel, in Tennessee is through the influence and pressure of some Democratic politician.

Mr. PARSONS. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. I regret I have not the time to yield.

We understood when W. P. A. was set up that it was to be a temporary organization, but now I think we all recognize that it is the purpose of the present administration at least to continue the W. P. A. as a permanent institution.

I want to pay tribute to Colonel Harrington. I think Colonel Harrington is a clean, conscientious official and that he is honestly endeavoring to administer W. P. A. free of political influence and also as economically as possible. Of course, under Mr. Hopkins, the man who said "We will tax and tax, spend and spend, elect and elect," we could not expect anything else but extravagance. Under this man Aubrey Williams, who, in an address, appealed to those who were on W. P. A. not to forget those who put them in their jobs and gave them employment, of course, we could not expect anything else.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. I beg the gentleman's pardon, but I have not the time to yield.

Up to March 6, under the administration of Colonel Harrington, 40,000 aliens have been taken off of the W. P. A. rolls,

and I am satisfied that the number of aliens in W. P. A. is far more than 40,000, probably twice 40,000. But imagine, Mr. Speaker, aliens on W. P. A. when there are millions of American workingmen able to work, looking for employment. This could only happen in the United States. Such a state of affairs could not exist anywhere else. Imagine, if you can, an American over in Germany or Italy or even in Great Britain being on government relief.

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield myself 5 additional minutes.

According to the hearings, there are 55,000 on W. P. A. today who are entitled to relief under social security, and from 15 to 20 percent of those who are on W. P. A. today have been on W. P. A. since its inception; in other words, they are chronics.

Mr. HOOK. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. I have not the time to yield.

Mr. Speaker, some of the work that is performed by W. P. A., with which we are all familiar, is beyond reasonable explanation, such as teaching tap dancing, puppeteering, tearing down the wrong buildings, erecting dog hospitals, raking leaves hither and yon, building Federal buildings not only in the small towns for property owners but they have even gone out into the country and erected such buildings, and I understand that a great many of them have written above them, "This is a Federal building." They are about 4 feet wide and 6 feet long, if you know what I have reference to, and I understand that Harry and Aubrey seriously discussed on one occasion whether or not it would not be in line with W. P. A. to provide a Sears & Roebuck catalog for each one of these Federal buildings. [Laughter.]

Mr. Speaker, this unemployment problem will not be solved by the W. P. A. formula.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. I cannot yield.

The only way the unemployment problem can be solved is by restoring confidence to business [applause], and business will never go forward until the Federal Government sets a pattern in economy and in tax regulation.

Mr. HOOK. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. I regret I cannot yield.

Mr. HOOK. It is because I am a Democrat?

Mr. TAYLOR of Tennessee. No; not because the gentleman is a Democrat, but I do not think he could shed any light on this subject.

Mr. HOOK. I could shed enlightenment on the subject and could tell the gentleman how the Republicans are playing politics with relief.

Mr. TAYLOR of Tennessee. I certainly cannot see how Republicans can play politics with relief when they are not allowed to in any way handle it.

Mr. Speaker, as I said a moment ago, the only way we can bring about recovery in this country is by establishing confidence among the people of this country who produce. We have already squandered more than $20,000,000,000 of the taxpayers' money in a futile attempt at recovery, and we are worse off today than when we started. There are as many unemployed today and conditions generally are as bad or worse than when the first attempt was made by the New Deal through the W. P. A. and other alphabetical activities to restore recovery in this country.

Mr. Speaker, it seems to me that it ought to be apparent to every thinking man that this profligate Government spending must cease, but, instead of reducing appropriations, under the spur of the White House, Congress is constantly increasing them. Take W. P. A. as an example. In 1936 we spent for W. P. A. a total of $1,270,235,065. If this resolution is passed, it will make a total of $2,163,868,406 appropriated for W. P. A. for the fiscal year ending June 30, or $893,633,134 more money spent on W. P. A. this year than in 1936 when the depression was at its peak. We are spending this year on W. P. A. $330,411,435 more than we spent for W. P. A. in 1937. And we are spending this year on W. P. A. $736,166,412 more than was spent for W. P. A. for the year ending June 30, 1938.

The W. P. A. organization for the month of January this year spent for administrative activities the stupendous sum of $5,788,716.44. Think of it—they spent $488,000 for travel alone during that 1 month and $150,174.22 for communication, such as telephone and telegraph. They even spent $115,582.77 for printing and binding, and why such an organization as W. P. A. needs to spend such an amount for such a purpose is certainly beyond my poor power of comprehension.

Mr. Speaker, the same principles of economics apply to the Government of the United States as apply to private business. The operator of a peanut stand can spend $2 every time he takes in $1 until his surplus is exhausted. He can continue to do this until his capital has been dissipated. He can even carry on this paradox until his credit is exhausted, but after that there is nothing left for him but bankruptcy and the poorhouse. The same is true of this or any other government. If we keep up this practice of spending two dollars when we only take in one, we are headed inevitably for inflation, repudiation, and, ultimately, bankruptcy.

Mr. Speaker, the time has arrived when we must apply the brakes so far as spending is concerned. It is up to this Congress to demonstrate to the country that this spending spree is over. There may be many headaches following, but it has always been true that those who dance must pay the fiddler. The injustice and tragedy of this situation, however, lies in the fact that those who really danced will not pay the fiddler, but that generations yet unborn will be subjected to this burden.

Mr. Speaker, I repeat, we can have no recovery until we have first a restored confidence, and I think that the last election and the increase in membership on the Republican side of the Chamber had a great deal to do toward starting such a restoration, because on this side of the Chamber, and also on the other side of the Chamber, a great many have discarded the rubber stamp and shown a disposition to be more courageous and independent than heretofore. [Applause.]

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. PARSONS rose.

The SPEAKER. For what purpose does the gentleman from Illinois rise?

Mr. PARSONS. Mr. Speaker, it is my painful duty to suggest the absence of a quorum.

The SPEAKER. The gentleman from Illinois makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and ninety-nine members present; not a quorum.

Mr. SMITH of Virginia. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 45]

Beam	Culkin	Keller	Secrest
Blackney	Curley	Lord	Seger
Boland	Evans	McKeough	Smith, Ill.
Brewster	Ford, Leland M.	McReynolds	Taylor, Colo.
Celler	Goldsborough	Mansfield	Vinson, Ga.
Chiperfield	Green	Osmers	Vreeland
Creal	Hennings	Owen	Zimmerman
Crowther	Jeffries	Sasscer	

The SPEAKER. On this roll call 393 Members have answered to their names, a quorum.

Mr. SMITH of Virginia. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 250. Joint resolution making an additional appropriation for the fiscal year 1939 for expenditure by the United States Employees' Compensation Commission in accordance with section 16 of the Emergency Relief Appropriation Act of 1938.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend the remarks I made today upon the point of order on the question of personal privilege.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a statement I made on Tuesday last before a subcommittee of the Committee on Appropriations.

The SPEAKER. Is there objection?

There was no objection.

RELIEF

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, I am unable to understand just what the reasons are for the fight on this rule. Certainly the Rules Committee had no idea of passing out a rule that would in any way deny any Member the right to freely express his or her views. The representative of the Committee on Appropriations handling this matter came before the Committee on Rules and of him inquiry was made as to time needed for debate, as to the kind of rule that was desired. What the committee did was simply to accommodate the needs of the situation as disclosed by the representative of the Committee on Appropriations. It appears there are those who object to the rule in its present form, because, as contended, it would deny interested parties the right to demand a record vote on the question of raising or lowering the amount carried in the bill. Mr. Speaker, I do not subscribe to that sort of contention. I attribute no cowardice to my colleagues, as that argument would imply. I do not know that there is a single Member of this body who would vote differently if he knew that a record was being made of his vote.

Mr. WARREN. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes.

Mr. WARREN. There seems to be some misunderstanding on this side of the House about the effect of the previous question. If the previous question is voted down, the control of the debate, under the rules of the House, then passes on to the minority. Is not that the fact?

Mr. COX. That is correct.

Mr. WARREN. And the minority would then have a chance to offer amendments which would emasculate both the rule and the entire program, if that happened?

Mr. COX. That is correct. The only real controversial question that I could see might possibly arise was that with respect to amount. There are those advocating $150,000,000 who are actively opposing this rule. I say to them, speaking from my standpoint and giving expression to my understanding of the situation, that they will do tremendously well if they retain the amount set up in the bill, $100,000,000. If I understand the temper of this House, the likelihood of reducing the amount is infinitely greater than the possibility of increasing it.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes.

Mr. SABATH. The gentleman from Georgia states that those who favor the $150,000,000 are responsible in trying to bring about delay.

Mr. COX. Only in part, not altogether.

Mr. SABATH. I say to the gentleman that most of those men who are actually interested to get this legislation through are in favor of the rule and will support and vote for it.

Mr. COX. Mr. Speaker, we are obliged to meet the issue at some time.

The rule that has been reported and that is now before the House provides for fair consideration, and I trust that those who favor increasing the amount, as well as those who favor reducing it, will come to an agreement to support the rule and let us proceed with the determination of the question we have in hand.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. COCHRAN. As a matter of fact, is this not an emergency measure?

Mr. COX. I may say that it is so contended.

Mr. COCHRAN. And to vote down the previous question would only delay final consideration?

Mr. COX. Of course, that is correct.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. MARCANTONIO. If the previous question is voted down, control passes to the minority and we who want a record vote have no assurance whatever that the minority will so amend the rule as to give us a record vote.

Mr. COX. I trust there is that degree of courage on the side of the minority as well as on the side of the majority that enables gentlemen to vote their honest convictions under all circumstances.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. SIROVICH. Independent of this rule every man will have a right to vote on an amendment whether we have $150,000,000 or $100,000,000?

Mr. COX. Yes. Of course, the gentleman is correct.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, this is a very drastic rule. It waives all points of order, however flagrant the violations of the rules of the House may be. It precludes all amendments of every character except as to amounts, and makes no provision for a record vote even on amounts offered in Committee of the Whole. It gives control of all debate to Members who are opposed to the President's recommendation and, taken as a whole, constitutes one of the most oppressive rules ever offered in the House. In fact, so stringent is the rule that from the evident reaction on both sides of the aisle I am certain we can defeat the previous question. The previous question having been voted down, the rule would then be open to amendment; and if a substitute were adopted providing for consideration in the House as in Committee of the Whole, we would be assured of a record vote, and the way would be clear to a free and untrammeled consideration of the Budget estimate. But, unfortunately, we would not be able to offer a substitute, as right to recognition following rejection of the previous question passes to the other side of the aisle, and they refuse to permit us to offer any substitute which would provide for a record vote.

But, my friends, no question is ever settled until it is settled right; and in another and more deliberative body $250,000,000 will be added to the agricultural bill and $150,000,000 will be included in the pending resolution; and when the conference reports come back, we will have an opportunity to dispose of both questions under the regular rules of the House.

For this reason, Mr. Speaker, I hope that no one will vote against the previous question and that we will be permitted to dispose of the matter as speedily and as harmoniously as possible. [Applause.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, I may say at the outset that I have voted for every relief appropriation that has heretofore been passed by the Congress. Whether I vote for this resolution or not will depend upon the amount carried in the resolution when the final vote on it is taken, and on the showing that is made in the debate for the need of it.

I should like to present some of the issues with which it seems to me we are confronted here today. In the first place, this is a gag rule. If it is adopted as reported by the Committee on Rules, it will prohibit any amendment to the resolution except as to the amount of the appropriation. It will prevent the consideration of any amendment directing or re-

stricting the administration of the amount appropriated, other than that which is contained in existing law. It is necessary to read the original resolution in order to understand the full significance of what that means.

I am opposed to gag rules. I am opposed to this rule as it is written, and I shall ask for a vote on the motion for the previous question, in order that it may be amended so as to permit consideration of amendments to the resolution before the rule is adopted.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield.

Mr. MARCANTONIO. Will you, if the previous question is voted down, amend the rule so that it will be possible to have a yea-and-nay vote on the amendment to increase the amount?

Mr. MAPES. Mr. Speaker, in the first place, under the rulings of the Speaker and under the precedents, if I should be fortunate enough to obtain the floor, I would lose control of the resolution if I yielded to someone else. In the second place, I see no reason why this resolution should not be considered in the Committee of the Whole and in the House the same as legislation of this importance is usually considered; that is, with free and open debate under the general rules of the House of Representatives.

A pertinent question to be considered in connection with the consideration of this resolution as I see it is, Has there been a "will" on the part of those responsible for the administration of this appropriation to economize or to keep within the appropriation passed by the Congress? It is hard to believe that there has been, for anyone who will take the trouble to read the original resolution, the messages of the President on the subject, and the hearings before the Committee on Appropriations on the pending resolution.

In that connection, I wish particularly to direct the attention of the Members to the questions asked by the distinguished gentleman from Virginia [Mr. WOODRUM], of Colonel Harrington, Administrator, and his replies thereto, as they appear on pages 23 and 24 of the hearings, and again on pages 82, 83, 84, and 85.

We start out at the very beginning with this unusual situation. The original resolution appropriating $725,000,000 for the remainder of this fiscal year, which ends June 30, 1939, was signed by the President on the 4th day of February.

Three days later, or on the 7th day of February, the President sent a message to the Congress saying that it would not be possible to live within the appropriation. Does that indicate any great ambition to conform to the wishes of Congress or to make any serious attempt to keep within the limits of the appropriation?

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I am sorry that I have not the time for the distinguished chairman of the Committee on Rules.

The original resolution provided that the amount "appropriated shall be so apportioned by the Works Progress Administration as to cover the entire period from the date of the approval of the act until June 30, 1939." It provided further that "prior to April 1 there shall be no administrative reduction of more than 5 percent in the number of employees upon Works Progress projects."

Mr. Speaker, I desire to call attention particularly to this clause in that proviso: "There shall be no administrative reduction of more than 5 percent." Everyone knows that a great many resign voluntarily from W. P. A. every month because of the opportunity which they have to get into private industry, and for other reasons. The number voluntarily resigning amounts to something between 100,000 and 200,000 per month.

The President in his message to Congress 3 days after he approved the original resolution said that "the joint resolution requires that reduction in employment in those months"—that is the months prior to April 1—"shall not exceed 5 percent." The Administrator in his testimony before the Committee on Appropriations construes that language as a mandate from Congress to keep the number employed up to within 5 percent, notwithstanding the fact that from 100,000 to 200,000 withdraw voluntarily from the W. P. A. every month.

Regardless of the merits of the contention that there are people in need who should be put on W. P. A. projects that are not now on, I think most of us will agree that any attempt to construe that language as a mandate from Congress to keep that number on W. P. A. projects is a very strained construction.

Mr. HEALEY. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield to the gentleman from Massachusetts.

Mr. HEALEY. The evidence before the committee, as I understood it, was that some 800,000 people are perfectly eligible for W. P. A., who have been certified as qualified for W. P. A. employment, who cannot get on the rolls at the present time.

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield the balance of my time to the gentleman from Michigan.

Mr. MAPES. There is not time to go into the merits of that question now. I refer the gentleman from Massachusetts again to the testimony which I have already cited and the further testimony in the hearings to the efforts in some localities to keep up the number on W. P. A.

Mr. GEYER of California. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I cannot yield, Mr. Speaker.

The next question I wish to ask is: Is there a need for this additional $100,000,000 appropriation in order adequately to provide work relief for the number originally contemplated and recommended in January by the proponents of this legislation? Let me say that, in my opinion, a careful reading of the majority report of the Committee on Appropriations will lead anyone to doubt that question; and the minority positively declare that the $100,000,000 is not necessary to enable the Works Progress Administration to keep on the pay roll the number that was originally contemplated to be kept on in January when this original legislation was being considered in the House.

Mr. SABATH. Mr. Speaker, will the gentleman yield now? I want to answer the gentleman's question.

Mr. MAPES. I am sorry, I cannot yield to the distinguished gentleman from Illinois, I have not the time.

Appropriations for W. P. A.—and I wish every Member would take particular note of this—instead of being gradually reduced have increased the last few years. If this resolution is passed, as reported by the committee, Congress will have appropriated for W. P. A. alone for this fiscal year which ends June 30 over $2,163,000,000 as compared with $1,270,000,000 in 1936; $1,833,000,000 in 1937, and $1,427,000,000 in 1938. Anyone considering this resolution and the tendency constantly to increase appropriations instead of to decrease them cannot help but ask himself: Whither are we going?

Another thing to be remembered, when the original resolution was passed in January it was contemplated according to the report of the committee that there would be no surplus in the W. P. A. funds on January 31. Instead of that there was a surplus of something like $65,000,000 at the end of the month of January. The pending resolution, therefore, as stated by the committee in its report and by the majority members of the committee, proposes to give the Works Progress Administration more than a sufficient amount to carry on the work which was contemplated by it in January of this year.

Why should Congress appropriate more than is necessary or sufficient? I do not understand. Especially is it hard to understand in view of the tendency of this organization, as brought out in the report of the committee, to be extravagant, expending $500,000 a month for example, for travel and subsistence expenses, and $150,000 for communication service. This being so, why should Congress appropriate more money than is needed to carry on its necessary work? [Applause.]

[Here the gavel fell.]

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM of Virginia. Mr. Speaker, I will occupy this 5 minutes in trying to clear up, if I can, the parliamentary situation.

Bills coming from the Appropriations Committee of the House, generally speaking, are privileged and may be called up without the necessity of waiting for Calendar Wednesday or resorting to a rule. The relief bill, however, while it has always been handled by the Appropriations Committee, is not, strictly speaking, an appropriation bill; it is a legislative bill. The only way in which it could come up in the House is either by unanimous consent, by placing it upon the calendar and waiting for Calendar Wednesday, or by a special rule for its consideration such as is presented to the House today.

This is an unusual rule—a stringent rule—if you prefer to have it, a gag rule. Sometimes it is not unpleasant to be gagged. I remember the first speech I made in the House of Representatives. It was a very indignant speech against the Republican chairman of the Rules Committee, who walked around during the closing days of the session of Congress with a lot of rules in his pocket that he would not call up, which to my mind was a very outrageous procedure. As the years have gone on, I have learned that sometimes a commodious pigeonhole or hip pocket is for the good of the country. In this particular case this is an unusual rule, and I do not think I violate the confidence of the committee when I tell you that I brought up in the full committee meeting the question of the kind of rule we proposed to ask for—a rule which would limit amendments merely to the amount involved in the bill. The matter was discussed. My beloved friend from Missouri, one of the great parliamentarians of the House, was present. The minority members were present. There was no objection.

Why is it advisable to consider this resolution without permitting comprehensive amendments other than those affecting the amount appropriated? It is advisable for this reason: This appropriation runs for 3 months. It is an emergency matter. Congress has just ordered an investigation of W. P. A. for the purpose of trying to get information upon which we may formulate permanent policies. I hope very much that a great deal of good will come from it. I have many ideas of my own about the set-up of W. P. A. which are widely at variance with the present set-up. If we undertook upon the floor of the House in this emergency to write the law regulating this matter, obviously all kinds of amendments would be offered. One Member told me he wanted to offer an amendment to tack on the parity payments. Another wants the matter fixed so he can offer an amendment to allocate more funds to post offices. Another one wants funds earmarked for highways. Another wants them for public buildings. Another objects to the administrative salary of one of the W. P. A. officials, as I do myself, and he would put on an amendment controlling that.

And so on, on and on, pandemonium supreme.

The purpose of this rule is to narrow the issue and give the House the opportunity to express itself as to amount, whether it shall be $100,000,000, $50,000,000, no money at all, or $150,000,000. We felt in doing this that the committee has been honest and frank with the House and that no rights of any Member have been taken away.

With reference to the right to have a record vote on the $150,000,000, may I say that no legislative body on the face of the earth so protects the rights of the minority and individual Members as do the rules of the United States House of Representatives. If the majority of the Members sitting as a Committee of the Whole wish to have $150,000,000 in this bill, it can be written in there; and when we go back into the House you can get a roll-call vote on it; but if we do not bring in a bill for $150,000,000, amended down to $100,000,000, then we prevent some gentleman making this kind of an argument, in great emotion: "If you vote on the record vote against $150,000,000, you are a traitor to your administration."

Mr. Speaker, we ought to pass on this matter on its merits. In the rule we have presented we give this opportunity. Remember, if the previous question is voted down, the control passes to our friends over here. We should vote solidly for the previous question, take the matter up under the rule, engage in 4 hours' general debate, with a wide-open latitude as to amount.

[Here the gavel fell.]

Mr. SMITH of Virginia. Mr. Speaker, I yield myself the balance of the time on this side.

Mr. Speaker, I want to speak briefly on the parliamentary situation with respect to this rule. Let me say to my friends on this side of the aisle, and I think I can do so authoritatively, there is nothing to be gained by any Member on the Democratic side voting down the previous question, whether he is for or against relief. The gentlemen on the other side would like to control this measure. If you vote down the previous question, the control of the measure passes to the other side, as you know, and only by yielding on that side can anyone offer an amendment of any kind to this rule.

May I say to the House that the application for this rule came to the Rules Committee yesterday. There was no objection, and no one indicated any opposition to the rule from either side. I do not regard this as a gag rule and I do not regard it as a drastic rule. Every rule brought into the House, as you know, waives points of order. I do not recall any that did not. The only thing that could be termed drastic about this rule is that it limits amendments to the question of amount. That is the only question involved in all the conversation and controversy about the measure. The rule is wide open as to amount. You may offer any amendment and vote for any amendment from $1 up to as many million dollars as your conscience and your imagination may dictate. There is absolutely no limitation on that proposition.

Why should not this rule prevent the offering of amendments to the administrative or legislative features of this law? In the last 4 weeks in connection with the consideration of the $725,000,000 bill that whole question was most elaborately and exhaustively debated in this House. I have reference to the question of the limitations that should be put on the expenditure of this money. The House passed on that matteer. The Appropriations Committee is about to consider an appropriation for the year 1940 for the W. P. A. and that committee will go into all the administrative details. As a matter of fact, the House in the past week has passed a resolution directing the Appropriations Committee to investigate fully the W. P. A. and to recommend legislation on the subject. We know perfectly well if we undertake by placing further restrictions and limitations upon the matter in the House this afternoon we are not going to accomplish it with that degree of accuracy that we all desire so far as permanent legislation on the subject is concerned. I do not think it can be fairly said that there is anything in the way of a gag rule about the pending rule which the Rules Committee has presented today.

Mr. SWEENEY. Will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Ohio.

Mr. SWEENEY. Did I understand the gentleman to say this is not a gag rule?

Mr. SMITH of Virginia. I do not so understand it, for the reasons I have stated.

Mr. SWEENEY. Did the gentleman from Virginia hear the distinguished gentleman from Virginia [Mr. WOODRUM] say it was a gag rule?

Mr. SMITH of Virginia. I may differ from him, and I may differ from the gentleman who asks the question. As I say, we customarily waive all points of order in every rule brought in here.

If we had no rule on this bill, the following would be the parliamentary situation: The resolution which has been presented is virtually an amendment to section 1 of the $725,000,000 bill passed by the House 4 weeks ago. If there was no rule at all, in my judgment, you would not be able to offer any amendment except such amendment as might be

germane to section 1 of that bill. Section 1 of that bill appropriated $725,000,000, and I think it would be a very grave question if we came to the House without a rule at all whether you would be able to offer any amendment that would be germane to the bill except an amendment as to amount.

Mr. Speaker, I hope it will be the pleasure of the Democrats on this side of the House to vote in favor of the previous question, because that will expedite the consideration of the matter, which is what we all desire.

Mr. DUNN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Pennsylvania.

Mr. DUNN. When will those of us who believe in the $150,000,000 have an opportunity to present such an amendment?

Mr. SMITH of Virginia. The gentleman may do so when the bill is being considered in the Committee of the Whole House on the state of the Union.

Mr. DUNN. Will the yeas and nays then be taken?

Mr. SMITH of Virginia. It depends on whether the amendment passes or not. If the amendment is agreed to, the yeas and nays could be taken.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 246.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 246, with Mr. WARREN in the chair.

The Clerk read the title of the joint resolution.

The first reading of the joint resolution was dispensed with.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the 2 hours for debate allotted to this side of the House will be used by giving 1 hour of that time to those who support the committee report, and dividing as best I can, if I can find a system of mathematics to do so, the remainder of the time among the estimable gentlemen who wish to speak and present a contrary viewpoint. I do not wish to take much time myself, and I should like to conclude in 15 minutes. I should like to try to make a chronological statement of my position and the committee position, and I would appreciate it if the members of the Committee would permit me to proceed without interruption.

Mr. Chairman, at the outset let me say that, speaking personally and also for certainly a majority of this committee, the fact that this resolution is for $100,000,000 instead of $150,000,000 in no sense of the word represents any antagonism to the idea that the Federal Government should have its proper and proportionate part in meeting the duties of society to the unemployed and to the needy. [Applause.]

As far as I am concerned, I believe I have handled upon the floor of this House the relief bills for the last few sessions of Congress. I have defended as best I could the administration of those funds. I am thankful for the humanitarian leadership of the President in the early stages of this thing, when there was a real emergency, when something had to be done, not tomorrow, not next week, but now; something had to be done in a hurry to prevent not only widespread suffering in this country but to prevent a collapse of our social order. The courage, the wisdom, and the willingness to do and dare of the administration met that emergency, and I am willing to accord a full share of credit for that conduct. But we have been told all along that the objective of relief was to rehabilitate the American citizen; that the objective of Federal assistance was to put the citizen in a position where he could stand on his own feet and help himself. It is toward that day that I have looked and longed and hoped.

The greatest asset an American citizen has is his independence, his determination, his self-reliance. With these virtues as a shield and buckler he has conquered all opposition and overcome all obstacles in building this great democracy in which we live. We must try to foster that spirit and that sentiment in the American citizen. If I understand aright the spirit and the sentiment of the right-thinking representative workers and farmers of America, I believe what they want to see done today is that this Government shall set its own house in order, that it shall stabilize economic conditions in this country, that it shall afford, if you please, a stable market to the farmer—and I grant that that is not an easy thing to do—that it shall stabilize, if it can, working conditions in order that the farmer upon his farm may earn his bread and the worker at his task may earn by the honest sweat of his brow his daily subsistence. I believe the farmers and the workers of America are getting pretty weary of being forced into the position of having to come crawling in the dust and supplicating their daily bread from a Government that gives them a handout every time Congress is willing to vote it.

There is no emergency in W. P. A. today save the emergency it has created itself. When Congress appropriated $725,000,000 there was a clear mandate to W. P. A. to restrict its operations, to purge its rolls, and to reduce its administrative expense, and that Congress would be here if it sought to so cooperate. Another body wrote a provision into that law which stated that W. P. A. might not by administrative action reduce its rolls more than 5 percent prior to April 1. By an unjustifiable construction of that mandate of the Senate the W. P. A. construed that to mean that they were not permitted to allow their rolls of 3,000,000 to fall more than 5 percent during that time.

The hearings show that the normal withdrawals from W. P. A. are approximately 100,000 a month, the voluntary retirements, and that in addition they purged their rolls in January, and a proportionate amount in other months, of something like 100,000 workers whom they find to be unworthy of continued Federal assistance. So under this evidence before our committee, if W. P. A. had done nothing whatever, there would have been 400,000 or 500,000 people leaving the rolls of W. P. A.

But what did they do? As fast as people voluntarily retired, as fast as they removed them for cause, they immediately recruited others in their places in order to hold the rolls up. When they removed 30,000 aliens from the rolls they immediately called upon certifying agencies to send them names, that they might build the rolls up. It reminded me very much of the situation that confronted Congress and an argument that was made on the floor of this House when we were approaching the disarmament conference. Some gentlemen in the Well of this House seriously argued that America should proceed to build battleships in order that when we should come to a conference on the limitation of armaments we should have some ships we could sink. Whether they recruited men for the rolls and kept the rolls up, approaching 3,000,000 in spite of the voluntary withdrawals until now, they are faced with the fact that if they do not get more money they will have to dismiss these people from the rolls.

There is more involved in this question than the difference between $100,000,000 and $150,000,000. There is a very vital fundamental issue involved, and that is whether this Congress is going to legislate, whether it is going to assume its functions as a legislative body, whether having made a legislative determination of a matter, it is going to stand by it, or whether it is going to yield its legislative judgment to the stubborn insistence of an administrative agency. [Applause.]

Let us look for a moment at the administrative expenses of W. P. A. Since this administration came into power the Congress has appropriated about $21,000,000,000 for relief of all sorts; that is, loans, R. F. C., C. C. C., and everything. I shall insert an itemization of this in the RECORD.

Funds appropriated and allocated for recovery and relief and expenditures therefrom—Total amounts provided to Feb. 28, 1939

Organization	Sources of funds							Expenditures	
	Appropriations					Reconstruction Finance Corporation [1]	Total	Fiscal year 1939	Fiscal year 1938 and prior years
	Specific	Statutory and executive allocations: National Industrial Recovery Act, June 16, 1933	Statutory and executive allocations: Emergency Appropriation Act, 1935, approved June 19, 1934	Statutory and executive allocations: Emergency Relief Appropriation Acts of 1935, 1936, and 1937	Work Relief and Public Works Appropriation Act of 1938				
Agricultural aid:									
Federal Farm Mortgage Corporation: Reduction in interest rate on mortgages	$15,700,000.00						$15,700,000.00	$3,684,667.54	$5,726,515.05
Federal land banks:									
Capital stock	125,000,000.00						125,000,000.00	[6] 99,200.00	124,801,320.00
Subscription to paid-in surplus	189,000,000.00						189,000,000.00	7,703,927.55	175,137,969.31
Reduction in interest rates on mortgages	141,150,000.00						141,150,000.00	23,271,854.15	113,516,033.12
Commodity Credit Corporation:									
Subscription to capital stock by Reconstruction Finance Corporation						$97,000,000.00	97,000,000.00		97,000,000.00
Restoration of capital impairment	94,285,404.73						94,285,404.73		94,285,404.73
Other		$3,000,000.00					3,000,000.00	108,030.89	2,891,969.11
Relief:									
Federal Emergency Relief Administration	[2] 604,861,424.48	152,017,387.70	$480,586,570.58	$934,592,359.00		911,040,000.00	3,083,097,741.76	1,330,500.24	3,078,618,777.61
Civil Works Administration	[2] 332,194,090.01	399,473,932.13				88,960,000.00	820,627,992.14	147,252.54	817,645,203.51
Civilian Conservation Corps	93,101,630.25	317,524,865.30	320,986,927.21	593,619,080.26			1,325,232,503.02	391,971.01	1,319,803,932.88
Department of Agriculture, relief			83,929,184.43				83,929,184.43	864.63	83,922,420.58
Public works (including work relief):									
Public Works Administration		187,278.87			$20,000,793.09		20,188,071.96		
Public highways	255,488,217.71	438,041,639.40	2,239.05	506,828,601.81			1,200,360,697.97	22,524,374.55	1,145,819,384.44
River and harbor work and flood control		256,295,622.76	93,708,050.78	162,930,431.98	5,531,000.00		518,465,105.52	8,541,364.32	500,816,403.86
Rural Electrification Administration				15,484,573.50	127,749.00		15,612,322.50	583,899.60	13,956,126.11
Works Progress Administration				4,651,655,803.60	2,090,257,437.44		6,741,913,241.04	[3] 1,477,027,387.39	[3] 4,531,419,345.48
National Youth Administration				155,728,066.45	75,000,000.00		230,728,066.45	45,740,940.93	152,310,901.01
Public Works Administration, grants 1938 (act of June 21, 1938)					667,000,000.00		667,000,000.00	151,100,931.41	
Public Works Administration, loans 1938 (act of June 21, 1938)					57,000,000.00		57,000,000.00	6,722,506.24	
All other:									
Administrative expenses, Public Works Administration		75,611,050.56	14,739,359.11		[4] 24,000,000.00		114,350,409.67	13,973,591.63	88,896,135.92
Legislative establishment		2,800,000.00		1,078,922.56	102,000.00		3,980,922.56	91,176.33	3,822,897.57
State Department		4,880,179.08	1,101,961.43	152,264.08			6,134,404.59	5,107.98	6,002,606.78
Treasury Department:									
Public buildings	65,000,000.00	83,669,081.70	7,465,385.00		6,000,000.00		162,134,466.70	4,302,346.47	147,038,582.52
Other		28,336,136.55	4,216,291.10	97,187,657.16	34,898,252.00		164,638,366.81	16,731,663.83	122,341,629.28
War Department (nonmilitary)		2,121,485.18	142,650.00	2,106,795.06			4,370,950.24	1,446.42	1,894,476.40
National defense:									
Army		97,861,526.15	4,290,828.00	61,700,496.39	69,416,057.00		233,268,907.54	25,863,595.24	155,028,890.68
Navy		277,713,277.58	40,661,905.00	48,300,802.92	47,667,009.69		414,342,995.19	23,840,717.78	361,909,388.75
Panama Canal		999,850.82					999,850.82		999,850.82
Department of Justice		786,329.38	5,023.29	3,015,309.00	15,391,130.00		19,197,791.67	4,453,084.47	3,599,290.80
Post Office Department		6,198.00					6,198.00		6,198.00
Department of the Interior	18,339,960.63	186,604,089.27	11,687,064.18	157,225,037.58	66,588,734.00		440,444,885.66	44,616,129.93	333,106,154.01
Department of Agriculture		36,726,194.57	5,769,125.49	136,553,376.83	26,534,347.00		205,583,043.89	20,825,555.58	173,104,100.08
Department of Commerce		17,779,807.99	1,074,479.44	12,045,567.03	7,549,129.82		38,448,984.28	2,982,276.34	30,834,171.26
Department of Labor		4,861,781.23	4,588,118.65	33,796,276.44	3,097,818.00		46,643,994.32	1,519,367.45	42,255,794.64
Veterans' Administration		3,020,470.64		2,305,532.94	13,855,243.00		19,181,246.58	1,958,309.17	4,423,737.85
Independent offices and commissions		5,171,325.09	1,650,920.52	53,676,783.65	14,581,894.09		75,080,923.35	10,277,333.08	39,089,987.14
Civil Aeronautics Authority		2,000,000.00	300,000.00		4,000,000.00		6,300,000.00		
District of Columbia		1,509,500.00					1,509,500.00		1,485,548.14
Unclassified items								[5] 563,002.91	375,108.13
Aid to home owners:									
Home-loan bank system:									
Home-loan bank stock						125,000,000.00	125,000,000.00		124,741,000.00
Home Owners' Loan Corporation						200,000,000.00	200,000,000.00		200,000,000.00
Federal savings and loan associations	[6] 50,000,000.00						50,000,000.00	1.15	49,904,623.85
Emergency housing		22,451,218.42		82,676,043.32			105,127,261.74	67,347.20	104,947,625.80
United States Housing Authority		6,654,241.30		22,584,742.48			29,238,983.78	4,897,292.12	20,487,826.32
Federal Housing Administration		999,996.20				68,021,074.55	69,021,070.75	4,335,075.10	58,933,572.74
Farm Security Administration		25,908,781.44	3,216,647.89	533,251,843.76	197,803,083.00		760,180,356.09	92,285,548.41	535,656,576.94

See footnotes at end of table.

Miscellaneous:									
Reconstruction Finance Corporation:									
Subscription to capital stock	$500,000,000.00						$500,000,000.00		500,000,000.00
Disaster Loan Corporation stock						$14,000,000.00	14,000,000.00	4,000,000.00	10,000,000.00
Loans and grants to States, municipalities, etc., under act of July 21, 1932						282,825,766.70	282,825,766.70		282,825,766.70
Other									33,304,291.67
Export-Import Bank of Washington		$1,250,000.00					1,250,000.00	3,295.88	1,246,704.12
Federal Deposit Insurance Corporation	150,000,000.00						150,000,000.00		150,000,000.00
Administration for Industrial Recovery		19,305,326.46	$4,992,511.80				24,297,838.26	[5] 136.79	24,240,944.25
Tennessee Valley Authority		50,000,000.00	25,000,000.00				75,000,000.00		75,000,000.00
Revolving funds (net): Agricultural aid: Farm Credit Administration	57,138,333.15	59,489,199.55	85,373,148.97	$16,884,200.31		[7] 386,651,631.56	605,536,513.54	[8] 7,133,842.91	559,700,139.79
Public works:									
Loans and grants to States, municipalities, etc.		585,665,641.97	94,396,915.80	313,339,437.74			993,401,995.60	70,071,329.87	752,468,396.71
Loans to railroads									
Total	2,691,259,030.96	3,170,423,415.29	1,289,885,337.81	[9] 8,598,720,035.85	$3,447,001,677.13	[1] 2,173,498,472.81	21,370,787,969.85	2,088,251,880.81	17,257,403,926.91
Unallocated funds		401,058.74	1,467.33	2,304,080.12			2,706,606.19		
Grand total	2,691,259,030.96	3,170,824,474.03	1,289,886,805.14	8,601,024,115.97	[10] 3,447,001,677.13	2,173,498,472.81	21,373,494,576.04	2,088,251,880.81	17,257,403,926.91

[1] Exclusive of $500,000,000 allocated to Work Relief program under Emergency Relief Administration of 1935.
[2] The appropriation of $950,000,000, provided in the act of Feb. 15, 1934, was allocated by the President as follows: Federal Emergency Relief Administration, $605,000,000, of which $131,542.23 has been transferred to the Emergency Relief Appropriation and $7,033.29 carried to the surplus fund of the Treasury; Civil Works Administration, $345,000,000, of which amount $7,570,000 has been transferred to the Emergency Relief Appropriation, $5,218,250 transferred to the Employees' Compensation Commission, and $17,689.99 carried to the surplus fund of the Treasury.
[3] Checks-issued basis.
[4] Includes $9,000,000 transferred from the additional loan fund, Public Works Administration.
[5] Expenditures unclassified, deduct.
[6] Includes $700,000 allocated for savings and loan promotion as authorized by sec. 11 of the act of Apr. 27, 1934.
[7] Includes $200,000,000 capital stock of Federal Farm Mortgage Corporation.
[8] Excess of credits, deduct.
[9] Includes $500,000,000 referred to in footnote 1.
[10] Excludes $18,000,000 statutory allocation to the War Department under act of June 11, 1938, expenditures of which will be included under general classification, and includes transfers from the Emergency Relief Appropriation Act of 1937 as follows: Interior Department, $2,660,448; Farm Security Administration, $22,803,083; and Works Progress Administration, $27,633,146.13; and from the additional loan fund, Public Works Administration, $9,000,000.

About one-third of that amount, or about $7,000,000,000, has gone to W. P. A. Never has it made an accounting to anybody. Other Government agencies go to the Bureau of the Budget annually, appear before their examiners and investigators, lay down their administrative expenses, lay down an accounting of where they have spent the money and what they have done with it, and the Bureau of the Budget goes over it. Frequently, and more frequently than not, it makes curtailments here and curtailments there and restrictions here and restrictions there, but not so with W. P. A. The Budget hearing with W. P. A. consists of a little conference of several gentlemen gathered around the table to decide on the amount to ask of Congress, and when a legislator charged with the duty of trying to see to it that there is orderly consideration when money is to be taken out of the Treasury, dares to stand up and demand an accounting from this agency, his motives are questioned and there is some question raised about whether he should dare challenge this agency.

Let us look for a moment at the administrative expense of W. P. A., which is approximately $60,000,000 a year—I shall insert the table in the RECORD.

TABLE 2.—*Federal expenditures for W. P. A. and N. Y. A. administrative expense, by objects of expenditure—Monthly, July 1938 to January 1939*

[Checks issued as reported by U. S. Treasury Department]

Object of expenditure	1938						1939
	July	August	September	October	November	December	January
Total	$4,450,384.31	$6,657,578.01	$6,168,562.58	$5,941,677.34	$6,161,144.32	$6,748,509.96	$5,788,716.44
Personal services	3,621,100.69	5,562,868.90	5,062,267.46	4,827,662.42	4,998,820.53	5,530,206.35	4,547,597.66
Supplies and materials	153,357.29	177,738.40	164,820.70	146,593.62	145,969.42	169,291.31	187,037.46
Rent	97,669.34	134,301.09	166,913.38	143,162.41	107,757.40	169,471.90	150,128.78
Equipment	—[1] 5,090.09	22,623.86	21,682.71	19,331.87	25,458.59	16,957.55	10,492.90
Buildings	102,759.43	111,677.23	145,230.67	123,830.54	142,248.81	152,514.35	139,635.88
Construction, maintenance, and repair contracts	911.25	1,175.14	989.02	1,455.73	1,959.01	1,059.20	1,364.79
Contractual services	528,542.37	730,958.70	702,381.45	789,309.59	785,663.61	834,089.03	845,341.63
Communication	62,277.95	149,602.78	153,852.64	156,859.22	146,456.93	120,940.72	150,174.22
Travel, including subsistence	438,112.98	481,952.56	494,481.23	528,534.80	530,749.05	562,847.37	488,929.62
Transportation of things	6,864.30	7,678.47	9,438.18	7,100.63	24,585.81	34,131.27	30,500.62
Printing and binding	10,606.95	60,752.13	15,544.12	52,989.79	43,980.10	87,376.62	115,582.77
Publication of notices		—[1] 388.43				41.01	
Heat, light, power, water, and electricity	15,434.22	13,794.51	15,136.67	21,063.27	18,862.91	16,288.21	24,238.74
Other	—[1] 4,754.03	17,566.66	13,928.61	22,741.88	21,028.81	12,463.83	35,915.66
Equipment purchased	48,803.37	50,535.78	71,190.57	33,493.57	61,024.35	44,392.17	57,246.12

[1] Credit figures reflect adjustments of prior charges.

Over $5,000,000 a month. Let us look at a few of the items. Travel and subsistence for January—and this is typical—$488,929 for W. P. A.; communications, telephone, and telegraph for January $150,000, and so on down the line.

Now, by comparison the administrative expense of W. P. A. is more than the administrative expense of the following eight agencies, and listen to them: The Reconstruction Finance Corporation, the Civil Service Commission, the Interstate Commerce Commission, the Securities and Exchange Commission, the Railroad Retirement Board, the Federal Trade Commission, the Federal Power Commission, and the Social Security Board.

Dealing, as it does, with about 3,000,000 unemployed people, its expenses are more than twice as much as the Social Security Board, which has an office in every State and in every city and in every hamlet and deals with millions and millions of people who are candidates for public assistance under the social-security program.

Let us look for a moment at a number of these unjustifiable administrative expenses. They have traveling exhibits going over the country exhibiting what and for what reason? Showing the wares of W. P. A. and glorifying W. P. A.

Well, I am quite willing to admit that they have done many fine things. I say this seriously, and unquestionably it is so. I do not question the sincerity or the good intentions of the people at the head of it, but I do challenge their administrative procedure. Now, exhibiting what? A dignified showing of the art products, the products of labor that W. P. A. has produced would be quite in order, but why send an exhibit off to Miami right in the height of the season at Miami, and was it just a coincidence that it moved on to New Orleans right when the Mardi Gras was going on? [Laughter.] And why go to the city of New York and pass by the Government building that we put up there to house the exhibits of Government activities, and go around the corner and build a $250,000 building, a permanent building, in which to show W. P. A. Why, this is to be quite a building. At the right of the main building will be a 299-seat theater, complete with a revolving stage and a motion-picture projection booth in which the Federal theater project will present a series of 45-minute plays. Also there is to be an open court, 126 feet long and 80 feet wide, with shade trees and benches and gravel walks and flower beds and fountains, and so forth. [Laughter.] It sounds like a description of King Solomon's Temple, does it not? [Laughter.]

Then there is to be a staff of supervisory personnel. For what purpose? Why, Mr. Chairman, I do not know how you feel about it, but in our great land of boasted liberty, freedom, and equality of opportunity I am not particularly proud that our country has to support so many of our citizens who cannot care for themselves. Seems as if there is something radically wrong. Why glorify—why parade it in front of the public in that sort of way? Gentlemen may have their own answer for it.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield myself 5 minutes more. It just happens that this exhibit building in New York, built out of relief funds—mind you, relief funds that we appropriated to feed hungry people, and to give employment to men who have little children——

A MEMBER. Under what authorization?

Mr. WOODRUM of Virginia. Oh, you do not have to have any authorization for it. They have wide authority under W. P. A., and I advise gentlemen not to challenge it, else you will not be exactly right in some quarters. In the world's fair in New York City there are only to be a few permanent buildings. The others will be taken down when the fair is over. The W. P. A. exhibit building is to be a permanent building, and at the end of the world's fair is to be donated, gratis, to the city park system of the State of New York. Do you gentlemen have any nice buildings in the parks down in your districts which the W. P. A. has constructed and donated to your city? If you have, you are fortunate.

Mr. MARCANTONIO. O Mr. Chairman, I know the gentleman wants to be fair. I think he should make this obser-

vation that the construction of this building does not entail a single penny more than the money allotted for W. P. A. purposes in New York State. Is not that correct?

Mr. WOODRUM of Virginia. Paying for the construction of the building and the materials in it out of relief funds and then giving it to the city of New York as a permanent structure is an outrageous diversion of relief funds. [Applause.]

Mr. Chairman, I find in the Cleveland Plain Dealer where we not only send traveling exhibits but where we are not failing to look after the welfare and appearance of the fair sex, because you will find in the hearings a little article that I inserted, which shows that about $100,000 of relief funds out there have been allocated to fixing up a beauty parlor project in Cleveland. But that is not all. The people must be amused. Out in Chicago the W. P. A. inaugurated a Negro opera company to swing the Mikado. The Gilbert and Sullivan operas have always been to me something like old lavender and lace. They come down out of the past as a sort of blessing, because I remember them way back in other years, and somehow I shudder a little bit at swinging them but I say to my friends over here that I might not protest so much the W. P. A. swinging the Mikado, but I do protest the W. P. A. swinging the Democratic Party along with it. They organized in Chicago a troupe to jazz the Mikado, and it was a big success from a theatrical standpoint. Box office receipts rolled in and, being ambitious to show off this achievement of W. P. A., they decided to move on to more fertile fields, and announced that they would open on Broadway. The theatrical people on Broadway did not like that. So they opened overtures, and you will find in the hearings the absolute, uncontradicted testimony of one of our colleagues that this troupe of W. P. A. workers were offered private employment, not at relief wages but at regular theatrical wages, both in Chicago and New York, and that they refused it, and they are now playing in New York, and no one has yet explained how they got around the plain mandate of section 7, House Joint Resolution 83, which we passed a few weeks ago which provides that any W. P. A. worker who refuses bona fide employment offered to him at reasonable wages shall be stricken from the rolls.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. No; I would rather go ahead.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. WOODRUM of Virginia. Mr. Chairman, I shall take 5 minutes more. But let us go on away from the light and the humorous. However, I cannot yet leave the great city of New York—the wonderful, beloved metropolitan city, one of the greatest in the world. I love to go there and enjoy the bright lights and the fine hospitality of its citizens, but what a wonderful, blessed opportunity there is to be had under W. P. A.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I cannot refuse to yield to my colleague on the committee.

Mr. FITZPATRICK. How does the amount of money New York State received and the taxes it pays into the Federal Government compare with that paid in by other States?

Mr. WOODRUM of Virginia. Oh, I make no particular complaint about that.

Mr. TABER. If the gentleman will yield, it exceeds it.

Mr. WOODRUM of Virginia. It probably does. But that is not what I am complaining about. I am complaining now about taking money that this Congress appropriates for needy people and shamefully and outrageously diverting it to other purposes.

There is written into the law a provision that the W. P. A. must pay the prevailing rate of wage, meaning that a mechanic or a carpenter or a laborer or an electrician or an ironworker, if he is employed on W. P. A., is paid the prevailing rate of wage of his craft, but he is not permitted to work but a certain number of hours per month. Thereby it holds down the amount of money he may ultimately earn in any month. That is what is done in your district, unless you are from New York. Down in your district your carpenter and your mechanic may make $1.50 or $2 an hour on W. P. A., the prevailing rate of wage, but when he has earned $75 or $80 a month he must quit work and somebody else takes up the tools of trade in order that they may have an opportunity. Not so in New York. We found since we closed our hearings that on the North Beach Airport of New York, being rushed to completion on account of the world's fair, 499 electricians receiving $2 per hour were permitted to work a total time until their wages per month were $260. Six hundred and forty-eight structural ironworkers receiving $1.93 an hour were permitted to work a total of 20 extra days per man per month and received $152 a month instead of $85, the security wage. Six hundred and ninety ornamental ironworkers are working extra time and drawing $121 a month instead of $85 a month, which is the security wage. On the W. P. A. exhibit building 20 electricians drawing $2 per hour are permitted to earn $240 a month each; a total of 2,058 W. P. A. workers drawing this amount of money, and if they had held them to the security wage in your city of New York, instead of giving employment to 2,000 it would have given employment to 4,295 at the security rate of wage. That is what I complain about. I say that W. P. A. has no right to so administer its funds and then come back to the Congress and say, "Unless you appropriate more money in New York City we will have to turn them out." [Applause.] Why do they say they do that? Because they are in a hurry to build the airport. I want to insert in the RECORD a letter from Colonel Harrington wherein he says:

The wishes of the mayor of New York in this connection have been given consideration—

[Laughter]—

in view of the fact that the city of New York is contributing approximately $15,000,000 of its own funds to the project.

WORKS PROGRESS ADMINISTRATION,
Washington, D. C., March 28, 1939.

(Via special messenger.)

The Honorable CLIFTON A. WOODRUM,
House of Representatives.

MY DEAR MR. WOODRUM: The following is in response to your request of this morning for information concerning an article which was published in the New York Sun of Wednesday, March 22, under the headline "W. P. men get $8 to $16 a day in airport job." The major portion of the article is devoted to the project for the construction of the North Beach Airport in the Borough of Queens.

The common-labor rate, which this article states to be $1.03⅛ an hour, is actually 50 cents an hour. The other hourly rates quoted in the article—namely, for steamfitters, plasterers, bricklayers, carpenters, cement masons, structural ironworkers, and painters—are correct. These are the prevailing rates for these trades in New York City, which this Administration is required to pay under the provisions of the Emergency Relief Appropriation Act of 1938. You may recall that I have testified before the Committee on Appropriations in opposition to this policy.

The exemptions from monthly security wage-scale earnings which have been granted on this project are as follows:

(a) Four hundred and ninety-nine electricians are working five 6-hour days per week.

(b) Six hundred and forty-eight structural ironworkers are working 5 extra 7-hour days per month for a period of 4 months, or a total of 20 extra days per man.

(c) Six hundred and ninety-one ornamental ironworkers are working 3 extra 7-hour days per month for a period of 4 months, or a total of 12 extra days per man.

The total number of persons on the project who are earning more than the monthly security wage is 5.3 percent, or a little more than 1 man in 20.

The total number of workers on the project, which the article states as 19,435, is approximately correct. However, the project is operating on a three-shift basis and this represents the total number of persons who work at any time during a month. The number at work at one time on the project is about one-fifth of this total. Incidentally, this project has worked on a three-shift basis since its inception. The reason for working the project on a three-shift basis and for granting the security wage exemptions enumerated above has been an endeavor to place the airport in operation as soon after the opening of the New York World's Fair as possible. The wishes of the mayor of New York in this connection have been given consideration, in view of the fact that the city of New York is contributing approximately $15,000,000 of its own funds to the

project. The security wage exemptions which are now granted will begin to expire about May 1 and will not be renewed.

Two other projects are mentioned in the article, the Queensboro Bridge, a paving job, and the construction of a building at the New York World's Fair to house a W. P. A. exhibit. The facts concerning these are as follows:

On the Queensboro Bridge paving job 300 structural ironworkers were permitted to work 4½ extra days per month for a period of 2 months. Their earnings for this period therefore exceeded the security wage. This job was finished in December 1938. It consisted in repaving the upper deck of Queensboro Bridge between Manhattan and the Borough of Queens. This bridge carries very heavy traffic, amounting to approximately 110,000 vehicles per day, and it was therefore desired to complete the paving in the minimum of time and with the least possible interruption of traffic.

On the W. P. A. building at the world's fair 20 electricians are working 6 hours per day for 20 days a month and are therefore exceeding the security wage.

I trust that this covers the information that you desire, but if there is anything further concerning these projects which you would like to know, please do not hesitate to call upon me.

Sincerely yours,

F. C. HARRINGTON,
Administrator.

Now, what has happened there? That is not a project to help needy people. That is not a project to give employment to men who want to buy food. It is a project to build an airport for New York in time for the world's fair. That is what I object to. I do not believe the Congress meant to appropriate money for those purposes. [Applause.] Now, what is the answer?

On February 6 I introduced House Joint Resolution 151, which, in brief, provides $1,120,000,000 for the next fiscal year for relief. One hundred and twenty million dollars is placed at the disposal of the President to be used in real emergencies, for which he is to account to Congress. A billion dollars is to be used for unemployment relief through a system of grants in aid to States, under appropriate safeguards and restrictions. The W. P. A. is continued with its name changed, however, to the Unemployment Relief Administration. Its Washington personnel of approximately 2,000 is restricted to 1,500, and its field personnel, which now numbers approximately 35,000, is restricted to 5,000, this set-up to be used for supervisory purposes. It prohibits the employment of aliens, carries safeguards against political activities, and takes all heavy construction projects away from W. P. A. I hope that these suggestions will receive the consideration of the Congress, as I believe it has the form, the foundation, and framework of a relief policy which will give the Federal Government a liberal part in this problem and yet avoid some of the pitfalls in which we find ourselves.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. WOODRUM] has again expired.

Mr. TABER. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, last January we appropriated $725,000,000 to take care of W. P. A. requirements to the end of the fiscal year. At that time we appropriated sufficient funds to permit of the carrying on of this activity. Just so you may have a picture of some of the things that have been done and some of the ways they have been done, I am going to call attention at this moment to the number of people upon W. P. A. at different times.

From January 14 through the 4th of March there was an increase in the number. Notwithstanding the fact that the statute required separating the aliens from the rolls, the rolls were built up. In many cases they went back on the rolls 6 years, to people who had been denied employment 6 years ago, because they could not qualify for relief, and had never applied since, and they built up the rolls so that they could tear them down just as we were approaching the consideration of this bill. You will find the figures that relate to that on pages 4 and 26 of the hearings.

But they have a lot of things in here that are absolutely unconscionable. We have a press section here in Washington of only 12. We have an information section and the two of them together run about 230. A man named Niles is head of the information service and he, at $9,500 a year, is detailed over to the Department of Commerce where he spends his time—not upon the work of the Department.

We have exhibits sent all over the country in the line of propaganda. We had an exhibit in Paris at the International Exposition to advertise the distress of America. [Laughter.] We had an exhibit in London at the International Exhibition a year before, to advertise the distress of America. We have traveling exhibits going around the country for propaganda purposes. We have theater projects galore. If you will look on pages 128 to 137 of the hearings, you will see 9 pages of 1,200 plays that have been produced by W. P. A., many of which are going on at this time. The average cost of putting on each of those plays has been approximately $40,000 each. The total receipts run about $1,900,000, or $1,500 each.

I was informed last night of a case where a party had run a show up around New York in the summertime a year ago last summer, and just as soon as the show was finished the whole outfit, who had never been on relief or had any relief status at all, went to work for the Federal theaters project as W. P. A. employees, paid for with relief money. When this party tried to start the show last summer they were all on W. P. A. and have been ever since, and they would not leave W. P. A. to go to work at a regular job, and they are still on W. P. A. None of them have ever been legitimate actors.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield there?

Mr. TABER. Not at this time.

Now, there is a man named Alsberg; and if you will turn to page 211 of the hearings, you will see that he has a good deal to say on this writers project. You will see where he wrote a letter to the editor of the Nation indicating that the convicts must be organized into a union to protect the rights of the convicts in prison.

Mr. MARCANTONIO. Why does not the gentleman be fair? Why does he not state the date of the letter? The letter was written back in 1929.

Mr. TABER. The letter was written back a little ways. It is dated October 11 and was printed in 1929—not so far back; but the man was full grown and had probably as sane ideas as he has now. [Laughter.]

And then there is a man named Evans. He is the head of some of these projects where they go out into the country and get up a catalog of the things of historical interest in the community. That gentleman was dropped as an instructor at Princeton University several years ago because of his communistic tendencies.

Millions of dollars is being spent annually upon this kind of stuff. Money is being wasted so fast that it is a menace to every thinking man in America. They tell us right now in the hearings—if you want to see it, it is on page 50—that about 5 percent of the 3,000,000 who are on W. P. A. employment—and this is the statement of Colonel Harrington, not mine—have no relief status at all. These are not administrative employees. This means there are 150,000 on the rolls, according to Colonel Harrington's own admission, that ought not to be there. If you get rid of these 150,000, according to the letter Colonel Harrington wrote to Senator VANDENBERG—and it is published in the RECORD, at pages 3337–3338, under date of March 27—you will reduce the number down to the figure 2,450,000, which is 150,000 below the 2,600,000, the number set up by the colonel to represent the reduction on Monday next; and there is no question about any bills passing the Congress before Monday next. That number cannot be exceeded.

If these ineligibles are taken off the roll, you will have only 2,450,000 remaining and you will see by reading the letter I have referred to that W. P. A. will have money enough to go along with that 2,450,000 on the rolls without the slightest trouble to the end of the year. All that is necessary is to get rid of those who have no business on the rolls.

Colonel Harrington admits that they have money enough to go to June 7 on figures that will average 2,800,000 for the months of May and June or way beyond the 2,600,000 that goes into effect on Monday, and we are approaching that period and season of the year when W. P. A. employment, in the interest of decency ought to be reduced, and in the interest of honesty to the taxpayers ought to be reduced.

We have got to handle the relief problem honestly. Probably we have got to go on with W. P. A. another 3 months, but

we ought not to go along with it any longer than that because we ought to get a forward looking set-up that will clear the rolls of those who do not belong on relief. [Applause.]

Even to carry the proposition along on the basis the President asked for in January when he sent his message up here and when the item was considered, if we go along on the basis that was set up at that time, which appears month by month in Colonel Harrington's letter to Senator VANDENBERG that I have referred to, we would have at least $45,000,000 left if we should appropriate $100,000,000, and if we get rid of those who have no business on the rolls and reduce them another $150,000 a month there is absolutely no question that we do not need a dollar. If you appropriate $100,000,000 the way the thing stands here, there is not any question in the world that we will have $45,000,000 left at the end of the year.

Why should we appropriate money that they themselves say is not needed? I cannot understand why we should go along and appropriate $100,000,000 on the kind of set-up that is presented here. There is no excuse for raising the amount carried by this bill. Anyone who is a friend of W. P. A. will try to persuade W. P. A. to get rid of its ridiculous activities, of the 1,215 shows it has been running, of the exhibits, of that world fair activity in which they are spending W. P. A. money, and all those ridiculous things that they have been doing. On top of that they have 32,000 administrative employees, an absolutely ridiculous number.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. KNUTSON. In view of the fact that the hearings became available only yesterday, I ask the gentleman whether or not the committee inquired into the number of golf courses that have been put up all over the United States by W. P. A.? My reason for asking this is that I was down in Florida the other day and I saw three or four beautiful golf courses, beside each of which was a W. P. A. project sign. I am wondering just how many they have built all over the country.

Mr. TABER. I may say to the gentleman from Minnesota that that was one of the items we did not cover. We had no lead on it and we did not know about it.

I realize, and I am sure the rest of the Members must realize, that it is an absolute impossibility for anybody to fathom the enormity of their operations. They are spread out into so many things that are absolutely ridiculous that it is absolutely impossible to keep track of them.

Mr. KNUTSON. Can the gentleman give the House any information as to the number of sanitary outhouses that have been distributed over the country by the W. P. A.?

Mr. TABER. Upward of $200,000,000 worth; and it is customary after they have completed such a project to plant rambler rosebushes all around them so as to make them more attractive to passers-by on the highway.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. VOORHIS of California. The gentleman realizes, I am sure, that the sponsor of a project is basically the person that determines the nature of the project; so we cannot blame the W. P. A. for the nature of projects sponsored by others.

Mr. TABER. These rackets I am speaking of have no sponsor at all but are paid for in cash by the Government; and the gentleman ought to realize that W. P. A. ought not to approve projects that are not meritorious; and the longer we go on with Members of Congress apologizing for absolutely wasteful and ridiculous things that are done the worse the W. P. A. situation is going to be.

We are not friends of the W. P. A. if we permit such things to go on, even if sponsors have endorsed them, because the longer that sort of thing goes on the more discredit will ultimately be brought upon the W. P. A.

Mr. Chairman, that is the situation. I hope the House will not appropriate $100,000,000 to be wasted by the W. P. A., because it is way beyond their needs and it is absolutely ridiculous to appropriate such amount at this time.

Mr. Chairman, I ask unanimous consent to insert a table in my remarks which has been prepared to indicate the operations of the President's proposal in January of this year.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TABER. I submit the following memoranda and table pursuant to the above request:

An analysis of relief requirements according to the President's January message, for the period ending June 30, 1939, on the basis of an average of 2,870,000 W. P. A. employees

The original recommendation contemplated an average number of relief workers for the 5-month period, February to June, to cost		$875,000,000
In practice, there was charged to funds previously appropriated the cost of relief workers for the first week of February; such charge was		45,750,000
Leaving		829,250,000
After the passage of Public Res. No. 1, appropriating $725,000,000, savings not previously contemplated, ensued as follows:		
Removal from rolls of persons not in actual need	$16,282,425	
Removal from rolls of 30,000 aliens	7,015,000	
		23,297,425
Thus reducing original needs to		805,952,575
There has been appropriated		725,000,000
Now proposing a further additional appropriation of		100,000,000
		825,000,000
To which should be aded the free cash carry-over on Jan. 31, 1939		26,659,030
Making a total available of		851,659,030
Deduct the reduced needed amount as above		805,952,575
And there is left a margin or cushion of		45,706,455

There is no excuse for that amount because now if the letter of Colonel Harrington to Senator VANDENBERG of March 24, 1939, is followed and the 5 percent, or 150,000 nonrelief employees on W. P. A. eliminated and the number reduced by that amount there is enough money to carry through June 30, next.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 20 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Chairman, I rise to call attention to one of the most brilliant chapters in American history—not a story of war and carnage and devastation, but a victory of peace, a record of salvaged humanity, of rehabilitated industry, of national stability, of which any representative government might be proud. I rise to call attention, Mr. Chairman, to the achievement of an administration in which every follower of the principles of Thomas Jefferson may well take pride and which 100 years from now will be looked upon as one of the most remarkable developments in the economic history of this age and of this Republic.

It is not the first time a Democratic administration has been called upon to meet great emergencies. A Democratic administration conducted the World War and handled millions of men and billions of dollars so successfully that when hostile committees of this House, bent on making political capital out of the war, spent $157,000 trying to impeach that record and traveled all over the United States and Europe at Government expense, with a microscope and a fine-toothed comb they could not find a single corrupt dollar or a single man against whom they could bring a charge or prefer any charge whatever. While I deplore war, I am proud as an American citizen of that splendid record of efficiency and integrity.

Under a like responsibility, Mr. Chairman, we have spent $21,000,000,000 to meet an acute emergency and we are disposing of it effectively and with dispatch. And again a committee of the House has employed every resource in an effort to find something to criticize. They have met and adjourned, and met and adjourned until they have exhausted every witness and until every inquisitor on the committee has asked every question he could think of and then has read long lists of questions prepared by everybody outside the committee who wanted information. And now when we are prepared for the great denouement—after all the flambuoyant previews and all the billboard announcements to the newspapers—the two ranking critics of the administration and

the W. P. A., who have just spoken—instead of reporting sensational disclosures—the corruption and misappropriation of funds and widespread venality we had been lead to expect, tell us here in strident tones of a little building at the world's fair, of a few dozen actors in a Chicago show, of an airport in New York. The mountain has labored and brought forth a mouse.

After we have spent $21,000,000,000; after we have provided employment for millions of American citizens; after we have saved untold thousands of American families from suffering and privation, if not actual starvation; after we have put hope back into the eyes of men, and courage back in the hearts of women, and laughter on the lips of children; after we have saved every city from tumult and riot and perhaps the Nation itself from the most serious consequences, all they can find to denounce, in the 4 years, in the billions of expenditures, in the entire United States of America, is a show, an exhibition building, and an airport. It is the most astonishing anticlimax in the annals of congressional investigations.

Now, Mr. Chairman, what is the occasion for all this tempest in a teapot? The unemployment problem is an old one. Even back in 1929 when the industry of the country was running at top speed and production attained an all-time high there were still 2,000,000 unemployed. In 1933 it was 15,000,000 and today it is 11,000,000 people—people able to work, people anxious and willing to work, but people for whom no work could be found, people whose families through no fault of their own were without food, clothing, and shelter. The situation had to be met. And this administration met it—met it so effectively that we have today a calm, orderly, confident people, whose daily mounting prosperity is an answer to every question asked here today.

It was amusing to hear the gentleman from Virginia, standing like Horatius at the bridge, exclaim dramatically, "We stand by the position which we took and we will not yield!" Why, my friends, they yield when they come on this floor. Their very presence here is a plea of mea culpa. The President of the United States said the situation required $875,000,000. The committee, apparently for political reasons and without considering the merits of the proposition, or at least without submitting evidence to support the statement, said he did not need $150,000,000 of the amount.

They stood on that proposition. Now, they come today to admit they were wrong. The very introduction of this resolution concedes they were wrong and the President was right. Like that illustrious character in Don Juan:

> A little while she strove and much repented,
> And whispering, "I will ne'r consent"—consented.

Now, they take a new stand. The President assures the Congress $150,000,000 is needed, and all the testimony adduced before the committee corroborates that estimate. But the gentlemen now say only $100,000,000 is needed. And they are just as wrong and the President is just as right this time as the last time.

In this connection it has been said here that the President's figures were arrived at unscientifically—a surprising statement, in view of the statistical data submitted by the Bureau of the Budget. But let us compare the method by which the $150,000,000 was determined. As has been related, half a dozen members of the subcommittee got together and added and divided their respective bids until $150,000,000 was reached. They might with equal consistency have matched dollars or rolled dice to determine the cut.

But let us take up categorically the bill of complaints in the order advanced here this afternoon.

The first charge is that when men were taken off the rolls other men were put on. Certainly. That is the purpose for which W. P. A. was created. Over 850,000 men have been certified as eligible but have been denied work because, as was stated in the President's message of February 7, the number on employment was to be reduced to 3,000,000 men for February and March. The 850,000 certified and waiting employment is only a fraction of the eligibles.

Many States discontinued certification when the limit of 3,000,000 men was reached and the estimate of the W. P. A. today is that there are not less than 2,000,000 men who are as eligible to employment as any who are on the rolls.

As a matter of fact the reduction from $875,000,000 to $725,000,000, with its accompanying legislative restrictions, even if we now allow the full $150,000,000 has greatly handicapped the work and occasioned a heavy loss. Whereas W. P. A. testified they would have separated approximately 7 percent the restrictions held them to a maximum of 5 percent. The uncertainty as to the amount ultimately available prevented the adoption of long-time plans, an important consideration in such work, and lost large sums in sponsor's funds as local authorities could not constantly revise plans and the W. P. A. had to stand losses occasioned by such changes. The inexcusable delay of the subcommittee in holding hearings and reaching a decision has caused the W. P. A. to repeatedly modify its program, and letters and telegrams changing instructions have gone to State administrators three or four times in the last 2 weeks which would have been unnecessary if the committee had not delayed its hearings and its action on the Budget recommendation.

On February 7, and again on March 14, the President dispatched urgent messages to Congress explaining the situation and the need for prompt action. The subcommittee refused to hold hearings until long after the Budget estimate was submitted, and when they met adjourned early and adjourned over days on which they might have met, and after hearings were concluded refused to meet and adopt a report. While the Works Progress Administration and the Nation waited, while the jobs and bread of people all over the country hung in the balance, they would not say "yes", and they would not say "no." The Director repeatedly called attention to the dead line on which he would have to telegraph instructions to fire the first 400,000 men. We could have disposed of the whole matter one way or the other 2 weeks ago in ample time for the Administrator to adjust his program before reaching the dead line; and here, on March 29, 10 days after hearings were finished and a 2-hour session would have brought the measure on the floor, we are just taking it up.

And right here may I refer to the ability and efficiency with which Colonel Harrington, the Administrator of the Works Progress Administration, is handling that difficult position. The dignity and impartiality which characterize his work, and his appearance before the committee, his grasp of the problems of his office, and the reduction which he is effecting in personnel, salaries, and overhead reflect credit on him and the Army service which he adorns. It is significant that in all the extended inquiry by the committee there was never a reflection, either express or implied, on him or his work. I am certain every member of the committee will join me in heartiest commendation of the record he is making as Administrator of W. P. A., and if there is any position in the Governent that is too hot for an ordinary man to hold that is the position.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I much regret that my time is limited so that I cannot yield, as much as I would like to.

And then they complain, both in the report and on the floor, of travel and communication expense, an item which was fully justified by Colonel Harrington, as the hearings will show. On the contrary, they were never able to point to money spent for either purpose without proper authorization and ample justification. Even at that, such details are for the General Accounting Office rather than for Congress, and the reference to such items is evidently in the absence of anything of real consequence to criticize. Of course, the amount when mentioned alone is a large sum, but when considered in relation to a business spending $6,000,000 a day and covering continental and insular United States, it is small in comparison. The real economy with which W. P. A. is being administered is shown by the fact that of every $100 spent only $3.50 is spent for administration. The law allows 5 percent, but only 3½ percent is used. The W. P. A. is proportionately one of the most economically administered of all the emergency activities of the Government.

And then let us take up that much-discussed New York building "costing $300,000." (The actual cost to W. P. A. was $250,000, but we will let that go.)

All over the country community buildings, auditoriums, and similar municipal facilities are being built with relief funds.

This is a permanent building and comes out of the quota of the State of New York. In addition to the off-site costs of material, it has provided useful work during its construction to an average of 350 men in a city faced with one of the Nation's most serious unemployment problems.

The exhibit consists of W. P. A. demonstration projects normally conducted by the W. P. A. in New York City. They are projects which would otherwise have been carried on elsewhere in the city and are made by certified W. P. A. workers, including needy women. The exhibition of every phase of W. P. A. work either by projects or photographs is characteristic of W. P. A. The people who pay for this work should know just how the money is being spent, and the W. P. A. is throwing open its entire program to the public at the world's fair, where more people will have the opportunity to see it than in any other location which could be selected. W. P. A. has nothing to conceal. Its records are open and its work is open and it accounts for every dollar and justifies the expenditure to all who will visit this $300,000 building in New York this year.

It is significant that the committee in commenting on the vast building program carried on by the W. P. A. in every part of the country should make no note of the thousands of schools, hospitals, bridges, public buildings, and other useful and permanent structures constructed by W. P. A. and should be able to find in all that huge program only one building to criticize, the $300,000 building in New York. That is a pretty good record. If W. P. A. can hit the bull's-eye 99$^{99}/_{100}$ percent like that every time, the critics are welcome to the one one-hundredth percent, although the New York building is more than justified. What other business of like magnitude has that high a record for immunity to criticism?

And the criticism of the beauty project is just as far beside the mark. Does not the committee know that the beauty and cosmetic business ranks as one of the major industries of the country? Its total business grosses an enormous amount, and when W. P. A. prepares men and women to carry on the industry and provides work for operators who are unemployed, it is contributing to rehabilitation and recovery as much as if it had found them employment in the construction of a road or the erection of a building.

But let us consider the specific instance to which the gentleman from Virginia refers, and which he says absorbed "$100,000 of relief funds." Here is a telegram in response to references to the item in the hearings before the committee:

COLUMBUS, OHIO, *March 31, 1939.*

CLARENCE CANNON,
House of Representatives:

Recent allegations referring to unwise use of Federal funds in Cleveland State hospital projects absolutely false. Actual expenditure for beauty operators less than $2,000 a year. Newspaper reports erroneous. The therapeutic projects in welfare institutions are much needed and show a wise and careful expenditure of money.

J. FREMONT BATEMAN,
Commissioner of Mental Diseases,
Department of Public Welfare, State of Ohio.

The telegram is from the most authoritative source from which information could be secured and speaks for itself. The committee spokesman said the amount used was $100,000. The Department of Public Welfare of the State of Ohio says it was $2,000, and fully justifies even that meager expenditure. It is the usual exaggeration of unimportant trivialities—$2,000 out of a total of $21,000,000,000—and misinterpreted at that.

And the gentleman speaks with indignation of the swing Mikado. His artistic sensibilities are offended by this vulgar music of the hoi polloi. The committee proposes to establish itself a self-constituted censor of musical tastes, and suggests abolishing low-brow attractions of this character and resurrecting Lavender and Old Lace, to inculcate a classical appreciation of music among the masses. Evidently the box office point of view is of no consequence as the committee entirely overlooks the fact that the Mikado has been a money-making project from the first and is taking in more money every night than it costs the Government. The production of the Mikado is not costing the W. P. A. or the Government a penny. Instead it is a source of revenue. They did not tell you that. They do not have that in their report.

And just as unfair and misleading is that statement that these actors have refused private employment. What is the truth about the matter? They were offered 2 weeks' employment—no more. Offered 2 weeks' employment by a producer who wanted to capitalize the remarkable popularity of the production built up by W. P. A., and tried to take over the show with the intention of discharging the troupe at the end of 2 weeks and substituting local talent with expensive costumes and scenery in a $3.30 show instead of the $1.10 show W. P. A. was putting on.

There are only two or three dozen people involved in the whole transaction out of 3,000,000 people on the W. P. A. rolls, and yet this is all the committee could find to criticize—a project that is more than paying its own way.

Let me add while we are on the subject, in response to the jibes which have been cast at the recreational projects, that they represent a business and a profession which probably contributes as much to the general welfare as any which have been recognized in the W. P. A. program. It would be a sad world in which to live if all entertainment and diversion, all joy and laughter, were taken out of it. Our insane asylums and psychopathic wards would be congested within 15 days. "Life is more than meat, and the body is more than raiment."

And the testimony of our beloved colleague Congressman BLOOM, of New York, who appeared before the committee as the representative of producers of New York City, was that there is no competition between this production and any other now showing or which might show in New York City. So much for that.

But the project on which the ranking members of the committee on both sides of the aisle wax particularly eloquent is the North Beach Airport of New York. And I know you will be surprised when you know the whole story.

Mr. CULLEN. Mr. Chairman, will the gentleman yield for a question?

Mr. CANNON of Missouri. I yield to the distinguished gentleman from New York, the ranking member of the Committtee on Ways and Means and the dean of the New York delegation.

Mr. CULLEN. Is not the gentleman in receipt of a telegram from the mayor of the city of New York, a telegram which I incorporated in my remarks in the RECORD today?

Mr. CANNON of Missouri. I have a telegram from Mayor LaGuardia, the telegram to which the gentleman refers, and shall be glad to include it in my remarks. I thank the gentleman from New York [Mr. CULLEN] for calling attention to it. It is from Mayor LaGuardia, our former colleague, one of the sincerest and ablest men who ever sat on this floor. During his service here he numbered his personal friends by the number of Members of the House.

Now, I take it for granted, from all indications at this time, that you expect to come to Missouri in 1940 to select the next President of the United States. But if in some unfortunate and misguided moment you should be diverted elsewhere, of all those who have been mentioned as eligible for that high position, there is no one whose record for efficiency and integrity in public office entitles him to more serious consideration than Mayor LaGuardia, of New York.

Here is the telegram to which the gentleman from New York [Mr. CULLEN] refers—received this morning on my way over to the floor. No comment is necessary.

MARCH 29, 1939.

CLARENCE CANNON,
House of Representatives:

In reply to several inquiries from former colleagues, I am sending you information concerning North Beach Airport. This project is without doubt the largest undertaken by W. P. A. Everyone connected with it may well be proud of it. This includes the approval

of the project, the design, engineering, and every man who worked on it. There have been many misrepresentations concerning it by petty politicians and disappointed landmongers, as well as incompetents who could not qualify for a job. The project and everything concerning it speaks for itself. In the first place, the relation between the United States Government and sponsors of W. P. A. projects was not at all followed here. The city's contribution is beyond any sponsor's contribution anywhere in the country.

For your information please be advised that the city has expended and authorized no less than $16,350,000. This is actual cash, all expended but about $1,350,000, already committed. I understand that it has been stated that workers are working 5 days a week regularly. This is on contract work for which the city is paying 100 percent, such as pile driving, foundations, bulkheads, and dredging. It is true that some of the skilled workers on W. P. A. are paid a dollar and a half an hour. That is not our fault. That is because Congress required all skilled mechanics to be paid the prevailing rate of wages, and it is necessary, therefore, to pay the prevailing rate as they exist and as certified in New York City.

As to overtime it is necessary in three trades to work extra hours in order that their work may keep pace with the forty-odd other trades involved in a construction of this magnitude. Electricians are working 5 days a week. Ornamental ironworkers are working 3 extra days a month, in other words, paying them the prevailing rate of wages as provided by act of Congress, they can work but 7 days a month within the maximum allowed. They are now working 3 extra days a month. The structural ironworkers are working 5 extra days a month. They can work but 12 days a month within the maximum allowed. We expect to open North Beach Airport before Congress adjourns and cordially invite critics and supporters to visit this great project.

I am sure every Member of the House will be proud of his contribution to this necessary addition to the national net of airports for commercial and defensive use. Incidentally the city received no direct benefit of contribution of Federal Government, for rentals and charges are calculated on actual city expenditures, and Government's contribution therefore reflecting in aid to subsidized air-mail and subsidized commercial aviation. Should you desire any additional information, will be glad to furnish it or will come down personally and answer any question any Member may desire to put. Regards to all.

F. H. LAGUARDIA, *Mayor.*

The city of New York itself is spending $16,350,000 on this project, covering thousands of times the small items mentioned by the representatives of the committee here this afternoon.

But a more important consideration—this is really a national project. It provides an indispensable facility to modern air traffic which is open to the service of every public and private air line operating in America. It provides needed facilities for trans-Atlantic and transcontinental air travel and, most pertinent of all just at this time, is constructed with especial reference to the needs of national defense and will be equipped to care for both military and naval aircraft in time of war.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. As much as I should like to yield to my good friend from New York, I hope he will excuse me just at this time. If he will defer his inquiry, I shall be glad to yield a little later.

Before I take up the last—and the only germane argument presented by the report of the committee—permit me to animadvert to the rather puzzling statement by the gentleman from Virginia to the effect that the administrative expenses of the W. P. A. were more than administrative expenses of eight other agencies which he listed. It is a peculiar suggestion, because there is no basis of comparison. It is as inteliigible as if he had said one elephant is larger than six oranges. None of the eight agencies which he mentions do any construction work of any kind, and that is the business of the W. P. A. If you are going to compare by percentages, the only possible basis of comparison, if any, the eight agencies spend 100 percent in administrative expenses, while the W. P. A. spends only 3¼ percent. It is allowed 5 percent for administrative expenses under the law, but has steadily reduced its overhead and is still reducing it, until today it is barely 3¼ percent. How many private enterprises of anything like the same magnitude are operating on that close a margin? And it is heartening to know that the testimony before the committee shows that Colonel Harrington, since the first of the year, has reduced personnel, has reduced salaries, has reduced overhead, and is reducing the W. P. A. rolls. What finer comment can be made on administrative expenditure?

All this talk about taking money away from hungry children to pay overhead is in keeping with the rest of the large fund of apocryphal information adduced in this inquiry. Out of every $100 spent by W. P. A., only $3.25 is spent for administration, and even that small sum is constantly shrinking.

I might also refer, in passing, to the charge of political manipulation which the committee has not emphasized, but which has been made by others on the floor. It is only necessary to quote the following paragraph from the recent message of President Roosevelt:

> It is my belief that improper political practices can be eliminated only by the imposition of rigid statutory regulations and penalties by the Congress, and that this should be done. Such penalties should be imposed not only upon persons within the administrative organization of the Works Progress Administration but also upon outsiders who have in fact, in many instances, been the principal offenders in this regard. My only reservation in this matter is that no legislation should be enacted which will in any way deprive workers on the Works Progress Administration program of the civil rights to which they are entitled in common with other citizens.

And to refer the House to the order issued by Colonel Harrington under which every employee has been summarily divorced from political positions and political activities inconsonant with the most stringent construction of the functions and objectives of W. P. A. If any Member of the House will cite any instance of failure to observe this order to the letter, the recalcitrant will be fired in 24 hours. Charges and counter charges have been made by both parties in the past. Some of them were based on facts and some of them were not. But even then they were local excrescences for which the W. P. A. in its Nation-wide jurisdiction during its mushroom days could not reach. Today, with its standardized routine and its established Army efficiency, the situation is quite different, and unwarranted political activities will be dealt with promptly and effectively.

Now, Mr. Chairman, we come to the crux of the matter, the difference between $150,000,000 and $100,000,000, which is the real issue before the Congress. Let it be understood in the beginning that we are not appropriating dollars here so much as we are appropriating jobs, and, of course, back of the jobs, food and clothing for dependent families.

The report is strangely silent on the one fact which above all others is a determining factor in this discussion—the fact that W. P. A. is today employing hardly more than half the men who are eligible to the W. P. A. rolls and who comply with every qualification of those for whom the W. P. A. was created to serve. Mr. Howard Hunter, Deputy Administrator of W. P. A., said in a national broadcast, February 25, 1939, that in addition to those already certified there was still another million able-bodied people, anxious to work and with no employment, who had not even been certified. States have discontinued certification and it was estimated last week that the number of eligibles whom the W. P. A. cannot take care of, but who are as much entitled to W. P. A. employment as any on the rolls was close to 2,000,000. And these are not bums or career men, all statements to the contrary notwithstanding. They have been in industry for years making good wages and now are thrown out in the streets while their families suffer. A sainted clergyman, looking at a man in the gutter said, "There but for the grace of God go I." We may well remember when we speak contemptuously of the unfortunate applicants for W. P. A. work, "There but for the grace of God go I." It is not a matter of skill or industry or sobriety; it is a matter of fortune or misfortune over which few of them have any control.

A new machine, an iron efficiency, a shift in the market for a particular product and the most provident may be out looking for another job with none to be had. If this appropriation is reduced from $150,000,000 to $100,000,000 not only will it be impossible to take on any of these extra 2,000,000 eligibles but many of those now on the rolls must be thrown out. What does that mean in concrete terms? I asked Colonel Harrington on two occasions, as the record will show, what it meant, and he said the only way they could reduce $5,000,000 was by firing breadwinners for whom no work was available in private industry for months to come, or to reduce the hours of labor or the rates of pay, which in brief

meant less food on the table. And his statement has not been successfully challenged. What is the effect of reducing the food ration? Why, in the last year of President Hoover's administration he announced to the Nation after receiving the report of the White House conference on child health and protection, that 6,000,000 children in America were improperly nourished.

Secretary Wallace said over a Nation-wide radio hook-up on February 5:

> Malnutrition is widespread in America.
> Millions of American families do not have adequate diets.
> In spite of the great accomplishments of private and public effort to date, we have to admit the existence of malnutrition in millions of homes. If Government can make a genuine contribution toward solving this problem within the next few years, we shall have made one of the greatest steps forward in modern times.

The United States Bureau of Labor Statistics reports that one-tenth of the white families in all regions can afford only $1.25 to $1.87 a person per week for food, and such diets are necessarily lacking in indispensable elements.

The Department of Agriculture, in a release under date of February 26, says the diets of low-paid wage earners and low-salaried clerical workers, not to mention the unemployed, are deficient in needed minerals and vitamins.

Then I have here a report from a survey which shows that a surprising percentage of the students of the University of Missouri, who come from at least the middle-income families of the State, are suffering from some form of malnutrition.

And here is a representative letter from one of the most eminent physicians of St. Louis, a child specialist, who writes:

> As one who daily has the opportunity to see the effects of meager diets and poor living conditions on the children of the unemployed, I urge the adoption of measures to provide sufficient employment to meet the requirements of the next 2 or 3 months at least.

Mr. Chairman, an adult can endure a period of starvation and recover with no permanent effects. But a child starved at the formative period of its physical and mental development never attains his full mental or physical powers.

The most precious national asset is not our gold buried in Kentucky, our great industrial and transportation systems, our vast wealth of forest and mines. The most priceless possession and responsibility of America are the children who must take our places tomorrow. We cannot afford to permanently handicap them in order to shave off this comparatively small sum in the passage of this bill today. [Applause.]

I do not want to mention here the wealth produced by the W. P. A., visible in every city and hamlet, the schools, the sanitary systems, the highways—the greatest accretion of communal and national wealth ever produced by any nation in so short a period of time—all of which would have been unattainable but for this beneficent system devised primarily to provide work for the unemployed.

Through all the years to come it will serve and bless the American people in a richer, happier, more fruitful civilization. I do not want to speak of the great impetus it has given to business, commerce, and industry. It has kept the cash registers ringing from the retail stores to the factories, and has fattened the pay envelopes of the workers and the dividends of the entrepreneurs of every corporation in the land. Big business approves it. The labor unions endorse it. Its severest critics are those who oppose it here today. But, Mr. Chairman, no partisanship can smear, no disparagement can obscure, no calumny can detract from the glory of achievement, from the record of honesty and efficiency and integrity which is bridging over one of the greatest economic crises in American history.

I trust every Member will consider carefully before voting to take away a dollar from the appropriation asked by the Budget for the completing of this epoch-making program. [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. FAY].

Mr. FAY. Mr. Chairman, I am going to vote for the $150,000,000 appropriation. The people of my district are essentially very poor people and the dismissals that would follow as a result of not passing the $150,000,000 would cause widespread misery.

This is a question which comes straight home to many of the families that I have the honor to represent in this House, residents of the Sixteenth Congressional District of Manhattan. And when I say that this question comes straight home to these families I am using no idle figure of speech. I mean just that. We are dealing here with a question touching directly upon the only available source of livelihood for many of these families; we are dealing with a question which may mean the difference between preserving and breaking up a large number of homes in my district; we are dealing with a question which affects the proper care and nourishment of children in my district.

This is a condition that is facing 25,000 W. P. A. workers in New York City as a result of the $150,000,000 reduction in the relief appropriation. That condition is destitution. Up in New York City, in W. P. A. headquarters, they are now making out the dismissal notices which will remove 25,000 workers from the rolls as of April 1. Mayor LaGuardia has stated that he has not the money to place these dismissed workers on relief.

What are the 100,000 men, women, and children, dependent upon this income to do? This is a condition that faces us in New York City. You are going to find similar situations developing throughout the country. What in the name of humanity is this Congress up to that they can talk about economies in the face of such impending widespread misery?

The Democratic Party has been recognized as the champion of the underprivileged. It has been the political vehicle whereby they have attempted to voice their needs. The Democratic Party is in control of both Houses of this Congress and will have to take the responsibility for the actions of this Congress. But, forgetting party responsibility, there is here a personal responsibility upon the Members of Congress because destitution is a matter which affects people, regardless of race, creed, color, or party affiliations.

Were the appropriation of $150,000,000 for relief funds a political question I could well wish that those who are opposing the appropriation on the plea of economy be permitted to reap the whirlwind of their sowing, but I know only too well from personal experience not only the misery and privation that will involve the families of those dismissed from the rolls of the W. P. A. in my district, but the hardship that will be inflicted upon the storekeepers and small tradesmen who supply their needs.

For reasons of humanity and common sense I am voting to appropriate the additional $150,000,000 that is necessary to prevent this lay-off in my district and your districts.

Mr. WOODRUM of Virginia. Mr. Chairman, I now yield to the gentleman from California [Mr. THOMAS F. FORD].

Mr. THOMAS F. FORD. Mr. Chairman, I rise in support of the amendment to increase the W. P. A. fund by $150,000,000 instead of $100,000,000, reported by the Appropriations Committee. We all know that there is a so-called economy bloc in this House. That position is one that they must, and I suppose do, justify, on the ground of protecting the Treasury of the United States.

I cannot agree with that position, because I feel that we are dealing with human beings and if I must choose between protecting helpless human beings and protecting the United States Treasury, I for one, am going to vote to protect the human beings.

Our Republican friends are making economy their campaign issue, or in other words are willing to play politics with human misery.

You are welcome to your issue, gentlemen; I want none of it. I am for the preservation of human values; I want mothers and little children to be fed and clothed and housed; I want my country to be rich in happy citizens, for it is in the fostering and protecting of our people that our Nation's greatness lies.

Mr. WOODRUM of Virginia. Mr. Chairman, I now yield to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Mr. Chairman, we have been informed that 30,000,000 people of the United States are in need of food,

shelter, and clothing. I have not any doubt that this statement is true. How much relief can we give these unfortunates with $100,000,000? Very little. The President has asked Congress for $150,000,000. I want to go on record stating that I intend to vote for this amount. No man or woman in our country should be compelled to go hungry—yet there are millions who are in need of the necessities of life. Our country has great abundance of everything that is necessary to take care of our people, therefore, it is the duty of we Members in Congress to appropriate funds to provide adequately for those who are unable to obtain employment.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. PITTENGER].

Mr. PITTENGER. Mr. Chairman, I have listened with a great deal of interest to the remarks on both sides of the House on this question of relief funds. I know a great many Members want to be heard and my remarks will be brief. I have the honor to represent a district that is vitally interested in the problem of additional relief appropriations. I represent the northern Minnesota district, and that district wants $150,000,000 additional funds now, so that if these funds are properly administered a vast army of the unemployed can get some work-relief help which they are now denied. I say to the membership of this House that this issue is nonpolitical, and I have to disagree with some of my colleagues who forget that the statement has been made here today that there are still 12,000,000 unemployed in this country. Under the New Deal experiment which was to lead to recovery, what has happened? There has been no recovery. The reverse is true. There is more unemployment—there are more relief problems among the people of my section than ever before. I would like to vote for legislation that would do away with politics that gentlemen have admitted is in the W. P. A., and do away with waste, but we face a fact, not a theory, and in order that the people may have more jobs, until we can get away from these experiments in Government and give business a chance to operate, and thus create additional jobs and take care of the unemployed, I feel we ought to vote these additional appropriations.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. PITTENGER. Yes.

Mr. KNUTSON. The gentleman is not in favor of the W. P. A. as a permanent set-up, is he?

Mr. PITTENGER. I am not in favor of any permanent set-up of any kind in relief work, because we ought to get back to a prosperous condition when we do not need this temporary relief work.

Mr. KNUTSON. The gentleman is referring now to 1926, 1927, and 1928?

Mr. PITTENGER. I am referring to the days when the relief rolls were not on the increase.

Mr. KNUTSON. And before we gave our markets away?

Mr. PITTENGER. Before we gave our markets away. One step toward recovery will be to get rid of these reciprocal tariffs and let us have our own markets for our own people.

Mr. Chairman, when the question of increased appropriations for the unemployed and for work relief was before Congress some time ago I favored the $875,000,000 figure rather than the $725,000,000 figure, because under the New Deal policies business conditions have become worse and unemployment has increased. I voted for the $725,000,000 because it was a question of voting for that or nothing. A request has now come for an additional $150,000,000, and I hope that Congress grants relief in that amount. Unemployment is a condition and not a theory. All over the country in the industrial centers and elsewhere men and women are out of work, and there are no jobs to be had. This may be a part of the more abundant life, but it is tragic to say the least. From every point in my district the municipalities, counties, cities, villages, and individuals, have contacted me and pointed out the need of additional relief funds so that jobs can be provided for the unemployed.

I have before me a letter. It is from a housewife. She says that there are four in the family—herself, her husband, and two grown daughters. For over a year they have sought employment, but no New Deal jobs are available. These folks are citizens and not aliens. Their case is typical of hundreds of cases in every locality in my district. We cannot fail our honest, hard working, loyal citizens, such as these folks, in these desperate, hard times the country is experiencing, with New Deal poverty and want everywhere. I have numerous letters from worthy and industrious young people over the district. Some tell me their fathers are on relief or W. P. A., and struggling along the best they can. There is no place at home for the young folks, and in the outside world they cannot find employment. And so they appeal to me for some solution of their difficulty. So long as we have the present relief and unemployment set-up, it is our responsibility to extend temporary help to our American citizens who are in misfortune. I urge that additional funds be voted.

But I would also urge, Mr. Chairman, that this Congress take steps to eliminate the politics, the waste, and extravagance and other evils that have grown up under W. P. A. The funds that we appropriate should go 100 cents on the dollar for the help of unemployed men and women. The money appropriated by Congress should not be dissipated in overhead expense or in pay checks for politicians. If the money is economically handled, men and women who are now unable to get jobs will be given a chance.

I have repeatedly said that the matter of relief and work for the unemployed should be left to the local municipalities. They know their problems best. They will have no additional overhead in taking care of this unemployment question. They should handle the expenditure of funds, and they should determine who has the meritorious claim to jobs provided by relief funds. Local municipalities also know what projects are of value to the community. Federal funds should be furnished them on some proper basis, having due regard for the number of unemployed for whom jobs ought to be provided. Federal regulations and red tape applicable to one part of the country are not applicable to another section. I have before me a communication from the owner of a small business. This letter is typical of many I have received. It protests against the present management of W. P. A. My friend says:

> One of our employees voluntarily quit her job to go on N. Y. A. Another quit for fear that her private job would jeopardize her husband's W. P. A. job. A man employed by one of our relatives quit his job and went on W. P. A. A friend of ours continues on a W. P. A. job, although a private job awaits him whenever he chooses to take it.

And so from many sources I have received complaints about favoritisim, pull, and politics in connection with W. P. A. relief jobs and corresponding appropriations, by whatever agency administered, should only continue until such time as private industry can offer employment and take up the slack that finds millions of men at this time in the army of the unemployed.

Of course, Mr. Chairman, the solution to this question and the things that will have to be done in order to make it unnecessary to appropriate any more money such as we should do today is rather simple, but it is going to have to be done. Federal taxes and all taxes and the burdens that government places on business will have to be decreased. Waste and extravagant spending will have to cease. Spending yourself into prosperity is a false delusion. Economy and relief from the tax burden point the way toward the road to recovery. Business cannot and will not be able to move forward until that point of view is adopted by the Government. The only way the unemployed can have jobs is for the wheels of industry to start turning. When industry removes the sign "closed" and puts up the sign "men wanted" then prosperous conditions will again return to the United States. Until we discard a multitude of New Deal experiments which seek to hamper business and grab its earnings under the guise of taxes, things will get worse and worse and the doors of opportunity will remain closed to the unemployed. Some of this New Deal legislation, with honest but mistaken motives behind it, has harmed rather

than helped the workingmen whom it was intended to benefit.

I have received many letters from the district that reach these same conclusions just discussed. One letter in substance says not to "bring home the bacon" but to keep in mind that people are tired of New Deal taxes and penalties and handicaps, and that sensible people want economy in government and lower taxes. And then the author of this letter says that the manufacturer, the merchant, the small-business man, and everyone who hires people to work must again be permitted to operate at a profit, for only in that way will they be able to employ people, establish pay rolls, and pay wages, and thus create a purchasing public that will restore something like the prosperity we have been promised from the day they burned up the pigs on the theory that a shortage would make prosperity to the late idea that pump priming, or pulling yourself up by the bootstraps, would create permanent jobs.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, I rise to make a statement elaborating somewhat the description of the New York World's Fair incident as recited by the gentleman from Virginia [Mr. WOODRUM], and in order that the RECORD may show and the House may understand the background of this situation. It will be remembered that the Seventy-fifth Congress passed a joint resolution establishing the United States World's Fair Commission and appropriated for the carrying on of its work the sum of $3,000,000. That resolution provided most distinctly that the Commission should have charge of the participation of the Federal Government in the New York World's Fair, in all its departments, agencies, bureaus, and branches, and the Commission was instructed to organize the exhibition on the part of the Federal Government in a creditable manner. The Commission was appointed and I happen to be appointed a member of it. It organized itself, and the President, under the resolution, appointed its executive officers. Since then the Commission has proceeded with its work in the expenditure of the budgeted sum of $3,000,000, which has been very, very carefully expended, subject to the audit of the Comptroller General, and our contracts subject to the supervision and general guidance of the Procurement Division of the Treasury.

The building referred to by the gentleman from Virginia is about 98 percent completed. The exhibits which are to be shown in it on April 30 next are 95 percent set up or are in the packing boxes on the floor ready for installation. At the outset of our deliberations it was suggested to us by no less a personage than the President of the United States that instead of adopting the old practice of having each department exhibit examples of its work or its activities, the exhibits of the Government should be organized on the basis of themes. The Commission believed that was the better way to display to the American people the activities of the Government. So 12 themes were adopted, and every department of the Government, including W. P. A., was invited to contribute suggestions with respect to any one of the themes in which it might be interested.

The themes are such as national defense, conservation, transportation, social welfare, industry, and so forth. Every department of the Government but one, every agency of the Government but one has cooperated with the United States Commission. The single exception is W. P. A. They have paid not the slightest attention to the spirit of this act, but, as you have heard, have gone out on their own and are putting in their own exhibition—in my judgment, a direct violation of the spirit of this statute, which, if copied by other departments of the Government, would wreck the whole thing and result in atrocious extravagance. But nothing can stop these people.

Now, it has been suggested by some of their defenders and suggested in the hearings before the Committee on Appropriations that they have done this because they found they could not get sufficient floor space in the Federal building. The exhibition is not measured by square feet of floor space. It is measured on the theme system, and W. P. A. operations are already included in four of the themes. Those themes are social welfare, education, arts and recreation, industry, and, indirectly, in the theme of "shelter." In other words, they have received proper recognition in the exhibition as a part of the great Government of the United States. We never had the slightest intimation that they would proceed to put up a separate building. We did not know of it actually until it was published in the newspapers 2 weeks ago. I learned only yesterday the building was commenced shortly before the new year.

I challenge the moral right, if not the legal right, of the W. P. A. to have gone into this thing, in the face of the provisions of the joint resolution of the Congress which confides to the United States Commission the sole jurisdiction to manage the exhibitions of the Federal Government.

Mr. GEYER of California. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. GEYER of California. Was this done under Mr. Hopkins or under Colonel Harrington?

Mr. WADSWORTH. It was started under Hopkins and it is continued and defended by Colonel Harrington.

Mr. GEYER of California. The gentleman feels, then, that Colonel Harrington ought to take the responsibility for this, and all these people be discriminated against because of a so-called mistake?

Mr. WADSWORTH. So-called. [Laughter.]

Mr. GEYER of California. I repeat, "so-called."

Mr. WADSWORTH. I suppose it is too late to undo this wretched thing, but does the gentleman believe that is the way for an agency of the Government of the United States to behave, in view of the request of the President of the United States originally that our exhibition should be organized in the way I have described, and in view of the terms, the explicit terms, of the joint resolution of the Congress?

Mr. GEYER of California. No. But in answer to the gentlemen I will say that we should not decide that hungry people should remain hungry.

Mr. WADSWORTH. That is not the point. Are we going to spend money legally or illegally? That is the point. Those people had no right to do this thing.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. HOOK. The gentleman is so set in his ways, why could he not ask for a ruling of the Comptroller General as to whether or not these funds are illegally spent if he is so sure of his point?

Mr. WADSWORTH. I do not object at all to inquiring of the Comptroller General. I have no idea how he would pass upon it.

Mr. HOOK. The gentleman is so sincere in his point.

Mr. WADSWORTH. All right. I will address a letter to him.

Mr. HOOK. The gentleman should go to the Comptroller General and ask for such an opinion.

Mr. WADSWORTH. I only heard of this thing in its full detail yesterday. I have consulted with the executive officers of the Commission, who say they never heard of it until they read of it in the newspapers. There is no Member of this House who will contend that this is an orderly way of doing business for the United States Government. These people are disorderly. They care not one whit about orderly government. This is a perfect example of it. Why do they do this? It is to build propaganda in a desperate endeavor to make W. P. A. a permanent institution in the United States.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. DINGELL. The gentleman does not argue the legal right? The gentleman is really arguing about the moral right of these people to go out and do as they please?

Mr. WADSWORTH. I question the legal right. Not being a lawyer, I cannot pass upon it definitely and finally. I certainly challenge the moral right for them to do this.

Mr. DINGELL. I understand. I am trying to amplify the thought the gentleman has in mind.

Mr. McGRANERY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. McGRANERY. The gentleman said this only came to his attention yesterday?

Mr. WADSWORTH. I read of it first in the newspapers several days ago. I could scarcely believe it. Then, when this bill was being considered by the Appropriations Committee, I made inquiry of our exhibition offices in New York, and I learned the facts.

Mr. McGRANERY. So that the facts as presented by the gentleman this morning which arouse his ire have just come to his attention? He has not had an opportunity to search and find the real basis or truth other than the communication he received yesterday?

Mr. WADSWORTH. I have read the joint resolution of the Congress creating this Commission, and I understand the intent of the Congress in creating it, namely, that the Commission should have charge of all exhibits of the Federal Government.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. SACKS].

Mr. SACKS. Mr. Chairman, I shall vote for the $150,000,000 the President asks to carry the relief burden to the end of the fiscal year.

Mr. Chairman, sometimes in our debate on measures pending before this House we are inclined to let factionalism, sectionalism, or just plain prejudice obscure the fundamental principles involved. Sometimes it appears that the one word "economy" is the 1939 magic carpet upon which a public official can obtain or maintain popularity with the people.

That may be true—and I have no doubt that it is true—among certain sections of the populace.

Gentlemen, it is the part of the demagogue to ride these magic carpets to popularity. Many nimble-footed gentlemen display uncanny agility as they hop from one carpet to another as the days go by.

When peoples' lives are at stake and when the morale of millions of Americans is threatened, I personally prefer standing with my feet planted on the ground rather than balancing precariously upon some magic carpet.

The issue today is not whether we are to please some rich farmer or great industrialist or powerful newspaper publisher. The issue is whether certain American men, women, and children will maintain their self-respect and their social usefulness.

The Works Progress Administration was never intended to be economical in terms of dollars and cents and it was never intended to be efficient by ordinary standards. But in a broader sense this organization has been more economical and more efficient than any great bank or industry can ever hope to be. The Works Progress Administration has been efficient in saving our citizens from utter despair and has been economical in protecting our greatest national resource—the morale of our people.

Gentlemen, the talk today is of national defense. The cry is that we must be prepared to stand against the aggressive dictators. Loathsome and dangerous as those dictators are, and as are the ideologies for which they stand, our peril from them is not as great as is our peril from those who would sabotage the Works Progress Administration. You can have no national defense without national morale. I know men on the dole cannot maintain their morale. Raking leaves, laying sewers, painting murals, sewing clothes, keeps hands busy and minds occupied. American people want work. American business has been unable to supply it. Without work the hardiness of our social structure will disappear. I say to you that it is worth any figure for lovers of democracy to maintain national morale.

That is what we are voting on today, gentlemen. We are voting today whether to encourage a short-sighted few who are trying for economy at the expense of national morale, or whether to continue our attempts to hold this Nation together by doing what private business has been unable to do.

I favor and I will vote for the $150,000,000 requested by the President to continue W. P. A. at its needed pace until the end of the fiscal year. A vote against that figure is a vote to turn American citizens' thoughts to foreign ideologies and phony cure-alls which the false Messiahs of Europe and the leaders of our own lunatic fringe contend will solve the problems of democracy. A reduction in W. P. A. once before almost upset our recovery. A reduction now may easily be the deathblow to our recover. Every discontented, idle, embittered American is a threat to our civilization and our happiness.

Let him who votes for economy today answer to the mothers and the wives who see their menfolk turn with idleness from sturdy American workers into disgruntled, demoralized bits of humanity, who never again will be fit to play their parts as citizens or builders of our civilization. Let him who is zealous to protect our Nation and our democracy, to foster the American spirit among the underprivileged masses of this Nation, vote with me for this full appropriation of $150,000,000. [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. GEYER].

Mr. GEYER of California. Mr. Chairman, I am vitally interested in this W. P. A. problem. I shall vote for the one hundred and fifty million and really believe that that amount is far from being adequate to meet the needs that our fine American people are now facing. In the brief space of time allotted to me I wish to answer some of the arguments that are being used here on this floor to discredit the W. P. A. and thereby keep the appropriation at a low mark.

THEY DO WANT WORK

Time and again it has been charged that these people who are on W. P. A. really do not want to work. I have had a very close acquaintanceship with the W. P. A. problems in my district ever since its inception, and when I say that these people are ready, willing, and anxious to accept jobs in private industry, I believe that I know whereof I speak. Every one of my colleagues, I am sure, unless you come from the silk-stocking districts, have had literally hundreds of these people interview you in your offices imploring that you give them your assistance to find work. Examine your files and you will find that your mail is literally filled with pleas for assistance of a like nature. I tell you what you already know—they are good American citizens and ask only for the right of a job that will guarantee to them a decent living wage.

EXTRAVAGANCE OF W. P. A.

We are told by those who are unsympathetic to the one hundred and fifty million that the W. P. A. has been extravagant. Comparisons are made based upon only half-truths. It has been charged here that the administrative expense is too high. Committee hearings plainly show us that this expense was but 3 percent of the total, which is one of the lowest of all Government agencies.

FEDERAL THEATER PROJECT

There has been much criticism levied at the Federal Theater Project. In 1933, when the New Deal came into being, there were literally thousands of our actors on the streets without means of sustenance. These people were given work at the only job they knew how to do—the production and staging of theatrical performances. True, this does not produce bread and butter so far as the product is concerned; but since when in these days of enforced leisure is it considered a crime to contribute to the entertainment and education of our people?

EATING AND STARVING BY SHIFTS

Some Members claim that people have been on the rolls since the inception of the W. P. A. and that now they should be taken off, regardless of whether they have a job or not, and let others eat for a while. But I do not subscribe to the doctrine that democracy should work in shifts, alternately feeding and starving the American people in shifts. I can see in the army of unemployed which remains with us only a chal-

lenge to put all of our people to work as quickly as possible, thus increasing purchasing power and speeding the recovery process.

MOST REPUBLICANS OPPOSE W. P. A.

Most of my Republican colleagues are pleading for reduction of the W. P. A. appropriation below the one hundred million provided for in this bill as brought from committee. Some even go so far as to advocate no appropriation. All over this country during the last campaign the people were told that the Democrats were not giving the W. P. A. people high enough wages, and if the Republicans were elected to office they could expect to be much better treated. Evidence to that effect in the form of election material has been presented on the floor of this House in previous debates. Is this the way promises are kept?

CONFIDENCE

You say what we need is more confidence; then business will employ the people. What about 1932, when Mr. Hoover was in the chair? Certainly business had plenty of confidence then. Why did we not employ all the people then? Do you think for one moment that business is going to have your confidence when people have less money to spend? Every one of the businessmen is "on relief," whether he knows it or not. Every time he hears the ring of the bell in his cash register some portion of that money that he deposits therein comes either directly or indirectly from some form of relief—work relief or direct relief.

W. P. A. AND DISGRACE

Time and again from the Well of this Chamber have we heard Members refer to the disgrace of being on W. P. A. The American public, if they hold this absurd belief, should lose no time in reconstructing it. These people are out of work through no fault of their own, and, as far as I can see, the man working on W. P. A. projects has a right to hold his head as high as anyone else. If there is any shame connected with W. P. A., that shame lies with this body for not being willing to so reorganize our social and economic structure that all may find work in private employment.

W. P. A. AND AMERICANISM

It has been stated many times here in this House that the Workers' Alliance is an organization that is un-American in character. This is the same old excuse that is usually given for the failure to do what duty demands. The unemployed people have the same right to organize and exert pressure for their own benefit as any other group of people has. Merely because these people have exercised that right is no reason to make charges which I feel sure cannot be substantiated. If this were a fact, I maintain that the easiest way to cure this situation would be to give these people the rights that are guaranteed to them under this Constitution. We will never promote Americanism by slapping people in the face either literally or figuratively. When democracy is actually working there is no danger of people turning either to the right or to the left.

PITIFUL CONDITION OF PEOPLE

We have been told many times that one-third of our people are "ill-fed, ill-clad, and ill-housed." Many surveys prove to us that the children of W. P. A. workers are terribly undernourished. Yet some of us while basking in the sunshine of abundance are willing to crowd out into the cold the helpless women and children of the land.

W. P. A. AND BUSINESS

Many small-business men throughout the country and within my district are complaining that they need more customers. They realize that every time W. P. A. appropriations are reduced their balance shifts to the wrong side of the ledger. These businessmen have a right to make a profit and thereby be enabled to support their families and to employ other people who desire to do likewise. If we desired deliberately to send the business spiral downward, we could choose no better way than to reduce the amount of money that these needy people must of necessity spend in order to live.

Mr. Chairman, I feel very deeply on this subject, and regret that time has allowed me to hit only the high places. I hope that the Members of this House will consider this problem as it should be considered—a matter of their own responsibility to their fellowman and to their country. I hope they will decide that of the billions of dollars that have been voted by both Republicans and Democrats surely this one hundred and fifty million should by rights go to these people who are in no position to care for themselves.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, when I arrived at the House today I received the disquieting news that dissatisfied elements in this Chamber have launched a strong movement to defeat the pending bill, which appropriates $100,000,000 for relief of the unemployed during the remainder of the current fiscal year, or failing in that, to reduce the amount to be appropriated to the vanishing point.

I hope the movement will not succeed. This bill ought to pass. The most appealing humanitarian considerations require its passage. We could not cut off relief in this abrupt manner without inflicting the most heart-rending injuries upon those who are incapable of protecting themselves in the maelstrom of economic maladjustments that has brought millions of our fellow citizens into its swirl. These people, who are as good as you or I, need a helping hand until they can help themselves, and until that time comes they should be objects of our tenderest solicitude. The plain, blunt fact is that unless this bill passes thousands upon thousands of families will sink into dire want; thousands upon thousands of innocent children will cry for their daily bread.

No, Mr. Chairman, this bill should not be defeated. Its defeat would involve too sudden and violent a dislocation of our relief system. It should be passed in the exact amount reported by our committee, because it is a just bill, a moderate bill, which recognizes the humanities immediately involved in our relief situation, helping those who need assistance, while at the same time it points the way to an ultimate transfer of the employment problem to business and industry where it belongs.

Mr. Chairman, recovery in this country is a complex puzzle into which many factors enter. A sensible handling of the relief problem is one of the most important of these factors. But it is only one factor. We must go further than that. There can be no real recovery, no real and permanent prosperity until industry gets back into full swing, with confidence in itself and confidence in the future, capable and willing to function in its ordained sphere, and to take over into regular jobs millions now barely existing on the Works Progress Administration rolls, also giving work to an untold number of employables who are barely managing to hold body and soul together on the pitiful pittances of food and clothing handed out by township trustees and charity organizations.

We cannot consider relief as a detached and unrelated subject, because it is related in the closest and most intimate way to business and industry. If we help business and industry to get on their feet and thus open a reservoir of regular jobs we are making a very important contribution to the solution of this very relief problem which is now on our doorstep and we are rendering as direct and valuable a service to the unfortunate victim of unemployment as if we placed him on the W. P. A. work-relief roll; indeed, infinitely more so, in my opinion, because it is the God-given right of every American citizen to have regular work in the line for which he is fitted, without any tinge of governmental charity. [Applause.] There is not a right-thinking person in America who would not rather have a regular job than a Government, synthetic, made-to-order job.

We should therefore approach the relief problem that is presently before us with the thought in mind not only of providing amply for the present needs of the unemployed but of going just as far as possible to correct the maladjustments which are continually making it impossible for millions of splendid Americans to get any kind of work in private industry. We should think not only in terms of relief to those who are now distressed but also in terms of what we can do to promote national recovery, to the end that all of the productive and creative forces that have been atrophied

for years may be unleashed to perform their normal services and give employment and thus to contribute to the full limit of their possibilities in restoring a state of happiness, contentment, and prosperity among our people.

The point I am trying to make is that the time has come when we should tackle this problem of relief not only on one front but on all of its fronts. If we deal with it adequately, if we deal with it as it deserves to be dealt with, we will deal with it from the angle of removing the elemental causes of unemployment, as well as from the standpoint of making ample provision for the present victims of unemployment.

Of course, under the best of conditions we shall always have some millions of unemployed; but I am hoping and praying that the time will not be far distant when business and industry can take over the main relief load and we can get rid of these shots in the arm, these gigantic relief appropriations which are mere palliatives and soon wear off, leaving the country gasping and struggling for breath until another huge relief appropriation can be voted. We should be thinking of approaching the subject in a more fundamental way, in a way that will cure instead of lull the patient with temporary anesthesia. [Applause.] We shall be forced sooner or later to do this very thing, for the enormous deficits we are piling up cannot be continued forever. Why not make a start now?

The road to success, in an effort to revivify the business and industrial instrumentalities upon which normal employment so much depends, is not difficult of discernment. It lies in the general direction of reduced governmental expenditures, of relief from oppressive taxation, of freedom from undue governmental interference, and of an approach, at least, to a time when we shall have a balanced Budget. In view of the thousand and one pressures for increased rather than reduced governmental expenditures, the way I have outlined is the hard way, but, in my judgment, it is the only way to bring about recovery and normal employment.

I yield to no one in my sympathy and solicitude for the millions who, try as hard as they may, cannot get work at the present time, and I will vote from the Treasury every dollar actually needed to relieve hunger and suffering, however colossal the sum may be.

When I made my first race for Congress, now long ago, I told our people that when it comes to an alternative between dollars and cents on the one hand and the humanities on the other hand, my vote and my voice and my influence, for whatever it may be worth, will always be on the side of the humanities. That is where I stand today, and that is where I always hope to stand, God helping me, as unshakable as the Rock of Gibraltar. Holding that view, I want to see brought about as soon as practicable the transfer of our unemployed to industrial pay rolls, when they can look forward to a regular income at a saving wage, with a bright future, and only a bitter memory of Government leaf-raking jobs.

In the consideration of the relief problem associated with this bill and later during the discussion that will take place over the formulation of the relief program for 1940, I would like to see a sound and constructive approach made toward the ultimate complete liquidation of the Works Progress Administration, the transferral not to be made, however, until private business and industry are in strong enough a position to take over the relief load. I believe this to be possible without unusual suffering, and I believe it would mean much for the future of America.

I think some such thought must also be in the back of the head of Col. F. C. Harrington, the able Works Progress Administrator. For verification I call your attention to pages 68 and 81 of the hearings, from which I quote as follows:

Mr. LUDLOW. Colonel, you have a broad vision of this entire subject. What could you suggest that could be done to stimulate and encourage business to take over this relief work? It seems to me that is the problem we ought to be considering, or one of the problems.

Colonel HARRINGTON. Well, it is a problem that is under consideration by the Federal Government, but I must say that my own responsibilities are pretty considerable, and I would prefer not to embark on a discussion of taxation or——

Mr. LUDLOW. I just wondered whether you envisioned a time when the W. P. A. would be liquidated?

Colonel HARRINGTON. I do.

Mr. LUDLOW. Of course, you would prefer to see every person get a job in industry, if that is possible, I take it, would you not?

Colonel HARRINGTON. Yes.

Mr. JOHNSON of West Virginia. Do you see any chance in the future in the light of the past, that the W. P. A., in your lifetime or mine, is going to close up?

Colonel HARRINGTON. Yes, sir.

Mr. LUDLOW. Would you elaborate on that answer?

Colonel HARRINGTON. I cannot elaborate on it much. I was answering the question by giving my opinion.

Mr. JOHNSON of West Virginia. When, in your judgment, will it close up or grow less?

Colonel HARRINGTON. I think it will be less by July 1, 1940. I would judge that by that time it could be cut in half.

I think Colonel Harrington's prophecy, on page 81 of the hearings, that the W. P. A. can be cut in half by July 1, 1940, is one of the brightest indications of the present relief outlook, and I cite also the following colloquy taken from the hearings, page 82:

Mr. WOODRUM. If that be true, would we not begin by some program of pulling the rolls down, rather than pulling them up to the arbitrary level of 3,000,000?

Colonel HARRINGTON. Yes, sir.

Mr. WOODRUM. When should we begin that program?

Colonel HARRINGTON. I began it on the 15th of March. I put in the record yesterday instructions that were sent out, effective March 15, to begin reductions.

So we have a start already made toward supplanting W. P. A. with something more substantial and that at least is encouraging. And right here let me say that if we are to continue the W. P. A., I do not know of anyone I would rather have to manage it than Colonel Harrington. He is a keen, able Army officer with fine executive capacity.

His modest Army salary, which is his only compensation, is less than the salary of a number of his subordinates, and he is interested only in doing a good job. To know him is to be willing to underwrite his honesty and sincerity of purpose in everything he undertakes.

As I conceive the situation, we have a dual duty to perform today in fixing the amount to be appropriated in this deficiency relief bill. First of all we have a duty to see that adequate provision is made for the employables who have no means of support and who, despite every effort, cannot find work. Second, we have an obligation to shape our relief program so that business and industry may begin to take heart, and so that a start may be made to revive the processes of normal recovery and transfer the millions who are eking out a miserable existence on relief rolls to regular, dependable jobs at the higher wages which business and industry are capable of paying when business and industry are functioning normally.

I believe that we will perform this dual duty in the best way that is humanly possible if we appropriate $100,000,000 to carry the W. P. A. relief load during the remainder of this fiscal year. If we fix this as the relief appropriation, we not only will make adequate provision under a wise and careful administration for those who need the Government's help to insure a living for themselves and their loved ones, but we will also be giving business and industry the break they so much need to help them to get on their feet and to carry on.

No one who takes the trouble to survey the enormous Federal relief outlay for this fiscal year can charge that Congress is niggardly or heartless or recreant to its obligations to the unemployed, for this additional amount of $100,000,000 will raise the total available for the current fiscal year to $2,163,868,406. Compare that stupendous sum with the expenditures in prior fiscal years, as follows:

1936	$1,270,235,065
1937	1,833,456,971
1938	1,427,701,991

If I thought that a reduction of this estimated appropriation by $50,000,000 would result in throwing off of the employment rolls any worthy persons who are entitled to W. P. A. employment, I would not support that reduction for a moment; but I am satisfied that the matter can and should

be handled administratively so that not one such person need be displaced. [Applause.]

Let us analyze the testimony to see how many cuts can be made in the estimate of $150,000,000 without doing injury to those on the relief rolls.

In the first place, it is estimated by Colonel Harrington that 88,975 will be dropped as being no longer in need, based on a review of the rolls now in progress. This should result in a saving of $16,282,425 during the 3 months from April 1 to July 1.

In the second place, Colonel Harrington stated—see page 25 of the hearings—that there are 55,000 persons employed on W. P. A. projects who are entitled to social-security benefits; and if they come off the rolls, the saving for the same period on that account would be $10,065,000.

In the third place, 30,000 aliens went off the rolls on March 6, and this reduced the charge against the appropriation between that date and July 1, the beginning of the new fiscal year, in the sum of $7,015,000.

In the fourth place, the entrance of the W. P. A. into the heavy-construction field, particularly building construction, has made necessary a larger outlay for materials than a sound policy would seem to indicate, for it is axiomatic that the larger the amount spent for materials the less must be the amount spent for wages. On the average, for every $100 of relief funds paid out by the W. P. A., $10.50, or more than 10 percent, goes for materials. Many of us who heard the testimony believe that the material cost could well be cut down to $5 or $6 per $100, in which event the additional amount that would be made available for employment would far exceed the difference between the sum of the three items quoted above and the $50,000,000 by which the Budget estimate for relief has been reduced in the pending bill. In other words, the sum total of the four items would exceed the committee's reduction in the Budget estimate and no reduction in the W. P. A. employment roll below the number originally estimated would be required if the appropriation is fixed at $100,000,000.

The above-mentioned deductions which make it easily possible to reduce the W. P. A. appropriation $50,000,000 without interference with the program visualized by the President in his original recommendation of $875,000,000 do not take into consideration the additional fact, which argues for a further reduction, that the W. P. A. rolls are constantly being diminished by deaths, voluntary resignations, and discharges. Colonel Harrington testified that in January last there were 214,492 separations from W. P. A. employment, of which 105,031 were voluntary and 109,461 were discharges, and he cited this as a typical month for separations on an employment basis of approximately 3,000,000. It is obvious that if the vacancies thus created are not filled, W. P. A. can be reduced expeditiously without injury to any worthy person on the rolls.

Aside from the spread of employment that would be effected through a saving in the cost of materials, there was testimony to show that it would be sound practice to take the W. P. A. out of the heavy building construction field. On page 255 of the hearings is an illuminating table furnished by Colonel Harrington, which shows that building projects of a total value of $2,385,025,735 had been approved by the President up to February 28, 1939, and that only 5.6 percent of the total was included in the smaller projects under $25,000 each, while 79.6 percent of the total value was in large projects of $100,000 each and over, which shows how strongly the W. P. A. has gone in for heavy building construction. The employment of cheap W. P. A. unskilled labor in these building operations that usually require the services of highly skilled workmen is breaking down the regular crafts, dragging down labor standards, demoralizing union labor, and in altogether too many instances is pauperizing skilled artisans and throwing them on the relief rolls. This condition should be corrected, and the way to correct it would be for the W. P. A. to keep out of the building field entirely or confine its operations to projects of $25,000 in value or less.

I think most of the members of our subcommittee were impressed with the possibility of great savings in administrative costs by closer and more careful supervision. Six million dollars a month for administrative expenses, or $72,000,000 a year, seems ridiculously high. Of this about $5,000,000 a month, or $60,000,000 a year, is for personal services to pay an army of administrative employees, including 1,900 in Washington and 32,600 in the field.

The item of travel and subsistence has been running about $500,000 a month or $6,000,000 a year. Surely these terrific administrative costs will stand a deep cut and the savings thus effected can well be applied to spread additional work relief for those in actual distress.

In some details of administration we encountered revelations of a surprising nature, an instance in point being the use of $250,000 of W. P. A. funds to construct a building on the world's fair grounds in New York City. By the time the fair is over, which will be about the time the paint gets dry, the building will become the property of New York City without any strings attached, a gracious gift from the W. P. A., without a cent of cost to the metropolis of New York. It would seem rather ludicrous to tax the people of Indiana, Arkansas, Colorado, and other States, where the per capita wealth is small compared to the per capita wealth in New York, to make this munificent present of a building, with theater attached, to the greatest and richest city in the Western Hemisphere, but this is one of the wonders of the W. P. A. that was never very satisfactorily explained to our committee.

What must the people of Mississippi, who have a per capita income of $170, think of a proposal to use the money of the taxpayers of the United States to construct a magnificent building and present it as a gift to New York, where the average citizen has an income of $700, according to the Brookings Institution? The same authority, quoting from the latest survey, states that the per capita income of all of the people of the United States is $432. These are the people who are taxed to pay for the quarter of a million dollar building which the W. P. A. is presenting with its compliments to the New Yorkers, who have a per capita income $268 greater than for the country at large, which pays for the gift. Surely there is something wrong with that picture. It has created the impression in our committee that a tighter supervision over administrative expenditures would go a long way to take the tuck out of W. P. A. extravagance and to lighten the load on the already overburdened taxpayers.

As a member of the subcommittee on deficiencies, I listened to every word of testimony presented on this relief bill and weighed all of the facts and arguments; I have tried to weigh the evidence impartially and judicially. I believe the W. P. A. is bogged down with administrative costs and that a heavy cut should be made in its highly paid supervisory personnel. If this is done, there will be more money to pass around and employ those who need relief. In surveying this relief problem let us think not in terms of W. P. A. alone but in terms of general recovery. I want my constituents to be able to look forward to something better than W. P. A. jobs all their lives. I want them to have steady employment in regular jobs so they may live happily, with a sense of security and provide their children with the finer and better things of life. I give you my considered opinion, after hearing all of the testimony, that this appropriation of $100,000,000 will take care of the relief needs adequately and by encouraging honest business will help to chart the way to a better day in America. [Applause.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I have no complaint against the gentleman from Virginia or any other Member in this Congress. I think every Congressman tries to represent the people who send him here. While I do not agree with the philosophy or method of legislation held by the gentleman from Virginia, I surely cannot blame him. I do blame the people of Virginia.

Virginia, the cradle of this Republic; Virginia, which gave us such men as Patrick Henry, George Washington, James Monroe, James Madison, John Marshall, John Randolph, Robert E. Lee, and Stonewall Jackson. I am proud of Virginia's past; I am proud of the great men she has had. I hope Viriginia will again become great and extend her hand to those in distress—those who are hungry and without homes.

We have different views; and until the people of this country are educated by information so that they may unitedly know the philosophy they should follow we will have a Congress such as we have now, doing what we have been doing.

We could have avoided this session the other day had you followed the directions of the President, but there are a lot of Republicans here who will not follow the directions of the President, right or wrong. I am not one of them, however. Whenever the President is right I am willing to get up here and say yes; and he has been right on this appropriation for relief all the time. [Applause.]

A lot of the Members have complained about the W. P. A. and that they got the worst of it in campaigns. Mr. Chairman, they have done the same thing in my State to my colleague and myself that they have done in other States, peddled cards urging people to vote the Democratic ticket, but up there in North Dakota the people are intelligent—they know how to vote. [Laughter.]

I subscribe to the doctrine propounded by the gentleman from Missouri [Mr. CANNON] that when children are hungry and undernourished we have no right to complain because the W. P. A. put a building up somewhere. Why destroy the whole organization because one mistake has been made?

You say, "Let business have some confidence. Leave business alone." Where was confidence in 1932 when business had been operating this country for years? There was not any business, it was gone, and we were very close to chaos itself.

As a Republican I am mighty proud of the fact that we still have this Government, and my duty in this Congress and my ambition is to preserve this Government and make it better; but when we have hungry millions in this country I am going to pay no attention to anyone who says, "For God's sake, balance the Budget. See how the Democrats are spending the money!" That is not to be considered in this situation at all. We as Republicans will get the respect of the people of this country in a greater degree if we are willing to follow the President any time he is right. I have always reserved the right to vote against him when I thought he was wrong.

When we cut out this item of $150,000,000 when the relief bill was passed we were in the wrong. The fact that the general sentiment in this House is to vote $100,000,000 on this bill is an open confession that we were wrong before. One hundred fifty millions is now asked in this extra bill, and if we cut that to one hundred million we will be wrong again. It will come up again if the relief situation continues to be as serious as it is today.

When the agricultural appropriation bill was before this body the first of this week, the House refused to allow 90 percent parity price to farmers. This House left the farmers defenseless and to become victims of foreclosure and dispossession. Where will they go? There is only one place for them, and that is on relief. After we have made the farmers victims, we now refuse to provide for them. This philosophy will not be tolerated in this country. Those who begrudgingly vote a dollar for relief but in the same breath will vote ten dollars for war preparations, are pursuing a course that means the inevitable collapse of this democratic experiment of free government.

There is absolutely no occasion to have a single hungry man, woman, or child in the United States. There is absolutely no occasion for people who want to work to be refused a chance to do so. All of our citizens have the right to live, and the moment we concoct any philosophy that will long deny the right we are contributing to the overthrow of this Government. The simon pure patriot, the simon pure conservative, who wants to balance the Budget while the people starve is an open enemy of this democracy. These conservatives profess to be Christians, but they do not know the Golden Rule. They do not understand, because they have never been hungry; they have never been without shoes; they have never slept on hay mattresses; they have never shivered with the cold; their children have never been undernourished. I have been through it all myself, hence no party line, no political expediency, will deter me from making a stand for the poor. It is bad enough for us to have so blundered in government that such a situation has come to pass, but, being here, our plain duty is to feed the victims of our own negligence.

Confidence in business. Business had this country at their mercy prior to 1932, and you see what they did with it.

Big business representatives have already testified before Congress that if let alone to operate free of what they call Government interference, that not over 3,000,000 of the unemployed could be put to work. If they are right, what are we going to do with the other 8,000,000 out of work? Now, what reason have we to believe that if we left business alone all these millions would be employed? We are accusing each other when neither one of us is to blame. Do you know what is the matter? We will get nowhere accusing the Republicans or accusing the Democrats. The fact is that we have entered a new era in the history of this country. This interest system that we have protected for 150 years has come to the end of the trail. The people cannot make money enough in this country to pay interest and taxes; new inventions come in daily and thousands are forced out of employment. Instead of the number of unemployed being less next year than they are this year I am willing to stand here in this Congress and prophesy that the number of unemployed will increase every year because this system we have followed has exploited the country until there is nothing more to exploit. I say to you further as a Republican and representing, as I believe, the majority view of the Republicans of my State, that we look upon the unemployment situation as a permanent institution in this country. The sooner we get to work to outline useful necessary work and give every man and woman in the United States who wants to work a chance to work, the sooner we will settle our depression.

There is no buying power down at the bottom of the social heap. We refuse to put it there. We refuse the farmers a parity price that will establish a full third of the buying power of the Nation. We do more than that, we not only strip the farmer of his buying power, but make him an object of charity which others must feed. We refuse the Townsend recovery program which will put over a billion dollars in buying power down among the people every month, to circulate among all classes, bringing jobs and employment to the millions who now must eat the crumbs handed over by a begrudging Congress; we refuse to interfere with the interest system that now takes one-third of every dollar handed over to buy merchandise, and the tax burden is made heavier because we must tax to pay interest on the public debt, all of which is absolutely unnecessary. As a result 51 percent of every dollar we spend today goes to pay interest and taxes to raise interest. If we had the sense of pupils in the common schools we would issue our own money with no interest and make it available to the people without the intervening system that lives on interest. The interest shark is more of an outlaw than Jesse James ever was. Jesse James robbed railroad trains but he never broke a railroad; he robbed banks but he never closed one.

We should issue Treasury notes, call in the outstanding bonds, pay them in currency and save $1,500,000,000 every year in interest. Do this and the balancing of the Budget will be a simple mathematical computation and will add no new taxes. But we will not do it, no sir, we are conservatives, we are the patriots of this country. We would sooner let this great free democracy sink into bottomless oblivion than interfere with the interest system. [Applause.]

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, it has always been my policy in approaching legislation to consider it from a national rather than from a local standpoint. During the week, although I have not a farmer in my district, I supported the farm bill. I know that if the farmers have money to spend they will buy what we manufacture in the cities; and I also know that when the people in the cities have money to buy, the first thing they will spend the money for is proper food, and that is beneficial to the farmer. I know there can be no lasting prosperity until the farmer has purchasing power.

The gentleman from Virginia [Mr. WOODRUM] made an excellent speech this morning—from his standpoint. He cited where relief money that was paid for the construction of buildings and quoted the salaries paid the employees. I venture to say there is not a congressional district in the United States where some kind of buildings are not being constructed by the W. P. A. It has been done since its inception, and the gentleman from Virginia knows it. The prevailing wage has been paid. Why? Because you said it had to be paid. Do not blame Colonel Harrington or other W. P. A. officials; blame yourselves, because you by your voice and vote specifically provided that when members of the building trades were employed in construction of buildings on W. P. A. projects that the prevailing scale of wages in the community must be paid. This, I understand, was done over the objection of former Administrator Harry Hopkins, but it was done by Congress, not by W. P. A. officials.

In support of this statement I suggest you read your Relief Act of 1937. There you will find instructions to the Works Progress Administration to pay the prevailing rate of wage. Therefore, I say to my friend, the gentleman from Virginia [Mr. WOODRUM], when they comply with the law, do not criticize them.

Mr. Chairman, I would like to discuss for a moment one paragraph of this report in particular. In justification for the reduction, the committee calls attention to some of the testimony and quotes from Colonel Harrington's testimony. I read:

> There are probably about 55,000 employed on Works Progress Administration projects who are eligible for assistance under the aid for dependent children.

And so forth. When I discussed a subject on the floor of the House I endeavor to get some facts and reach the conclusion that my argument is sound before I approach the question. That is exactly what I have done in this instance.

When it became evident that we were not going to have sufficient money to carry on the W. P. A. in the manner it had been carried on during the fall and early winter months, an order went out, and I say an order went out because I have a copy of the order here, wherein the various State directors were advised that where a person was on W. P. A. who was eligible for unemployment compensation or aid for dependent children they were to be separated from the roll.

We passed the McCormack amendment when the last bill was pending, and while that amendment might not have been worded so as to have made it compulsory to keep those people on the rolls who were then employed, nevertheless it was the intent of the McCormack amendment, and it was the intent of the gentleman from Massachusetts who offered it, as he stated on the floor of the House, they were to be retained. I confirmed that when I spoke to him on the subject this morning. The House practically was unanimous in agreeing to the amendment, feeling it would protect this class.

What happened in my city? From 1,250 to 1,500 women with dependent children were taken off the rolls because they were eligible for State assistance. What assistance could they get from the State? If the money was available, they could get one-third or one-half, at the most, of what they were earning on W. P. A., but, unfortunately, the money was not available in Missouri, and when they were separated from their jobs on W. P. A. they received nothing. You know and I know the State security commission can only spend what is appropriated by the State legislature. So here you find from 1,250 to 1,500 mothers with children dropped by W. P. A. with no income whatsoever. Do you want to go on record as approving that?

Mr. Chairman, let me refer now to people who were entitled to unemployment compensation. What happened in that case? The unemployment compensation to which they were entitled amounted to $4, $6, or $8 a week. They were told to apply for it and were taken off the rolls as soon as the State commission advised they were eligible. The order specifically stated off they must go.

I tried to get Colonel Harrington to agree with me that those people who had families should be entitled to earn during the month at least the difference between that which they would receive for aid to dependent children and under the unemployment compensation act of the States and the amount they were receiving from the W. P. A. prior to the time they were taken off the roll. That certainly appears to me to be a fair suggestion. "No," was the answer. He could not agree, and the dependent mothers, as well as those entitled to unemployment benefits, were discharged during the coldest month in the year.

The average pay for laborers in St. Louis is $55. I ask you in all seriousness, do you want a man with a family of children to support that family in a big city on, say, $25 a month? Mr. Chairman, place yourself in that man's position. That is all I ask you to do. How would you like to support your wife and children on $25 a month? Of course, you would not, but that is just what has happened because of our action. As for myself I tried with others to keep the amount at the figure Colonel Harrington asked so this would not happen, but we were not successful.

I defy anyone to assail the argument I have made regarding the people entitled to aid for dependent children and unemployment-compensation benefits. You cannot question my statement, because you know it is true, but for the information of the Members and the country I am going to quote from the orders sent out.

On January 7, 1939, order No. 173 was sent out. It reads as follows:

> That persons eligible for unemployment-compensation benefits who are currently employed on the works program shall be expected to file claim for their unemployment-compensation benefits. Employment of such persons on the works program shall not be affected because they are eligible for these benefits until determination by the State unemployment-compensation agency that the worker would be entitled to such benefits in the absence of works-program employment. After this determination the worker shall be separated from employment on the works program and shall not be considered as eligible for reemployment during the waiting period nor during the period during which compensation benefits are paid, the worker shall be entitled to reemployment on the works program in the same manner as persons returning from private employment.

Even during the waiting period they had to go off the rolls. They did not even leave them on until they received their first check.

What did Colonel Harrington say to my appeal? I read from his letter:

> It is assumed that Congress intended, through the provisions of the Social Security Act, to assist States in providing means by which persons employed in insured industries might, during periods of employment, help build up a fund through which they could be assisted during periods of unemployment.
>
> The Works Progress Administration does not have sufficient funds to provide work for all persons whose need is primarily due to unemployment. It can only assist, within certain limitations, those persons for whom no other provisions have been made. For this reason this Administration cannot assume the responsibility of providing employment for persons who are eligible for unemployment compensation benefits.
>
> Your suggestion that project workers who perfect their claims for unemployment compensation benefits but who receive from them a sum less than the security wage they earned on projects operated by this Administration, be permitted part-time employment on such projects, has been considered. It is believed that such a plan would be contrary to the provisions of the various State unemployment compensation acts. A great many States have taken the position that work on projects operated by this Administration is employment within the terms of the State unemployment compensation act, and that even part-time work on such projects would render workers ineligible for unemployment compensation benefits.

Mr. Chairman, when the mothers with dependent children were dismissed they immediately went to the State social-security office in St. Louis and appealed for aid. Due to the fact that the Missouri Legislature did not provide sufficient money for administrative expenditures they did not have employees who could interview them. I do not know the exact number but between 1,250 and 1,500 mothers were dismissed. It mattered not if they had 1 or 10 children. In the St. Louis office at the time nearly 5,000 applications for aid from mothers were pending when these separations occurred. Many of the mothers with their children stood outside the relief office all day. They secured wash tubs and built fires in them to keep warm. I know this because the pictures were printed in the St. Louis papers. Pictures do not lie. This situation resulted because Congress did not provide sufficient money to keep these mothers on the W. P. A. rolls.

You can double or triple my taxes if you desire if that be necessary to take care of these unfortunate people. I will pay it willingly. Let some of the businessmen who clamor for reductions in these expenditures take care of these mothers if they do not want the Government to look after them. They did not want something for nothing but were willing to work. If it was their mother or our mother they might look at it in a different way.

Mr. Chairman, I can see the handwriting on the wall. I have been here too long not to be able to realize what is going to happen when the bill is reached for amendment. Many amendments will be offered, including one by the gentleman from New York [Mr. FITZPATRICK], who will move to increase the amount to $150,000,000, which Colonel Harrington says is necessary to prevent wholesale separations from the relief rolls. You are going to get at most $100,000,000, and it might be that we will be required to call the roll to get $100,000,000; but, thank God, this resolution is so written that we can get a roll call on the $100,000,000. I wish we could get a roll call on the $150,000,000. [Applause.] You might and will vote in the Committee of the Whole against $150,000,000, but you do not dare go on record against $100,000,000. I will vote for $150,000,000.

The Republican Members on my left promised the people of the country everything at the last election. So did I, insofar as promising to vote for appropriations sufficient to take care of W. P. A. until private industry was able to place these unfortunate people back to work. I am going to keep my word. Further, I told them in advance of the election, "If you want a man representing you in Congress who will not stand by the President of the United States, then vote for somebody else. Do not vote for COCHRAN." That is what I told them before the election, and I have never broken a promise made my people, and I do not intend to do so. They sent me back and they want me to keep my word. They will not be disappointed in me, regardless of how many with comfortable incomes yell for a balanced Budget.

Mr. Chairman, to those who do not come from large centers like some of us do, I say look at this question from a national and not from a local standpoint, just as you wanted us to look at the farm question the other day from a national rather than a local standpoint. I repeat what I said a moment ago. I voted with you. I voted for the farmers. I have always supported farm bills, with one exception, and the only exception since I have been a Member of this House was the old McNary-Haugen agricultural bill. There are a lot of Members on both sides of the House representing farm districts still here who voted as I did on the McNary-Haugen bill. Treat our people in the cities as you want us to assist your farmers. That is all we ask. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, I have read the evidence presented before the committee. That evidence not only justifies, in my judgment, but demands that this House vote $150,000,000 for the needy of the country. I, for one, am going to vote for the $150,000,000 appropriation when it comes before us.

Mr. Chairman, I want to read a telegram which I just received from Butte, Mont., as follows:

BUTTE, MONT., *March 27, 1939.*

Congressman J. P. O'CONNOR:

Six hundred citizens at mass meeting tonight voted demand immediate passage of additional $150,000,000 for W. P. A. to prevent acute suffering of unemployed here. Scheduled lay-offs will cost our community $100,000 per month in purchasing power. This will bankrupt local merchants.

H. WURST,
Secretary, Joint Committee Butte Workers' Alliance and Butte Miners' Union.

Today we are considering an appropriation for 3,000,000 persons employed on the W. P. A. whose very bread and milk depends upon our action on the measure now before the House.

It is the height of futility for any Member of this House to argue against the necessity of the passage of the $150,000,000 amendment. It is not only impossible but inhuman for any government to attempt to economize by refusing to provide the necessary food and shelter for needy babies, women, and men. Let us not economize at the cost of the health of our children who some day will be called upon to run the affairs of our Government.

It is all well and good for our Republican friends to argue, for political purposes only, that we can never expect to balance the Budget if we continue to appropriate large sums of money for relief. But will any Member of this House deny that first of all it is more important to balance vacuous stomachs with wholesome food? When we attempt to balance the Budget let us leave humanity off the scales.

I am in favor of consolidation of all public-works agencies under one head or department to the end that overhead expenses will be reduced, thereby saving in cost of administration and at the same time increasing the wages of the men who do the work.

I receive scores of communications in my office daily protesting against the administrative and overhead expenses of the Works Progress Administration. It is my firm belief that the greater percentage of funds appropriated for the W. P. A. should go to the men who actually do the work, not the white-collar workers. I have also received many protests that the W. P. A. is not giving preference to war veterans as provided in the regulations covering the program.

We are now considering the second appropriation for the W. P. A. during the current session and soon we will have under consideration the appropriation for next year. No Federal agency, whether temporary or permanent, can operate efficiently and satisfactorily from day to day. The Works Progress Administration must have a sufficient amount of funds on hand so as to plan a public-works program which will contribute to the permanent stability of our Nation.

No class of persons can live from day to day and remain good citizens. Without present stability there can be no sound future. It is not my intention to imply that any person should look to a future on the relief roll, but at the same time we must take care of our needy persons until they are able to find employment in private industry and not depend upon the Government for their subsistence.

It is easy enough for private industry to blame policies and programs of the Federal Government for their inability to make room for a greater number of laborers. It is easy enough for our Republican colleagues on the floor of the House to orate on the necessity of a balanced Budget. My desire for a balanced Budget is as great as any Member in this House, but we must apply "hoss sense" in our balancing methods.

The heart of the problem is that we have the leaders of Republican business and a Democratic administration, and presumably never the twain shall meet. We have seen what Republican business and a Republican administration together can do. The common man rejected that twosome in 1932. And today we find the same agencies, the leaders of Republican business and a Republican minority, working against the interests of the common man. Is it possible that

the heavy hand of powerful national Republican leaders is pressing down on the Republican minority?

This House voted an appropriation of a half billion dollars for implements of war. Today we are appropriating for peace, internal peace.

We will not be faced with appropriating money for the Works Progress Administration and other relief agencies on the floor of this House when private industry opens its doors and works hand in hand with the Government to reduce our relief rolls. But we will have the relief problem on our hands until that absorption takes place. And that absorption cannot be done by the Federal Government alone.

The ironical phase of the appropriation bill now before the House is that if we appropriate $150,000,000, even then 350,000 persons will be dropped from W. P. A. rolls between now and the latter part of June, according to announcement by Colonel Harrington. The Works Progress Administration informs me that it would require $186,000,000 to carry the relief load without cuts to July of this year. Our action on the W. P. A. bill will determine whether or not we shall have more or less human suffering among our needy people. [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield one-half minute to the gentleman from New York [Mr. FITZPATRICK].

Mr. FITZPATRICK. Mr. Chairman, I call the attention of the gentleman from New York [Mr. TABER] to the statement he made when the gentleman from Virginia [Mr. WOODRUM] yielded to me for a question. I asked the gentleman from Virginia how the taxes paid into the Federal Treasury from the State of New York compared with the relief money given to the State.

The gentleman from New York [Mr. TABER] answered my question by stating that New York received more money than it paid in. I was informed by the Treasury Department that the amount of money in taxes paid by the State of New York in 1938 to the Federal Government was $1,085,612,964.67. From the W. P. A. I received the information that the amount of money the State of New York received from W. P. A. for 1938 was $265,275,049. In other words, the amount received was about 25 percent of the total taxes paid by the State of New York to the Federal Government.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself one-half minute.

The taxes paid in the State of New York are very largely paid by large corporations whose stockholders are in other States.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Chairman, I have here on the table some of the mail I have received in support of the additional $150,000,000 appropriation for W. P. A. This mail is in the form of printed post cards that someone has supplied to the people who are sending them in. In most cases the addresses on these postcards are not the addresses of the persons who sent them, as I know, because I have answered every one of them and invariably the mail is returned to me as "nondeliverable" because of insufficient address.

I have been getting this mail ever since January 13. This post card of January 13 indicates that unless the $875,000,000 is voted 10,000 people in my home city of Cleveland will be taken off the W. P. A. rolls. Another card in this series states "Please, Congressman, demand stop for W. P. A. lay-offs." This measure had not even been voted on then. At that time over 10,000 persons had been laid off the W. P. A. pay rolls between election time and January 13. What happened during the month of November to cause a wholesale lay-off of over 10,000 of our fellow townsmen from the W. P. A. rolls?

I am entirely in sympathy with the needs of the poor people in my home city and my home State. I served in the Ohio Senate for a 10-year period before I came here. During my entire political career back in Cleveland I have always taken the side of the underdog, and the laboring classes, organized and unorganized.

Mr. ANDERSON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I will not yield.

I object to and I protest against either the President or the Administration using the poor people of this country as a political football.

Here is another notice that comes from the Workers' Alliance, one of several thousand I have here—all coming from the Workers' Alliance. Where do they get the money to finance this sort of thing? I understand the Workers' Alliance is a branch of the Communist organization. Here is a leaflet that came to me today.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I will not yield.

Will you be one of the million who will get a "403" lay-off order on April 1?

Imagine the poor people of this country being told that if we fail to vote $150,000,000 over a million people will be laid off on April 1. This bill cannot even be voted out by April 1, because the Senate must consider it.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BENDER. No. I will yield after I get through with this statement.

I say to you that if all the monkey business were taken out of W. P. A., if all the hokum were taken out of it, and if the poor people for whom this money is earmarked would really get the money, we would not have a request for $150,000,000 now. [Applause.]

I have in my hand a clipping taken from a Nebraska newspaper, the Omaha Evening World-Herald. The main article on this day carries the headline, "Diapers distributed to aged on relief here 'to get rid of them.'"

Charges the W. P. A. sewing center here has made so many thousand diapers that State officials are distributing them as surplus commodities to the aged were made by E. F. Magaret, county relief director, and County Commissioners Jacobberger, Bergman, and Burns in a conference with State assistance officials today.

Mr. Magaret brought up the diapers, the $5,000 worth of Surplus Commodity Corporation potatoes that rotted in Omaha, and other matters to show that local control was more efficient in relief than "remote control" from Lincoln, Nebr., or Washington.

"So many diapers were made that the Surplus Commodities distribution management was alarmed," said Mr. Magaret. "Orders went out to get rid of them before the public found out."

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BENDER. No. [Reading:]

Lately the old-age people on relief have been getting diapers in their surplus-commodities packages. Old men asking overalls were surprised to find diapers in their packages.

[Laughter.]

Can you imagine yourself as an old fellow out of work and in need of a pair of pants or overalls? Your Government sends you a package. You beam with expectancy when the mailman comes with that package. You say, "Well, here is Uncle Sam coming to my rescue." Then instead of giving you a pair of overalls they send you a couple of diapers. I will agree that a diaper is a very useful garment but not for an old person. What in the world do they think we are, a nation of Mahatma Gandhis? [Laughter.]

Another demonstration of this sort of absurdity occurred right in my home city of Cleveland. Here is a letter I received today, dated March 27, on this letterhead, "Marionettes that amuse; Franc Still, Theater of the Wooden Soldier":

CLEVELAND, OHIO, *March 27, 1939.*

Hon. GEORGE BENDER,
Cleveland, Ohio.

DEAR MR. BENDER: In reference to our telephone conversation of today. The Federal Theater for Youth is and has been operating here in Cleveland for the past 2 years, charging the children 10 cents admission and taking 50 percent of the proceeds. This has caused me to have no employment for several people who are now on relief I have been told. One, I am sure, and he will not leave for he tells me that he is making $15 a week and knows he

will be able to keep it steady the year around. I offered him a job for the next 3 months, paying $16 and a bonus.

I feel the Government has allowed this, at the same time taking several hundred each year in taxes from me. They may have to feed these people, but they do not have to set them up in business to compete with me. If they must produce plays the Government should bear all the expense and let them play for nothing or let them try to sell their production for the price they would have to get if the show had to carry the total cost. They would have to get $200 per day for a cast of 40, as they claim they need to produce their plays. Then the production cost would have to be considered. The short of the whole thing is I have a marionette production with three people employed; we have around $3,000 tied up in equipment, and were the first to produce good marionette shows to play on a 50-50 basis, 10-cent admission. The show takes a 50 percent jolt through the average year, this and around $3,000 in salaries make you have to really get going. This Federal bunch threw five representatives in the field early in the school year. The schools of Cleveland have a board ruling of two paid entertainments per year, they were not satisfied with one in each school, every place they could they placed the two. Now the schools will barely write off one show. How can the Government hope to ever solve the problem of unemployment when they do not consider the loss they cause by doing such things. I put my earnings from last year into a new show and cannot sell it. The only reason is the principals think they are getting much more for their money; they do not stop to think that these same children will be working when they are my age to pay for these shows. Really costing around $300 per day. The cost appearing to be only $10 per performance and 50 percent over the 10.

I would like very much to offer one of my trucks to the Federal Theater. If they will put me on their pay roll at the salary of a director, and take the people that have worked for me that are now forced to resort to the relief rolls, pay them, and assure them their jobs, I can beat this price with a marionette show. I can play for $5 per school, and do fine. The fact is if they don't move this bunch of bums—they shouldn't be called actors—out of the way, I will soon apply for some kind of aid for myself and family of three. It is quite foolish for me to try to fight against such odds, I suppose, but I think I have a right to vent some feelings.

Please, Mr. BENDER, this letter was written in haste, as I wanted you to get the story. I do hope you will see things in a just manner. If I am too harsh in some statements it is because things have been made awful hard for me. I sincerely wish you can do something to better things for me, and if you do you may count on me for help when and if you ever need it.

With best wishes I remain,

Yours truly,

FRANC STILL.

P. S.—I would like to know who or what has happened to the moneys this group has taken out of the schools; what to do to get it made public.

Mr. Chairman, the essential thing for us to do is to investigate before we invest money in more of this foolishness. I could cite hundreds of similar cases, if I had the time, because I have investigated them.

Every investigation costs the taxpayers of this country money; and before any Congressman or Senator votes for this expensive business, he must ask himself very conscientiously, "Is it necessary?" Just now W. P. A. is being prepared for a thorough and sweeping check-up. After all, any businessman operating a $2,500,000,000 enterprise would be justified in wanting to know something about its management. Our Congress is certainly equally justified in demanding the facts on our Works Progress Administration.

There is reason for this inquiry. In every phase of relief work, wherever public funds are being expended with prodigal liberality, the temptation toward dishonesty or fraud is present in constantly expanding degree. In New York, for example, the hue and cry is out for one Charlie Smith, who was head boss of some 600 guards on a W. P. A. project; Mr. Smith is accused of having "sold" jobs on his force. At this time Colonel Somervell, W. P. A. administrator for the New York area, declared that at least 15 instances of the "sale" of jobs had been revealed. Expanding his activities, Mr. Smith had even gone so far as to "sell" appointments to the positions of stenographers and examiners.

In west New York, across the Hudson River, direct relief offices, from whose rolls are selected the W. P. A. workers of tomorrow, are being subjected to a bit of painstaking scrutiny. A report recently submitted to the mayor of the town described the following practices:

1. Issuance of relief orders to apparently nonexistent individuals who cannot be located at the addresses shown in the relief records in the United States Post Office or the election registrar's lists.
2. Continued use and issuance of orders in the names of persons who are employed and who voluntarily requested their severance from relief rolls, either verbally or in writing, and who have not been recipients of public assistance for long periods of time.
3. Issuance of relief orders in the name of a person in C. C. C. camp, which relief he did not receive.
4. Issuance or orders in the names of persons who have moved from west New York to other municipalities and counties but who are self-supporting and have not received relief orders so issued.
5. Issuance of relief orders for and supposed delivery of coal to relief clients who reside in apartment houses, heated by central heating plants, and who deny receipt thereof.
6. Issuance of relief orders and supposed delivery of coal to clients who heat and cook with oil only and deny receipt thereof.
7. Continued issuance of orders for medical prescriptions to individuals who have not been recipients thereof, drawn on and paid to a specific druggist on supposed authority of a specific physician.
8. Continued issuance of relief orders in the names of persons employed by W. P. A., who have not been recipients of public assistance for long periods of time.

The foregoing contentions—

State the investigators—

have been substantiated by exhaustive investigations, including statements voluntarily made by individuals. Forgery, conspiracy, misrepresentation, and fraud are clearly indicated by the attached cases and supporting data.

All this from one relatively small area, coupled with a growing suspicion of widespread "chiseling," "inadequate supervision," and "the perpetuation of relief" makes the investigation of W. P. A. an urgent necessity. In July, Congress will be asked to make a new appropriation for several billions of dollars to finance the jobs of 3,000,000 men and women. There are disputes over the accuracy of the number. There are rumors that the rolls have been padded for political purposes in many important political centers. There are whispers of fraud from New Mexico to New York.

The investigation is necessary. Let it be informative rather than sensational. Let it present the facts as they really are so that the Nation may make up its mind on the basis of the truth, rather than hysteria.

I have applied for thousands of my fellow townsmen for jobs on W. P. A. and I have been successful in getting some of them on. You cannot possibly imagine the suffering that our people have experienced under the administration of our Federal affairs we have had in recent years. W. P. A. is nothing for a poor person. How can you live on $15 a week and pay $2 or $3 a week to get to and from a project in a city like Cleveland? Instead of legislating in a piecemeal fashion we ought to have a major operation. Instead of voting all this money from time to time as you tried to do the other day—why, they were voting on this $60,000,000, and, as the gentleman from Virginia [Mr. WOODRUM] said, that bill was going through this House like a cat goes through a dog show. I am very proud of him for calling that to our attention. He showed us how foolish we were in voting the money without knowing anything about it. That is the reason we have had these crazy things in our legislation here, and we vote money this way and that way because the Workers' Alliance or some other organization puts the heat on, without thinking about solving our unemployment proposition in a sensible American way. Every person and every laborer in this country is worthy of his hire. Give the people of this country a real breathing spell. Give the workers regular jobs at regular pay. Take Government out of business and business will provide the jobs. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. SWEENEY].

Mr. SWEENEY. Mr. Chairman, I rise today to announce my intention to support the additional deficiency appropriation of $150,000,000; the amount recommended by the President of the United States. The Members of Congress and the Nation know that at times I have been in disagreement with some of the policies of the President. I support him as a matter of conscience and conviction, when I think he is right. I oppose him when I think he is wrong. Today I repeat with every emphasis at my command what I have stated thousands of times since Franklin D. Roosevelt was elected to the Presidency, that he is fundamentally sound in urging the National Government to assume its responsibility and its obligation to feed, clothe, shelter, and furnish employment to thousands of our fellow citizens who are the vic-

tims of this man-made depression. This obligation must continue, whether we like it or not, until such time as industry assumes its responsibility in absorbing the unemployed; and we meet the challenge of the machine age which is partially responsible for our present social and economic ills.

Mr. Chairman, the Appropriation Committee has experienced a change of heart since we considered last January the W. P. A. deficiency program. At that time despite the pleas of the mayors of more than 88 cities of the United States, and the pleas of the President of the United States for the amount of $875,000,000 to carry on the operations of this agency to the end of the fiscal year, the committee urged, and the House passed by a majority, supported by almost every member of the Republican minority, the slashing of one hundred and fifty million from the amount requested by the President.

It was evident that the penny-wise and pound-foolish so-called economy program of the committee and the Republican Members of the House would only serve to hasten consideration of the subsequent appeal that came from the Executive to restore the $150,000,000. By some strange process of reasoning the committee just a few weeks ago said this agency of the Government could get along until the end of the year on the sum of $725,000,000, but today states we will allow you $100,000,000, but not the full amount required by those who have made a factual and accurate study of the necessities of the Works Progress Administration. Why this change of heart? I believe it is because they have heard from the folks back home, and they want to make some amends for their action of last January.

Criticism has been presented here today that the National Government has spent since the depression has set in, all told, $21,000,000,000 for all purposes to meet the emergency; that approximately $7,000,000,000 has been spent by the Works Progress Administration. I hate to visualize just what would have happened to the Nation if we had not spent this money. Millions of unemployed, facing hunger and starvation, would have been driven to revolution overnight; and God alone knows what damage the Nation would have sustained in the loss of life and property, in addition to the destruction of our national morale and possibly our democratic form of government. "It could happen here," as vividly described by our colleague the gentleman from North Dakota [Mr. BURDICK].

All of us know there is considerable waste and inefficiency in the administration of the W. P. A. money. Because of this it ill becomes the Congress to take it out on the poor fellows who labor with picks and shovels for a mere pittance in an effort to support their families. The W. P. A. workers are our brothers. They have a God-given right to the opportunity to earn a living and maintain their self-respect. From this working class comes the large families. They do not practice birth control. They furnish the soldiers for the Nation's cannon fodder in time of war.

I hold no brief for the administrative staff of the W. P. A., and I am in accord with my colleague the distinguished gentleman from Ohio [Mr. BENDER], who just addressed you, that there ought to be a searching investigation into the administrative activities of this department of the Government. I hope when that time comes that the distinguished gentleman from Virginia [Mr. WOODRUM], with whom I am in disagreement today over the amount of the appropriation necessary, will be the chairman of that committee. I shall take him to places in Cleveland, Ohio, where there are known Communists on the W. P. A. pay rolls. A few weeks ago by legislation you kicked out the aliens employed on W. P. A., and you put the Communists in their places. I will take the distinguished gentleman to the W. P. A. in Cleveland, where there are scores and scores of married women drawing good salaries, whose husbands are working in private industry earning substantial incomes. I shall call to the attention of the committee a married woman in Cleveland, Ohio, receiving from the W. P. A. in salary over $200 a month, while her husband earns $10,000 a year as director of the Cleveland orchestra.

I shall bring to the attention of the committee a situation that occurred during the summer of 1938 before the election, when the two sons of a Republican leader in Cleveland, a member of the mayor's cabinet in that city and a millionaire, were working on W. P. A., drawing the sums of $265 a month. It was primarily through my efforts an investigation was had, and these men were forced to resign from their lucrative positions and qualified distressed citizens filled their places.

Our Republican friends talk a lot about the Democrats playing politics with the W. P. A. I cannot speak for the rest of the country, but I say emphatically without fear of contradiction that the entire machinery of the W. P. A. in Ohio is run by Republicans. The Republican mayor of the city of Cleveland, through his agents, utilized the relief stations to certify applicants for W. P. A. work, and many passed who had money in bank and income from property. Every Republican politician in Cleveland, Ohio, who means anything to the political machine, somehow manages to find a job on the W. P. A.

My good friends, the gentleman from Ohio, Congressman BENDER, is honest when he says he got jobs in Cleveland as a Republican. More power to him! He got almost 7,500 jobs, and I ask him if that is not a fact?

Mr. BENDER. Yes.

Mr. SWEENEY. I ask you on the Democratic side how many jobs you Democrats got in your respective States from the W. P. A.? This condition in Ohio was brought about by a so-called Democrat who is the administrator of the W. P. A. for Ohio, Dr. Carl Watson. He defends his administration on the ground that he holds the cost of administration down to 2 percent. I am here to state publicly that out of the 2 percent cost 1.99 is being spent to keep on the pay roll, with few exceptions, every conceivable sort of freak social worker and parasite, to which the administrator caters. A Member of Congress is denied by the State administrator and by the National Administrator factual information. They refused to submit the names of those employed, at least they have until the recent committee hearing. Many of the local supervisors are arrogant, discourteous, and in many cases abusive to the many applicants who throng the employment offices seeking an opportunity to work.

I am speaking principally of the conditions as they existed during the year of 1938, when after the adjournment of Congress I interviewed each day on an average 100 persons seeking W. P. A. employment or registering complaint concerning conditions. I do not know Colonel Harrington, the new Administrator, but from every report I am satisfied he is an honest, conscientious public servant, who will attempt to clean out this horrible mess that existed before he took over the responsibility of administering the W. P. A.

I opposed the rule which preceded the consideration of this measure here today. It was one of the worst gag rules ever presented during my experience as a Member of Congress. I trust the opportunity will be present, but I am fearful it will not, to have a roll-call vote on the question of restoring the full amount of $150,000,000 to the appropriation. If our Republican friends and some Democrats who want to shirk their responsibility can shed bitter tears for the W. P. A. worker before election, let them be unafraid to go on record on a roll-call vote in expressing their affection for these distressed citizens when the measure is up for final adoption.

Finally, I suggest to the committee soon to investigate the W. P. A. that hereafter all legitimate complaints of mismanagement, discrimination, or graft in this agency be investigated by the Department of Justice, under the able Attorney General, the Honorable Frank Murphy. As it stands today, the W. P. A. officials investigate each other, and, being bound by the ties of fraternalism and social contact, the inevitable result, with few exceptions, has been a whitewash in each instance.

Mr. TABER. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Chairman, in answer to my good friend, the gentleman from Ohio, MARTIN SWEENEY, and we are good friends, I did write, not 7,500 times but over 10,000 times to the administration in Cleveland asking that citizens who came

to my office be placed on W. P. A. I cannot tell you how many of them got jobs, because I am still writing for many of them to get in, but I will say this to you. When the gentleman states that the administration of W. P. A. is in the hands of Republicans, what he says is not so, because an investigation made by the Cleveland Plain Dealer, a local Democratic newspaper, showed that over 90 percent of the people handling W. P. A. were registered Democrats and active members of the Democratic Party.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I shall support the amendment to this bill to raise the appropriation from $100,000,000 to $150,000,000, and when I do that I realize that there has been some abuse, but this is an appropriation bill and not a bill to correct abuse. Further, I say to my friends on this side of the aisle that they also made promises as well as the friends on the other side of the aisle, and one promise you made and wrote into law in 1933 was to give the farmers parity prices, and the other day you joined the friends on my side of the aisle and "when and iffed" and euchred us out of that measly little $250,000,000 that would have been only a drop in the bucket. The Secretary of Agriculture has stated that if the cost-of-production bill passed Congress the farmer would get an income of about $15,000,000,000 in place of some $7,000,000,000. That is really parity and that is what we are entitled to, but we do not expect to get it from the United States Treasury. We expect to get it from those who consume the products produced by the farmer, his wife, and his children.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. Yes.

Mr. FITZPATRICK. I for one voted for the $250,000,000, and I voted for it because I believed they were entitled to it.

Mr. LEMKE. And I congratulate the gentleman. I say at this time that that $250,000,000 is only a drop in the bucket. The farmers are entitled to an increased income of $7,000,000,000 in order to get cost of production, and if you will support the cost-of-production bill which the Agricultural Committee of the Senate voted out unanimously today, then we will get the money from those who ought to pay it, from those who consume it, and not from the United States Treasury.

Further, I am one of those who feel that the able chairman of the Committee on Appropriations should bring out a bill here to correct the abuse.

There are some abuses, but there are abuses in all of these things when you have to deal with 11,450,000 people. It is no small job to do that. The report of the minority of the committee shows that in February 1939 there were 11,470,000 unemployed and 32,627,000 employed. In other words, we have one-fourth of the men and women who are capable of working classed as unemployed, a thing that ought to be an insult to our intelligence.

There are 435 Members here who have been fiddling around here ever since I have been a Member of Congress, and all the time there has been legislation pending which would have made this relief unnecessary if we had gotten together and worked as we should have to make these men and women self-supporting and self-sustaining. Until we do that I shall vote for relief and continue to vote for it, whether it is a million dollars or a billion dollars, to take care of people who are in misery and who are hungry.

To set forth the situation in the Nation, not as it is in the District of Columbia but as it is in the Middle West, I shall quote from a letter received from the Governor of my State, John Moses, a good Democrat:

DEAR MR. LEMKE: As you know, our people are facing a very serious situation if Congress fails to appropriate $150,000,000 to carry on the Works Progress Administration through till the 30th of June. I have had several conferences with the State administrator, Thomas H. Moodie, and am advised that out of the 14,000 men now employed on W. P. A. 2,100 will be dismissed by April 1 if additional money is not made available. As a consequence, through these men and their families, not less than 10,000 people will be dependent on the State relief agencies, which at this time will mean the practical break down of the State agencies and will mean an additional drain on the State welfare board finances which will be well-nigh unbearable.

Gentlemen should remember that in these Western States there has not been a crop for 10 years in some places.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman, if it were possible to do so, I would like to offer an amendment to this bill providing that a million dollars be earmarked for the purpose of the Works Progress Administration sending a commission to China to study their methods of national rehabilitation. I am sure, Mr. Chairman, we could learn some very valuable lessons in this respect from the so-called "heathen Chinee."

Mr. Chairman, I wish it to be distinctly understood that I am not advocating that we apply the Chinese standards of living to the solution of our unemployment.

Mr. Chairman, I am not attempting to appear either humorous or sarcastic. I am serious. For the past 4 years, under the system of "rubber stamp" writing of blank checks of whatever amount asked for, we have been doing this Nation an injustice. We have been doing all of the people an injustice, but we have been working a special injustice upon the unemployed of this Nation. After all, they are deserving of the same care and protection that any other class of our citizens receive. They are entitled to the protection of their Government, and they have not been receiving it.

We, the Congress, are to blame. Instead of insisting upon what we knew was right we have followed the path of least resistance and have acquiesced in a program which has destroyed the moral fiber of each and every man who has come in contact with it. We have written blank checks which have been put in the hands of impractical, sentimental, theoretical socialistic-minded spendthrifts, who under the influence of the communistic-controlled Workers' Alliance, have engaged in a paternalistic program which has almost wrecked our Nation morally, financially, industrially, and economically. In return for this money we have left nothing of lasting effect unless you care to count the W. P. A. building at the New York World's Fair or the swing Mikado.

With all this expenditure of money, as far as I know, we have not settled one family on land where they can make a living for themselves or started one industry to make any group of our unemployed self-supporting. In January the Congress did, by its refusal to grant the full sum demanded for the remainder of this fiscal year, succeed in getting the W. P. A. to eliminate from its rolls some 80,000 chiselers and many thousands of aliens. We feel that we are making some progress. No one wishes to see any unemployed person suffer any distress, but we, as representatives of the taxpayers of this Nation, must also protect their interests.

Let us turn for a moment to the other side of the world. China, that sleeping giant has been aroused from her lethargy of centuries and is becoming really progressive. In the midst of a war on her own territory she is carrying on the war and at the same time shifting her population about and rehabilitating her nation and her people. Cut off very largely from supplies from outside, she is "rolling her own."

For centuries she has been faced with an industrial situation far worse than any with which we have ever been faced. Then on top of that a war—and a war of invasion at that. Millions upon millions of her citizens forced to migrate for thousands of miles. Did the Government of that nation choose to take the path of least resistance and place these people on a dole and forever destroy their moral fiber? Not so. They have been provided with land upon which to raise their living. They have been provided with industries with which to supply themselves with the necessities of life, to make supplies for the army and commodities for export. They are carrying on a policy which will win the war and which when the war has ended will leave China a really progressive nation.

They are building up while we are tearing down because under the spur of dire necessity they have ceased to dream

of the past and are living in the present. They are putting to work the time-tested axiom of government—the people must support the government, and not the government support the people. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Pennsylvania yields back 5 minutes.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Chairman, the liberal of the La Follette and Teddy Roosevelt school was the fellow who believed in taking away special privilege, but the liberal of today, under the definition of the New Deal, is the spender and the one who keeps on spending to cure every ill imaginable.

Throughout 144 years of the existence of our Government we did not feed anybody out of the Federal Treasury, and practically nobody starved. If we had not appropriated these billions and billions in the last few years there would have been another way they would have been fed. If the President had followed his promised economy of the first month and practiced economy, except for soldiers, and carried it forward and reduced Government expenses 25 percent, we would have been on the road to recovery and there would not have been these billions spent, and nobody would have starved. It was 144 years before we fed anybody. Were there not poor people in the nineties and the eighties and the seventies? Is it not funny when you think of it in the light of today that nobody starved to death in this country and the Government never fed any of them for 144 years, but all at once billions and billions and billions, imperative, necessary, and all that sort of thing?

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. No; I cannot yield. I have too much to say in my own time.

The request for $875,000,000 as it came before our committee was not arrived at on any scientific basis. Understand that. Some of them talked a billion; some talked nine hundred million; some eight; some seven; some six—down behind the doors where they were trying to decide on a figure. It was not arrived at by any scientific calculation. They finally hit on $875,000,000, and they came up here and agreed to stand by it. That is the evidence before the committee.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. No; I cannot.

We thought that out of the waste we could see on the surface, from what the evidence disclosed, we could save $150,000,000; and the committee brought it in. There has not been a finer reaction in 10 years from my people than there was to that action.

Mr. HEALEY. Will the gentleman yield?

Mr. LAMBERTSON. No; I cannot.

There was not a finer reaction to anything that this Congress ever did than the reaction to cutting off $150,000,000. That reaction was from a rural section which I represent. There has not been anything exceeding it in the 10 years I have been in this Congress. What happened? The very afternoon that bill was signed by the President he said, "We have got to have $150,000,000 more." They had not had time to develop any evidence. It was that determination to have everything he asked for. In his first inaugural he said, "You know, Teddy has said at some time that nobody could bat over 75 percent," and he would admit it; but he has never admitted once that he was ever wrong. This is the last determination, the last stand, where he is determined to have his way, just as he did last week on the reorganization bill.

Mr. LEAVY. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. No; I cannot. I wish I could.

The thing involved is somebody's determination. This $150,000,000 here is not so much for relief as it is to satisfy the determination. If it had not been for so many millions of money put into fool things like that project in St. Louis and others of a similar nature, we would not have to consider this $150,000,000 at all. We have had so many dozen—half a hundred things just like that, where relief money went to real-estate owners and did not feed even one hungry soul, one hungry mouth. We have had so much of that.

Spring is here. Out in the country they work 3 days a week and receive just as much pay as the farmer ever paid for 6 days' work. They would rather work the 3 days and let the farmer go look for his labor some place else or not have it at all. We ought to take them off relief. We ought to force W. P. A. workers in the rural sections to go to work on the farms as they used to, and there is nothing that would be finer for them than for us to turn this bill down.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 1 additional minute to the gentleman from Kansas.

Mr. LAMBERTSON. I did not vote for parity, yet I represent a rural section. Parity is not going to do this thing. Giving people candy is not going to solve the farm problem; it is not going to solve the relief problem. We have been spending money recklessly for 6 years and we are worse off than when we started. Is it not time to change and try something else?

Mr. ANDERSON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. I cannot yield. As I say, we are worse off than ever. It is time we started to do some thinking, time that we planned what we know would develop confidence that will release the billions that are stored up in banks and hoarded. Restore confidence so that those idle dollars will come out and be used for the employment of people. This is the only way we can ever come to a satisfactory recovery. Feeding people is not going to do it. Let us put first things first; let us put people back to work.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, if we wanted to talk about fundamental things, of course, we would be talking about a monetary system, tax program, and pension program which would be effective in bringing about that balance between the consuming power of the people of this country and their power to produce without which a free economic system cannot survive. I am not going into a long economic argument about that this afternoon, but I can say that conditions in this country for everyone will be worse to the extent that you deny purchasing power to the people, and they will be better to the extent that you enable people who otherwise will not have purchasing power to have enough at least to buy food, clothing, and shelter. One dollar paid in W. P. A. wages means $1 more of demand for goods of farms and industries.

The issue, Mr. Chairman, is not whether W. P. A. should or should not spend money for building airports, or should or should not spend money for building outhouses. I think these two projects are about the two extremes that we could imagine. One gentleman has objected to one, another gentleman to the other. Somewhere between the two there ought to be found the kind of project that is acceptable to all. But I wonder whether that is possible and am compelled to conclude that some Members of the House really desire not so much one kind of project or another as the destruction of the whole works program and a return to the dole for the unemployed.

All thoughtful Members, I am sure, would far rather have our unemployed people doing useful work instead of sitting around idle. I am in favor of improvement of this program, as I am sure Colonel Harrington is, but I feel that the arguments that have been advanced against this program this afternoon are just about as inconsequential as the gentleman from Missouri [Mr. CANNON] has described them. I wish every Member of the House could reread his speech before he votes on this bill and amendments to it.

The man that I am concerned about is the man who needs a job and cannot get one. Beside him all the rest of this talk is unimportant. There are 8,000,000 of those men in this country who are not on the W. P. A. today. And yet

the committee proposes a further cut. In my district most of these men are over 50 years of age—beyond the age where industry will hire them or where civil service will let them take an examination. This average W. P. A. worker has a family to support and he wants to work, he does not want to be idle. He is as good an American as you or I. I figured up that there are about 1,000 such people in my district alone, heads of families, who are going to be thrown out of jobs unless we appropriate not $100,000,000 but $150,000,000 today. I do not believe it is quite fair to them for us to say that the W. P. A. has things the matter with it and therefore we will condemn them to direct relief. Remember these folks need "confidence" too! After all, Congress has had 6 years in which to direct the conduct of W. P. A. and handle it in a constructive way, to lay down standards whereby this program should be carried on, to pass a careful legislative act regarding a public works program.

I am in favor of doing that, I have always been in favor of doing that, and I have even introduced bills to do it. But I am not in favor of excusing our failure to do that by taking it out on the poor people of this country at this time. When we considered the W. P. A. appropriation bill in February we were told we should cut the President's figure and that if we did the people would go back to work in private industry. We did cut it. And today there are almost 2,000,000 people eligible in every way and in need of W. P. A. work who cannot get it.

It is Congress' responsibility to see to it that so far as possible equal justice is done to all. That is the reason I voted for parity payments. It is the reason I am for $150,000,000 for W. P. A.; not because I think it is a perfect solution but because I think that until we get down to business and solve this economic problem that we have got to do the things necessary to be done to prevent injustice. I am in favor of spending money to save people rather than spending people to save money. We are told by the gentleman from Tennessee that there has been a revival of employment according to A. F. of L. figures. If so, let us not kill that revival by making a mistake in this appropriation bill.

I think there may be this to be thought of in this connection too, and I say it earnestly, that after all the American people are inclined to cast their ballots at elections in accordance with the general economic conditions that pertain at a certain time. We all know that. I would regret very deeply to think that a single Member of Congress would fail to do a thing which would improve the economic circumstances of this country. I would hate to think that anyone here would fail to do what is best for the relief of economic conditions in this country. I would hate to think that anyone would play politics with human need. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, during the past 6 years this Congress has appropriated over $55,000,000,000. Since July of 1935 we have made available to W. P. A. the sum of about six and one-half billion dollars. During the present fiscal year and for the same purpose we have made available over $2,000,000,000. Yet we are confronted today with a situation reflected in eleven and one-half million of our fellow citizens out of employment, 1,700,000 on direct relief, and 3,000,000 on the rolls of the W. P. A.

Mr. Chairman, to my mind this is a tragic picture—a picture which eloquently condemns policies which we have been pursuing in this country in recent years, policies which, in my judgment, have served to hamstring legitimate enterprise throughout the length and breadth of the Nation, and to deprive millions of American men and women of real jobs at decent wages under decent working conditions. In my judgment, the W. P. A. problem will never be solved until these policies have been discontinued or changed so as to permit honest industry in America to again function.

Mr. Chairman, I believe that every Member of this House is sincerely in favor of adequate relief for those in need in these terrible times. Those in need must be given a helping hand and Uncle Sam must shoulder his fair share of this burden. I think it is also apparent that this House is overwhelmingly opposed to the present system of relief or to the administration of that system which now stands before the Nation charged with waste and extravagance, with the scandalous misuse of money made available for those in need, with the actual fostering of subversive propaganda against the Government itself.

All of us are familiar with the so-called Sheppard report, some 440 pages in length, and with the scandalous abuse which that report developed in State after State, much of it attributable to W. P. A. in connection with the last campaign. I call attention in this connection to the testimony of one of our Democratic colleagues, the gentleman from Pennsylvania [Mr. ALLEN], who gave your committee evidence from his own congressional district along similar lines to that appearing in the report in respect to Pennsylvania as a whole.

We are all familiar also with the report of the Dies committee and with the evidence found in that report with respect to the writers' project of the W. P. A. and the fostering, under that project, of subversive propaganda even against the National Government itself. I call attention in this connection to the following letter appearing at page 211 of the House hearings, written some years ago, to be sure, but written nevertheless to the editor of the Nation by Mr. Henry B. Alsberg, national director of the writers' project, at a salary heretofore of $7,200:

NEW YORK, *October 11.*

To the EDITOR OF THE NATION.

SIR: The recent series of prison revolts, especially that of the Colorado convicts, directs attention to our entire system of penology. Most penologists already admit that conditions in our jails are unspeakable; the great majority of us, however, have no familiarity with these conditions and go on happily, never reflecting that upward of 200,000 Americans are always in jail and about 5,000,000 have at one time or another been submitted to demoralizing jail conditions.

In a short letter like this one I can only outline certain suggestions which are usually pushed aside as absurdly fantastic, but which have, nevertheless, been brought nearer reality by the acts of the convicts themselves:

1. Reform must be won by the convicts themselves. The history of prison scandals of over a century proves how little is accomplished from the outside. No class has ever won rights except through its own efforts. Witness the case of trade-unionism, women's rights, conscientious objectors, and political prisoners in Russia and elsewhere in Europe. Already the epidemic of prison revolts has aroused the public and forced Messrs. Hoover, Roosevelt, and other notables to advocate reform.

2. Convicts constitute a class with as great a community of interests as any other class.

3. It would not therefore be difficult to develop class consciousness among criminals. In fact, it already exists.

4. But the right kind of class consciousness does not yet exist among criminals. In order to attain it they must slough off their own sense of guilt and must develop a conviction that they are victims of society, not culprits. Most of us are already cynically sure that only the poor, stupid, or mentally diseased get into jail, and that it is almost impossible to make a multimillionaire serve real "time." Statistics prove conclusively that the vast majority of prison inmates are recruited from the poor. The criminal, however, must develop an active conviction that poverty and lack of opportunity are his greatest crimes, and that therefore he is entitled to treatment better, not worse, than that accorded wild animals in captivity.

5. Propaganda for this kind of class consciousness among criminals will have to be made by our young radicals touched by the plight of this great crucified mass of fellow men. They will also have to do the organizing, both inside and outside jail, at least in the beginning. And they will constitute the link between "criminal" and "noncriminal" public opinion.

6. Convicts must not engage in bloody aggressive prison rebellions. The blood must be shed by their jailers, provoked by a determined, passive resistance modeled on that of the conscientious objectors and European politicals, hunger strikes, refusal to cooperate, willingness to die rather than go on under unjust and degrading treatment. Very soon the morale of the better prison wardens, officials, and public will break down in the face of such determination, and the right to humane treatment and to organize for defense of that right will be accorded the criminals. I look forward to the time when every convict, inside or outside jail, will have his union card.

HENRY G. ALSBERG.

I call attention also to the recent Senate hearings, page 217, where will be found evidence of the construction with W. P. A. money of supposed school buildings, which were turned over almost immediately for $1 or a nominal consideration to this or that corporation to be used for the manufacture of hosiery.

The $300,000 world's fair building and the Mikado episode, denying employment to those in need in New York, have already been referred to.

The hearings held in January contain evidence of some 64 major investigations by W. P. A. itself, resulting in the dismissal, suspension, or reprimand of no less than 72 of its own administrative or supervisory officials.

These are some of the incidents which have built up in the country the conviction that the administration of W. P. A. in many places has been guilty of scandalous misuse of money appropriated for the needy. These and similar incidents, with which we are all familiar, have led to the overwhelming vote a few days ago in this House, there being only 27 votes in the negative, in favor of a real investigation of the W. P. A.

Mr. Chairman, I am not going into detail in respect to the record that has already been covered. We are all familiar with the build-up of the W. P. A. rolls from about 2,600,000 last June to 3,257,000 on November 12, just after the campaign. We all appreciate that this build-up occurred in spite of increase in employment during the same period of 1,100,000 and despite an increase in the Federal Reserve bank index of production of about 21 percent. The build-up, of course, was far in excess of that predicted by Harry Hopkins in his testimony before the committee in May or June of last year.

There has also been emphasized today the fact that this build-up after the first and immediate reduction following the campaign has not been materially decreased in recent months. About 3,000,000 persons have been carried on the rolls although during the months of September to January, inclusive, some 1,200,000 persons left the rolls, about 50 percent of them, I believe, voluntarily. The total carried this January is about a million more than in last January. The index of production in January this year, however, was about 26 percent in excess of that of a year ago.

The total funds made available for W. P. A. since its inception have been as follows: For the fiscal year 1936, one billion two hundred million; for the next year, one billion eight hundred million; for the succeeding year, one billion four hundred million; and for the present fiscal year regardless of the pending appropriation, well over $2,000,000,000. The amount appropriated for the present fiscal year is greater than for any other year.

If you add the cost of direct relief to that of W. P. A., Uncle Sam is today shouldering about 72 percent of the burden.

Mr. Chairman, I rose to make a specific suggestion at this time. In January when we were considering this matter I recommended to the House that we appropriate every cent required for the winter months immediately; that we appoint an investigating committee immediately, that further appropriations be made in the light of that investigation. It seemed to me that it was sound to investigate first and appropriate afterward. I supported a motion to recommit on this basis. Had the motion carried no one need have left the W. P. A. rolls during the winter months.

Mr. Chairman, I submit that the same general principle is sound and applicable today. I submit that it should be a perfectly easy matter to put this principle into effect by a simple amendment to the resolution approved on February 6, 1939. A similar proposal has been made in the other body by the distinguished senior Senator from Michigan.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. WIGGLESWORTH. Mr. Chairman, the resolution referred to required the W. P. A. to so apportion the available appropriation that it should cover the entire period from February 4, 1939, to June 30, 1939, the end of the present fiscal year.

According to Colonel Harrington, he has now available sufficient funds to carry him to June 7 if this particular proviso be amended. See letter to Senator VANDENBERG, CONGRESSIONAL RECORD, pages 3337–3338. If we accept the reasoning of the report of the committee on this appropriation and add $50,000,000, Colonel Harrington should have in his hands without further appropriation sufficient funds to carry him to June 15, or 2 weeks before the end of the present fiscal year. All that is required is to change the date, June 30, 1939, in the February 4 resolution so that it shall read June 7 or 15, 1939.

The adoption of this simple amendment would eliminate any necessity for appropriating $150,000,000, $100,000,000, $50,000,000, or any other amount whatsoever at this time. It would also eliminate any arbitrary reduction in the number of persons whom the President desires to carry on the W. P. A. rolls. It would afford an opportunity to Colonel Harrington, who has only recently taken charge of W. P. A., to consider further possible economies and to complete the survey of the W. P. A. rolls which he was instructed to complete under the terms of the February 4 resolution. Finally, it would permit the investigation now authorized by the House to proceed for the full period of 10 weeks, with a view to further economies or appropriate revision of the entire system of relief.

By that time the appropriation for the fiscal year 1940 will have to be under active consideration. If further funds should prove essential for the final 2 weeks of the fiscal year, the matter can be considered in connection with that appropriation and in the light of the investigation.

I suggest, Mr. Chairman, that the proposed amendment would afford the simplest method of solving the problem under consideration.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER. Mr. Chairman, the easiest thing for any Member of this House to do is to support the suggestion of voting the $150,000,000 and proceed to forget all about it. I come from a district containing two large industrial cities and several smaller communities. I am not at this time thinking about any mistakes that might have been made in the past or any money that might have been wasted but trying to keep in mind only the present and future need and best interest of all the people of my district and of the United States.

I have given more serious thought and study to this proposed appropriation than I have given to any matter yet presented to this Congress. I have read every word in the 300-page report of the hearings held on this resolution, and I can find nothing in the testimony that convinces me this additional W. P. A. appropriation is needed or justified.

A few short weeks ago Congress, after lengthy debate, voted seven hundred and twenty-five million to continue W. P. A. from February 7 to June 30. At that time Congress felt that this was all that was really needed. The same day the President signed the bill providing seven hundred and twenty-five million he issued a statement to the effect that he would insist on Congress voting $150,000,000 more for W. P. A. He made no study or investigation of the need.

I represent a district in which you will find more than 20 typical New England towns as well as two large industrial cities. One of these cities is also the insurance center of the United States. The life-insurance companies are really trustees for millions of our citizens—trustees trying to protect the life savings of millions of Americans.

In the campaign of 1938 I promised my people that I would vote for whatever was needed to continue W. P. A. until some better plan of relief administration was devised or until work relief was no longer needed. That promise I kept when I voted seven hundred and twenty-five millions for 5 months of relief.

At no time since 1933 has the Federal Government provided work relief for more than one-third of the unemployed. No one can deny that at the present time many of our States, cities, and towns are in a better financial position than is the Federal Government. Many of them are better able to provide needed work relief than is the Federal Government.

In considering this W. P. A. appropriation I have driven from my mind all knowledge of the money that has been wasted in the past. I have tried to forget how the pay roll of W. P. A. was loaded for the few months prior to the elections last November. We are concerned today with the present and future need of the W. P. A. I am remindful of the

saying of an old white-haired nurse I once had caring for me. She was required to give me a treatment that was very painful. As she worked over me she would often say, "To be kind it is often necessary to be cruel." That is still true. Some are going to be hurt if this appropriation fails, but no one is going to go hungry or cold and no one is going to suffer as much as will millions of our citizens if we go on year after year piling up huge debts. If that continues, the day of reckoning will come and we will have either repudiation or wild inflation of the kind we saw in Germany, inflation that will mean ruin for all of us, inflation that will mean a thousand rubber dollars which will not buy a loaf of bread. Where is the gain if by trying to provide work relief for another hundred thousand men and women we bring ruin on all of our citizens?

If every possible dollar of the seven hundred and twenty-five million we recently appropriated for W. P. A. could go to the needy unemployed, this proposed additional appropriation would not be needed. Cut out the waste. Cut from the rolls the wardheelers who are now on W. P. A. administrative pay rolls drawing larger salaries than they had ever drawn before. Why should one man with training and experience be swinging a pick in a ditch, while another man whose only qualification is the fact he has the right political connections be paid twice as much per month to boss the job? Why not go back to the old E. R. A. budget system by which millions of dollars could be saved? I believe that in every town, city, county, and State you could find men who would volunteer their services as a patriotic duty to aid in the honest administration of relief funds.

Every Member of this House knows men in his own district who have been spoiled by being on relief too long. Men who have lost their nerve, who have lost the fighting spirit, who have lost the spark needed to cause them to really try to improve their position. One such man wrote to me a while ago after being laid off a W. P. A. project. After complaining about his lay-off he ended his letter by saying:

> I have been on C. W. A., F. E. R. A., and W. P. A. for almost 4 years. Perhaps this is the best thing that could happen to me as now I will have to go out and look for a real job in private industry.

How many such men are there in the United States? One might be led to believe that we had not already appropriated seven hundred and twenty-five millions for the W. P. A., only a short time back, to listen to some of the debate on this appropriation.

One hundred and fifty million or a hundred million dollars is still a lot of money. I was surprised to hear a Member of this House, speaking here in the Well the other day when we were considering a two hundred and fifty million appropriation for parity payments to the farmers, refer to it as "this small sum of money," and today hear another Member refer to "a measly $150,000,000." They did not really mean what they said, but I submit a million dollars will some day be a measly sum if we ever start the printing presses turning out dollars. It is a dangerous attitude to foster, this consideration of large sums of money as being insignificant and paltry.

As my time draws to a close I will say to you I have confidence that Colonel Harrington will, if denied this appropriation, institute the needed economies in such a way that none will suffer. If this is not done, and those most in need of work are removed from the W. P. A. pay rolls, it will be the fault of the Administration, and the people back home will know where to place the blame.

I am convinced that if this House will stand firmly by the cuts in the cost of government recently voted, if we will deny this unnecessary appropriation, we will have done more for the millions of unemployed than has yet been accomplished. The piling up of debt has not solved the problem. Surely we are right in trying a new method—economy; in that way we will show the employers of labor that we are aware of the dangers ahead, and we will find less unemployed by July 1 than we have had for years. Let us not take the easy way, but let us show our courage, and I am sure the American people will approve our stand and go forward out of this depression.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. HOOK].

Mr. HOOK. Mr. Chairman, I have heard many discussions here on the proposition that the W. P. A. is not needed and that what we should do is provide jobs in industry for the unemployed. I call the attention of the Members of this House, if they are sincere in thinking along those lines, to the fact that they should give real consideration to the bill H. R. 933, which in my opinion will provide 9,000,000 jobs in industry at regular wages, which will provide a decent living for the men and women of this Nation and, more particularly, the youth between 21 and 30 who are utterly the forgotten men and women today. I want it strictly understood that I am in favor of the $150,000,000 amendment that is to be offered to this bill.

This Congress should be ashamed of its actions, or rather the actions of some of those who claim to represent the people, starving people, and why? You men and women of this House are responsible because you sit idly by and let these things go on. Change your monetary system to chase the money changers out of the temple; put 9,000,000 men to work by adopting my bill—H. R. 933. In the meantime we must have W. P. A. and money to properly administer it so as to save people from starvation. Dr. Whiteshield, a very fine character, a real man from my district, is the author of a poem which is appropriate here:

HUNGER

In every land and every clime the wolf of hunger strays
And gorges on incompetence as terror haunts their ways,
A widow with her ragged brood in desperate struggles keep
Starvation just beyond the door, while you in comfort sleep.

The maid is scorned who paints the cheek, to hide the hunger's pale
And sells herself for wanton gold, how can she be so frail?
Ah! could you read her fright'ed soul, ere fatal step she took,
You would not so contented be within your cozy nook.

O woman dear and feted man, cast off your golden chain
That will not let you stoop to serve your fellow man in pain.
Your span upon this earth is short, then let it not be said,
"You lived for self, and self alone, for you're a long time dead."

I dreamed that in this land of ours, rude poverty was slain,
All want was banished evermore, no children cried in vain,
A voice of heavenly music said, "No more you'll hear in scorn
That man's inhumanity to man, make countless thousands mourn."

The people of my district are getting the measly sum of $44 per month, and when I ask that they be raised to $60 to $65 per month I am told there is not money enough to do so. Please be human and help us get the money so that men and women can at least be kept from hunger and suffering Do not penalize the worker for the mistakes of those in charge of the supervision. I fully realize that under the stringent gag rule adopted that we are precluded from offering an amendment to change the rate of pay. If it were open for such an amendment, I would offer it. Those of the so-called economy bloc—that is a phantom thing—are against any parliamentary procedure that would force a roll call to show how they vote on record. They have the voice of Jacob but hand of Esau—hypocrisy supreme.

The W. P. A. has done a wonderful job; one that will go down into the annals of history as the greatest work ever attempted in the name of humanity. What would your businessmen or the laboring men do without it until a better program is formulated to take its place? I am partisan in favor of labor and the common man. I care not what abuse may be heaped upon me from the followers of those who represent the wealthy parasites who live off the profits made from the sweat and the blood of the American workman.

I was interested in the statement of the gentleman from Ohio [Mr. BENDER], a Republican, concerning politics, and also in the statement of another gentleman from Ohio, who informed the Committee that the gentleman from Ohio [Mr. BENDER] received about 7,500 jobs from the W. P. A. Here is a Republican who named 7,500 jobs on W. P. A. howling about politics. Inasmuch as the gentleman was elected, then, by the W. P. A., I hope he votes for the $150,000,000 when it comes before the Committee. Oh, but he will not, because under this rule he does not have to vote on record. Shame

on such tactics. The laboring man should know his enemy and act accordingly.

I was also interested in the statement of the gentleman from New York with regard to the world's fair. In that statement he criticized the W. P. A. for their activity with regard to the New York World's Fair and informed us that the thing he criticizes was going on before January 1.

He is a member of the World's Fair Commission, and if anything wrong was going on since January 1 and he only discovered it yesterday he certainly must have been derelict in his duty as a member of that Commission. We should have a change in the Commission by his own admission.

I am also interested in the remarks of some of the rest of the gentlemen who opposed this bill. Let me inform you that the philosophy of some of them may have been developed back in their own States. As an illustration, the State of Virginia is the only State in the Union that has not complied with the Social Security Act in order to provide an old-age pension, and the only one that does not have direct relief.

I will vote for $150,000,000 and hope it will pass and then hope consideration will be given to my proposal that has been approved in the news items of the Labor magazine of Tuesday, April 4. May I explain my plan?

I have been very much interested in the statements of Mr. Eccles, Chairman of the Federal Reserve System, and the statements of several of the legislators with regard thereto.

I am firmly convinced that we will not meet the problem of a balanced Budget or the problem of balanced economy until 9,000,000 people are put back to work in the regular channels of industry, commerce, and agriculture at once and assuring the continuance of the new jobs for at least 3 years. Until these people are put back to work in the lines where their training and skills can be used efficiently there will be no basic recovery.

There is no doubt that in 1933 we had to meet the situation then existing by Federal benefits through the very methods that have been practiced in the past. The W. P. A. and its predecessor, the E. R. A., relieved human want on a vast scale and managed a tremendous program of made work, but it was not designed as a plan to do away with unemployment. The purpose of all this Federal subsidy was to create purchasing power. To a certain extent purchasing power was created and there was quite a spirited recovery up to 1937. The employment of men and women on made work brought about a distribution of Government money direct to consumers, and, as I said, to that extent stimulated consumer buying and wholesale and retail trade, but this made work did not create the maximum of collateral or related occupations employment in the ordinary channels of industry and commerce. It did not restore the balanced occupational relationship that is the basis of healthy recovery.

The only way to overcome unemployment is to create enough jobs in enough different lines or occupations to provide chances for every kind of training, ability, or aptitude to get to work. Furthermore, the new jobs must be opened up in all occupations at one and the same time if the necessary balance between increased production and increased purchasing power is to be attained.

I fully realize that there have been so many proposals for business recovery in recent years that a weary public mind no longer gives willing attention to any. Meanwhile the unemployment problem is slowly crowding to the front and compelling recognition as the central factor in the recession.

There are three possible policies to be considered.

First. Are we to accept the optimistic prophecies of early recovery through the liquidation of present inventories and the subsequent revival of manufacturing without stopping to reflect that 7 months of industrial operation at the 1937 rate would build up even larger undigested inventories again?

Second. Are we to assume that the present level of unemployment is normal and that 10,000,000 unemployed need not worry us so long as 30,000,000 are employed and go along with increased appropriations for W. P. A. accordingly, expand the made work and the dole programs to prevent actual starvation but leave from 15 to 20 percent of the total population at bare subsistence?

I do not think that either one of these plans will bring about the desired recovery.

Third. There is the plan that we must adopt and that is a plan that will aim at putting every person to work who is able to work and wants to work back at regular jobs where their productive capacities will be united with the existing industrial plant and the commercial or agricultural organizations of every-day society; where they will produce goods that have an immediate cash exchange value in the channels of trade—using a Government subsidy to the workers thus employed, instead of appropriating Government funds for unemployment or made work.

The loss to the Nation caused by unemployment is colossal. Compare the present army of 10,000,000 unemployed with the 8,454,918 workers in factories in 1935, when the wage earners were paid $9,836,044,674. If the 10,000,000 idle persons are worth as much to society today as the eight and a half million who work, then the actual loss in purchasing power is approximately $10,000,000,000 in this year. The loss is as much as the entire Budget of the Federal Government.

In addition to this indirect loss must be added the direct expenditures for W. P. A. and unemployment insurance, as well as a considerable part of the cost of direct relief which would be met by the relatives of those now on relief, if the family bread winners were regularly employed.

A fair estimate of the Government's cash outlay, arising from unemployment, would be two and a half billion dollars.

We must have a Government program that will stop the loss caused by unemployment. The depression of 1930 and the recession of 1938 have reduced the incomes and spendable savings of the masses of people so profoundly that Government will have to be the moving force to start all industry and all collateral reemployment at one and the same time. Nothing short of universal teamwork can overcome unemployment as it exists today. We must have Government help. We must have the help of industry. A good illustration of the fact that no one industry can bring about recovery, even though it operates full time, is the experience of the automotive industry. What the automotive industry was unable to accomplish in 1936 and 1937 is beyond the power of any other line of employment to accomplish. It is a delusion to think that a program of public works or a house-building program in itself, standing by itself, without complete cooperation of industry, will solve unemployment. Either program might start boldly enough, but it would be many months—and this has been proven—before the money filtered into the channels of commerce far enough to provide employment for domestic workers or professional people or salesmen or the thousands of other occupations only distantly connected with road building or construction. In the gap that is thus created industry has failed to operate. Thus we still have unemployment even though billions have been expended by a well-meaning government and a well-meaning administration. This lag completely absorbs the momentum of the original program before action is communicated to the whole economic structure.

The unemployment problem affects so many people of such diverse occupational training or aptitudes that no one industry, no matter how big, is able to drag the whole industrial, commercial, agricultural, professional, and white-collar occupations along with it. No partial remedy will meet the present need.

We must set up a governmental program which follows, if set up for a minimum of 3 years, will be sweeping enough to overcome the entire unemployment problem as it exists. The net cost to society would be far less than any plan of Nation-wide relief or made work. The program that I am about to submit I feel is logical and defensible from a business or a political standpoint:

First. We must first exempt from taxation such part of industrial earnings as are used in extensions, improvements, or renewals of the plant. A precise definition of these purposes could be prepared by a committee of businessmen.

Second. We must provide means for the extension of credit to finance the increased stocks of raw materials and finished inventories that would arise from the expansion of employment. This would meet the demands of small business and big business alike. This extension of credit should be broken down to such an extent that the small-business man will be given the same opportunity to finance himself as the large monopolies have. This, to a certain extent, will mean a complete revamping of our monetary system. The needs of the railroads for betterments that would result in the economy of operation or improvements of service would be met. At this time I feel that the Interstate Commerce Commission should give full and complete study to the postalization of railroads. Loans for building construction are in the same category; that is, should be extended credit.

Third. I might say that I fully believe and, in fact, a complete study from a statistical and economic point of view has proven, that the two plans above would fall short of the goal of creating 3,000,000 new jobs in manufacturing and 6,000,000 new jobs in collateral occupations. Therefore, the Government must stimulate employment by offering to pay a definite percentage of the wages of persons given new jobs in conformity with quotas set up in each class of industry or service occupation. This could be done by creating a commission which would handle the Government's end in conjunction with industry. The Commission should be authorized to enter into voluntary agreements with employers under the terms of which the Government, through the Commission, will agree to pay 40 percent of the wages of employees who are hired under the provisions as set forth and in accordance with the rules and regulations as laid down. An employer who would participate shall be required to certify under oath the number of employees at work on November 1, 1937, or at some base period, together with the hours worked and the wages paid on that date. The Government should not pay any portion of the wages represented by the basic employment figure but should pay the 40 percent of wages of employees added to the pay roll over and above the basic employment figure, which, in short, is that the Government will subsidize by 40 percent the additional employment over and above the basic period, such payments to be made directly to the employees under regulations as the Government may prescribe.

The Government should be able to require employers to observe wage and hour standards as a condition precedent to conferring the benefits of this act upon such employers, and may promulgate regulations favoring the establishment of annual wages in specified industries. This would not only go to subsidizing those added to the present factory pay rolls but to all industrial, agricultural, domestic, and personal services and, in fact, all lines of employment. For instance, it would go even so far that if a housewife hired a maid, where she did not have a maid before, the Government would subsidize to the extent of 40 percent of the maid's wages. The grand total of 9,000,000 new jobs would be created and thus would completely absorb all unemployed persons able to work and wanting to work. The allocation of the new job quotas among different occupations would be in proportion to the numbers actually employed in such occupations in reasonably healthy times.

Fourth. A comprehensive plan in addition to this should be instituted for training young workers for industry and retraining older workers who find their skills obsoleted because of new machines. Lack of vocational training and retraining has kept hundreds of thousands of individuals practically unemployable since the depression started. Complete reemployment is not possible without some means of vocational training.

Fifth. As a means of completely mopping up unemployment, encouragement should be given to (a) self-help agricultural-industrial cooperatives, where marginal workers cannot meet the demands of industry because of age or physical disability, so that they may make a portion of the things they consume; and (b) limited programs of public works by direct grants of the Federal Government designed to serve regions where industrial or commercial reemployment cannot be had because of the absence of industrial plants or where agriculture is not the prime means of employment.

Sixth. After this has been done there should be a joint congressional committee of, as a suggestion, 10 Members of Congress and 10 from the Senate, set up with a staff of clerks and technical experts to make a careful study of the industrial, agricultural, and commercial factors which enter into the economic structure and ascertain what must be done to bring into balance all the essential elements of an economy of abundance. The plan thus evolved should be ready to be laid before Congress prior to the expiration of the 3-year term of the temporary plan above outlined.

I fully realize that we cannot immediately cut off the W. P. A. and made work without severe repercussion. This plan above mentioned should work so as to gradually take men and women off of relief and place them in private employment. If this plan were put into effect it would be but a very short time until W. P. A. would be completely wiped out because of the absorption of the unemployed in private industry.

You will note that I have said that 9,000,000 jobs are enough to take care of all the unemployed. According to the recent unemployed registration eleven to twelve million people were registered in the unemployed census or indicated by the enumerative count or estimated by automotive agencies. This does not mean that we need ten or twelve million jobs to take care of them because in thousands of families the younger and older members registered for work when they are seeking jobs only until the breadwinner of the family is once more on the regular pay roll. I believe 9,000,000 new jobs will absorb all the people in America who want regular jobs and are able to work. These 9,000,000 new jobs can be created within the horizon of the existing industrial, commercial, and agricultural organization and they can be created within 3 months if the interdependent elements of production and consumption are brought into action at one time and in the right balance.

The 9,000,000 jobs, in order to balance each other, would have to be distributed among the established occupations in essentially the same ratio as each line of work bears with the other lines in normal healthy times; thus the definite ratio between the number of people needed on the farms to produce the foodstuffs and the industrial or white-collar classes of the cities. Similarly, there is a constant ratio between the suppliers of raw materials and the workers who fabricate the finished product. The number of workers engaged in taking ore from the iron ranges, the crews on the vessels that transport it to the Cleveland Ore Erie docks, the trainmen needed on railroads to haul the ore to the docks, the mills, or haul the steel to market must be determined by the activity of the steel mills. In much the same way there is a balance between the automobile factories and the number of truckers employed in hauling away the finished cars, the number of salesmen in garages who find customers, the clerks in finance companies who handle installments, the insurance agents who write the risks, the lawyers who try the damage suits, and the hospitals that patch up the injured in accidents. In the immediate neighborhood of the factories the number of people employed in making automobiles determines even such seemingly insignificant matters as the number of waitresses hired by the quick-lunch counters on the side streets. You will readily see that for every one job created in the factory, three collateral jobs will be created.

The importance of this relationship between occupations has been underestimated and overestimated repeatedly in the past 8 years when the unemployment problem has been under discussion. Clearly the dominant element in making employment for the army of potential workers in the Nation is the number of people who find work in the factory. It follows, however, that the continued employment in factories is impossible unless the goods which are manufactured can be sold. Therefore, mass consumption is necessary to mass production.

It is the pay roll of one occupation which makes the bulk of the effective demand for the products of other occupations. It is an error to assume that one industry, even though it

should be the general automobile industry, can go into production regardless of the stagnation of other lines. That gallant effort was made in 1936 and 1937 but the sale of cars came to an abrupt halt when the reserves of the automobile companies, the capital sales agencies, and the credit of the ultimate consumers was absorbed. Therefore, with the textile industries, the building industries, the mining industries, transportation lines, and industry as a whole paying less wages than in 1929 and employing fewer workers, the market for new cars had to suffer. The result was complete stagnation of that great industry.

The W. P. A. or its predecessor, the E. R. A., or any similar plan of relief does not protect the industrious and thrifty worker and his hard-earned savings when a recession strikes him. It is a mistake to assume that everybody out of work immediately goes on relief. The W. P. A. today carries about 3,000,000 workers on its rolls. Thus there are about 8,000,000 unemployed that are carrying on without public aid of any kind. When their savings have gone, if economic conditions are allowed to drift, the numbers on direct relief and made work increases. The self-respecting 8,000,000 will resent being forced on relief. Their resentment may become very important to business and politics.

The reason that a program of public works falls short of bringing about a healthy prosperity or a balanced occupational relationship is that the product has no immediate exchangeability. Highways, sewers, or schoolhouse repairs may be desirable additions to the community equipment but they cannot be dropped into the channels of trade nor made to circulate. When Government money from W. P. A., P. W. A., or any other source goes into highway or building, it becomes a frozen asset. Although the wage dollar may enter the channels of finance and circulate, the product is static and this means just pouring more wage dollars without any immediate recovery. Broadly speaking, business cannot return to normal as long as 20 percent of the available working force of the Nation remains unproductive or engages in work that does not circulate. It is impossible for the workers to carry the unemployed 20 percent on their backs and also meet the entire business overhead. There should be set up in cooperation with a Government program and the National Reemployment Commission State committees to deal with the 169,111 manufacturing industries. County, municipal, or community committees should be set up and charged with the task of enumerating all employers outside of the census of manufacturers listed.

Work in offices, clerking in stores, other kinds of selling, trucking and delivery, garage service, specified kinds of farm work, domestic service, and a thousand other kinds of jobs would be cleared through community committees. These community committees would become active agencies to stimulate purchasing of homes and may act as a liaison in obtaining Government loans or guaranties for the purpose. Committees made up of local citizens who would serve without pay or at a modest per diem would bring the responsibility for reemployment to the doorsteps of the people. Every citizen would have a satisfying part to perform in meeting a most important economic problem that troubles human society. The public would learn that it is responsible for its economic conditions as well as for its political control. Over and above all other things, I believe the most important thing is that we would gainfully employ that great mass of youth between the ages of 21 to 30, so that they may go along and become a real part of society, toward the end of having homes, rearing families, and becoming a real happy asset to the Nation's life.

The cost of this program if 3,000,000 new jobs were created in manufacturing and the Government contributed 40 percent of the wages of the new jobs would require approximately $3,900,000,000 to meet the new pay roll of which the Government would supply $1,560,000,000. If 6,000,000 new jobs were created in collateral operations assuming the wages to average the same as in industry, the Government contributed 40 percent of the wages, it would call for $3,120,000,000 of Government money to meet its share. The grand total Government contribution to employment would be somewhere in the neighborhood of four and four and one-half billion dollars a year.

For each 40 percent contributed by the Government for new jobs would bring forth 60 percent from the employers. The total wage fund in manufacturing would be increased by approximately $4,000,000,000 a year, which would be added to the buying power of the masses. A fair estimate of the value of the goods produced by the new jobs in factories would be $18,000,000,000, of which $8,000,000,000 would represent new value arising from the processes of manufacture. When this $8,000,000,000 of new goods value is added to the new pay roll, it makes a total of $12,000,000,000 of new buying and therefore new consuming power for the people. The new jobs and occupations collateral to manufacture would produce a pay roll of approximately $7,800,000,000; combining this with the twelve billion arising from manufacturing would make a total of $20,000,000,000 new buying power. This is equal to one-third of the estimated national income in 1936, and this is primary buying power in the hands of the masses. This, treated as addition to the national buying power, would be multiplied two and one-half times in considering its effect upon the business of the Nation. The effect on every line of human activity that would come from pouring $20,000,000,000 of new buying power into the current business cannot be measured in words. Therefore, the contribution of $4,000,000,000 of Government funds would be a marvelous investment. As industry would swing into increased production, the tendency of prices of goods in competitive lines would be down.

When a factory operates at mere capacity the overhead cost per unit of product declines. Prices can be reduced without cutting the consumer margin of profit. Real wages would be raised. Even if the dollar wage remains stationary the cost of living would tend downward as an abundance of goods enters the markets. American exporters would find themselves in better condition to meet competitors in neutral markets. This would be one way of meeting the German economic aggression policy on the world markets. The goods that farmers would buy doubtless would be reduced in price while the market for foodstuffs would expand. The increased demand would absorb American agricultural production and if American agricultural production can be absorbed the farmer will need very little Government help other than to see that there is a balance between agriculture and industry. The increase in the national income would more than offset the Government's subsidy. There might be a surplus production in some lines during the first months of this recovery plan during the time the buying power of the masses of the people was being built up but as I said liberal credit arrangements should be made to carry the goods until the market absorbs them. In the larger sense of surplus production there is no likelihood of making more of the good things of life than the American people would enjoy if they could buy them. So long as one-third of the population has less to eat and wear than the most meager living requires the bogey of overproduction can be ignored. The market for any article can be broadened more effectively by increasing the incomes of the masses than merely by cutting the prices. The limits of price cuts are much narrower than the possibilities of enlarging the incomes of a nation of industrious people located on the richest continent of the globe. The wage earner, the housewife, and the children of this Nation will be raised into a realm of a happy state when the breadwinner is put to work at a decent and a fair salary and not be forced to carry on with W. P. A. wages; and when we have a satisfied people, a happy people, and a normal, healthy condition we will have the greatest defense of democracy that could be possible. In order to preserve democracy in this Nation we must have a happy and contented people and it is my honest opinion that the above program will bring about that condition and save democracy in these United States for ourselves and our posterity.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield myself 1 minute to say to the gentleman from Michigan that he is badly mistaken in his information. The State of Virginia has complied with the Social Security Act.

Mr. HOOK. How long since?

Mr. WOODRUM of Virginia. Well, it has complied with it.

Mr. HOOK. How long since?

Mr. WOODRUM of Virginia. At the last session of its legislature, a year or two ago; and the State of Virginia has direct relief. So my friend ought to check up a little bit on his information.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. WOODRUM of Virginia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the joint resolution (H. J. Res. 246) making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today and to include certain tables from the record.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill may be permitted to revise and extend their own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that on Monday next, after the disposition of matters on the Speaker's desk and the legislative business of the day, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

EXTENSION OF REMARKS

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including therein a story from Colliers.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHWERT and Mr. NORRELL asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. SACKS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a speech made by my colleague the gentleman from New York [Mr. CELLER] over the Columbia Broadcasting System on Thursday, March 23.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a brief editorial from the St. Louis Star Times.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my remarks made on the appropriation bill last week, and to include certain extracts.

The SPEAKER. Is there objection?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a radio address I delivered on March 24 over the Columbia network.

The SPEAKER. Is there objection?

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks made today and to include certain excerpts from the hearings on the bill under consideration.

The SPEAKER. Is there objection?

There was no objection.

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my remarks made today and to include certain tables.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNS. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a joint resolution memorializing Congress for a higher tariff on dairy products.

The SPEAKER. Is there objection?

There was no objection.

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to extend my remarks and to insert a joint resolution of the Wisconsin Legislature memorializing Congress to pass an agricultural equality bill.

The SPEAKER. Is there objection?

There was no objection.

GENERAL LEAVE TO PRINT

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their own remarks upon the relief bill under consideration.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

RATIFICATION OF FIRST 10 AMENDMENTS TO CONSTITUTION BY GEORGIA

The SPEAKER laid before the House a communication from the Clerk of the House, transmitting a concurrent resolution of the Assembly of the State of Georgia ratifying the first 10 amendments to the Constitution of the United States.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled an enrolled bill and an enrolled joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4425. An act to provide for reorganizing agencies of the Government, and for other purposes; and

H. J. Res. 250. Joint resolution making an additional appropriation for the fiscal year 1939 for expenditure by the United States Employees' Compensation Commission in accordance with section 16 of the Emergency Relief Appropriation Act of 1938.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill and a joint resolution of the House of the following titles:

H. R. 4425. An act to provide for reorganizing agencies of the Government, and for other purposes; and

H. J. Res. 250. Joint resolution making an additional appropriation for the fiscal year 1939 for expenditure by the United States Employees' Compensation Commission in accordance with section 16 of the Emergency Relief Appropriation Act of 1938.

ADJOURNMENT

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 9 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Friday, March 31, 1939, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue on Friday, March 31, 1939, at 10 a. m., on social-security legislation, in the Ways and Means Committee room in the New House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Friday, March 31, 1939. Business to be considered: Railroad legislation—H. R. 2531.

There will be a meeting of the Business Research Subcommittee of the Commitee on Interstate and Foreign Commerce at 10 a. m. Monday, April 3, 1939. Business to be considered: Hearing on H. R. 3395—business-research bill.

There will be a meeting of the subcommittee of the Interstate and Foreign Commerce Committee on the trust-indenture bill (H. R. 5220). The hearings are to be held in the Interstate and Foreign Commerce Committee room, beginning April 4, 1939, at 10 a. m. The hearings will be continued on April 5 and 6. Proponents of the bill will be heard on the 4th and opponents on the 5th and 6th.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 4, 1939, at 10:30 a. m., to continue hearings on the project for the Connecticut River, Conn. and Mass.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

Tuesday, April 4, 1939:

H. R. 3209, making it a misdemeanor to stow away on vessels; H. R. 3398, regarding the down payment for construction of new vessels; H. R. 3935, relating to the discharge of seamen.

Wednesday, April 5, 1939:

H. R. 3052, uniform insignia for Naval Reserve radio operators; H. R. 1010, intercoastal subsidy bill (WELCH).

Thursday, April 6, 1939:

H. R. 1011, acquisition of drydock facilities for United States Maritime Commission on San Francisco Bay (WELCH); H. R. 2870, acquisition of drydock facilities for United States Maritime Commission at Los Angeles (THOMAS F. FORD); H. R. 3040, acquisition of drydock facilities for United States Maritime Commission at Los Angeles (GEYER of California).

Tuesday, April 11, 1939:

H. R. 1783, inspection of hulls of sail vessels and barges (BLAND); H. R. 1785, motorboat bill (BLAND); H. R. 1795, motorboat bill (HENDRICKS); H. R. 1809, inspection of motorboats, 15 gross tons up (MAGNUSON); H. R. 2398, regarding pilots on yachts (ANGELL); H. R. 3837, inspection of motorboats, 15 gross tons up (CONNERY).

Thursday, April 13, 1939:

H. R. 4220, load-line bill for seagoing vessels (BLAND).

Tuesday, April 18, 1939:

H. R. 2404, surgeon and hospital on vessels (SIROVICH); H. R. 2660, limitation of liability (SIROVICH); House Joint Resolution 153 and House Joint Resolution 194, investigate conditions pertaining to lascar seamen (SIROVICH).

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs, in the committee rooms, Capitol, Tuesday, April 4, 1939, at 10 a. m., for the consideration of H. R. 5031 for the relief of the sufferers from the earthquake in Chile and discussion as to the procedure with reference to amendments to the neutrality law.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

593. A letter from the President of the Board of Commissioners, District of Columbia, transmitting the draft of a proposed bill to provide for the widening of Wisconsin Avenue, in the District of Columbia; to the Committee on the District of Columbia.

594. A letter from the Postmaster General, transmitting the facts in the claim of Mr. John E. Garrett, postmaster at Dwight, Ill., for credit on account of a loss sustained in the burglary of the post office at that place November 9, 1937; to the Committee on Claims.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SCHULTE: Committee on Immigration and Naturalization. H. R. 5077. A bill for the relief of Anthoula S. Maskas; without amendment (Rept. No. 355). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Immigration and Naturalization. Senate Joint Resolution 72. Joint resolution readmitting Mary Cohen Bienvenu to citizenship; without amendment (Rept. No. 356). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SMITH of Washington:

H. R. 5446. A bill to authorize the acquisition, rehabilitation, and operation of the facilities for the public in the Olympic National Park, in the State of Washington, and for other purposes; to the Committee on the Public Lands.

By Mr. DISNEY:

H. R. 5447. A bill authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 18 to May 25, 1940; to the Committee on Foreign Affairs.

By Mr. HARTLEY:

H. R. 5448. A bill to amend existing law to restore 100 percent of compensation previously payable to veterans under the World War Veterans' Act; to the Committee on World War Veterans' Legislation.

By Mr. MAY:

H. R. 5449 (by request). A bill making inapplicable certain reversionary provisions in the act of March 4, 1923 (42 Stat. 1450), and a certain deed executed by the Secretary of War, in the matter of a lease to be entered into by the United States for the use of a part of the former Fort Armistead Military Reservation for air navigation purposes; to the Committee on Military Affairs.

By Mr. McCORMACK:

H. R. 5450. A bill to extend the time within which applications for benefits under the World War Adjusted Compensation Act, as amended, may be filed; to the Committee on Ways and Means.

By Mr. MUNDT:

H. R. 5451. A bill to authorize the consolidation of the lands on the Sisseton Indian Reservation, N. Dak. and S. Dak., and for other purposes; to the Committee on Indian Affairs.

By Mr. RANKIN:

H. R. 5452. A bill to provide certain benefits for World War veterans and their dependents, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. BOYKIN:

H. R. 5453. A bill to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to office deputy marshals of the United States; to the Committee on the Civil Service.

By Mr. FLAHERTY:

H. R. 5454. A bill to provide for cancelation of citizenship and deportation in the case of certain naturalized citizens of the United States because of the advocacy of political doctrines subversive of the best interests of the United States; to the Committee on Immigration and Naturalization.

H. R. 5455. A bill to provide that it shall be a criminal offense to advise, advocate, or teach principles of government based in whole or in part in opposition to or discrimination against people of any religious creed, and for other purposes; to the Committee on the Judiciary.

By Mr. WOODRUM of Virginia:

H. J. Res. 250. Joint resolution making an additional appropriation for the fiscal year 1939 for expenditure by the United States Employees' Compensation Commission in accordance with section 16 of the Emergency Relief Appropriation Act of 1938; to the Committee on Appropriations.

By Mr. ANDERSON of Missouri:

H. J. Res. 251. Joint resolution designating August 19 of each year as National Aviation Day; to the Committee on the Judiciary.

By Mr. WHELCHEL:

H. J. Res. 252. Joint resolution to provide for the consideration of certain recommendations for decorations by the United States for services rendered during the World War; to the Committee on Military Affairs.

By Mr. WALLGREN:

H. J. Res. 253. Joint resolution designating August 19 of each year National Aviation Day; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to consider their Assembly Joint Resolution No. 21, to place a tariff on dairy products sufficiently high to protect the American dairy farmers; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to consider their Assembly Joint Resolution No. 22, with reference to Senate bill 570 and the Agricultural Equality Act of 1939; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Minnesota, memorializing the President and the Congress of the United States to consider their Joint Resolution No. 13, Senate File No. 303, to repay certain funds exacted from the citizens of the State of Minnesota under the Agricultural Adjustment Act; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States to consider their House Joint Resolution No. 22, to construct, maintain, and operate a toll bridge across the Mississippi River at or near the city of Chester, Ill.; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to consider their resolution in favor of legislation providing for the reimbursement by the Federal Government of cities and towns for the amount of welfare aid and relief granted by them to aliens; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLER of Minnesota:

H. R. 5456. A bill for the relief of George Holtegard; to the Committee on Claims.

By Mr. CHURCH:

H. R. 5457. A bill for the relief of Margaret Perry; to the Committee on Claims.

By Mr. CROSSER:

H. R. 5458. A bill for the relief of Ernest Baker; to the Committee on Military Affairs.

By Mr. CULKIN:

H. R. 5459. A bill for the relief of George F. Lewis, administrator of the estate of Margaret R. Lewis; to the Committee on Claims.

By Mr. DIRKSEN:

H. R. 5460. A bill granting an increase of pension to Virginia B. Schenck; to the Committee on Invalid Pensions.

By Mr. HALL:

H. R. 5461. A bill for the relief of Robert A. Baker; to the Committee on Claims.

By Mr. HARTLEY:

H. R. 5462. A bill for the relief of Calliope Minaca Pilavakis; to the Committee on Immigration and Naturalization.

H. R. 5463. A bill for the relief of Frank Gaybrant, otherwise known as Frank Corticelli; to the Committee on Military Affairs.

By Mr. JARMAN:

H. R. 5464. A bill for the relief of Don E. Hicks; to the Committee on Claims.

By Mr. KILDAY:

H. R. 5465. A bill for the relief of E. Sullivan; to the Committee on Military Affairs.

By Mr. McLEOD:

H. R. 5466. A bill for the relief of Winfield S. Hall; to the Committee on Naval Affairs.

By Mr. REECE of Tennessee:

H. R. 5467. A bill for the relief of Robert Hill; to the Committee on Claims.

H. R. 5468. A bill for the relief of Alda Steele; to the Committee on Claims.

By Mr. TAYLOR of Colorado:

H. R. 5469. A bill for the relief of Alta M. Cassietto; to the Committee on Claims.

By Mr. WALTER:

H. R. 5470. A bill for the relief of Felix White, Karol Statkewicz, Sabos Mankus, and Frank Raul; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2181. By Mr. ALEXANDER: Petition of the State Legislature of Minnesota; to the Committee on Agriculture.

2182. By Mr. CONNERY: Resolution of the General Court of Massachusetts, memorializing Congress in favor of legislation providing for the reimbursement by the Federal Government of cities and towns for the amount of welfare aid and relief granted by them to aliens; to the Committee on Appropriations.

2183. By Mr. CURTIS: Resolution of the city of Hastings, Nebr.; to the Committee on Ways and Means.

2184. By Mr. FITZPATRICK: Resolution adopted by the New York Printing Pressmen's Union, No. 51, on March 24, favoring the President's $150,000,000 Works Progress Administration deficiency appropriation; to the Committee on Appropriations.

2185. Also, petition of Charles D. McGuire, Bronx, New York City, N. Y., and others, urging the passage of House Joint Resolution 94, introduced by Hon. HAMILTON FISH, of New York, with reference to a referendum by the people of the United States as to our entering or not entering into a foreign war; to the Committee on Foreign Affairs.

2186. By Mr. HALL: Petition of sundry citizens of Long Island, N. Y., urging embargo on war supplies to Japan; to the Committee on Foreign Affairs.

2187. Also, petition of sundry residents of Bohemia and other villages of Long Island, N. Y., protesting against German invasion of Czechoslovakia, and urging continuance of recognition of status of Czechoslovakian Minister to the United States; to the Committee on Foreign Affairs.

2188. By Mr. HOUSTON: Petition of members of the First Church of Brethren, Wichita, Kans., relative to the prevention of war and urging adoption of the war-referendum amendment; to the Committee on Foreign Affairs.

2189. By Mr. JOHNS: Petition of Robert J. Hanrahan and 83 other regular and substitute clerks and carriers of Green Bay, Wis., petitioning and earnestly requesting that the House Committee on the Post Office and Post Roads be urged to return a favorable report on House bill 4093, a bill having for its purpose the betterment of conditions for substitute employees, also that you give this measure your full support upon the floor of the House that hereby a speedy enactment of this measure may be brought about; to the Committee on the Post Office and Post Roads.

2190. Also, petition of George Van Hoof, and 70 other citizens of Kaukauna, Wis., petitioning that in writing the new Neutrality Act there should be incorporated such clauses which will provide undeclared war, foreign propaganda, secret diplomatic commitments, financial commitments, and the selling of arms, munitions, and military equipment; to the Committee on Foreign Affairs.

2191. By Mr. MARTIN J. KENNEDY: Petition of the New York State Conservation Council, urging support for restoration of Budget recommendation for Dutch elm disease control in agricultural appropriation bill; to the Committee on Appropriations.

2192. Also, petition of Syracuse (N. Y.) Lodge No. 381, International Association of Machinists, urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2193. Also, petition of Liberty Lodge, No. 226, International Association of Machinists, New York City, urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2194. Also, petition of the State of Maine Legislative Board, Brotherhood of Firemen and Enginemen, South Portland, Maine, urging passage of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2195. Also, petition of Fidelity Lodge, No. 7, International Association of Machinists, Birmingham, Ala., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2196. Also, petition of the Brotherhood of Railway and Steamship Clerks, Troy, N. Y., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2197. Also, petition of the American Train Dispatchers Association, Evansville, Ind., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2198. Also, petition of the Italian Chamber of Commerce in New York, concerning the Food, Drug, and Cosmetics Act of June 25, 1938, section 902; to the Committee on Interstate and Foreign Commerce.

2199. By Mr. KEOGH: Petition of the Mining and Metallurgical Society of America, New York City, concerning essential minerals for national defense; to the Committee on Military Affairs.

2200. By Mr. KING: Petition of the Brewery Workers' Union of the Hawaiian Islands, American Federation of Labor, regarding proposed amendments to the Wagner Labor Relations Act; to the Committee on Labor.

2201. By Mr. KRAMER: Resolution of the Modern Iron Works, Ltd., of Los Angeles, relative to the National Labor Relations Act; to the Committee on Labor.

2202. Also, resolution of the Motion Picture Relief Fund, Inc., of Los Angeles, relative to discharged persons of the Federal theater project; to the Committee on Appropriations.

2203. By Mr. MARSHALL: Petition of William Thorpe, of Lorain, Ohio, relative to the need for the passage of the $150,000,000 requested by the President for additional Works Progress Administration funds to give all Americans who need and want work the right to work; to the Committee on Appropriations.

2204. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, favoring legislation providing for reimbursement by the Federal Government of cities and towns for the amount of welfare aid to aliens; to the Committee on Appropriations.

2205. By Mr. MERRITT: Resolution of the Dunkirk Yacht Club, of Dunkirk, N. Y., stating that they realize the need and desirability of a Coast Guard station for the promotion of safety in navigation, both commercially and for pleasure craft, and agreeing to give all its cooperation in the furthering of the establishment of a Coast Guard station and will extend any other assistance necessary therein; to the Committee on Appropriations.

2206. By Mr. PFEIFER: Petition of the American Manufacturing Co., Brooklyn, N. Y., opposing the Fulmer bill (H. R. 57), the Cotton Net Weight Act; to the Committee on Agriculture.

2207. Also, petition of the Carolina Bagging Co., Henderson, N. C., opposing the passage of House bill 57, the Cotton Net Weight Act; to the Committee on Agriculture.

2208. By Mr. RISK: Resolution of the Disabled American Veterans of the World War, Department of Rhode Island, endorsing the establishing and maintenance within the State of Rhode Island of a 400-bed neuropsychiatric hospital as proposed in House bill 4091; to the Committee on World War Veterans' Legislation.

2209. Also, resolution of the Department of Rhode Island, the American Legion, endorsing the establishing and maintenance within the State of Rhode Island of a 400-bed neuropsychiatric hospital as proposed in House bill 4091; to the Committee on World War Veterans' Legislation.

2210. By Mrs. ROGERS of Massachusetts: Petition of the General Court of Massachusetts, memoralizing Congress in favor of legislation providing for the reimbursement by the Federal Government of cities and towns for the amount of welfare aid and relief granted by them to aliens; to the Committee on Ways and Means.

2211. By Mr. SANDAGER: Joint resolution of the Rhode Island General Assembly, favoring the erection of a United States Veterans' Administration neuropsychiatric hospital and domiciliary facility within and for the State of Rhode Island; to the Committee on World War Veterans' Legislation.

2212. By Mr. SCHAEFER of Illinois: Petition of Local No. 37, Progressive Miners of America, Harvey Stroud, president, Staunton, Ill., urging early consideration of amendments to the Wagner Labor Relations Act as offered in the United States Senate by the Honorable DAVID I. WALSH, of Massachusetts; to the Committee on Labor.

2213. By Mr. SCHIFFLER: Petition of Rev. John Arthur Visser, Vance Memorial Church, Wheeling, W. Va., urging that ministers be excluded from the Social Security Act; to the Committee on Ways and Means.

2214. By Mr. THILL: Resolution of the Federated Czech Societies of Milwaukee, signed by Joseph Blatecky, and the Federated Slovak Societies of Milwaukee, signed by Isadore A. Svetz, protesting against the extermination of the rights of nations and individuals in Europe by the Nazi Government of Germany, and advocating that forces be mobilized to reestablish the Republic of Czechoslovakia and its proper constitutional institutions; to the Committee on Foreign Affairs.

2215. By the SPEAKER: Petition of H. Richman, San Francisco, Calif., and others, petitioning consideration of their resolution with reference to Works Progress Administration deficiency appropriation; to the Committee on Appropriations.

2216. Also, petition of the city of Chelsea, Mass., petitioning consideration of their resolution with reference to the Reciprocal Trade Treaty; to the Committee on Ways and Means.

2217. Also, petition of the United Packinghouse Workers of America, Local Union No. 79, Estherville, Iowa, petitioning consideration of their resolution with reference to the Wagner Act, known as Labor's Magna Carta; to the Committee on Labor.

2218. Also, petition of the Mining and Metallurgical Society of America, of New York, petitioning consideration of their resolution with reference to essential minerals for national defense; to the Committee on Military Affairs.

SENATE

FRIDAY, MARCH 31, 1939

(Legislative day of Tuesday, March 28, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Dr. Frederick Brown Harris, minister, Foundry Methodist Episcopal Church, of Washington, D. C., offered the following prayer:

O Thou Eternal Father of us all, for this dedicated moment we would lift our lives, our duties, and our tasks into the white light of Thy presence. In this revered Chamber of national deliberation and decision we pray for clean hands, pure hearts, unbiased minds, and wise action, that this Nation, amid confusions and perplexities, may find its way to better and juster days.

Keep us from selfish living in a dangerous and difficult time. Save us from the hatred and prejudice that blow like a tempest across the world. For every echo of the world's evil tempers within our own hearts we repent in sackcloth and ashes. Save us from mean excuses, cheap defenses, and low self-deceits when we fall short of our own ideals. Broaden the areas of our sympathies exposed to the world's woes. May we blaze with indignation at strength that strangles weakness and might that crushes freedom.

We beseech Thee to stay the hands of all who love war and strengthen the hands of all who merit the benediction of the peacemakers. Give us vision, give us wisdom, give us courage in these troubled times, that here in a brotherhood that knows nothing of border or breed or birth we may take righteous courses and come to saving ends.

We ask it in the name which is above every name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, March 30, 1939, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Davis	La Follette	Reynolds
Andrews	Donahey	Lodge	Russell
Ashurst	Downey	Logan	Schwartz
Austin	Ellender	Lucas	Schwellenbach
Bankhead	Frazier	Lundeen	Sheppard
Barkley	George	McKellar	Shipstead
Bilbo	Gillette	McNary	Smathers
Borah	Glass	Maloney	Smith
Bridges	Green	Mead	Stewart
Brown	Guffey	Miller	Taft
Bulow	Gurney	Minton	Thomas, Okla.
Burke	Harrison	Murray	Thomas, Utah
Byrd	Hatch	Neely	Townsend
Byrnes	Hayden	Norris	Vandenberg
Capper	Herring	O'Mahoney	Wheeler
Chavez	Holman	Overton	White
Clark, Idaho	Hughes	Pepper	Wiley
Clark, Mo.	Johnson, Calif.	Pittman	
Connally	Johnson, Colo.	Radcliffe	
Danaher	King	Reed	

Mr. MINTON. I announce that the Senator from West Virginia [Mr. HOLT] is detained from the Senate because of illness in his family.

The Senator from North Carolina [Mr. BAILEY], the Senator from Washington [Mr. BONE], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Alabama [Mr. HILL], the Senator from Nevada [Mr. MCCARRAN], the Senator from Missouri [Mr. TRUMAN], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are absent on important public business.

The Senator from Oklahoma [Mr. LEE], the Senator from Illinois [Mr. LEWIS], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is necessarily absent.

The VICE PRESIDENT. Seventy-seven Senators have answered to their names. A quorum is present.

ADDITIONAL LANDS, PAPAGO INDIAN RESERVATION, ARIZ.

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting a draft of proposed legislation to add certain lands to the Papago Indian Reservation in Arizona, which, with the accompanying papers, was referred to the Committee on Indian Affairs.

HARBOR OF ST. THOMAS, V. I.

The VICE PRESIDENT laid before the Senate a letter from the Assistant Secretary of the Interior, transmitting copy of a resolution adopted by the St. Thomas Harbor Board, Virgin Islands, favoring an appropriation to undertake work in connection with the improvement of the harbor of St. Thomas, V. I., which, with the accompanying paper, was referred to the Committee on Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the General Court of Massachusetts, which was referred to the Committee on Claims:

Resolutions memorializing Congress in favor of legislation providing for the reimbursement by the Federal Government of cities and towns for the amount of welfare aid and relief granted by them to aliens

Resolved, That the General Court of Massachusetts hereby urges the Congress of the United States to enact legislation providing for the reimbursement by the Federal Government of cities and towns for the amount of welfare aid and relief granted by them to aliens; and be it further

Resolved, That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of New Jersey, which was referred to the Committee on Public Lands and Surveys:

Joint resolution relative to memorializing the Congress of the United States to refuse enactment of legislation which would becloud the sovereign rights of the State of New Jersey in its submerged lands

Whereas, upon the formation of the United States of America, the States, as independent sovereignties, reserved to themselves all the right, title, and interest in and to the submerged lands and tidelands bordering upon their respective territories and, with the expenditure of public funds, have devoted such lands to harbor developments and other State purposes, or through grants and arrangements made with their municipalities and public agencies and with their citizens have devoted said lands to other public and private uses and such sovereign rights of the States have never heretofore been questioned; and

Whereas legislation has been introduced in the Congress of the United States, particularly Senate Joint Resolution No. 24, introduced by the Honorable GERALD P. NYE, United States Senator from the State of North Dakota, wherein it is asserted that the Federal Government possesses the title to or holds an interest in submerged lands and tidelands bordering upon the various States of the Union, and it is proposed to direct the Attorney General of the United States to institute legal actions in the courts to litigate such asserted titles or interests; and

Where any such litigation will becloud the rights and title of the respective States, prejudice their progress in developing such lands for State and local uses, both public and private, endanger existing investments, and threaten loss of the income which the State of New Jersey derives from riparian grants and leases, which is devoted to maintenance of the public educational facilities of this State; and

Whereas the enactment of such legislation is, in the opinion of this legislature, undesirable and contrary to the public interests: Now, therefore, be it

Resolved by the Senate and General Assembly of the State of New Jersey:

1. That the Legislature of the State of New Jersey respectfully urges and petitions the Congress of the United States to refuse enactment of either Senate Joint Resolution No. 24 or any other bill or resolution which may similarly seek to establish the asserted claim of the Federal Government to any title or interest in such riparian lands, tidelands, or submerged lands of the State of New Jersey, other than such lands which may have been heretofore expressly granted it by this State or under its authority.

2. That the secretary of state be and he is hereby directed to transmit copies of this joint resolution to the President of the United States, the Vice President, and to the Senators and Representatives of the State of New Jersey in the Congress.

3. This joint resolution shall take effect immediately.

The VICE PRESIDENT also laid before the Senate a resolution of the Board of Harbor Commissioners of Milwaukee, Wis., endorsing the recommendations for the 1940 allotment for river and harbor improvements as submitted by the Board of Engineers for Rivers and Harbors, War Department, which was referred to the Committee on Commerce.

He also laid before the Senate a memorial of sundry citizens of the States of Kentucky and Ohio remonstrating against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before he Senate a petition of sundry citizens of Brooklyn, N. Y., praying for the repeal of the Neutrality Act or, in the event the Neutrality Act be not repealed, that it be amended so as to distinguish between the aggressor and the victim of aggression, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a petition of sundry citizens of Brooklyn, N. Y., praying for the enactment of the so-called Gavagan-Wagner-Van Nuys-Capper antilynching bill, which was referred to the Committee on the Judiciary.

Mr. GUFFEY. Mr. President, I ask consent to present petitions addressed to the Congress by people of Pennsylvania on the question of prohibiting the advertisement of alcoholic beverages by press and radio, with the request that they be appropriately referred.

The VICE PRESIDENT. Without objection, the petitions presented by the Senator from Pennsylvania will be received and referred to the Committee on Interstate Commerce.

Mr. CONNALLY presented petitions of sundry citizens of the State of Texas, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. HOLMAN presented petitions of sundry citizens of the State of Oregon praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. MALONEY presented petitions of sundry citizens of the State of Connecticut, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. TAFT presented petitions of sundry citizens of the State of Ohio, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. DAVIS. Mr. President, I have received a large number of petitions signed by citizens of the State of Pennsylvania, representing every county in the State, asking action on bills pending before Congress relating to the prohibition of the advertising of alcoholic beverages through the press and radio. There are so many of these that I ask that one of the petitions, which I ask consent to present, be referred to the committee considering these bills and that the committee shall call upon me for all of them when the hearings are provided for.

The VICE PRESIDENT. Without objection, the petition referred to by the Senator from Pennsylvania will be received and referred to the Committee on Interstate Commerce.

Mr. MEAD presented a resolution of the Board of Supervisors of Erie County, N. Y., protesting against the enactment of House bill 7, providing for the withdrawal of water from the Chicago Drainage Canal in excess of the amount established by United States Supreme Court decree, which was referred to the Committee on Commerce.

He also presented a petition of sundry citizens of the State of New York, praying for the enactment of legislation providing optional retirement in the Postal Service, with pension, after 30 years' service, which was referred to the Committee on Post Offices and Post Roads.

Mr. LUCAS presented the following joint resolution of the Legislature of Illinois, which was referred to the Committee on Commerce:

House Joint Resolution 22

Whereas there is now pending in the Congress of the United States House Resolution No. 4370, introduced in the House of Representatives on February 21, 1939, which resolution authorizes the city of Chester, Ill., to construct, maintain, and operate a toll bridge across the Mississippi River at or near said city; and

Whereas the construction of such bridge is of great importance to a large portion of the inhabitants of this State and to numerous persons of other States; and

Whereas the construction of such bridge would promote interstate commerce, improve the postal service, and be of value for military purposes: Therefore be it

Resolved by the House of Representatives of the Sixty-first General Assembly of the State of Illinois (the senate concurring herein), That the Congress of the United States be, and is hereby, memorialized and requested to give favorable consideration to the aforesaid resolution and to enact it at an early date; and be it further

Resolved, That a copy of this preamble and resolution be forwarded by the secretary of state to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the United States, and to each Member of Congress from the State of Illinois.

VIOLATIONS OF CIVIL LIBERTIES

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent that there be printed in the RECORD and referred to the Committee to Audit and Control the Contingent Expenses of the Senate a resolution adopted by the annual session of the National Grange held at Portland, Oreg., November 16, 1938, in reference to the continuation of the so-called Civil Liberties Committee of the Senate.

There being no objection, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate and ordered to be printed in the RECORD, as follows:

Resolved, That the National Grange urge the continuation and support by Congress of the Civil Liberties Committee.

RESOLUTIONS OF FARMERS' HOLIDAY ASSOCIATION

Mr. SHIPSTEAD presented a resolution adopted by a meeting of various units of the Farmers' Holiday Association of Lac qui Parle County, Minn., which was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Whereas during recent years of extreme drought and crop failure the majority of farmers in this and neighboring communities were compelled by such adversity to procure loans for seed, feed, and other crop-production expenses, and have since been unable to repay the said loans and liens by reason of further crop failures and inequitably depressed prices for farm produce, and whereas collection of said loans and liens, will almost certainly result in virtual bankruptcy of many farmers and small-business men in foreclosures on farms and in reduction of many otherwise self-supporting farm families to poverty and a relief status: Be it

Resolved by the representatives of the various units of Farmers' Holiday Association of Lac qui Parle County here assembled, That Congress be entreated to pass speedy legislation to cancel and discharge, and abate collection of, all of such loans and liens now in default.

Mr. SHIPSTEAD also presented a resolution adopted by a meeting of various units of the Farmers' Holiday Association of Lac qui Parle County, Minn., which was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

Whereas for several years agriculture has suffered severe economic stringency by reason of acutely depressed business and financial conditions of the Nation at large by reason of low prices for farm produce and increasing costs of farming equipment and supplies and by reason of unusual natural conditions of drought, flood, and disease resulting in crop failures; and

Whereas it is certain that until cost of production of farm produce is guaranteed to the producer thereof such conditions will still prevail to the extent that all owner-operators of farm land will eventually lose their lands and be reduced to a state approximating peonage: Be it

Resolved by the representatives of the various units of Farmers' Holiday Association here assembled, That Congress be emphatically urged and entreated to adopt the so-called Shipstead resolution for readjustment of Federal Land Bank and Land Bank Commissioner mortgages, barring deficiency judgments upon foreclosures thereof and permitting repurchase of foreclosed lands by the original owners thereof, and that Congress pass the so-called Frazier-Lemke bill for refinancing of real-estate mortgages at rates of interest not exceeding 1½ percent per annum and on reasonable terms of repayment not exceeding 1½ percent of principal repayment per year; be it further

Resolved, That Congress be urged to sponsor and adopt a constructive plan by tariff, subsidy, grant, guaranty, or otherwise such

as will assure to producers of agriculture products the fair cost of the production thereof plus a reasonable margin of profit to assure said producers of an existence on a reasonable and wholesome standard of living.

DUMPING OF GERMAN WOOD PULP INTO THE UNITED STATES

Mr. LODGE. Mr. President, I ask unanimous consent to have referred to the Committee on Finance and printed in the CONGRESSIONAL RECORD, at the appropriate place, correspondence of mine bearing on the astounding fact that cheap commercial products from Germany are, according to this correspondent, being dumped into the United States.

There being no objection, the correspondence was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

MOUNT TOM SULPHITE PULP CO.,
Mount Tom, Mass., March 21, 1939.

The Honorable HENRY CABOT LODGE, Jr.,
United States Senator from Massachusetts,
Washington, D. C.

DEAR SIR: We are addressing this communication to you on behalf of ourselves as manufacturers and as a member of the United States Pulp Producers' Association, an organization which represents, primarily, the United States manufacturers of wood pulp produced for sale.

We have every reason to believe that German-owned and German-controlled wood-pulp mills are selling their chemical pulps in the United States and elsewhere at less than their fair value, as defined by the Antidumping Act, and with resultant injury to the United States wood-pulp industry. We, therefore, respectfully request that you investigate this matter, with the view to terminating this injury to the wood-pulp industry of the United States.

Reliable evidence indicates that the German Government has established the following prices for the sale of German pulps in Germany:

	Reichsmarks per long ton
Prime bleached sulphite pulp	240
Prime unbleached sulphite pulp	200

These values are the equivalent of $85.71 and $71.43, respectively, when converted into short tons at 40 cents per reichsmark.

These same German pulps are being offered for sale in the United States at prices ranging from about $45 to $50 per short ton, Atlantic seaboard, for bleached sulphite and from about $35 to $40 for unbleached sulphite.

This competition forces United States pulp producers to offer strictly comparable pulps at approximately these same prices, which represent the unprofitable levels to which the domestic mills' prices have been driven by import competition from European producers enjoying relatively low labor costs, depreciated currencies, ocean freight-rate advantages, and other direct and indirect subsidies.

Further evidence of such subsidized German competition in this market may be seen in the fact that German pulp mills have bought, and still are buying, large quantities of eastern Canadian pulpwood at prices which result in a delivered cost to pulp mill in Germany, which is more for pulpwood alone, per ton of pulp, than they are offering their pulps for in the United States market.

In this connection it might also be pointed out that during 1938 our modern, low-cost, and efficient mills which produce pulp for the market were forced to curtail their operations by at least 50 percent. Even they cannot meet this intensified European competition and continue to pay existing wage scales and Federal, State, and local taxes.

In view of this violation of the antidumping statute, through sales of German pulps in this market at less than those prevailing in the German home market and with resultant injury to the wood-pulp industry of the United States, it is therefore urgently requested that you authorize a prompt investigation of this situation with the view to levying the special dumping duties provided for by the Antidumping Act on all imports of foreign pulps subject to such action and thus extending to the United States pulp industry that same measure of prctection afforded other domestic industries under your recent action in providing for countervailing duties on other imports from Germany.

It would be appreciated if you would keep me informed as to action which you may take in this matter.

Very truly yours,

MOUNT TOM SULPHITE PULP CO.,
A. H. SHOWALTER, *Vice President.*

MARCH 30, 1939.

Hon. JAMES H. MOYLE,
Commissioner of Customs,
Treasury Department, Washington, D. C.

DEAR MR. COMMISSIONER: I enclose for your attention and advice a letter received from the Mount Tom Sulphite Pulp Co.

I believe you will agree that the situation described therein is most serious and if allowed to continue and to grow must have ruinous results for all those who earn their living in American industry.

I cannot believe that it is the desire of the administration to allow the German Government to do this thing to the American worker, and I hope you will notify me that prompt steps have been taken to stop this practice at once.

Very sincerely yours,

H. C. LODGE, JR.

FOREIGN TRADE OF UNITED STATES WITH GERMANY, 1900–38

Mr. LUNDEEN. Mr. President, we learn from the press that our President is placing a 25-percent penalty upon German trade in America—we have already placed restrictions upon German trade until our trade has fallen from $500,000,000 a year to $100,000,000, and now we are to add further restriction and further cripple our German trade and add more hundreds of thousands to our unemployed. I ask unanimous consent to have printed in the RECORD at the proper place certain figures in connection with the aggregate value of the foreign trade of the United States with Germany from 1900 to 1938. In that connection, we have made certain restrictions which France and Great Britain have not made. Great Britain and France placed no penalty and we intrude ourselves and want to regulate the world. The figures are submitted for study. Great Britain and France will benefit but we will suffer. We cannot afford to do that; we are being misled to the destruction of our own trade.

There being no objection, the table submitted by Mr. LUNDEEN was ordered to be printed in the RECORD as follows:

Aggregate value of foreign trade of United States with Germany, 1900–38

Year	Exports from United States to Germany[1]	Imports
1900	$187,347,889	$97,374,700
1901	191,780,427	100,445,902
1902	173,148,280	101,997,523
1903	193,841,636	119,772,511
1904	214,780,992	109,188,554
1905	194,220,472	118,268,356
1906	234,742,102	135,142,996
1907	256,595,663	161,543,556
1908	276,922,089	142,935,547
1909	235,324,140	143,525,828
1910	249,555,926	168,805,137
1911	294,847,562	165,636,609
1912	330,450,830	186,042,644
1913	351,930,541	184,211,352
1914	158,294,986	149,389,306
1915	11,777,858	44,953,285
1916	2,260,634	5,819,472
1917	3,275	159,352
1918		317,706
1919	92,761,314	10,608,141
1920	311,437,000	88,836,000
1921	372,380,000	80,280,000
1922	316,114,000	117,498,000
1923	316,837,000	161,193,000
1924	440,418,000	139,258,000
1925	470,344,000	164,251,000
1926	364,162,000	198,495,000
1927	481,681,000	200,554,000
1928	467,260,000	222,130,000
1929	410,449,000	254,688,000
1930	278,269,000	176,981,000
1931	166,050,000	127,039,000
1932	133,668,000	73,572,000
1933	140,024,000	78,185,000
1934	108,738,000	68,805,000
1935	91,981,000	77,792,000
1936	101,956,000	79,679,000
1937	126,342,536	92,468,111
1938[2]	107,588,308	64,537,217
1938 (by months):		
January	8,946,197	5,813,325
February	7,855,595	4,119,271
March	8,161,219	4,373,608
April	9,168,860	4,614,229
May	7,280,348	4,828,893
June	6,329,916	4,534,036
July	5,620,201	4,393,014
August	10,269,821	5,627,194
September	12,056,976	5,793,800
October	10,165,625	7,288,593
November	8,620,095	6,923,267
December	8,316,640	6,256,417
Total for 1938	102,791,493	64,565,737

[1] Includes reexports.
[2] Total of the 12 monthly figures does not equal total of the year. Monthly figures were preliminary.

Source: U. S. Statistical Abstract, 1910, 1919, 1923, 1930, 1933, 1937; Bureau of Foreign and Domestic Commerce, Monthly Summary of Foreign Commerce, January through December 1938.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Fred H. Brown, of New Hamp-

shire, to be Comptroller General of the United States for a term of 15 years.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Brig. Gen. Francis Vincent Logan, Massachusetts National Guard, to be brigadier general, National Guard of the United States.

He also, from the same committee, reported favorably the nomination of Capt. Cornelius Emmett O'Connor, Air Corps, for appointment to temporary rank as major in the Air Corps of the Regular Army from March 20, 1939.

He also, from the same committee, reported favorably the nominations of a citizen for appointment and several officers for appointment, by transfer or promotion in the Regular Army.

The VICE PRESIDENT. Without objection, the reports will be received and placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHEELER (for himself and Mr. TRUMAN):

S. 2016. A bill to amend the Interstate Commerce Act, and for other purposes; to the Committee on Interstate Commerce.

By Mr. WHEELER:

S. 2017. A bill to amend the Railroad Unemployment Insurance Act, approved June 25, 1938; to the Committee on Interstate Commerce.

S. 2018. A bill for the relief of Nile Shaw and Edgar C. Bardin; to the Committee on Claims.

By Mr. REYNOLDS:

S. 2019. A bill for the relief of Frank A. Fain; to the Committee on Claims.

S. 2020. A bill to amend Public Law No. 383, Seventy-third Congress (48 Stat. L. 984), relating to Indians, by exempting from the provisions of such act the Eastern Band of Cherokee Indians located in the State of North Carolina; to the Committee on Indian Affairs.

By Mr. THOMAS of Utah:

S. 2021. A bill to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes; to the Committee on Education and Labor.

(Mr. MILLER introduced Senate bill 2022, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

By Mr. HERRING:

S. 2023. A bill for the relief of C. L. Herren; to the Committee on Claims.

By Mr. WHITE (for Mr. HALE):

S. 2024. A bill for the relief of Clarence Leroy Witham; to the Committee on Naval Affairs.

S. 2025. A bill granting a pension to Margaret A. Silva; to the Committee on Pensions.

By Mr. MALONEY:

S. 2026. A bill for the relief of Francis M. Johnston; to the Committee on Claims.

By Mr. ANDREWS:

S. 2027. A bill for the relief of John Marinis, Nicolaos Elias, Ihoanis or Jean Demetre Votsitsanos, and Michael Votsitsanos; to the Committee on Immigration.

By Mr. FRAZIER:

S. 2028. A bill creating a commission to study proposals for a national system of express motorways, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. MEAD:

S. 2029. A bill authorizing a preliminary examination and survey in the Mohawk River Valley, N. Y.; to the Committee on Commerce.

S. 2030. A bill for the relief of Mira Friedberg (Mira Dworecka); to the Committee on Immigration.

S. 2031. A bill authorizing the Secretary of War to bestow the Silver Star upon Michael J. Quinn; to the Committee on Military Affairs.

By Mr. O'MAHONEY (for himself and Mr. MEAD):

S. 2032. A bill to place postmasters of the fourth class on an annual salary basis, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. THOMAS of Oklahoma:

S. J. Res. 109. Joint resolution proposing a plan for the adjustment of the claim of the State of Oklahoma against the United States arising from the tax exemption of Indian lands and the products thereof, and for other purposes; to the Committee on Indian Affairs.

AMENDMENT OF WAGE AND HOUR LAW

Mr. MILLER. I ask unanimous consent to introduce a bill to amend the Fair Labor Standards Act, and to accompany the bill I have prepared a short statement which I should like to have incorporated in the RECORD at the proper point as explanatory of the amendments I am proposing.

The VICE PRESIDENT. Without objection, the bill will be received and properly referred, and the statement presented by the Senator from Arkansas will be printed in the RECORD.

The bill (S. 2022) to amend sections 6, 7, and 13 of the Fair Labor Standards Act of 1938 was read twice by its title and referred to the Committee on Education and Labor.

The statement presented by Mr. MILLER is as follows:

STATEMENT OF SENATOR JOHN E. MILLER, OF ARKANSAS, RELATING TO THE AMENDMENTS PROPOSED BY HIM TO THE FAIR LABOR STANDARDS ACT OF 1938

Section 1 of the bill exempts clerical employees, such as bookkeepers, stenographers, pay-roll clerks, auditors, cost accountants, purchasing agents, statisticians, or other office help regularly employed on a straight salary basis and given annual vacations with pay, from the operations of sections 6 and 7 of the present act.

Section 2 of the bill exempts service institutions, such as wholesale grocers, from the provisions of section 7 of the act, provided the employee is paid not less than 1½ times the regular wage for any workweek in excess of 44 hours.

Section 3 repeals section 7 (c) of the present act.

Section 4 clarifies and spells out the full scope of the exemptions provided in the present act in section 13 (a).

The amendment proposed to section 13 (a) (10) has the endorsement and approval of the leading farm organizations, such as the American Farm Bureau Federation, the National Cooperative Milk Producers Federation, the National Cooperative Council, the National Grange, and other organizations interested in agricultural pursuits.

The exemption provisions of the present law require the Administrator to define "area of production" for the purpose of making certain wage and hour exemptions operative. The Administrator has found it difficult to define the term "area of production." The definition which he has issued and amended fails to carry out the intention of the Congress, and is in fact more restrictive of the exemption than the debate and discussion prior to the enactment of the bill warrants. In the report of the Administrator issued on December 22, 1938, he stated:

"The Administrator does not feel that in the absence of an express mandate from Congress the issuance of a broader general definition would be justified in view of the serious consequences that would attend such a definition as to many industries."

Section 7 (c) of the present act relates to exemptions from maximum-hour provisions for seasonal industries, but it has been found that many seasonal industries operate for longer periods of time than the minimum of 14 weeks provided in the act, and that furthermore efforts of such industries to extend the season of their operations in order to spread the overhead costs over a longer period and a larger volume of product are seriously interfered with by the present provisions of section 7 (c), the seasonal industries provision.

The other exemptions relate to employees who enjoy steady yearly employment. Everyone knows that in the distributing business the labor is not continuous through the hours of work, and there are frequent intervals of idleness. Therefore a 44-hour week should be permitted in wholesale establishments. The same is true with reference to clerical employees who have steady employment and who receive annual vacations with pay.

AMENDMENT TO PEACE ACT

Mr. PITTMAN submitted an amendment in the nature of a substitute intended to be proposed by him to the joint resolution (S. J. Res. 97) to be known as the "Peace Act of 1939," which was referred to the Committee on Foreign Relations and ordered to be printed.

AMENDMENT TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. GUFFEY submitted an amendment proposing to increase the appropriation for investigation in forest economics (under section 10), from $121,295 to $139,295, intended to be

proposed by him to House bill 5269, the Agricultural Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

TEMPORARY ASSISTANT CLERK, COMMITTEE ON FOREIGN RELATIONS

Mr. PITTMAN submitted the following resolution (S. Res. 114), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Foreign Relations hereby is authorized to employ for the remainder of the present session an assistant clerk to be paid from the contingent fund of the Senate at the rate of $1,800 per annum.

COLONIAL SWEDES—ADDRESS BY SENATOR JOHNSON OF COLORADO

[Mr. HUGHES asked and obtained leave to have printed in the RECORD an address delivered by Senator JOHNSON of Colorado, on the occasion of the celebration of the three hundred and first anniversary of the landing of the Swedes on the Delaware River, which appears in the Appendix.]

THE BUILDING CONSTRUCTION INDUSTRY—ADDRESS BY SENATOR BRIDGES

[Mr. GURNEY asked and obtained leave to have printed in the RECORD an address on the subject of The Building Construction Industry in the United States, delivered by Senator BRIDGES at Washington, D. C., on March 30, 1939, which appears in the Appendix.]

"AMERICANITY"—ARTICLE BY F. M. KERCHEVILLE

[Mr. HATCH asked and obtained leave to have printed in the RECORD an article entitled "Americanity," by F. M. Kercheville, of the University of New Mexico, published in American Speech of the issue of February 1939, which appears in the Appendix.]

NAVAJO INDIANS IN SOUTHWEST UNITED STATES

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an article published in the Saturday Evening Post of April 1, 1939, entitled "Thunder Over the Southwest," by Flora W. Seymour, which appears in the Appendix.]

IMPROBABILITY OF ATTACKS BY AIR

[Mr. LUNDEEN asked and obtained leave to have printed in the RECORD an article published in the Christian Science Monitor on March 30, 1939, under the headline, Attacks by Air on United States Viewed as Improbable, which appears in the Appendix.]

THE PERIL OF PEASANTRY—ARTICLE BY JOHN NAPIER DYER

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article on the subject The Peril of Peasantry, by John Napier Dyer, which appears in the Appendix.]

"WHY THE PREFERENCE FOR STALIN?"—EDITORIAL FROM NEW YORK DAILY NEWS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an editorial from the New York Daily News of March 24, 1939, entitled "Why the Preference for Stalin?" which appears in the Appendix.]

ACQUISITION OF STOCKS OF STRATEGIC MILITARY MATERIALS, ETC.

The Senate resumed the consideration of the bill (S. 572) to provide for the common defense by acquiring stocks of strategic and critical raw materials, concentrates, and alloys essential to the needs of industry for the manufacture of supplies for the armed forces and the civilian population in time of a national emergency, and for other purposes.

The VICE PRESIDENT. If there be no further amendments to be offered the question is on the engrossment and third reading of the bill.

Mr. THOMAS of Utah obtained the floor.

Mr. BILBO. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Mississippi?

Mr. THOMAS of Utah. I do.

Mr. BILBO. I simply wish to know if I may offer my amendment at this time.

Mr. THOMAS of Utah. The amendment, I think, is in order at this time; but I should like to make a statement first, if I may.

Mr. BILBO. Very well.

Mr. THOMAS of Utah. Mr. President, yesterday, when the vote was taken on the Byrnes amendment, I noted at the time the vote was taken that about one-third of the Members of the Senate did not vote. I did not change my vote in order to move a reconsideration. I purposely refrained from doing so, because I had announced at the beginning of the discussion of the bill that the amount of the appropriation would of necessity be in conference, for there was a disagreement between the Senate and the House in regard to the amount. So the adoption of the Byrnes amendment has not interfered in the least with the necessity of the amount being in conference.

The Assistant Secretary of War this morning sent me a statement which I desire to read to the Senate, so that it will become part of the RECORD, and will be available to the conferees:

MEMORANDUM FOR HON. ELBERT D. THOMAS, UNITED STATES SENATE

MARCH 31, 1939.

Subject: Strategic materials bill.

(1) It is noted in reading the RECORD of the Senate proceedings on March 30 on the strategic materials bill that certain erroneous information as to the opinion of the War Department was placed in the RECORD and doubtless had considerable influence in reducing the total authorization in the bill from $100,000,000 to $40,000,000. It is to correct this information that this memorandum is being furnished you.

(2) The opinion of the War Department, which was expressed recently by the Assistant Secretary of War and other representatives to the House Military Affairs Committee at its hearings on the subject, was that a total of $100,000,000 was the minimum that was considered desirable to authorize for stock piles of strategic materials.

(3) To the knowledge of the War Department the President has never expressed himself either for or against such a maximum authorization. The President, however, did state to the Assistant Secretary of War that his budgetary program did not permit more than $10,000,000 appropriation for stock-pile purposes during the next fiscal year. The President did not indicate any program of appropriations beyond the next fiscal year.

(4) In view of the above information and the essentiality of the strategic materials legislation to a national-defense program, the War Department believes that the full $100,000,000 authorization for expenditure within a 4-year period should be made. Appropriations provided within this authorization would then become available in accordance with the President's budgetary program.

Mr. President, I now yield to the Senator from Mississippi.

Mr. VANDENBERG. Mr. President, before the Senator takes his seat, may I ask him a question?

Mr. THOMAS of Utah. Yes.

Mr. VANDENBERG. The Senator has referred to the contemplated action of the Senate conferees. I am sure he does not mean to imply that the Senate conferees are not bound by the action of the Senate yesterday.

Mr. THOMAS of Utah. Mr. President, I am implying nothing. I am merely repeating what I said; and I answer the Senator from Michigan today in exactly the same way that I answered him the other day. The Senate is entitled to information with regard to the facts as they are today. The President has made it known—and that was pointed out yesterday in answer to the Senator from South Carolina [Mr. BYRNES]—that he did not want more than $10,000,000 spent the first fiscal year; but he has never made a statement about the outside limit for the 4 years.

One of the departments reported the matter in this way: They would like to leave to the discretion of the board which handles these things the time to buy during the 4-year period.

This statement is made merely for the information of the Senate.

Mr. BILBO. Mr. President——

Mr. THOMAS of Utah. I yield to the Senator from Mississippi.

Mr. BILBO. I offer the amendment which I send to the desk and ask to have read.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 5, line 6, after the word "under," it is proposed to insert "the preceding provisions of."

At the end of the bill, it is proposed to insert the following new section:

SEC. 8. (a) The Commodity Credit Corporation is authorized and directed to acquire title to (1) any cotton from the 1934 crop remaining as security for loans made or arranged for by the Cor-

poration and (2) such cotton from the 1937 to 1938 crops remaining as security for loans made or arranged for by the Corporation as will, when added to the cotton of the 1934 crop held or acquired by the Corporation, make a total of 7,000,000 bales. No such cotton shall, without the consent of the owner thereof, be acquired prior to the maturity date of the loan secured by it or in a manner inconsistent with the provisions of the loan agreement executed in connection with such loan. The Commodity Credit Corporation, to the extent necessary in order to carry out the provisions of this section, shall assume and discharge all or any part of the obligations, including accrued interest and carrying charges, of the borrower with respect to any cotton held as security for a loan made or arranged for by the Corporation.

(b) The Commodity Credit Corporation shall transfer title to any cotton of the 1934 crop held by it and any cotton acquired by it under the provisions of subsection (a) of this section to the Secretary of War. The Secretary of War shall take possession of such cotton and shall store it in warehouses located on military reservations, and at such other places as he may deem proper. Such cotton shall be retained in storage by the Secretary for the purpose of maintaining a reserve supply adequate to meet the needs of the United States in the event of war or other national emergency which might require the United States to obtain large quantities of cotton.

(c) The Secretary of War is authorized to construct such warehouses and to employ such personnel as he may find to be necessary for the purpose of providing for the storage of any cotton acquired by him under the provisions of this section.

(d) There are hereby authorized to be appropriated such sums as may be necessary in order to enable the Secretary of War to carry out the provisions of subsections (b) and (c) of this section.

Mr. BILBO. Mr. President, in offering this amendment I desire to have it distinctly understood that I am in full sympathy with the purposes of the bill, because I think it is a wise, sane, workable piece of legislation that deserves the support by every person who is in favor of national defense. I also desire to have it understood that in offering this amendment dealing with the storage of cotton as a means of national defense I am not contending that cotton is a strategic or critical material. It is, however, a material which is absolutely essential in the conduct of any war. It is unthinkable to make provision for the national defense unless we have on hand not only strategic and critical materials as needed but also the other things which are absolutely essential to the successful conduct of a war.

The amendment provides briefly only that we direct the Commodity Credit Corporation to turn over to the War Department 7,000,000 bales of Government cotton, with the direction that it be stored and kept for use in case of a war.

Before preparing the amendment I wrote the Secretary of War and asked him to tell me how many bales of cotton would be required in case it should be necessary to carry on a war for any appreciable length of time. I have his letter of January 12, in which he estimates that for a 2-year major war 3,250,000 bales of cotton would be required for the Army and the Navy. So my amendment provides sufficient cotton for carrying on a major war for a period of about 4 years or a little more.

As to the necessity of cotton in carrying on a war, the Secretary states that cotton must be used for clothing, webbing, tentage, bedding, medical supplies, and various other purposes.

I desire to make this further observation about cotton: Cotton is the only farm product I know anything about which will not deteriorate when stored. We have records of cotton which has been properly stored for 60, 75, or 100 years, and the textile strength of the cotton at the end of 75 or 100 years was just as good as it was the day it was stored. So cotton is one farm product which, if stored properly, can remain in storage indefinitely without deteriorating. I am afraid that much cannot be said of some of the materials that it is proposed to store under this bill. I know it is the custom of the War Department and the Navy Department from time to time to buy great quantities of powder and of shells, and they are stored at our arsenals as a matter of precaution, in order to have supplies of such munitions on hand in case of an emergency. In a few years these materials will deteriorate; but cotton is an essential war material which will not deteriorate in 75 or 100 years.

Someone has said something about cost. If my amendment is adopted, and 7,000,000 bales of cotton are stored as provided in the amendment, it will cost practically nothing in the way of an appropriation at this time, because the Government today owns, or will own by the 1st of July, 11,300,000 bales of American-grown cotton. The Government advanced a loan on this cotton. The money has already been paid out, and there will be no additional cost, with the exception of the warehouses necessary to store the cotton; and I understand that the Government has a great many suitable warehouses for storing cotton already constructed, and some of them are empty.

In carrying out the provisions of this amendment the only cost to be incurred will be for the building of warehouses and the transportation of the cotton from where it is stored now, in private warehouses, to the storehouses to be provided by the War Department.

It may be of interest to Senators to know that the taxpayers of this country are spending from thirty million to thirty-five million dollars a year for the storage of the cotton which we now own. I have not the figures, and I have been trying to get them from the War Department, and have a promise of getting them tomorrow, but I think I am safe in saying that the expense of carrying the storage of the 11,300,000 bales of cotton for 1 year would be sufficient to build all the warehouses necessary to store the 7,000,000 bales provided for in my amendment. So it will be a money-saving proposition to the Government, because after we build these warehouses they will be of useful service in the years to come—I know we will need them if we have a war—they will be a permanent investment, and by storing cotton in the Government-owned warehouses we will cut off the expense to the Government of thirty or thirty-five million dollars now going to the private warehouses of the country for the storage of the cotton.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. BILBO. I am glad to yield.

Mr. REYNOLDS. I am, of course, much interested in anything involving the purchase of cotton. It is my understanding that the Senator has offered an amendment to the pending bill providing for the purchase by the Government of the United States of cotton for future storage for use in an emergency.

Mr. McNARY. Mr. President, there are some on this side of the Chamber who would like to hear the debate, and we cannot on account of the noise in the Chamber.

The PRESIDENT pro tempore. The Senate will be in order.

Mr. BILBO. The amendment does not provide for the purchase of the cotton. We have already bought it. The amendment merely provides that the cotton we now control, the title to which will pass to the Government by the 1st of July, shall be turned over to the War Department with instructions to store 7,000,000 bales for purposes of national defense in case of an emergency.

Mr. REYNOLDS. Is the Senator suggesting that the Government expend a sufficient amount of money to construct warehouses?

Mr. BILBO. That is provided in the amendment. The authorization for whatever funds are necessary will be placed in a deficiency bill as it comes along if the amendment should be adopted.

Mr. REYNOLDS. The inquiry arose in my mind whether, if we did that, we would not again be finding the Government competing with private business, about which we hear so much these days. That is the query I had in mind when I rose.

Mr. BILBO. Technically, I suppose the Senator is correct, that this would be interfering with private business.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BILBO. Permit me first to answer the question. The bill we have under consideration provides that all the strategic and necessary materials which we are to buy from foreign countries, and the production of which we are to develop in this country, which shall be stored for war purposes, shall be stored in Government-owned warehouses, and I am merely following out the policy of the bill.

Mr. SCHWELLENBACH. Will the Senator yield now?

Mr. BILBO. I yield for a question.

Mr. SCHWELLENBACH. Yesterday an amendment was adopted which reduced the amount of the authorization to $40,000,000, $10,000,000 a year.

Mr. BILBO. Yes.

Mr. SCHWELLENBACH. Would the cost of constructing the warehouses come out of the $40,000,000?

Mr. BILBO. Certainly not.

Mr. SCHWELLENBACH. Does the Senator's amendment provide for an authorization in addition to that?

Mr. BILBO. It does.

Mr. McNARY. Mr. President, will the Senator from Mississippi yield to me?

Mr. BILBO. I am delighted to yield to the Senator from Oregon.

Mr. McNARY. I am not quarreling with the objective of the Senator from Mississippi. It is the practical application of the amendment to present and future conditions that concerns me. If the 7,000,000 bales were stored and taken out of the channels of commerce, naturally that would produce a vacuum, and the result would be an elevation in the price level of cotton. Doubtless, that is what the Senator has in mind.

Mr. BILBO. That is one of the objectives, which I will discuss later.

Mr. McNARY. I do not desire to anticipate the argument. There has been so much confusion that I could not tell just what the Senator was saying. However, I wish to say that his objectives are plain and are meritorious, and are entitled to careful consideration; but I doubt very much whether his proposal is practical, so far as I am able to read and study the amendment. I wish to ask a question or two, if I may, at this point.

I understand that the carrying charge on a bale of cotton per annum is about $4.50, which is nearly a cent a pound. Would the carrying charges be lessened any by placing the cotton in storage in warehouses owned by the Government and controlled by the Military Establishment?

Mr. BILBO. Yes; they would be a great deal less, because the only expense then would be the policing of the warehouse where the cotton was stored, and whatever necessary overhead expense there was.

Mr. McNARY. That hardly answers the inquiry satisfactorily to me. Depreciation must take place in the quality of the cotton, insurance must be carried, interest accumulates, and there is the expense of the control of the cotton to be met. All those factors would be present, unless there were a desire to subsidize the cotton while in the warehouse through some provision which is not found in the pending bill. There is no provision made for the construction of warehouses or for taking care of the carrying charges over a period of years. That is a calculation which the Senator must have in mind when proposing and discussing his amendment.

Mr. BILBO. The amendment authorizes the Secretary of War to proceed with the construction of whatever warehouses would be necessary to store this amount of cotton. There might be ample room in the warehouses now owned by the War Department to enable it to store this cotton; but I am not advised on that point.

Mr. McNARY. The point which occurs to me as probably the most vital, and one which causes me to hesitate in favorable consideration of the amendment, is that there would be 7,000,000 bales of cotton taken out of the channels of trade and concentrated, hanging over the price level, a reduction in the amount of cotton in the channels of trade, and a storage of the cotton. Would not that have a depressing effect upon the future value of cotton?

Mr. BILBO. Is the Senator asking a question?

Mr. McNARY. Yes; that is a question.

Mr. BILBO. I could not hear the Senator, there is so much noise.

Mr. McNARY. Mr. President, some effort should be made to maintain order.

The PRESIDENT pro tempore. Will not Senators on both sides of the Chamber who are carrying on conversations please retire?

Mr. McNARY. I think the Senator understands the question all right; there is no doubt about that. I think the difficulty he is experiencing is in making answer to the question.

If 7,000,000 bales of cotton were stored in a Government-owned warehouse, and it were left there indefinitely—as it probably would be—would not the mere fact of the physical presence, the physical existence, of that cotton have a depressing effect upon the current price of cotton?

Mr. BILBO. That is the question?

Mr. McNARY. That is the question.

Mr. BILBO. It is my deliberate judgment that if this cotton were turned over to the War Department it would not deteriorate from storage; it would be purchased at a very reasonable price, below the cost of production, and no future Congress would attempt to remove that cotton or sell that cotton from the warehouse, and take it away from the War Department, because the War Department would know that we had one of the materials most essential in carrying on a war, in case of an emergency, and there would be no disposition on the part of any one connected with the War Department to get rid of it. So far as any future Congress disturbing it is concerned, that is unthinkable, for the reason that future Congresses will have just as much sense and be just as patriotic and as greatly concerned for the welfare of about two and a half million cotton growers as is the present Congress, as evidenced by the adoption of the amendment. There would be no fear in the minds of the cotton dealers, of the cotton speculators, exporters, or textile mills, that this cotton would be thrown on the market. It would be forgotten. It would be frozen indefinitely. In case we had a war, whatever part of the cotton was not used would rise in price. The Senator knows that after every war the prices of products of this kind always go sky high, and the Government would make a handsome profit on whatever was left.

Mr. McNARY. Mr. President, will the Senator bear with me a moment longer?

Mr. BILBO. I shall be delighted.

Mr. McNARY. I am afraid the memory of the speculator or the purchaser would be greener than is anticipated by the Senator. The speculator never forgets. There is one thing the fellow who buys always has in mind, namely, the amount of the commodity he purchases which is in existence.

Let me make one further observation, and I beg the Senator's pardon for taking his time. Assuming the country gets over the fear of war and conditions become stabilized in a few years, a feeling of security returns to the public mind, and the 7,000,000 bales are still in the warehouse, say 5 years from now; would not Congress be likely to put the cotton on the market when there was no fright or fear of war?

Mr. BILBO. I can imagine only one condition under which any Congress would disturb such storage. If cotton were to go sky high in price, as it has gone after every war, it might then be that some Congress economically disposed would want to take the cotton out of storage and realize the cash on it. But that is a wild speculation, and I think the Senator himself is speculating as to what might happen. I believe that if cotton were stored in warehouses, under the control of the War Department, it would have no more effect on the world price of cotton than the iron ore which lies in a rich mine in our country would affect the price of steel.

Mr. McNARY. I have always thought that experience was a signboard indicating what will happen tomorrow, and that after we study the past we may have some notion of what may be expected in the future. Let me say to the Senator that I recall that during the administration of President Hoover Congress passed what is known as the Farm Marketing Act of 1929. One of the provisions in that measure created a Farm Board. That Farm Board acquired at 74 cents a bushel 315,000,000 bushels of wheat. It acquired 1,500,000 bales of cotton. It pegged prices at the figures at which it acquired the wheat and cotton and held the wheat and cotton for 2 years, until the collapse came. Why did the collapse come? Because the market under-

The PRESIDING OFFICER (Mr. STEWART in the chair). Does the Senator from Mississippi yield to the Senator from

spinners or processors of Japan, Italy, France, Germany, Great Britain, and Belgium can buy our cotton at a lower

stood that a disturbing volume of cotton and a nervous quantity of wheat had been impounded, and as the result of that physical existence of wheat and cotton the price of wheat fell from 74 cents a bushel to 38 cents a bushel, and there was a corresponding decline in the price of cotton.

There we have a simple illustration of psychology as it affects the market. If 1,500,000 bales of cotton disturbed the price in 1929 and 1930, 7,000,000 bales in existence would have doubled the pressure.

It so happened I was a Member of the Senate in those days, and it was I, as chairman of the Committee on Agriculture and Forestry, who presented an argument on the Marketing Act of 1929, and subsequently I had to make a report to the Congress that all the $500,000,000 had been dissipated and lost for the very reasons I have now assigned. If the Senator's amendment were written into the bill, in my opinion a similar catastrophe would result.

Mr. BILBO. Mr. President, I greatly appreciate the observation of the distinguished Senator on the other side of the Chamber. I think it is well that every proposition should be thoroughly analyzed and criticized; it is helpful in order to reach the golden mean and a proper conclusion; but, with all due deference to the distinguished Senator from Oregon, I do not think his observations are pertinent to the proposals I am making. What the Republican administration did in its attempt to solve the agricultural problem back in the 1920's has no connection with the proposals I am now making.

Mr. President, in further response to the Senator's observations, I call attention to the fact that, with the exception of cotton, the farm products with which the old Republican Farm Board of the 1920's was dealing were perishable farm products. Cotton is not perishable and will not deteriorate when properly stored.

Furthermore, the farm products which were under the charge of the old Farm Board in those days, and which the Senator seems to think affected the price, were there for the purpose of being resold; they were there for the purpose of being turned loose at the opportune time. My amendment proposes turning over to the War Department an imperishable material to be stored, as tin and iron are stored, to be used in case of war, with no suggestion whatsoever of its being released or turned back to the Congress to be disposed of in some other way.

Mr. McNARY. The Senator now is trying to avoid the force of my argument by saying that he wants it stored indefinitely. Does the Senator want it stored in perpetuity so it can never be taken out? If, so, let me say that the Senator, to be consistent, should propose an amendment to that effect.

Mr. BILBO. No; I do not want to store it indefinitely.

Mr. McNARY. How long does the Senator want to store it?

Mr. BILBO. I want to store it for use of the War Department during the duration of any war in which this country may be engaged.

Mr. McNARY. Until we have a war?

Mr. BILBO. Yes.

Mr. McNARY. That probably will be long after this building has moldered into dust. The Senator had better make it in perpetuity.

Mr. BILBO. I trust the Senator is correct. But if we are not going to have trouble how are we going to justify the expenditure of the billions we have voted even during the present session of Congress? Whether we have war or not, as I told the Senator previously, in the course of time the price of cotton goes in cycles as does the price of real estate. There will come a time possibly when we will be sure of entering upon the millenium, when it will be wise to release this cotton and put it into trade.

Mr. President, briefly this cotton has cost the Government, with storage, about 9 cents a pound. That amounts to $45 a bale. Seven million bales would be equivalent to $315,000,000. That is the asset we would turn over to the War Department. It would be a liquid asset. It would be just as liquid, and just as valuable an asset, and just as safe, as the gold that is buried at Fort Knox, Ky. We can have the assurance that in the warehouses of the War Department or the Navy Department will be stored an element or material which will not deteriorate, which will last for the next hundred years, and which was worth $315,000,000 when it was stored.

Mr. President, in view of the chaotic conditions existing in the world today, threatening a disturbance, if it were necessary that our Nation fight in defense of its very life, if it were forced to go out at the beginning of a war and during a war to buy the cotton necessary to carry on war, we would, if we should fail to adopt the amendment, have to pay twice as much for it as the Government has paid for this cotton. So we should be ready to spend $700,000,000 in case we have to buy this amount of cotton in another war, having failed to do so now.

Mr. President, I want to put into the RECORD at this point some statistics or facts which stand out in bold relief in the discussion about cotton, which may be helpful and constitute a predicate for the argument why the amendment should be adopted.

On July 31, 1939, the world carry-over of American cotton will be 14,250,000 bales. That is a million bales more than the record carry-over of July 1932.

The Government-loan cotton today is 11,350,000 bales. The heretofore normal average export of American cotton was between 7,250,000 and 7,500,000 bales. This year I am informed it will be in the neighborhood of 3,500,000 bales.

The 5-year average acreage up to 1931 was 41,424,000 acres, with an annual production of 14,667,000 bales during that 5-year period. The acreage in 1938 was only 28,000,000 acres. Therefore we have cut the acreage more than 13,000,000 acres, and at the same time we have reduced the number of bales about 3,000,000 bales a year by this cut in acreage.

In the 10 years ending July 31, 1938, foreign production increased from 10,000,000 to 18,000,000 bales. World consumption of cotton increased in 10 years from 25,000,000 bales to about 30,000,000 bales. During the past 6 years the parity income of cotton producers should have been $1,250,000,000 annually on a 12,000,000-bale crop; but the income this year has been only $750,000,000 for the cotton, with soil-conservation and adjustment payments of $150,000,000 from the Federal Government, making $900,000,000 for 2,500,000 farm families, or a gross income of $360 per family. Out of this $360 these families had to pay the cost of production and the cost of marketing and then maintain their families. I merely mention these facts to show the awful conditions which confront the cotton farmer and the necessity of heroic treatment in properly solving the cotton problem.

I should like to place in the RECORD at this point the record of supply and distribution of cotton stocks. In the United States on August 1, 1938, there were 11,446,000 bales of cotton. The production for 1938–39 was 11,621,000 bales, or a total of 23,067,000. That is the total supply.

The consumption in the United States up to January 1, 1939, was 3,332,000 bales. Exports were 2,205,000 bales, making a total of 5,537,000.

Stocks in the United States on January 31, 1939, were 17,530,000 bales. Impounded on account of Government loans are 11,350,000 bales. Mill stocks today are 1,600,000, making a total of 12,950,000.

Available for marketing purposes on February 1, 1939, were 4,580,000 bales. If domestic consumption and export continue at the rate of the first 6 months the distribution will be 4,463,000 bales, leaving a total available stock of 117,000 bales.

The cotton situation has given every Senator from a cotton-producing State a thousand headaches. We have had 15 or 20 different solutions offered by the 15 or 20 Senators from the cotton-growing States. We have had propaganda from every source on earth about how to solve the cotton problem which confronts the American people today. I was glad to hear the Senator from Oregon [Mr. MCNARY] say that the cotton problem is not a sectional problem. It is not a local problem. It is a national problem, a problem in which every citizen of the country is interested.

Mr. LUCAS. Mr. President, will the Senator yield?

could get it at a cheap price. That is one reason why they have not bought it. The cotton mills of America, I under-

a time" carrying it on with cotton. However, it is not

The PRESIDING OFFICER (Mr. STEWART in the chair). Does the Senator from Mississippi yield to the Senator from Illinois?

Mr. BILBO. I yield.

Mr. LUCAS. A moment ago the Senator made the statement that practically every Senator from a cotton-growing State had a different solution of the cotton problem.

Mr. BILBO. To begin with; yes.

Mr. LUCAS. I should like to know whether or not the Senators from the cotton-producing States have ever attempted to reach an agreement in conference as to how the problem should be solved.

Mr. BILBO. We met in January, and I think we have met two or three times each week since then.

Mr. LUCAS. And those Senators have never been able to agree?

Mr. BILBO. We have never been able completely to agree in the attempt to solve the problem, though everyone appreciates the necessity of a solution. The President has announced a program. I am sorry to say that I cannot agree with the export subsidy plan suggested by the President. I take it the President received this solution from the Farm Bureau Federation, headed by Mr. O'Neal, of Chicago. I have just received a letter from the head of the Mississippi Cooperative Cotton Association, and I wish to place in the RECORD his observations about the foreign export plan. He says:

> The export subsidy would not in any way assist the cotton farmer. The farmers of Mississippi are almost unanimous in their opposition to the export subsidy for the following reasons:
>
> 1. That it provides cheap cotton to foreign nations at the expense of the American consumers and American taxpayers.
>
> 2. That it would encourage similar action by other exporting countries.
>
> 3. That the probable cost would not justify the small increase in exports which will be obtained.
>
> 4. That it will seriously threaten the success of the reciprocal trade program, since the American cotton producer must depend upon foreign markets for approximately 50 percent of his outlet for cotton.
>
> If the industry is to be maintained on the present basis, it is the feeling of the farmers of Mississippi that any money that is appropriated by Congress should be made available to make additional payments to producers in excess of the world price in the way of compensation to offset the penalty of the tariff. It is believed to be a greater advantage to the cotton farmers of Mississippi to continue a program of reciprocal trade agreements which will guarantee free trade between this and other nations in the exportation of cotton.

I cannot give my consent to a subsidy on the exportation of cotton. I cannot see how it would help the cotton producers. I have a suspicion—and I have been afraid that in Washington, where we are gathered together to try to solve these problems, we are subjected to influences, arguments, and propaganda which are not at all times in the interest of the producers, the real farmers, the men who do the work.

The other day I received a letter from one of the outstanding economists of the South in which he made this striking statement:

> There is only one object in producing cotton, and that is to sell it to consumers at home and abroad.

That is not a detached statement from this distinguished economist. That is a whole paragraph by itself, and I think in that one paragraph he announced the viewpoint, the feeling, the interest, and the sentiment which control a great many persons who have been trying to solve the cotton problem for the cotton farmers of the South. Let me repeat the statement:

> There is only one object in producing cotton, and that is to sell it to consumers at home and abroad.

I am at a loss to know just how much glory and profit the cotton producers of the South will receive from dumping cotton upon foreign countries by reason of the taxpayers of this country paying a substantial subsidy to the farmers in order to induce foreigners to buy our cotton. A subsidy on the exportation of cotton, without an equal subsidy to the processors or textile mills of the United States, is manifestly unfair to the processors of this country, because if the cotton spinners or processors of Japan, Italy, France, Germany, Great Britain, and Belgium can buy our cotton at a lower price as a result of the taxpayers of America subsidizing the exporter, whatever the mechanics of the operation might be, the spinner or processor in the foreign country, where cheaper labor exists than in our cotton mills and processing plants in this country, is enabled to take America's cheap cotton, with Europe's cheap labor, and manufacture a cheap fabric to be sold to consumers in foreign countries at a price lower than that made to the consumers of America, where the cotton is produced. Most certainly it is unfair to the textile mills of the United States, because it destroys at one fell swoop all the export trade they might have in the sale of their manufactured products. So, I do not see any wisdom in it. I do not see any equity in it. I do not see any righteousness in the proposal.

If we subsidize the exporters in the sale to foreign markets of all or a part of the 11,300,000 bales of cotton to be dumped on the cotton markets of the world, so surely as we do it the world-market price of cotton will go to the bottom. We are now planting the crop for 1939 in America, and in a few months that crop will be on the market. If we destroy the world price of cotton through the process of a subsidy; if we wreck that price and bring it down below the present farm-loan value as set up in our Farm Act of 1938, at the close of this year the United States Government will have to take over the entire cotton crop of 1939, and we will find ourselves just where we are today, with another 12,000,000 bales taken over under the loan value as fixed by the Farm Act of 1938.

There are only two ways to save the Government from taking over the 1939 crop. One way is to subsidize the farmer with a parity payment, as suggested by the Senator from South Carolina [Mr. SMITH] in his bill, which would make the plan so attractive to him that he would sell his cotton in the open channels of trade, instead of unloading it on the Government under the loan feature of the act of 1938.

Mr. President, as we all know, the other House has killed the parity appropriation of $250,000,000. In the Senate we may be able to restore it, but I do not know whether such action on the part of the Senate would be accepted by the House. However, with the defeat of the $250,000,000 parity appropriation by the House, the fact remains that it is now too late to adopt the plan of the Senator from Alabama [Mr. BANKHEAD], which proposes to turn back to the farmers at 3 cents a pound cotton from the present Government holdings in order to reduce the crop for this year. It is too late to do that now, because the cotton farmers of the South have already bought their fertilizer, they have already plowed the ground, they have already made their plans, and in some parts have already planted the cotton itself. So it is too late to go through with that scheme.

Therefore, if the Congress is not going to accept the proposition advanced by the Senator from South Carolina [Mr. SMITH] of paying a subsidy or making a parity payment to the farmer to make it sufficiently attractive for him to sell his cotton in the open channels instead of loaning it to the Government, or, in effect, selling it to the Government, then the plan I propose is the only way by which we can save the cotton situation, for it is admitted by all the experts, it is admitted by all those interested in cotton, that if we will store 7,000,000 bales of cotton with the War Department and "freeze" it and put it there to stay, and let the cotton world know that it will not be removed—and it would not be removed—we will have solved the cotton problem; the price of cotton will at once go beyond the present loan value fixed by the Government, because the cotton processors of America and of the world need and would buy the cotton we would have left. As a matter of fact, there are now about four and one-half million bales of free cotton.

Senators may talk about the European spinners wanting American cotton because it is a better grade, but why do they not buy it? I will tell you, Mr. President, why they have not bought it. They have not bought it because they have been expecting, they have been planning and dreaming of the thing that is happening right now—an attempt to subsidize the exportation of cotton to the mills of Europe so that they

could get it at a cheap price. That is one reason why they have not bought it. The cotton mills of America, I understand, have in their stocks about 2,000,000 bales, possibly less than that. We have four and one-half million bales of free cotton. I will admit about 500,000 bales of it are "dog" cotton, which the processor cannot even spin. It is cotton that the speculators have used throughout all the years to manipulate the trade and affect the price of cotton, the market, by its presence.

They report it, but it is not worth having. The Senator from South Carolina [Mr. SMITH], who is a cotton expert, knows that to be true. However, as a matter of fact, we have about 4,000,000 bales of free cotton today, and if the European mills want it, why have they not bought it? If American spinners want it, why do they not buy it? They have been hanging around the Capitol since the 1st of January dreaming and planning and scheming to have something done so that they could get the cotton on which loans have been made by the Government, amounting to eleven and a half million bales, below the price the Government has put into the cotton. That is what has been happening. If we will take 7,000,000 bales of this cotton and turn it over to the War Department and "freeze" it and let it stay there—and no future Congress will remove it; I know they will not remove it next year because the Senator from Georgia [Mr. RUSSELL] and I will be here and we know how to filibuster—it will not affect that delicate thing which is called "the market"; it will not affect the price; it will not have an influence on it; but by removing this cotton from the present available supply there will be sufficient cotton left in the hands of the Government, with the free cotton, to meet the demands of the American spinners and the Europeans who want cotton; the price of cotton will go beyond the loan value fixed in the act of 1938, and the crop of 1939 will bring a decent price—far above the loan figure—under which the cotton producers of the South can live.

It may be said by my friend from Utah that my proposition is not germane to the pending bill; that the bill does not undertake to store anything except strategic and critical war materials; but I wish to tell the Senator that, while he may need strategic and critical materials to carry on the war he is getting ready for, he will have a hell of a time carrying on a war without cotton.

So he had better accept my amendment and permit this cotton to be stored. In doing that we will provide for the national defense and save about two and a half million cotton farmers of the South who today are in misery, who are in bankruptcy, who are being destroyed. The adoption of my amendment will save the situation.

Mr. President, I shall not attempt to prophesy, but if something like this is not done, and we proceed with the export subsidy plan that is now in the air, when we get back here next January we will find a sad condition, and we will find a South that will be aroused against the administration and against anyone who is a party to legislation that, if enacted, would destroy the price of cotton, that would wreck the price of cotton, and put us in worse condition than we now are. Of course, the farmer will get the loan figure, but the Government will be left holding the bag. However, by adopting my amendment we will save the Government and we will save the cotton farmer.

Mr. THOMAS of Utah. Mr. President, if I properly understand the amendment of the Senator from Mississippi, it is an amendment which, in a few words, would provide that the Government shall store on military or naval reservations, in keeping with the way in which strategic materials will be stored, $300,000,000 worth of cotton for which the Government now, in some way or other, is responsible. I believe that that is the sum and substance of the amendment.

First of all, Mr. President, it must be pointed out that under no circumstances of which we can conceive today, in anticipation of a war, at least, would cotton become a strategic material. It is an essential material. I should not like to quote the words the Senator used when he suggested that I would have "a hell of a time carrying on a war without cotton," but will merely remark that I "would have a hell of a time" carrying it on with cotton. However, it is not cotton or the lack of cotton, but it is war that brings us this type of problem. So the argument is hardly logical at this place.

I am loathe to step in and attempt to debate, on this bill especially, the economics of our cotton situation, but I must, at least, point out one or two factors which have to do with the economics of our cotton crop. Those who produce new wealth, such as cotton farmers, prosper when many others are able to produce great wealth in other parts of the world. When a period comes in which the consumers of the world are in such a position that they themselves cannot produce wealth, of necessity they cannot buy cotton. They cannot buy anything else. Cotton, which is so universally used in the world, is used in largest quantity where there are the most people to use it.

For 2½ years—indeed, for twenty-odd years, we may say—the part of the world which is ultimately the consumer of all our surpluses has not been able to buy, due to civil war and strife. That part of the world has been placed upon an economic basis which made it impossible for its people to obtain even their simplest clothing needs. There has been trouble throughout all Asia, which, of course, has been the ultimate consumer of all surpluses at all times in the history of the world because that is where most of the consumers live.

The cotton problem of the United States will be settled within 6 months after peace is restored to the Far East. That is the ultimate factor. If the Senator from Mississippi wishes to do something constructive and humanitarian which will bring prosperity to the cotton farmers of America, he should work for peace in the Far East. The other great consumers—not the ultimate consumers but the consumers who use, and who buy, and who furnish our market—have been disturbed not only by the threat of war but by a complete let-down in their capital. Storage is not indulged in, because loans are hard to get. We know that in our own country, so far as cotton is concerned, the ordinary retailer never carries on hand any more than sufficient for his immediate needs, whereas a little while ago, because conditions were deemed stable, every retailer of dry goods always carried on hand a great amount of reserve.

Those are the basic conditions; those are our troubles—no capital among some of the consumers, and no ability to obtain wealth with which to buy among the ultimate consumers.

The suggestion is now made that the Government take over $300,000,000 worth of cotton and store it in conformity with the theory of the strategic-materials bill, which would permit the President of the United States, under the amendment offered by the Senator from Nevada [Mr. PITTMAN] to sell the cotton at any time the President deemed it inadvisable or unnecessary to hold the cotton in storage in order to meet the requirements of the bill. So we are relieved of even the worry of the threat of a filibuster on the part of the Senator from Mississippi and the colleague whom he named.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I shall be glad to yield.

Mr. BILBO. The Senator says an amendment has been made to the bill which gives the President power to sell the materials which it is proposed to buy under the bill. I was not aware that the bill had been amended. I was going by the copy I have before me.

Mr. THOMAS of Utah. The amendment was accepted 2 or 3 days ago. It was offered by the Senator from Nevada.

Mr. BILBO. If that be true, the Senator's observation is correct; and in that case I certainly should want to modify my amendment so as to take cotton out of the jurisdiction of the amendment.

Mr. THOMAS of Utah. I was sure the Senator would. That is why I have brought out the matter. I am sure the Senator sees that the whole objective which I know he has in mind, instead of being furthered by his amendment, might actually be hurt by his amendment.

Therefore, Mr. President, I suggest that the Senate reject the amendment of the Senator from Mississippi.

Mr. BILBO. Mr. President, I desire to add, as part of my remarks, a statement which I have been able to get from one of the departments as to the cost of the warehouses necessary to store 7,000,000 bales of cotton. It is not an exact estimate, but it is a rough estimate that the Department is willing to stand upon. It will cost three and a half million dollars to build the permanent storehouses necessary to carry 7,000,000 bales of cotton after it has been compressed.

Mr. President, I understand that the bill has been amended in the respect just stated by the Senator from Utah. That is a fact I did not know about. I was governed by the original text of the bill. I understand that the amendment has been accepted, and is a part of the bill. That being true, if under the bill as it now stands the cotton, if stored, may be offered for immediate sale at the discretion of one person, I withdraw my amendment, and will not even ask for a vote on it, because I do not entertain any hope of being able to remove from the bill the amendment which has been placed in it.

Mr. THOMAS of Utah. Mr. President, the Senator from Mississippi has withdrawn his amendment. May I ask what is now before the Senate?

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BILBO. Mr. President, in withdrawing the amendment I wish to announce that it will be my purpose to introduce the amendment in the form of a separate bill and let it come before the Senate in that form, because I have a suspicion that before we get through this session there will be some need for a bill of that kind in order to solve the cotton problem.

I have felt all along that my amendment was not germane to the pending bill, because it dealt with a different question. At the same time, the adoption of the amendment to this bill would do two things: It would not only provide a definite war supply, in case of a 4-year major war, at no cost to the Government, but at the same time it would solve a great problem that is giving the whole country a headache.

Mr. THOMAS of Utah. Mr. President, I am in complete sympathy with the Senator from Mississippi. I hope and trust that the cotton problem will be solved.

Mr. President, this morning the Maritime Commission sent to me an amendment which they asked that I offer to the bill. The amendment simply provides that when materials bought from foreign countries have to be shipped upon the high seas they shall be shipped in American bottoms. The Senator who introduced the bill, and, I am sure, the committee, felt, of course, that the laws of the land which provide that supplies for the Army and the Navy which are brought overseas must be carried in American bottoms applies to this bill also, because these strategic materials are fundamentally supplies for the Army and the Navy, indirectly if not directly. Therefore, the theory of the amendment is not out of harmony with the present law. The theory of the amendment is very much in harmony with the present law.

While the amendment I am about to offer has not been before the committee and has not been considered by the committee, I see no objection to the Senate accepting it. Therefore, I offer it for the present consideration of the Senate.

The PRESIDING OFFICER. The Senator from Utah offers an amendment, which will be stated.

The CHIEF CLERK. On page 4, at the end of section 6, it is proposed to insert the following new section:

SEC. 7. In the acquisition of stocks of materials, as herein authorized, the agency charged with the duty of acquiring the same shall, as to the materials acquired outside the United States, require that such materials be shipped in vessels of the United States. No other vessels shall be employed in the transportation by sea of materials which shall be purchased and acquired under this act, unless the said agency, upon certification by the United States Maritime Commission, shall find that (1) no vessels of the United States are available, or (2) that the rates of freight charges by said vessels are excessive and unreasonable, or unless the said agency shall find, upon certification by the Army and Navy Munitions Board, that the exigencies of national defense otherwise require.

Mr. THOMAS of Utah. Mr. President, I ask for the adoption of the amendment.

Mr. VANDENBERG. Mr. President, I should like to ask the the Senator a question regarding the amendment. The amendment uses the words "vessels of the United States." What is the interpretation of that phrase? Does it mean vessels operated by the United States Maritime Commission, or does it mean any vessels under United States registry?

Mr. THOMAS of Utah. My interpretation—I do not know whether or not it is correct, because I have had no chance to look into the matter—is that a vessel of the United States is one flying the American flag. That is my understanding of the matter.

Mr. AUSTIN. Mr. President, I wish to inquire of the Senator who has offered the amendment about the last part of it:

Or unless the said agency shall find, upon certification by the Army and Navy Munitions Board, that the exigencies of national defense otherwise require.

I wonder if the Senator has considered that matter fully and whether he regards it as the proper place to put this discretion—this great decision, as it might be—in the event, for example, that the lanes of transportation of rubber were closed to American vessels and the only way in which we could obtain rubber would be by getting it through vessels of other nationals or vessels under charter of other countries. Has the Senator considered that such a situation might arise that it would be desirable to have the matter in the discretion of the Secretary of War or the Secretary of the Navy, or both of them, instead of the decision of the Army and Navy Munitions Board?

Mr. THOMAS of Utah. Mr. President, in answer to the first question, of course, as the Senator knows, I have not given this proposal full consideration. As I stated, it has just been handed to me.

In answer to the second question, it seemed on reading that the Army and Navy Munitions Board, which is set up under the direction of the Army and the Navy, and which has charge of the direct handling of all these strategic materials, of course, under the authority of the Secretary of War and the Secretary of the Navy, is a perfectly consistent place for this authority to rest, realizing that the Board would not use its own discretion without consulting the two Secretaries concerned.

Mr. AUSTIN. Mr. President, will the Senator yield for another question?

Mr. THOMAS of Utah. I am glad to yield.

Mr. AUSTIN. I wish to assume in the question that the United States is not at war, that the United States is at peace, but that the troubles of other nations create such a situation as to cut off an essential supply necessary to keep in operation some large industry in the United States. Assume that to be so, and that the natural effect of cutting off that supply is to lower the standard of living of all those in the United States who are engaged in the particular endeavor concerned, which depends so much on the importation of the commodity involved. Is the amendment so drawn that in such an emergency the importation could be made in vessels flying a foreign flag, or must we be limited to transportation only in vessels flying the American flag?

Mr. THOMAS of Utah. If I may answer the question, I think the amendment is harmonious in theory with the present law. With the law in regard to the transportation of supplies for the Army and Navy as it is, and with the other safeguards to take care of emergencies, it seems to me that any contingency such as that the Senator has pointed out could be met. If not, the amendment would be very ill-advised, because there are many parts of the world from which we get some small quantities of strategic materials, not those particularly used in manufacturing, but materials which we need, where probably the American flag on a boat has not been seen for many years, nothing but a tramp steamer once

in a while arriving at such a port. Therefore the question which the Senator asks is an important one, and if, for example, we should find ourselves confronted with such a contingency, the amendment would be extremely bad. But this is the way the law reads today:

Vessels employed for transporting supplies for Army and Navy.

And there is a limitation, which, of course, does not hold for these other materials:

Vessels of the United States, or belonging to the United States, and no others, shall be employed in the transportation by sea of coal, provisions, fodder, or supplies of any description, purchased pursuant to law, for the use of the Army or Navy unless the President shall find that the rates of freight charges by said vessels are excessive and unreasonable, in which case contracts shall be made as otherwise provided by law: *Provided*, That no greater charges be made by such vessels for transportation of articles for the use of the said Army and Navy than are made by such vessels for transportation of like goods for private parties or companies.

There is that limitation with regard to purchases of supplies for either the Army or the Navy. Material which is used by our manufacturers, to which the Senator has referred, might or might not be strategic and might or might not be coming in under the direction of the Army or Navy Board. If a material were not coming in in accordance with the provisions and appropriations set forth in the proposed legislation, it, of course, would not be a material controlled by the American law in either case. So the contingency about which the Senator speaks, it seems to me, is probably hardly possible.

Mr. AUSTIN. Mr. President, will the Senator yield further?

Mr. THOMAS of Utah. I am glad to yield.

Mr. AUSTIN. I desire the Senator to understand that my questions are not at all critical in their character.

Mr. THOMAS of Utah. The Senator from Utah understands that already, and appreciates it.

Mr. AUSTIN. The questions are for the purpose of eliciting information, and I have one further question. Does the Senator understand that if, when the Senate agrees to the amendment, if the Senate should agree to the amendment, the whole subject would be new and would be in disagreement between the House and the Senate, and might be further studied in conference?

Mr. THOMAS of Utah. Mr. President, I imagine that, as the House happens to be following the course of the bill, the amendment will reach the House committee before the bill is reported to the floor of the House, and there will be opportunity for consideration in the committee. My first thought—and probably it is a valid thought now—after having made the amendment known to the Senate and having gotten it into the RECORD, is that it would be well to leave it for consideration of the House committee, to leave it just as it is. I know that I have done all that could be expected of one in charge of a bill. So that if the Senator, who is a member of the subcommittee, feels that it would be better for us, in the parliamentary situation, not to agree to the amendment at this time, but just leave it pending, that would be perfectly satisfactory to the Senator from Utah.

Mr. AUSTIN. Mr. President, I think that is a very wise suggestion, because for my part I am not satisfied with my imperfect understanding of the amendment, and I would very much rather have it left so that it would be subject to careful consideration.

Mr. THOMAS of Utah. Mr. President, that is satisfactory to me. In connection with the amendment I ask that there be printed in the RECORD for the benefit of the Senate the laws regarding this point.

The PRESIDING OFFICER (Mr. GURNEY in the chair). Is there objection?

There being no objection, the laws were ordered to be printed in the RECORD, as follows:

Act of April 28, 1904 (33 Stat. 518)

SEC. 1365. Vessels employed for transporting supplies for Army and Navy: Vessels of the United States, or belonging to the United States, and no others, shall be employed in the transportation by sea of coal, provisions, fodder, or supplies of any description, purchased pursuant to law, for the use of the Army or Navy unless the President shall find that the rates of freight charges by said vessels are excessive and unreasonable, in which case contracts shall be made as otherwise provided by law: *Provided*, That no greater charges be made by such vessels for transportation of articles for the use of the said Army and Navy than are made by such vessels for transportation of like goods for private parties or companies (U. S. A., title 10).

SEC. 523. Transportation of supplies: Vessels of the United States, or belonging to the United States, and no others, shall be employed in the transportation by sea of coal, provisions, fodder, or supplies of any description, purchased pursuant to law, for the use of the Navy unless the President shall find that the rates of freight charges by such vessels are excessive and unreasonable: *Provided*, That no greater charges be made by such vessels for transportation for the use of the said Navy than are made by such vessels for transportation of like goods for private parties or companies (U. S. C. A., title 34).

Public Resolution No. 17, Seventy-third Congress (approved March 26, 1934)

Resolved, etc., That it is the sense of Congress that in any loans made by the Reconstruction Finance Corporation or any other instrumentality of the Government to foster the exporting of agricultural or other products, provision shall be made that such products shall be carried exclusively in vessels of the United States, unless, as to any or all of such products, the Shipping Board Bureau, after investigation, shall certify to the Reconstruction Finance Corporation or any other instrumentality of the Government that vessels of the United States are not available in sufficient numbers or in sufficient tonnage capacity, or on necessary sailing schedules, or at reasonable rates.

Mr. VANDENBERG. Mr. President, a parliamentary inquiry? Has the amendment been withdrawn?

The PRESIDING OFFICER. The amendment has not been formally withdrawn. The question is on agreeing to the amendment.

Mr. VANDENBERG. I understood the amendment was withdrawn.

Mr. KING. It was my understanding, Mr. President, that my colleague would not press the adoption of the amendment. If he does, I desire to submit a few observations. I think the suggestion which has been offered—that the House can take cognizance of the facts from the RECORD—would be sufficient information to enable them to make a further study of the matter in the consideration of the bill. Personally, I should not feel like voting for the amendment because I can conceive of some obstacles. I think it would interfere in part with some arrangements which might be made for exchange of commodities under the reciprocal-trade agreements. I have visited some of the mines in the Caucasus Mountains in Russia, where large quantities of manganese are produced. The Russians have ships. If we acquired some manganese from Russia, I am sure the Russians would insist upon having it transported in their own vessels; and if we insisted, as a condition precedent to purchase, that the manganese should be transported in our vessels, the Russians would perhaps charge a price which would be almost prohibitive. I think it would be disadvantageous for us to have in our law a provision that we could not acquire the commodities that are called for under the bill unless they were transported under certain conditions in American vessels. I think it would be better to study the question a little further before we made the provision a part of our statutes.

Mr. THOMAS of Utah. I would appreciate a ruling of the Chair which would leave the question in the RECORD without prejudice and without action.

The PRESIDING OFFICER. Does the Senator from Utah formally withdraw the amendment?

Mr. THOMAS of Utah. I can formally withdraw it if that will satisfy the end aimed at in the remarks made by the Senator from Vermont, the senior Senator from Utah, and myself.

Mr. AUSTIN. Mr. President, I understood our colleague to mean that the amendment would be withdrawn, and that the RECORD would show what has taken place. The House would have the advantage of what the RECORD shows about it. So, if the Senator will withdraw the amendment, it will not take it out of the RECORD physically but it will take it out of consideration, and out of the way of parliamentary

procedure. If he will do that, I think it will be a good way of handling the matter.

Mr. THOMAS of Utah. Mr. President, I withdraw the amendment.

Mr. DANAHER. Mr. President, I should like to ask the Senator from Utah if he will consider, at the time the matter is under consideration, renumbering the amendment he has suggested, so as to make it No. 6 (b). If he will refer to section 7, with subdivisions (a) and (b), in the bill as it is now drawn, he will find that it does not deal with the suggested provision in any form. As the Senator explained yesterday, subsection (b) of section 7 deals entirely with the development of mines. Consequently if transportation will be handled as appears in section 6, it would seem that the Senator's amendment should be a further subdivision of section 6 rather than be numbered section 7. I respectfully call that to the Senator's attention.

Mr. THOMAS of Utah. I thank the Senator from Connecticut.

The PRESIDING OFFICER (Mr. GURNEY in the chair). The bill is still before the Senate and open to further amendment.

If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	La Follette	Radcliffe
Andrews	Davis	Lodge	Reynolds
Ashurst	Ellender	Logan	Russell
Austin	Frazier	Lucas	Schwartz
Bankhead	George	Lundeen	Schwellenbach
Barkley	Gillette	McKellar	Sheppard
Bilbo	Glass	McNary	Shipstead
Borah	Green	Maloney	Smathers
Bridges	Guffey	Mead	Smith
Brown	Gurney	Miller	Stewart
Bulow	Harrison	Minton	Taft
Burke	Hatch	Murray	Thomas, Utah
Byrd	Hayden	Neely	Townsend
Byrnes	Herring	Norris	Vandenberg
Capper	Holman	O'Mahoney	Wheeler
Chavez	Hughes	Overton	White
Clark, Mo.	Johnson, Colo.	Pepper	Wiley
Connally	King	Pittman	

The PRESIDING OFFICER. Seventy-one Senators have answered to their names. A quorum is present.

The question is on the passage of the bill.

Mr. McNARY. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. BYRNES (after having voted in the affirmative). I have a pair with the senior Senator from Maine [Mr. HALE]. I transfer that pair to the senior Senator from Illinois [Mr. LEWIS] and permit my vote to stand.

Mr. MINTON. I announce that the Senator from West Virginia [Mr. HOLT] is detained from the Senate because of illness in his family.

The Senator from Rhode Island [Mr. GERRY] is unavoidably detained. I am advised that if present and voting, he would vote "yea."

The Senator from Nevada [Mr. PITTMAN], the Senator from Oklahoma [Mr. THOMAS], the Senator from Utah [Mr. KING], and the Senator from Ohio [Mr. DONAHEY] are detained in important committee meetings.

The Senator from North Carolina [Mr. BAILEY], the Senator from Washington [Mr. BONE], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Idaho [Mr. CLARK], the Senator from California [Mr. DOWNEY], the Senator from Alabama [Mr. HILL], the Senator from Oklahoma [Mr. LEE], the Senator from Nevada [Mr. MCCARRAN], the Senator from Missouri [Mr. TRUMAN], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are absent on important public business.

The Senator from Illinois [Mr. LEWIS], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained.

Mr. AUSTIN. My colleague [Mr. GIBSON] is necessarily absent. If present, he would vote "yea."

The Senator from New Jersey [Mr. BARBOUR] is unavoidably detained. He has a general pair with the Senator from Alabama [Mr. HILL].

I am advised that the Senator from Maine [Mr. HALE], if present, would vote "yea."

The Senator from New Hampshire [Mr. TOBEY] has a general pair with the Senator from Utah [Mr. KING].

The Senator from North Dakota [Mr. NYE] has a pair with the Senator from Missouri [Mr. TRUMAN]. If present, the Senator from North Dakota would vote "nay," and the Senator from Missouri would vote "yea."

The Senator from California [Mr. JOHNSON] has a general pair with the Senator from Maryland [Mr. TYDINGS].

The Senator from Kansas [Mr. REED] is temporarily detained. He has a general pair with the Senator from Massachusetts [Mr. WALSH].

The result was announced—yeas 56, nays 13, as follows:

YEAS—56

Adams	Connally	La Follette	Pepper
Andrews	Ellender	Logan	Radcliffe
Ashurst	George	Lucas	Reynolds
Austin	Gillette	Lundeen	Russell
Bankhead	Glass	McKellar	Schwartz
Barkley	Green	Maloney	Schwellenbach
Bilbo	Guffey	Mead	Sheppard
Bridges	Gurney	Miller	Shipstead
Brown	Harrison	Minton	Smathers
Bulow	Hatch	Murray	Smith
Byrd	Hayden	Neely	Stewart
Byrnes	Herring	Norris	Taft
Chavez	Hughes	O'Mahoney	Thomas, Utah
Clark, Mo.	Johnson, Colo.	Overton	Wheeler

NAYS—13

Borah	Davis	Lodge	Vandenberg
Burke	Frazier	McNary	White
Capper	Holman	Townsend	Wiley
Danaher			

NOT VOTING—27

Bailey	Gerry	Lee	Tobey
Barbour	Gibson	Lewis	Truman
Bone	Hale	McCarran	Tydings
Caraway	Hill	Nye	Van Nuys
Clark, Idaho	Holt	Pittman	Wagner
Donahey	Johnson, Calif.	Reed	Walsh
Downey	King	Thomas, Okla.	

So the bill (S. 572) was passed.

The title was amended so as to read: "A bill to provide for the common defense by acquiring stocks of strategic and critical materials essential to the needs of industry for the manufacture of supplies for the armed forces and the civilian population in time of a national emergency, and to encourage, as far as possible, the further development of strategic and critical materials within the United States for common defense."

SALE OF COTTON ABROAD BELOW COST

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated.

The CHIEF CLERK. A resolution (S. Res. 107) opposing sales of American cotton during the present world crisis to foreign purchasers below the cost of production.

Mr. GEORGE obtained the floor.

TAXATION OF THE COMPENSATION OF PUBLIC OFFICERS AND EMPLOYEES—AMENDMENT

Mr. CLARK of Missouri. Mr. President——

Mr. GEORGE. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. Yesterday I had printed and asked to have lie on the table an amendment intended to be offered by me to House bill 3790, the tax bill which will be before the Senate on Monday. In view of the extreme importance of the issue involved in the amendment, which seeks to extend the scope of the bill to income from securities as well as income from salaries, and in view of the inquiries which have been made with regard to it, I ask unanimous consent that the amendment be printed in the body of the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendment intended to be proposed by Mr. CLARK of Missouri to the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees was ordered to be printed in the RECORD, as follows:

On page 6, at the end of line 3, add a new title reading as follows:

"TITLE III

"SEC. 301. (a) Section 22 (b) (4) of the Internal Revenue Code is amended to read as follows:

"'(4) Tax-free interest: Interest upon (A) obligations of the United States or its possessions, or (B) the obligations of any State, Territory, or any political subdivision thereof, or of the District of Columbia, or (C) the obligations of any instrumentality of the United States or possessions thereof, or (D) the obligations of any instrumentality of any State, Territory, or any political subdivision thereof, or of the District of Columbia, shall be included in gross income; except that there shall be excluded from gross income the interest upon such obligations issued prior to the date of the enactment of the Public Salary Tax Act of 1939. Every person owning any of the obligations enumerated in clause (A), (B), (C), or (D) and issued prior to the date of the enactment of the Public Salary Tax Act of 1939 shall, in the return required by this chapter, submit a statement showing the number and amount of such obligations owned by him and the income received therefrom, in such form and with such information as the Commissioner may require. In the case of obligations of the United States issued after September 1, 1917 (other than postal-savings certificates of deposit), and in case of obligations of a corporation organized under act of Congress, the interest shall be exempt—

"'(A) only if such obligations were issued prior to the date of the enactment of the Public Salary Tax Act of 1939; and

"'(B) only if and to the extent provided in the respective acts authorizing the issue thereof, as amended and supplemented; and shall be excluded from gross income only if and to the extent it is wholly exempt from the taxes imposed by this chapter;'

"Paragraphs (1) and (2) of section 25 (a) of the Internal Revenue Code are amended to read as follows:

"'(1) Interest on United States obligations: The amount received as interest upon obligations of the United States issued prior to the date of the enactment of the Public Salary Tax Act of 1939 which is included in gross income under section 22.

"'(2) Interest on obligations of instrumentalities of the United States: The amount received as interest on obligations of a corporation organized under act of Congress, issued prior to the date of the enactment of the Public Salary Tax Act of 1939 if (A) such corporation is an instrumentality of the United States; and (B) such interest is included in gross income under section 22; and (C) under the act authorizing the issue thereof, as amended and supplemented, such interest is exempt from normal tax.'

"SEC. 302. The United States hereby consents to the application of a nondiscriminatory income tax, now or hereafter imposed by any State or local taxing authority, to interest, upon obligations of the United States, any Territory or possession or political subdivision thereof, the District of Columbia, or any agency or instrumentality of any one or more of the foregoing, (1) if such obligations were issued on or after the date of the enactment of the Public Salary Tax Act of 1939 and (2) if such State or duly constituted taxing authority has jurisdiction to tax such interest."

SPECIAL JOINT COMMITTEE ON FORESTRY

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. BANKHEAD. Mr. President, at the last session a concurrent resolution was passed creating a Joint Committee on Forestry. That committee was ordered to report on the 1st of April 1939. Former Senator McAdoo was appointed chairman of the committee. He went home and entered his campaign, and so the committee has not performed the duties which it was directed to perform. It did not become organized. As I have said, former Senator McAdoo was chairman, and former Senator Pope was the next ranking member. No action was taken. The House has adopted a concurrent resolution continuing the authority of the committee for a year. The Senate also has such a resolution on the calendar. I ask unanimous consent for the present consideration of the House resolution (H. Con. Res. 11).

The PRESIDING OFFICER. Is there objection?

Mr. GEORGE. With the understanding that it does not displace the unfinished business, I have no objection.

Mr. BANKHEAD. I spoke to the majority leader about the matter.

Mr. McNARY. I understand the resolution merely extends the time in which to make a report.

Mr. BANKHEAD. That is correct. As the Senator knows, the committee did not become organized. The Senator is on the committee.

The PRESIDING OFFICER. Is there objection to the present consideration of House Concurrent Resolution 11?

There being no objection, the resolution (H. Con. Res. 11) was considered and agreed to, as follows:

House Concurrent Resolution 11

Resolved by the House of Representatives (the Senate concurring), That the special joint committee, which was authorized and directed to study and make investigation of the present and prospective situation with respect to the forest land of the United States, its condition, ownership, and management, as it affects a balanced timber budget, watershed protection, flood control, and the other commodities and social economic benefits which may be derived from such land, be authorized to continue the investigation begun under Senate Concurrent Resolution 31 of the Seventy-fifth Congress and for such purposes said committee shall have the same power and authority as were conferred upon it by Senate Concurrent Resolution 31 of the Seventy-fifth Congress, and shall report to the Congress as soon as practicable, and not later than April 1, 1940, the results of its investigation together with its recommendation for necessary legislation.

The PRESIDING OFFICER. Without objection, Senate Concurrent Resolution 5 is indefinitely postponed.

HEARINGS BEFORE COMMITTEE ON RULES

Mr. BYRNES. Mr. President, without displacing the unfinished business, I ask unanimous consent that Senate Resolution 88, providing authority to the Committee on Rules to conduct hearings, which I report back favorably without amendment from the Committee to Audit and Control the Contingent Expenses of the Senate, be considered at this time.

The PRESIDING OFFICER. Is there objection to the present consideration of Senate Resolution 88?

There being no objection, the resolution (S. Res. 88) submitted by Mr. NEELY on February 27, 1939, was considered, and agreed to as follows:

Resolved, That the Committee on Rules, or any subcommittee thereof, hereby is authorized, during the Seventy-sixth Congress, to send for persons, books, and papers; to administer oaths; and to employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had on any subject before said committee, the expense thereof to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

SENATOR FROM TENNESSEE

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. LOGAN. I desire to submit a report from the Committee on Privileges and Elections and if the Senator from Georgia will permit, I should like to make a brief explanation of it.

Mr. GEORGE. Mr. President, this is a privileged resolution, and it is agreeable that it be presented now and disposed of if it leads to no debate, and with the understanding, of course, that it does not displace the pending measure. I do not think it would, anyway, because, as I have said, it is a privileged resolution, as I understand, of the highest order.

Mr. LOGAN. It is.

The PRESIDING OFFICER. The clerk will read the report submitted by the Senator from Kentucky from the Committee on Privileges and Elections.

The Chief Clerk read the report (Rept. No. 242), as follows:

UNITED STATES SENATE—REPORT OF COMMITTEE—JOHN R. NEAL, CONTESTANT, AGAINST TOM STEWART, CONTESTEE

We, your Committee on Privileges and Elections, beg leave to report that we have given careful consideration to the petition and supplemental petition filed by the contestant in the above-captioned proceedings and have concluded that the petition and supplemental petition should be dismissed, and that no further consideration should be given to the contest. Therefore we recommend that the following resolution be adopted by the Senate:

Resolved, That the contest of John R. Neal against Tom Stewart, Senator from the State of Tennessee, be, and the same is hereby, dismissed.

COMMITTEE ON PRIVILEGES AND ELECTIONS.

Mr. LOGAN. Mr. President, a contest was filed in the Senate by Dr. Neal against Senator Stewart. He alleged numerous violations of the laws of Tennessee in connection with the primary election held last summer in which Mr. Stewart received the nomination for Senator. Dr. Neal was also a candidate in that primary. I believe about 300,000, or perhaps

more than 300,000, votes were polled. The contestant received something over 4,000 votes. His charges, as stated in his petition and supplemental petition, largely related to the expenditure of money. It was evident, after careful examination of the petitions, that the contestant could not hope to establish that he was nominated.

The Sheppard committee considered all the complaints that were filed by the contestant and reported that there was nothing in any of the complaints which, in any way, cast any doubt on the election of Senator Stewart, and in most instances found no basis for the complaints which had been made. As I have said, this proceeding related wholly to a primary election, although the general election followed, and there was an allegation that more money was expended than was authorized by the statutes of Tennessee. Tennessee has a procedure whereby the courts may determine who has been legally nominated at a primary election. So the committee felt that it should not go into these matters as they had to do with a primary, and because the Sheppard committee have fully reported on them.

The contestee, Senator Stewart, tendered an answer in which he specifically denied all the allegations, but, in view of the fact that the committee reached the conclusion that there was nothing which would justify the committee to go further into the matter, the answer was only lodged with the papers and not filed. So I move the adoption of the resolution submitted with the report.

The PRESIDING OFFICER (Mr. NEELY in the chair). The question is on agreeing to the resolution reported by the Committee on Privileges and Elections and embodied in the report of the committee.

Mr. PEPPER. Mr. President, I have been endeavoring for about 15 or 20 minutes to secure recognition. I never like to secure recognition when a vote is about to be taken on another matter. Is it contemplated that there will be a vote on the question which has now been presented to the Senate? If so, I do not want to interfere with it.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. McNARY. Mr. President, I rise to a parliamentary inquiry. Has the able Senator from Kentucky asked for the immediate consideration of the resolution?

Mr. LOGAN. I asked for the immediate consideration, in the first place, although it is a privileged resolution which I submitted with the report, a resolution which, it seems to me, without advising with anyone else, I may say it is necessary for the Senate to adopt.

Mr. McNARY. I have conferred with the able Senator from Vermont [Mr. AUSTIN], a member of the committee, and I have no objection to the immediate consideration of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 115) was agreed to, as follows:

Resolved, That the contest of John R. Neal against Tom Stewart, Senator from the State of Tennessee, be, and the same is hereby, dismissed.

ORDER OF BUSINESS

Mr. PEPPER and Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield and, if so, to whom?

Mr. HATCH. Mr. President, I thought the Senator from Florida had the floor, and I desired to ask him to yield. If the Senator from Georgia has the floor, I will ask if he will yield to me for a moment?

Mr. GEORGE. I have been trying to yield to the Senator from Florida, because he has been anxious to procure the floor for some time. I now yield to him.

Mr. HATCH. Mr. President, will the Senator from Florida yield to me to present an article for the RECORD?

Mr. PEPPER. I yield.

(Mr. HATCH asked and obtained leave to have printed in the RECORD an article on "Americanity," by F. M. Kercheville, which appears in the Appendix.)

Mr. PEPPER. Mr. President——

Mr. HUGHES. Mr. President, will the Senator from Georgia yield to me?

Mr. GEORGE. I have yielded to the Senator from Florida.

Mr. PEPPER. Mr. President, I have got to attend a committee meeting, and I would appreciate it if the Senator from Delaware would present the matter he has in mind a little later.

Mr. HUGHES. Very well.

Mr. McNARY. Mr. President, may we have audible proceedings? The Chair should enforce the rule so that Senators may be heard.

The PRESIDING OFFICER. The Chair hopes that the Senate may have audible proceedings, and also that order may be maintained in the Chamber, so that Senators may be heard. But there is no rule by virtue of which the Presiding Officer can compel a Senator to elevate his voice. The Senator from Georgia has the floor.

Mr. McNARY. Mr. President, a parliamentary inquiry. We cannot hear the Chair. What is the proposition?

Mr. PEPPER. Mr. President, the Senator from Florida regards himself as being yielded to by the Senator from Georgia, who, he thinks, has the floor properly, but if I might be indulged for a few moments I would appreciate the courtesy.

Mr. McNARY. Mr. President, the Senator having the floor can yield only for a question. We are going to have orderly procedure or there will not be any business transacted.

The PRESIDING OFFICER. If the Senator from Oregon insists upon his assertion—which is the equivalent of a point of order—the rule will be enforced, and the occupant of the floor will lose it if he yields, except for a question.

REDUCTION OF COTTON SURPLUS

Mr. GEORGE. Then I submit a request. I ask unanimous consent that Senate bill 1514, providing in the interest of the general welfare for an appropriate reduction of the burdensome oversupply of American cotton, and for further encouragement of soil conservation and soil improvement by making payments in kind in cotton, and for other purposes, be made the unfinished business when the Senate shall next convene.

The PRESIDING OFFICER. Is there objection?

Mr. GEORGE. I include in the request that the pending resolution be temporarily laid aside. I make the request that Senate bill 1514 be made the unfinished business for Monday next, if I may be permitted so to state, with the consent of the leader of the majority.

Mr. McNARY. Mr. President, the parliamentary situation is about as follows:

The resolution submitted by the able Senator from Georgia was carried beyond 2 o'clock on Tuesday, and therefore inherited the status of unfinished business. The Senator is now asking unanimous consent to supplant that resolution by a bill. With the proper understanding that no action shall be taken on it today or tomorrow, I am willing that the bill the Senator mentions shall be made the unfinished business for Monday; but in the meantime some disposition should be made of the resolution submitted by the Senator from Georgia. Otherwise, he will be in the critical position that at any time he may desire or choose to act he may ask for the regular order, and the unfinished business will go back to the calendar and his resolution will come up. That is an unsatisfactory and uncertain status to have here, involving as it will two or three cotton measures.

Let me suggest that a motion be made to proceed to the consideration of the Bankhead cotton bill. That will then displace the George resolution, and will leave us in a clean-cut status, with one bill before the Senate.

Mr. GEORGE. Mr. President, I ask unanimous consent that on Monday the Senate proceed to the consideration of Senate bill 1514, known as the Bankhead bill. I desire to state that that will, of course, displace the pending resolution. I am quite content to have that done if the bill to which I have referred be made the unfinished business, because that bill contemplates affirmative action with reference to the loan cotton held by the Government.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. BARKLEY. If that request is acceded to, the Senator's resolution then will no longer enjoy a privileged status as

being the unfinished business, but will go to the calendar, and, of course, may be brought up by motion at any future time if the Senator desires to make such a motion; but it will not remain hanging over the Senate as the unfinished business.

Mr. GEORGE. Yes; I understand that. I have not objected to taking up anything——

Mr. McNARY. Mr. President, that statement must be qualified. The resolution would not be hanging over the Senate as the unfinished business on Monday, but between now and Monday it would be the unfinished business. For that reason I do not want the George resolution to be pending if the Senate is going to take a recess. I do not want action taken upon it prior to action upon the Bankhead bill.

Mr. BARKLEY. Mr. President, I will say to the Senator that it is not contemplated that we shall have a session tomorrow. It is my purpose to move either a recess or an adjournment until Monday.

Mr. McNARY. With the understanding that the George resolution may remain in its present status, but that no action shall be taken thereon, and that the Bankhead bill shall be made the unfinished business for Monday, I find myself in very great agreement with that suggestion.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia, as amended by the suggestions of the Senator from Oregon? The Chair hears none, and it is so ordered.

PROPOSED REDUCTION IN RELIEF ROLLS

Mr. PEPPER. Mr. President, I want to be assured that I understand just exactly what is contemplated.

Mr. DAVIS. Mr. President, will the Senator yield? I merely desire to place a matter in the RECORD.

Mr. PEPPER. No; for the time being I refuse to yield, until I make a statement.

Just a few minutes ago, following a procedure that has been universal since I have been here, except in some particular situation, the Senator from Georgia [Mr. GEORGE] graciously offered to yield to the Senator from Florida to enable him to make a comment of 5 or 7 or 8 minutes on a certain point. The Senator from Oregon [Mr. McNARY] objected to anything except a question. Is that going to be a precedent in the Senate? If it is, I want to know.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Oregon?

Mr. PEPPER. I yield to the Senator from Oregon for a question. [A pause.] Does the Senator from Oregon propose to ask a question?

The PRESIDING OFFICER. The Chair cannot answer that inquiry.

Mr. McNARY. Mr. President, I am not interested at all.

Mr. PEPPER. Mr. President, I have a telegram from Mr. Roy Schroder, who is the administrator of the Works Progress Administration in my State. This telegram, dated the 22d of March, reads as follows:

> Re telegram, according to instructions that I have from national headquarters in Washington, it will be necessary to release 7,000 people from the Florida relief rolls, starting on April 3, unless additional funds become available. It is my further understanding that the region of which Florida is a part is scheduled for a reduction of 57,000 individuals. To accomplish this cut in Florida it will be necessary to stop numerous projects now under way and also cancel arrangements made within the past week to start others of importance. The reductions will affect all classes of employees, such as administrative, skilled, unskilled, and those certified for relief.

Mr. President, perhaps I have undue agitation about seeing 7,000 persons in my State next Monday morning deprived of jobs, in addition to the 23,000 in the same State who are already certified and have never had an opportunity to obtain W. P. A. work at all. We face here in the Congress a situation in which the President has requested an additional appropriation of $150,000,000. We have had notice since January 1 that if this appropriation were not voted by the Congress a great number of persons would be turned off the present W. P. A. rolls. Yet Congress has faced the matter with the complacency with which a comfortable gentleman, sitting by his fireside in the evening, might imagine the wintry blasts outside his cozy home.

We all know that by next Monday the relief appropriation is not going to be passed on by the Congress, and we have no reason to doubt the statement made by the administrative officials that these reductions are to be put into effect at that time. The only conclusion I can draw, therefore, is that the Congress is not very much agitated about whether or not new thousands go into the ranks of the unemployed.

I desire to call attention to this fact, Mr. President, so that those who believe that business confidence will be improved by having more millions of unemployed in the country may have a practical test of their philosophy; so that it may be seen whether or not those who believe that business confidence will be increased by a reduction in the number of persons given made work are justified in the belief they entertain, and whether or not the increase day by day of this long line of American citizens who cannot get a chance to earn an honest day's living by an honest day's work is going to improve the stability and the security of the position of the American people.

Mr. LUNDEEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Minnesota?

Mr. PEPPER. I yield.

Mr. LUNDEEN. I should like to say that I thoroughly agree with the Senator.

The PRESIDING OFFICER. A point of order has been made against a Senator's yielding except for a question.

Mr. LUNDEEN. Why not remain here today and tomorrow and see that this program is put through?

Mr. PEPPER. Mr. President, I will say that I rose primarily to bring this fact to the attention of the Senate and to submit the following resolution:

SENATE RESOLUTION 116

Resolved, That the Administrator of the Works Progress Administration is hereby requested to see to it that no needy person is discharged from the relief rolls of the Works Progress Administration except for cause other than lack of funds until the funds appropriated by the Emergency Relief Appropriation Act of 1938 are exhausted.

I shall refer to the Emergency Relief Appropriation Act itself to indicate the sentiment of the Congress that they did not intend that persons should leave the relief rolls of the country. In that relief appropriation the Congress made that very clear by using language to the effect that until April 1 there should not be a reduction of more than 5 percent in the number of persons now upon the rolls of the Works Progress Administration. I presume the Congress has not changed its opinion.

I remember that when the relief appropriation bill was being considered, the chairman of the subcommittee, the Senator from Colorado [Mr. ADAMS], answered a direct query made by the Senator from New Jersey [Mr. BARBOUR] who stood here in his place and asked the chairman of the subcommittee the direct question, "Will the effect of reducing the amount of this appropriation be that persons shall be let off the rolls in my State?" The chairman of the subcommittee answered, with equal lack of equivocation, "There will not be a reduction." When the relief appropriation was passed, we were not presented the question here, of whether or not we wanted to cut off persons from the relief rolls. The Senator from South Carolina [Mr. BYRNES] and the Senator from Colorado [Mr. ADAMS] said that the money we were appropriating would accomplish the same result as the full amount asked, and therefore that neither the Senator from New Jersey nor the Senator from any other State need be agitated about the passage of the bill as recommended by the Appropriations Committee.

I should like to know whether the committee members have changed their minds; whether the experience of the past weeks has vindicated the confidence they had that this limited amount of money would give jobs in the future to the persons already employed. But in the face of this announcement by the relief administrator of my State, in

response to my inquiry, and in view of the general information we have here to the same effect, I have no reason to doubt that next Monday morning in my State 7,000 breadwinners will be turned away from the work they have had, little and inadequate as it has been, to go back to homes where there is no employed breadwinner.

I am agitated about that condition. Perhaps others are not, but I am agitated to the point that I have requested the W. P. A. Administrator and the chairman of the State board of public welfare to keep a check upon what happens to these 7,000 persons beginning next Monday morning. I want to ascertain whether we have lived up to the commitment we made to the American people that we were not going to let anybody starve in this country.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Texas?

Mr. PEPPER. I yield for a question.

Mr. CONNALLY. Am I to understand the Senator to say that the proposed reduction applies merely to the State of Florida, or is it a part of the program all over the country?

Mr. PEPPER. It is a part of the general reduction, but 7,000 is Florida's pro rata of the general reduction. I will further state that I have not obtained the figures from other States, because I knew Senators would know the reduction was general and that they would perhaps already have information regarding their own States; but here we sit complacently and comfortably, Mr. President, while the persons down there who have looked to us for the meager sustenance they have enjoyed are being deprived even of that.

Mr. LUNDEEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Minnesota?

Mr. PEPPER. I yield.

FIFTY THOUSAND IN THE GREAT STATE OF MINNESOTA PROTEST

Mr. LUNDEEN. In the State of Minnesota some 10,000 persons will be taken off the rolls; and, multiplying that by 4 or 5, there are forty or fifty thousand of our fine and good American cititzens in Minnesota who will face this very serious situation.

Oh, yes; I see some Senators shaking their heads about that. Perhaps not all those on the rolls are bona fide subjects of relief. Perhaps a few ought not to be on the rolls. Perhaps that is so; but why make the vast majority who are innocent suffer because there are a few unworthy persons of that type on the rolls?

I agree with the Senator from Florida. He is making an eloquent plea, and I hope the Senate will listen to him.

Mr. PEPPER. Mr. President, it has always interested me to read and to hear these comments that we are doing somebody a great injustice because there are a few persons on the relief rolls who perhaps should not be there, and to realize that the persons who make that complaint never say a word in behalf of the millions of persons who ought to be there, but who have never had a chance to get there.

I have heard some of my distinguished colleagues, and I have heard some of the so-called great statesmen of the United States, stand up and complain about public profligacy and extravagance, and about the abolition of our institutions, sacred as they are, by giving jobs to a few people who perhaps could keep body and soul together without that meager sustenance. Yet I have not seen those people even agitated, as, for example, in my State, by the information that there are 23,000 more who are certified by competent and honest State agencies who have never yet had a chance to earn a dollar upon the works program.

There seems to be such a difference of opinion about this matter that I do not know at all that I am right. I suppose none of us has any answer to the troubles in the economic dilemma which confronts us these days, but I thought it would be interesting to keep track of what happened to those 7,000 people who are let off the rolls in Florida. I wish I had a picture of them and could bring that picture back to the Senate, I will say, 1 week after next Monday. Many of them have yielded prematurely to the ravages of disease, perhaps because of lack of adequate nourishment. I do not think my State is behind in comparison with the other States of the Southeast, at least, yet the head of the nutrition department of the University of Florida told me a few months ago that she had a story which she had to tell to some one because it was agitating her constantly. The story was that she had investigated 10,000 rural children in the rural schools of Florida and had found that over half of those rural children were so undernourished that they had haemoglobin so inadequate that in one instance, a few days before, her case worker had seen a pale little girl collapse in death in the schoolroom from the exertion of mounting a short flight of steps to get a drink of water.

I do not like to say these things about my State, because I have a great affection for it and a great pride in it, but I venture to say that that is not an unusual situation.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. REYNOLDS. In reference to the unfortunate children of the Senator's State I wish to make the observation that there are unfortunate children, many orphans, in every State of the Union, and in that connection I suggest that we take care of the orphans of America, our own children here at home, before we consider taking care of 20,000 children from Germany, whom the senior Senator from New York [Mr. WAGNER] is desirous of bringing into this country, resulting in the resolution which he introduced the other day.

In addition to that, if the Senator from Florida will pardon me, in reference to the unfortunate children of America who are on the W. P. A. rolls, I am in entire sympathy generally with what the able Senator from Florida has just stated in regard to that. Insofar as the junior Senator from North Carolina is concerned, I propose to vote for the aid of the unfortunates of America as long as we have unfortunates in our country. I propose to vote for such appropriations as I believe to be necessary to aid the unfortunates of America, and I want to tell the Senator why. In this Congress I have voted with a majority of the Senators for tremendous appropriations, millions of dollars, mounting into billions of dollars, for national defense, being of the opinion—and I am not afraid to admit it—that no nation is going to attack the United States. In my opinion there is just about as much chance of Hitler and Mussolini attacking the United States as there was a chance for Al Smith to bring the Pope over to the United States from Rome in 1928, when our friends the enemies circulated the report over the country that if Al Smith were elected President, he would bring the Pope from Rome and put him in the White House, and he would move down to the Raleigh Hotel to live. [Laughter.]

In voting for these billions of dollars for national defense, I voted for the appropriations because the administration wanted them, because a majority of the American people wanted it done, because many of them, as I have stated, believed that Hitler and Mussolini were coming over here to take us, and I so voted because I wanted to appease them. Now I am ready to appease the appetites of the poor unfortunate people of America, and I am going to vote for appropriations so long as there are hungry people in this country.

Mr. MINTON. Mr. President, will the Senator from Florida yield in order that I may ask the Senator from North Carolina a question?

Mr. PEPPER. I yield.

Mr. MINTON. Evidently the Senator from North Carolina does not agree with the Senator from South Carolina, who said, in the course of his remarks yesterday afternoon:

> Of course we get very economical when it comes to certain fundamentals—

He was speaking about war expenditures—

> but we can pour out billions of dollars to support people who never contribute one iota to the progress or welfare of the country.

Evidently the Senator from North Carolina does not agree with that statement of the Senator from South Carolina.

refer is headed Shall We Drown the Unemployed? The

Mr. MINTON. I see that in this drowning process the

Mr. REYNOLDS. I do not. I state unhesitatingly that in my opinion many of the hundreds and thousands who unfortunately have been forced upon the W. P. A. rolls of this country have contributed as much to the success of this Nation as any man in this Chamber. They are just unfortunate.

Mr. MINTON. Mr. President, will the Senator from Florida yield for just one more question?

Mr. PEPPER. I yield.

Mr. MINTON. Then I take it that the Senator from North Carolina does not agree with the Senator from South Carolina when he states that we "spend billions and billions of dollars for no other purpose in the wide world than to make the recipients of their largess remember them on election day. There is not a Senator who will deny that that is the purpose."

Mr. SMITH. Mr. President, what we say here does not obscure the truth. I reiterate every word I said in that speech yesterday, and in the hearts of all men here they know that their so-called humanitarian philanthropy is based on vote getting.

Mr. BARKLEY. Mr. President, if the Senator will yield, I deny that statement, and say that, so far as I am concerned, I have never voted for a dollar to feed and clothe and house the hungry people of this country for the purpose of getting votes, and I do not believe any other Senator has done so.

Mr. BURKE. Mr. President, I call for the regular order.

SEVERAL SENATORS. Regular order!

Mr. SMITH. Oh, I knew I would arouse something when I told the truth.

Mr. REYNOLDS. I make the point of order that the Senator from Florida is in possession of the floor.

The PRESIDING OFFICER. The Senate will be in order, and Senators who are not engaged in debate will please take their seats.

Mr. BANKHEAD. A parliamentary inquiry.

The PRESIDING OFFICER. There will be no proceedings until order shall have been restored. The Senate will be in order.

The Senator from Alabama is recognized.

Mr. SMITH. Mr. President, just keep them off me, if order is desired.

The PRESIDING OFFICER rapped with his gavel.

Mr. BANKHEAD. Who has the floor?

The PRESIDING OFFICER. The Senator from Alabama is recognized to submit a parliamentary inquiry.

Mr. BANKHEAD. Who has the floor?

The PRESIDING OFFICER. The Senator from Florida [Mr. PEPPER] has the floor.

Mr. SCHWELLENBACH. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield for a question, if that is all I am permitted to do.

Mr. SCHWELLENBACH. I should like to ask the Senator from Florida whether the remark made by the Senator from South Carolina, which cast aspersion upon every Member of this body, which attempted to impute bad motives of every Member of this body, does not in his opinion constitute the greatest insult that has ever been uttered upon the floor of this body to the Members of this body since he has been a Member of it?

Mr. PEPPER. Mr. President——

Mr. SMITH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield; and if so, to whom?

Mr. PEPPER. I yield for a question.

Mr. SMITH. Mr. President, I leave it to every man here to search his own heart. It is so easy to rise and show righteous indignation because someone had the nerve to tell the truth. That is all this is. Let each man go down in his own heart——

Mr. PEPPER. Mr. President——

Mr. SMITH. I will be through in just a moment.

Mr. PEPPER. Mr. President, I yielded to the Senator from South Carolina to ask a question. If the point of order is not to be made that I lose the floor, I shall not object.

The PRESIDING OFFICER. The Senator from Oregon has already made the point of order against the Senator's yielding except for a question. Does the Senator from Florida desire to preserve his parliamentary rights in this matter?

Mr. PEPPER. I do.

The PRESIDING OFFICER. Then the Senator should refuse to yield except for a question.

Mr. SMITH. I have no further question to ask. I leave it to the conscience of every man on this floor. He knows, when he goes home——

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER. The Senator from Florida refuses to yield.

Mr. PEPPER. Mr. President, I refuse to yield any further.

We are told in the Scriptures that there was a certain sect, called Pharisees, who were accustomed to turn their faces toward a God they imagined to exist, and thank God for their own righteousness.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. PEPPER. I have heard many times in my life of individuals who thought they were the world's only honest men, and if I could satisfy my conscience that I was able to look into the face of a man who had a monopoly on honesty, I would think that I had visualized something that so far transcended all the marvels of the world that it was almost a temporary glimpse into eternity I had been able to enjoy. But I will say that I have seen many Senators—young Senators, middle-aged Senators, and Senators who were my elders, I have seen Senators from all parts of the country—and generally speaking, Mr. President, I have seen no one who would cause an exception to the opinion that I have always entertained that no man had a monopoly upon wisdom or righteousness or conscientiousness. It would be a sordid experience in the history of the United States for us to come to a period when there was only one honest man in our country, that there was only one man who had been able to follow the delicate thread of truth that wound its labyrinthine length through the affairs of men. I do not think we have arrived at that condition even now.

Mr. SCHWARTZ. Mr. President, will the Senator yield for a question?

Mr. PEPPER. I yield.

Mr. SCHWARTZ. Did I understand the Senator from Florida to say that he understood that the Senator from South Carolina claims that he never promised anything to anybody to get a vote? He did not say that at all. He just said what his opinion of the rest of us was as to issues that are supposed to affect us in our jurisdiction. He did not say that he is sanctimonious and honest, and that the things that appeal to other politicians do not touch him at all. He should not be placed in that light.

Mr. PEPPER. Mr. President, I have heard of but one candidate in my political experience who ran on the platform that never in all his life had he done anything wrong, and that gentleman was defeated.

I do not have any quarrel with Senators who have a difference of opinion about this matter. I have recently read and refreshed my mind upon the very able letter written by the junior Senator from Virginia [Mr. BYRD] to the Chairman of the Federal Reserve Board. There are two sides to the argument as to whether we gain by deficit spending or whether we lose. There are two sides to the question of whether the Federal Public Works would have perhaps some undermining influence upon private business, or even perhaps upon private morals. I do not quarrel with any man who disagrees with me about any one of those fundamental questions. But I think no man has a right to charge his colleagues with perfidy and viciousness and sinister motives because they happen to feel, as many of us do, that it is not only in accordance with our Christian obligations to our fellow men to offer succor to them but it is better for the general welfare that with public funds we try to create work which does not exist with private funds alone.

Mr. President, it may be that the secret of this difficult matter has been discovered. I have here in my hand the American Mercury for April 1939, and the article to which I

refer is headed Shall We Drown the Unemployed? The author proceeds to a consideration of what gain the country should have if we drown the unemployed. He starts off with the thesis that we have in the United States—or had in 1937 at least—130,000,000 people, and that we had about 11,000,000 unemployed. Deducting the unemployed whom he should drown first from the total number of the population, our remaining population should be 119,000,000. But it is estimated that those 11,000,000 people had dependents to the extent of 16,500,000, so, of course, we would gain nothing merely by drowning the fellow who was on the relief rolls and leaving his dependents. So, of course, we would have to drown the dependents also. Deducting those from the remaining population we would have a revised United States population of 102,500,000. But they tell us that the very reduction of that number of people would throw out of employment at least another 5,000,000 people engaged directly and indirectly from the gains of those who were employed previously in the system.

Mr. REYNOLDS. Mr. President, will the Senator yield for a question only?

Mr. PEPPER. I yield.

Mr. REYNOLDS. I wish to ask the Senator a question In view of the unemployment situation in this country, in respect to which the Senator has just mentioned that we have about 11,000,000 people out of employment at the present time, and in view of the fact, as the Senator knows, that, in addition thereto, we have about 26,000,000 people who are working part time, is it the Senator's opinion that the situation in this country would be helped if we were to stop all immigration into our country until every American had been employed?

Mr. PEPPER. Mr. President, the Senator from North Carolina——

Mr. REYNOLDS. I was just asking the Senator a question.

Mr. PEPPER. The answer to that question, Mr. President, is, first, "yes," and then, "no." [Laughter.]

Mr. REYNOLDS. Mr. President, will the Senator yield for a question?

Mr. PEPPER. I yield.

Mr. REYNOLDS. Will the Senator be good enough to advise as to why he employs the word "no"?

Mr. PEPPER. Mr. President, I did not intend——

Mr. REYNOLDS. Mr. President, if the Senator will pardon me, I withdraw the question. I am getting into the immigration question now.

Mr. PEPPER. I started to say a moment ago that the Senator from North Carolina had perhaps had more influence than anyone else in the Congress for the inclusion of the amendment which went into the act by which all aliens were removed from the relief rolls of the country; and while, of course, I seem to remember something about the brotherhood of man that does not altogether end at boundaries of nations, and I remember that there were instances after the World War when we sent our money and our food and our clothing abroad to people who lived in other countries, who were hungry, and whom we saved from starvation; yet I am perfectly willing to accept the theory that we should first look after our own people, notwithstanding the fact that many people from abroad, as all of us once were, have made many valuable contributions to America in many ways.

I started to say, Mr. President, that that would bring the people of the country down to ninety-seven and one-half million. Then there would be an additional number of seven and a half million persons who were dependent upon the 5,000,000 unemployed who would be drowned in the second instance, and that would leave a revised United States population of only 90,000,000.

And so on down the line. As we drown additional unemployed, and then drown their dependents, we would have to drown next the people who had previously been employed in making materials that were acquired, consumed, and used by the people we formerly drowned.

Mr. MINTON. Mr. President, will the Senator yield to me for a question?

Mr. PEPPER. I yield.

Mr. MINTON. I see that in this drowning process the one whose article the Senator is quoting from proposes that we drown or dispose of at least 40,000,000 people. Has he given any consideration to who is going to pay the expense of drowning these 40,000,000 people? I should like to know whether or not the States are going to bear this burden of drowning their own people, or whether the Federal Government is going to be saddled with the burden of drowning these 40,000,000 people?

Mr. PEPPER. Mr. President, I rather expect in a matter of that sort the reserved power of the States should operate, because when you deal with the lives of people, that is outside of the scope of the Federal power, except when you want to enlist them in war and the like. So, perhaps some of us would be willing to leave that responsibility to the local authorities.

The only difficulty is that it would be a little more painful to the local people to carry out this drowning process, and this perhaps is one case at least where the remote Federal Government should step in and relieve the local people of this painful experience.

Mr. NORRIS. Mr. President, will the Senator yield to me for a question?

Mr. PEPPER. I yield.

Mr. NORRIS. I am wondering if the Senator, when he provides that these people shall be drowned by Federal authorities, will provide that the drowners shall be selected under civil service, or whether they shall be taken from among those whose jobs have been given out by the party in power. [Laughter.]

Mr. PEPPER. Mr. President, I was about to ask the Senate to imagine a situation whereby the drowning resolution might come before the Senate, and after due deliberation, that the Senate might adopt an amendment whereby there should be no need for certification to ascertain the number and the identity of those who ought to be drowned, but each Senator should perhaps be allowed to make up a favored list under the patronage system that perhaps might be offered to the public executioner in such a case. And there might be instances where Senators out of their privy purse would be able to make a contribution to the expense of that doleful operation.

Mr. President, I do not know, but I suppose the resolution will have to go over until the next calendar day, at least until Monday, before it can be considered.

Mr. GILLETTE. Mr. President, will the Senator yield to me for a serious question?

Mr. PEPPER. I yield.

Mr. GILLETTE. The Senator, both in his suggested resolution and in his remarks, by sentiments that do him credit, has expressed grave concern over the 7,000 people who may be removed from the relief rolls in Florida, and he suggested worry over their possible condition 10 days from now. Is not the Senator, both in the resolution and in his remarks, failing to show proper concern for the 23,000 people in the State whom he says have for months been in destitute condition and been on the rolls, but have not received work of any kind? Why is the Senator failing to take them into consideration in the resolution that he is presenting?

Mr. PEPPER. Mr. President, I am grateful to the Senator from Iowa for raising that point. Of course, to answer the question directly, the 7,000 about whom I was talking have been working upon the W. P. A. rolls. It is not a question of letting these 7,000 off and taking in 7,000 more who have not had a chance to work heretofore. It means that the total number working is reduced by 7,000.

The Senator has put his finger on the sensitive point. When this appropriation was up here before many of the Senators on the floor—and I had the honor to be one of them—reminded our committee that the W. P. A. had given us the information that there were 750,000 certified relief clients in this country who never had had a chance to work. The committee—and nobody else in an effective way—concerned itself with these people. We know that we have perhaps 11,000,000 unemployed. Nobody disputes that fact; and

yet we do not seriously concern ourselves about them. The feeble few who were obtaining a livelihood are being cut off; 7,000 of them in my State will be cut off next Monday morning.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BARKLEY. Does the Senator know that since the 750,000 figure was given during the consideration of the previous relief bill the list has increased to 850,000, so that there are now 850,000 on the eligible certified lists in all the States who are unable to obtain work even under the present program of the W. P. A.?

Mr. PEPPER. Mr. President, I am glad to have that additional information.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LUNDEEN. Does the Senator know of any reason why we cannot remain in session today and tomorrow and do whatever is necessary in the way of legislation to bring about the remedy which the Senator proposes?

Mr. PEPPER. Mr. President, I will say that, as I understand the rules, the resolution must lie on the table a day.

Let us consider what is going to happen. Some say, "It is only another reduction in the W. P. A. rolls." Many persons say they are sorry. Others say the W. P. A. is spending too much money, anyway. Consider the element of uncertainty which enters into the lives of those people. I heard the junior Senator from Virginia [Mr. BYRD] make a statement to the effect—and it has been corroborated by experience—that much of the benefit we should have derived from the public spending program has not been derived because everybody was expecting the expenditure to be cut off at any time and was trying to make the most of it while it was there. If we had given assurance to businessmen, manufacturers, and merchants that they could lay up inventories and count upon a steady stream of Federal money, I venture to say that the expenditure would have achieved more good than it has.

Although we talk about business confidence being desirable, we are doing everything we can, by omission or commission, to allow that confidence to deteriorate. What about the merchants in a particular community? I wonder if they are going to lay in stocks of goods after they receive information that the relief rolls are about to be reduced? Let me state an experience which I had in my State last summer. I happened to be in a certain community, and I asked a businessman in that community if those in business there had been able to detect any benefit from the relief program. He said, "Senator, I will tell you an interesting fact. The deposits in the local bank went up, in dollars, exactly to the amount of the W. P. A. pay roll in this community."

Mr. CHAVEZ. Mr. President——

Mr. PEPPER. I yield.

Mr. CHAVEZ. Were those deposits made by the men who worked on the W. P. A. or by the merchants who sold the groceries?

Mr. PEPPER. They were based upon the money going into circulation in the community through the agency of the W. P. A.

Mr. CHAVEZ. How much would the average man who works for the W. P. A. at $44 a month be able to deposit?

Mr. PEPPER. I see the Senator's point. Of course, he does not deposit it directly; but when he buys merchandise he puts it into circulation in the community, and it finds its way into the community's depositary of money, the bank.

Mr. CHAVEZ. Is the Senator now talking about the man who receives $44 a month? Is the man who receives $44 a month from the W. P. A. able to deposit a dime?

Mr. PEPPER. I dare say he is not, directly; but the merchant who sells goods to a thousand W. P. A. workers who receive $44 a month does have some money to put in the bank.

Mr. CHAVEZ. The merchant who sells the goods is able to deposit money in the bank.

Mr. PEPPER. Yes.

Mr. CHAVEZ. But the man who receives $44 a month, at the end of the project, at the end of the time that he has been working for $44 a month, is in exactly the same position in which he started.

Mr. PEPPER. He is not exactly at the same point, because he has made a living, or a sort of living, during that time.

Mr. CHAVEZ. He has existed.

Mr. PEPPER. Yes. I am the last man in the world to say that what he is receiving is anything like an adequate amount.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. REYNOLDS. A moment ago I heard the Senator from Kentucky [Mr. BARKLEY] advise the Senator from Florida to the effect that within the past several months more than 100,000 persons had made application for provision by way of the W. P. A. rolls. May I ask the Senator from Florida to what he attributes the increase mentioned by the Senator from Kentucky?

Mr. PEPPER. Of course, general conditions may have something to do with it. The whole thing falls into something of a vicious cycle, Mr. President. I am one of those who think that perhaps the diminishing amount of expenditure by the Federal Government may have something to do with it, and that the diminished purchasing power which follows in the wake of the number who have already been released from the W. P. A. rolls since December, and taken out of the economic system, may have something to do with that unhappy result.

Mr. President, I had hoped that this session of Congress would see debates that were almost comparable in importance and merit with the debates of the Constitutional Convention. The Senator from Virginia [Mr. BYRD], the Senator from Colorado [Mr. ADAMS], and many other honorable and very able Senators, entertain a different view from that which I and other Senators entertain. I should like to see the question debated in the Senate by men who have knowledge of it, and who have sincerity in their hearts about the vitality of this question to American welfare. I should like to have its effect upon the economic system considered, and I should like to have its effect upon the morale of the people of America adequately considered.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. PEPPER. I yield for a question.

Mr. CHAVEZ. Will the Senator from Florida tell me how much morale, how much hope, can be experienced by the average American man, either in Florida or New Mexico, on $44 a month on a temporary project?

Mr. PEPPER. Mr. President, I know, and the Senator knows, that in time of war men often do without food, and many times men have subsisted upon a meager diet. However, everyone recognizes that a little food is better than none at all.

Mr. CHAVEZ. If that is the situation, why should we worry about the bank deposits of the man who sells groceries to those working for $44 a month on the W. P. A.?

Mr. PEPPER. Mr. President, we worry about him—using the word "worry" in the sense I mentioned a moment ago—because the policy we pursue is designed to help everybody, and not a particular class of our people. I do not think that the man who receives $44 a month derives any more benefit from the $44 of pay-roll expenditure than the merchants in the town, with whom he spends it. Therefore when we help him to buy goods from the retailer, the wholesaler, and the manufacturer, we are not partisan in our munificence to the people of this country.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield for a question.

Mr. WILEY. The Senator will remember that about a week ago the Senator from Michigan [Mr. VANDENBERG] introduced a resolution. I spoke on that resolution. I heard nothing from the Senator on the subject at that time. The resolution related to a remedy of the very situation of which the Senator is now speaking, because it would have made available money to be spent up to June 7, thus making it unnecessary to remove anyone from the rolls in Florida or any other State at this time. I am wondering if the Senator is

now speaking to that point. Is he speaking on his resolution, or is he speaking on the Vandenberg resolution?

Mr. PEPPER. Naturally I was speaking upon my resolution, which has points of difference from the Vandenberg resolution.

Mr. President, the thing in which I am interested is the achievement of the purpose which we all have in view. If the Vandenberg resolution will more effectively than any other keep employed those now working on the W. P. A. program of the Federal Government, I am for that resolution; and I am for anybody else's resolution which will achieve the necessary purpose.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield for a question.

Mr. BARKLEY. Would not the Vandenberg resolution, if adopted, create the same situation on June 7 which now confronts us because of the failure of Congress to appropriate the amount of money necessary to keep the needy from going off the pay roll? Is it not true that this very situation was predicted and foreseen by many of those who advocated the larger appropriation 6 weeks ago? Is it not true that the predictions of those who opposed the appropriation, to the effect that industry would absorb unemployment to an extent which would make it unnecessary to appropriate more money, have turned out to be inaccurate? Are we not now confronted with a situation which would not have existed, and would not exist on June 7, or any other day between now and July 1, if Congress had appropriated the amount which the Executive and the agencies charged with the responsibility advocated?

Mr. PEPPER. Exactly so, Mr. President.

Mr. MINTON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Indiana?

Mr. PEPPER. I yield for a question.

Mr. MINTON. Is it not true that the Senator from Michigan [Mr. VANDENBERG] and the Senator from Wisconsin [Mr. WILEY] both voted against the full appropriation, and that if we had had the full appropriation in the first instance we would not have needed the Vandenberg resolution, or the support of the Senator from Wisconsin for the Vandenberg resolution?

Mr. PEPPER. That is true, Mr. President.

Now, just this statement in conclusion:

The American people are entitled to know the attitude of the United States Congress. In the debate on the $875,000,000 appropriation, the subcommittee presented what I thought were conflicting recommendations or expressions of opinion. On the one hand, they said we had to reduce public expenditures to bring about recovery; we had to have economy; we had to stop deficit spending; we had to live within our means; we had to balance the Budget; and they said that business could never revive without the confidence that would come from the assurance that we had quit this foolish policy of spending in which many did not believe. Upon that theory, perhaps, a good many Senators voted not to appropriate $875,000,000.

Mr. CHAVEZ. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from New Mexico?

Mr. PEPPER. I yield for a question.

Mr. CHAVEZ. The Senator from Florida was elected by the people of Florida.

The PRESIDING OFFICER. Just a moment.

Mr. CHAVEZ. I am going to ask a question.

The PRESIDING OFFICER. The Chair again invites attention to the fact that the minority leader, the Senator from Oregon [Mr. MCNARY], has made a point of order against the Senator from Florida's yielding for anything excepting a question. Under the rules and precedents, if the Senator yields for any other purpose, he will lose the floor.

Mr. PEPPER. I yield only for a question.

Mr. CONNALLY. Mr. President——

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Kentucky will state it.

Mr. BARKLEY. Does the enforcement of that rule mean that a Senator may not, as the basis for a question which he desires to ask, make a simple statement?

The PRESIDING OFFICER. The Chair is of the opinion that under the privilege of asking a question it is not permissible for a Senator to make a statement which may be expanded into an interminable address.

Mr. BARKLEY. That does not answer the question which I propounded, which I think is a legitimate parliamentary inquiry. May a Senator desiring to ask a question make a simple statement upon which his question is based, or must he ask the question first and then explain it?

The PRESIDING OFFICER. In the opinion of the Chair, the point of order precludes the making of a statement, regardless of its simplicity, as a basis for an inquiry.

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. CONNALLY. I desire to ask the Chair if a point of order does not have to be made at the time the supposed offense occurs. May a Senator make a standing point of order, and just make one for the session, or the day?

I understand that a point of order must be made when the infraction of the rule occurs. I do not understand that the Senator from Oregon, when the Senate meets some day, may say, "I make a point of order," and go on and leave it; so I invoke that rule. The Senator's time is his own; and if he wants to yield for any purpose, he has a right to yield until some Senator rises and makes the point of order that he is yielding for something other than a question.

The PRESIDING OFFICER. The Senator from Oregon [Mr. MCNARY] made the point of order that the Senator from Florida [Mr. PEPPER] could not yield for anything but a question. The Chair is informed by the eminent Parliamentarian (Mr. Watkins) that under the precedents of the Senate that point of order is effective for the remainder of today's session.

Mr. CONNALLY. Mr. President, the session started last January and it will probably end next July, so the point of order is a standing order against the Senator from Florida alone. [Laughter.]

The PRESIDING OFFICER. If this legislative day's session should continue till July and the Senator from Florida should speak continuously until that time, he would still be subject to the present point of order. [Laughter.]

Mr. CHAVEZ. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from New Mexico?

Mr. PEPPER. I yield for a question.

Mr. CHAVEZ. It will be a question. Where do the W. P. A. authorities in Washington, for instance, get any authority to represent the people of my State, or the people of my colleague's State, with reference to what Congress should do for the public good?

Mr. PEPPER. Mr. President, I am not speaking at the instance of the W. P. A. I am speaking upon my own responsibility as a Senator from Florida; and I was pointing out that the W. P. A. officials had told me that the administrative effect of the existing law would be that next Monday 7,000 persons in my State would have to get off the relief rolls.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. PEPPER. I desire to conclude. I yield to the Senator from Georgia for a question.

Mr. RUSSELL. I wish to ask a brief question.

Mr. PEPPER. I yield for that purpose.

Mr. RUSSELL. Has the Senator from Florida given any consideration to the manner of distribution of funds by the Works Progress Administration in fixing compensation, which makes it necessary for the Senator from Florida to vote $2 per capita to keep one person on the Works Progress roll in other States, whereas only $1 would be paid to the Works Progress Administration workers in his own State?

Mr. PEPPER. Mr. President, I will say that the Senator from Georgia well remembers that I joined him in his very tremendous efforts, when the relief measure was being considered, to obviate that discrimination against the people of our section of the country. I feel that it is grossly unfair for us to have a wage scale and a remuneration there which in many instances is only from one-third to one-fourth what is being paid for similar work in other sections of the country.

Mr. RUSSELL. The Senator realizes, then, that when he votes a dollar to keep a W. P. A. worker on the rolls in his own State, it is necessary for him to vote two or three dollars to keep one worker on the rolls of another State?

Mr. PEPPER. Mr. President, even in the face of that discrimination while I deplore that necessity, I should even be willing to do that if I could help our people with the $1 they would be able to get.

Mr. REYNOLDS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from North Carolina?

Mr. PEPPER. Mr. President, I have to go to a committee meeting. If the Senator will ask only one question, and then allow me to yield the floor, I shall be glad.

Mr. REYNOLDS. As a matter of fact, it is not in the form of a question; it is in the form of a statement.

The PRESIDING OFFICER. The Senator may yield for a question only.

Mr. REYNOLDS. I want the Senator to know that I am in entire sympathy with him; but I also want the Senator to know that I know that North Carolina gets less per man than any other State in the Union, and I want something done about it.

Mr. PEPPER. Mr. President, the first point I made a while ago—and Senators will forgive me if I decline to yield any further at this time—was that there are a great many Senators and a great many Members of the House of Representatives who do not want to appropriate any more money because they do not believe in such appropriation. They think such policy is injurious to the general welfare of the country. If that is the attitude of the Congress, if that sentiment dominates the Congress, the people of America are entitled to know it. They are also entitled to know whether or not we sat here unconcerned and complacent about what actually was to be the result of our policy.

Mr. CHAVEZ. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from New Mexico?

Mr. PEPPER. Will the Senator pardon me if I do not yield at this time?

So, Mr. President, I send to the desk my resolution, and I give notice that at the earliest possible time under the rules I shall expect to call it up for consideration. Unless the chairman of the subcommittee and unless the subcommittee itself have changed their opinions, even they should be in favor of the resolution, for I understood when the relief measure was before the Senate that they did not want anybody to be cut off the relief rolls; at least no more than 5 percent of the number of unemployed.

Mr. LUNDEEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Minnesota?

Mr. LUNDEEN. I should like to ask the Senator a question.

Mr. PEPPER. Yes; I yield.

Mr. LUNDEEN. The resolution being submitted, if we were in session tomorrow, the Senator could call it up, could he not?

Mr. PEPPER. That is true.

Mr. LUNDEEN. Why not remain in session tomorrow?

Mr. PEPPER. I certainly should like to see that done; so far as I am individually concerned——

The PRESIDING OFFICER. The present parliamentary situation is such that the Senator cannot introduce his joint resolution without unanimous consent. Does the Senator ask such consent?

Mr. PEPPER. Mr. President, I ask unanimous consent to submit the resolution.

The PRESIDING OFFICER. Is there objection?

Mr. KING. I object.

The PRESIDING OFFICER. The Senator from Utah objects.

Mr. PEPPER. Mr. President, I give notice to my friends who have a different point of view that I am going to try to bring back to them some information about the 7,000 persons who are about to go off the relief rolls in my State. I want Senators to be able to judge of their own moral conscience as to whether they have any responsibility for what happens to these unfortunate persons.

It is an easy thing for a Senator living in a comfortable apartment, amid comfortable surroundings, fully clad, with food given to him in plentitude, as we have it, to say, "Upon matters of broad general policy I have a certain opinion"; but it is a more startling manifestation of the conviction of a man's heart that with tragedy staring him in the face, he appears unconcerned about what may happen to his fellow citizens.

Mr. CHAVEZ. Mr. President——

Mr. PEPPER. I want to say in conclusion to the Senator from South Carolina [Mr. SMITH]—for the integrity of whose views I have a very high regard—that in my personal opinion the Senator belongs to an old day in his country. His opinions have ceased to be the current opinions of his country. He has an attitude toward public questions that was appropriate to a certain era in the country's development; and I never saw a man who in his heart entertained those views more honestly, or expressed them more ably, than does the Senator from South Carolina. There may be temporary occasions of short duration when the pendulum will swing toward the Senator's point of view; but I entertain the belief that it will never actually get there, and that when it approaches that point it will not stay there long, because of the complexity of our country.

I come from the same tradition that the Senator from South Carolina comes from. My forefathers fought in the same glorious gray uniform in which his forefathers fought. They are buried in the same holy soil in which the Senator's ancestors honorably lie. Though younger than the Senator, I myself have some affection for that part of the country which is our birthplace, and to which we are attached. But, Mr. President, I know that the only way in which the section in which I live can ever hope to mount the ladder of substantial progress and stable economic existence is by somebody else's helping it. We cannot do it by ourselves. The only effective way by which the numerous economic forces which play upon our section can be brought into anything like harmony with the remainder of the country is through the Federal system, which is a unit of economy, and to assist us as an integral part of the whole for the legitimate benefit of the whole.

Mr. SMITH. Mr. President, since the Senator has referred to me——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from South Carolina?

Mr. PEPPER. I yield for a question, and then I will yield the floor to the Senator.

Mr. SMITH. This is not a question, Mr. President.

Mr. PEPPER. Mr. President, if the Senator will allow me for just a moment, I am concluding, and then I will yield the floor.

Mr. SMITH. I just want to reply to what the Senator has said.

Mr. CHAVEZ. Mr. President, may I ask the Senator a question?

Mr. PEPPER. Will the Senator from New Mexico pardon me if I do not yield for that purpose at this time? Then I will yield the floor.

So, Mr. President, I say to my friend the Senator from South Carolina that I do not accuse him of dishonesty. I

do not accuse him of perfidy. I do not accuse him of material considerations only, and I do not think he has a right to accuse me.

Mr. SMITH. I did not.

Mr. PEPPER. I was born in poverty, Mr. President; and, like many others here, I have had my own tedious course along life's highway. I have good reason to sympathize with a good many of the men who do not have jobs, and many of them who do not even have food and medicine and the means of subsistence. Because I want to help those men a little, because in the long run I would rather help them a little and let the deficit grow a little more, and I would be able to lie down at the end of the day a little more comfortably than otherwise; I do not think the Senator has a right to impugn my motives or the integrity of my purposes. My election is over for 6 years, just like the Senator's election. He was elected against the administration. I was elected for it. Let posterity determine which one was the wiser appeal that was made.

I think perhaps, therefore, we can all live in harmony. We can all express our views. We can all be equally sincere without any of us necessarily impugning the integrity of the other.

Mr. President, I ask to have printed in the RECORD at the conclusion of my remarks a short article from the American Mercury for April 1939, by Fred C. Kelly, entitled "Shall We Drown the Unemployed?"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHALL WE DROWN THE UNEMPLOYED?

(By Fred C. Kelly)

The other day one of our Senators proposed exporting 2,000,000 Negroes to Liberia, on the theory that the Government would then have 2,000,000 fewer recipients of P. W. A. and relief money. Thus an old fallacy persists in our august Congress, as it does elsewhere. If, say those who currently encourage this fallacy, everyone now on public works, relief, and so on were banished (or persuaded to drown themselves, as so many have) the Government would be able to stop the huge relief and public-works payments, balance the Budget, and, most important of all, lighten the tax load on John Citizen, Esq. This notion, for all its beauty, is sheer nonsense. Facts and figures show that removal of the present unemployed would only create a new batch requiring care.

Here are a few figures statisticians have prepared, proving that unemployment is not an independent problem, but one which has interrelationships with other aspects of our whole national economy. According to the 1930 census there were forty-eight and eight-tenths million gainful workers in the United States, out of a total population of 123,000,000. The average number of dependents for each gainful worker is thus about 1.5. If we assume that the 11,000,000 workers currently unemployed have the average number of dependents (of course, many are ahead of the average) about twenty-seven and five-tenths million persons may be classed as unemployed or dependent on the unemployed—about 21 percent of the total population. So if the unemployed workers were drowned their dependents would still remain. We should have to dispose of these dependents, too, or else the cost of relief would decrease only slightly, and the Government would lose the compensating value of those now on public works.

About 2,500,000 are on Federal work projects; another 1,500,000 families and single persons are receiving relief from State and local agencies. In addition 1,500,000 are receiving aid under Social Security. Since 1933, Government expenditures for relief and security have been more than $13,000,000,000. Of this, more than $9,000,000,000 went for wages, direct relief, or social-security payments, and the rest largely for materials, such as iron, steel, lumber, cloth, paint, cement, and tools.

If the unemployed had all been deported or drowned, those expenditures would not have been made. Thirteen billion dollars would not have trickled in various directions, and no part of it would have reached the local grocer or hardware dealer. Indeed, total retail trade in 1937 was only a little more than three times that amount. It begins to look as if business might suffer a substantial loss if all the unemployed were eliminated.

Statisticians say that for every man employed on public works an average of 2 to 2.5 are kept at work behind the lines. In other words, millions of workers in factories or on farms supplying materials and food have jobs only because millions of other workers have jobs on relief paid for by the Government. It is estimated that if we deported all the unemployed, including the two and five-tenths millions on work projects, about 5,000,000 new unemployed would lose their jobs. That drastic cure for unemployment would cause more unemployment. If the 5,000,000 new unemployed had one and five-tenths dependents apiece, and we continued to deport everybody who was unemployed, we might then have a score something like this:

	Millions of persons
United States population (1937)	130.0
Less unemployed deported or drowned	11.0
	119.0
Less dependents	16.5
Revised United States population	102.5
Less new unemployed	5.0
	97.5
Less new dependents	7.5
Revised United States population	90.0

Thus we have eliminated 16,000,000 unemployed and 24,000,000 dependents. At first glimpse the unemployment problem should now be much simplified. But new difficulties might arise. With only 90,000,000 customers, instead of 130,000,000, business would have difficulty in making profits. There would be such excess of both factories and dwelling houses that rents would decline, landlords would be delinquent in taxes and unable to pay mortgages, property values would naturally fall, banks and insurance companies would have a tough time of it trying to liquidate their foreclosed properties. Business and industry would discharge workers and widespread unemployment would raise its ugly head once again. If public works today provide indirect employment for from 2 to 2.5 other men, surely the income of a privately employed worker provides a job for at least one other worker. Assuming that to be true, then the 5,000,000 thrown out of jobs by the elimination of the original unemployed would put 5,000,000 more people out of work, and these would doubtless have the average number of dependents. If we got rid of all these, the score would be, in millions:

Revised United States population	90.0
Less new unemployed deported	5.0
	85.0
Less new dependents deported	7.5
Revised United States population	77.5

With our population now down to only 77,500,000, we are getting back to the good old days, and all should be well. But with fifty-two and five-tenths millions fewer customers, many business institutions would have difficulty in maintaining dividends. They would have to retrench and make every possible saving. Every employee not actually needed would be dismissed. Another mass deportation or "liquidation" might follow. Assuming once more the ratio of one worker indirectly employed for each one directly employed, the last deportation of 5,000,000 would create a new set of 5,000,000 out of work. Deporting them along with their dependents, the new score would be:

Revised United States population	77.5
Less new unemployed eliminated	5.0
	72.5
Less new dependents got rid of	7.5
Revised United States population	65.0

Our population is now getting down toward that of England or France, but England and France have unemployment, and so would we. A new crowd would be thrown out of work because it was no longer needed to supply goods used by the last group we got rid of.

But before we went that far maybe even the most conservative among us would quit worrying about deporting or drowning people as a solution for our problem.

Mr. KING. Mr. President, will the Senator yield for a moment?

Mr. PEPPER. Yes; I yield.

Mr. KING. If the Senator will have his resolution brought to the attention of the appropriate committee, I shall be very happy to join with him. I think we ought not to take it up now, that the resolution ought to go to the committee; and I shall join with the Senator in having his resolution go to the appropriate committee, but not today. I thought we would take it up on Monday.

The PRESIDING OFFICER. May the Chair inquire whether the Senator from Utah objected to the submission of the resolution? The Chair understood that some Senator objected to the submission of the resolution.

Mr. KING. I assumed that the Senator desired to have the Senate take up the resolution today, and I thought that ought not to be done. I thought the resolution ought to go to the committee. If the Senator submits it for that purpose, I have no objection.

The PRESIDING OFFICER. Without objection, the Senator from Florida——

Mr. PEPPER. Mr. President, let me say to my friend the Senator from Utah that if this were a new proposal, if it

were one as to which the committee had not already declared as a policy that reduction should not take place, I should think perhaps it would be altogether appropriate that the resolution should go to the committee; but since all that the resolution proposes to do is to keep the matter in status quo, and since the policy of the committee has been expressed in a way consonant with the resolution, and since it would probably result in greater delay and perhaps more confusion if the resolution were sent to a committee, I hoped Senators might express their opinions upon it directly, without its going to a committee.

That is the reason why I preferred that it remain upon the calendar.

Mr. KING. I have no objection to the Senator's offering it; but I did not want to have it taken up for consideration without the appropriate committee's considering it, or full opportunity being given the Senate to consider it.

The PRESIDING OFFICER. Without objection, the resolution will be considered as having been read twice and referred to the Special Committee on Unemployment and Relief, of which the Senator from South Carolina [Mr. BYRNES] is the chairman.

Mr. AUSTIN. If I can get the attention of the Chair, I will object.

The PRESIDING OFFICER. The Senator from Vermont objects.

Mr. MINTON. Mr. President——

Mr. PEPPER. A point of order. Am I not correct? Did the Senator from Utah object previously only to the resolution's going to a committee, or to its introduction?

Mr. KING. I thought the Senator intended to ask to have it taken up for consideration today, and I felt that that should not be done. I have no objection to the introduction of the resolution and to its going to a committee.

Mr. PEPPER. That is what I thought was the objection of the Senator from Utah. So, if that be true, the resolution has already been introduced, and the objection comes too late. When I first began to speak, as the RECORD, will show, I asked consent, and I did not think the Senator from Utah intended to object to the introduction of the resolution.

Mr. KING. No.

The PRESIDING OFFICER. The Senator from Utah has withdrawn his objection, but the Senator from Vermont has objected to the introduction of the resolution.

Mr. AUSTIN. Mr. President, I understood that the eminent Senator from Florida would get his resolution printed and have it lie on the table, and nothing more, and I have no objection to that course being taken.

Mr. PEPPER. I had no intention of calling it up this afternoon.

Mr. AUSTIN. I did not want it considered this afternoon.

The PRESIDING OFFICER. In existing circumstances it could not be considered without unanimous consent.

Mr. BARKLEY. Let me make a statement. Of course, the Senator could not offer his resolution, nor could any other Senator, at this stage of the day's proceedings, offer a resolution, except by unanimous consent.

The PRESIDING OFFICER. That is correct.

Mr. BARKLEY. That sort of consent is generally given. The Senator from Florida, as I understood, had not asked unanimous consent that the resolution be considered today. If he had, that would have been subject to objection.

Mr. PEPPER. No, Mr. President; I had not.

Mr. BARKLEY. The Senator asked that it be submitted and lie on the table. If the Senator asked for its present consideration, objection would lie on the part of any Senator.

Mr. PEPPER. If Senators will look at the RECORD, they will see that I stated that I was aware that under the rules it would have to lie over, and I intended that.

Mr. BARKLEY. Mr. President, I wish to make a brief statement about the whole situation. I presume the House of Representatives will today pass an appropriation, whether it will be $100,000,000 or $150,000,000 or less or more I cannot say, but before we recess or adjourn I shall ask unanimous consent that the Secretary of the Senate be authorized to receive the message from the House on that bill when it comes to the Senate, and that it be referred to the Committee on Appropriations.

I do not know how long the Committee on Appropriations will consider the bill. I hope it will not delay its consideration. I regret, as I am sure we all regret, at least those of us who believe that the Government has some obligation in connection with this situation, that it will be necessary on next Monday or tomorrow to discharge thousands of people who are now working on the W. P. A. program, and I hope that, without regard to any resolution, we will pass the appropriation, whatever it may be, soon enough so that the W. P. A. authorities may feel justified in rescinding the order they have already issued, to be effective tomorrow or Monday; I think it is to be effective tomorrow. This whole question will come up when that appropriation bill is returned to the Senate by the Committee on Appropriations, and I suppose, as was true on the former occasion, Senators will express their views with respect to it.

I wish to say another word while I am on my feet. I regret that the Senator from South Carolina made the remarks he made yesterday and which to some extent he repeated today. It is always impossible to draw a straight line in the Senate and be certain that all on the right is statesmanlike and all on the left is political. The Senator has asked me to search my conscience, and I am willing to do so, provided he does not search it for me, as I want to search it myself; but with whatever sort of microscope I might search my own conscience, I do not know whether I would always be right in concluding that, consciously or unconsciously, I had not voted here in some particular instance dependent upon whether my vote pleased my constituents, and whether that pleasure would be recorded and registered at some election.

But if those of us who voted for the appropriation that was passed 6 weeks ago, and those of us who will vote for some sort of an appropriation when the matter comes up again, are to be accused—and I am sure the Senator did not mean what his words really imported—of voting for appropriations with which to put people on the pay roll with no other view in mind except to get their votes on the day of election; if we are to be made the object of that criticism and that accusation, then, of course, there might be retaliation on the part of some Senators who might accuse another Senator of voting for some other bill, dependent upon how many votes it would register for him in his own State. So it is not really fair, and I do not think the Senator in his cool moments would regard it as fair, to make the general broadside criticism which I gathered from his remarks, made under the stress of an honest emotion, I will say, but an emotion just the same—that we are all actuated by the selfish desire to see how many votes we can get by voting for relief and relief appropriations.

As the Senator from Florida stated, we all have our human weaknesses. None of us is perfect. As Artemus Ward, the great American humorist, once said, "One man has as much human nature as another, if not more." I think that applies in this Chamber as well as on the outside, and I hope that, whatever our opinions may be with respect to the merits of legislation, whether it is an appropriation bill to provide work, or a tariff bill, or an agricultural bill dealing with cotton, tobacco, corn, wheat, rye, or anything else, no matter what sort of a bill it is, we can at least concede to our colleagues honest intentions and a fair desire to serve our people, because accusations of this sort invite accusations in return.

However much I have differed from the Senator from South Carolina, for whom I have a genuine affection, regardless of our political differences on the floor, I have never charged, nor have I ever in my heart thought, that he was actuated primarily and fundamentally in any vote he cast by his desire to register with his constituents to the extent that they would send him back to this body.

I have read, and we have all read, about the statesmanship of the former days, and we glory in the achievements of men who served here a hundred years ago. I do not believe there

is any less honesty, any less integrity, any less broadness of vision and outlook in this body now than there was 50 years or a hundred years ago, for when we read the history of our country we find that many Senators, many Members of both Houses of Congress, were in days gone by accused of improper motives and of lack of integrity to the extent that men challenged others to fight duels out in the suburbs of Washington because of some accusation or some reflection upon them.

I recall reading that John Randolph of Roanoke accused Henry Clay, of my own State, on the floor of either the House or the Senate—and I think it was the Senate, though I am not certain—of being a "blackleg," which in those days was a term of opprobrium. Clay challenged Randolph to a duel, and they went to the edge of Washington somewhere and fought a duel, but neither hit the other, and both were glad of it. After that they did not speak for more than 10 years. One day Clay was going down to Pennsylvania Avenue from the Capitol and John Randolph was coming up the hill. The only sidewalk was a foot plank just wide enough for one man to walk upon. As Clay went down the hill toward where the Peace Monument now stands he met John Randolph walking up on the narrow foot plank. They met each other and glared for a moment, both realizing that one or the other would have to stand aside. Finally Randolph said to Clay, "I never get out of the way of a damned scoundrel." Clay replied, "I always do," and stepped aside. [Laughter.]

Whatever may be our differences in the Senate I rejoice in the belief that we have not yet become so imbued with the idea of dishonesty or a lack of integrity on the part of our colleagues that we are willing to go to the length of accusing them of impropriety, lack of integrity, or lack of good faith.

I believe in the integrity of the Senator from South Carolina; I believe in his good faith; I believe in his honesty, however mistaken I may sometimes think he is on some issue. All I ask is that he accord his colleagues the same consideration his colleagues accord to him.

Mr. SMITH. Mr. President, I wish first to refer to the comment of the Senator from Florida [Mr. PEPPER], although I do not feel very much in a humor to talk at this time.

The Senator says I am living in a past age. God grant that I may be living in a passing age. Are we, in order to meet a condition, to repudiate all the eternal principles—I use my words advisedly—which have been incorporated into the organic structure of our Government and embrace that which all of us have deplored for 150 years, namely, the centralization of the American Commonwealth in Washington? The whole tendency is to bring here the welfare of 48 States, which wisely were granted reserved powers, leaving to each State the regulation and maintenance of the welfare of its citizens.

Here we are aiding and abetting the form of government which we say we are ready to go to Europe to fight, asserting a fear that that form of government will come here, while we are now practically living under that very form of government.

Just reflect on the number of things for which we are pouring out billions of dollars that are outside the provisions of the Constitution of the United States. How many functions and duties that belong to the States themselves have we assumed?

I must admit that I meant no reflection on the Senators when I stated they were playing a political game and were willing to pour out money in the hope of getting votes. I do not make myself any more righteous than anyone else; but I reiterate that statement. You would not do it if you did not think you could get your votes, and you know it. [Laughter.]

If it is a reflection to say that one tries to get votes, then all of us are reflected upon. I have done my best to gain votes by being what I am. It is not much; but what there is, is me. Senators may construe that as they please.

I am sorry that my good friends have been offended. If they like me as I am—if Senators will excuse this personal allusion—I am very glad; but if they despise me because of what I am, they can take it and lump it. I would not sacrifice my convictions, I would not sacrifice my principles, I would not be willing to prostitute my intellectual processes, for all the gifts of the gods.

Mr. President, I have not tried to reflect on my colleagues, but only to say that they are trying to make hay while the sun shines. It is no reflection on them, if they want to go out and get votes by this legitimate method. I do not want to do it that way, Mr. President, and I do not.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. SMITH. Yes, Mr. President, the Senator from New Mexico may talk to me. I do not want to confine him simply to asking me a question. The Senator may say what he pleases.

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from New Mexico?

Mr. SMITH. Yes, Mr. President, I yield.

Mr. CHAVEZ. Mr. President, a peculiar situation exists in the Senate. I come from a people who have always respected their elders. I know that, so far as votes are concerned, my vote is as good as the vote of the Senator from South Carolina. But, so far as I am concerned, whether I agree with the Senator or not, the fact that he has been a Member of the Senate for many years would not, in my opinion, justify me in not having respect for his opinions. I feel that the trouble with this country today is that we do not have proper respect for our elders.

Mr. SMITH. I think that is the truth. They ought to be respected. [Laughter.]

Mr. CHAVEZ. I think we should respect them whether we agree with them or not. And I want to tell the Senator from South Carolina now, that the people of the Senator from New Mexico have been in New Mexico, in what is now continental United States, since 33 years before the ancestors of many of our citizens landed at Plymouth, or even at Jamestown. We respect the Senator from South Carolina for his age, and we respect him for his opinions, although we may not agree with them.

Mr. SMITH. I thank the Senator. I am glad that I have something which commands the respect of people. [Laughter.]

Mr. President, this is a serious matter. I reiterate that I have respect for and confidence in my fellow Senators. They know as well as I do that never before was there inaugurated a movement, disregarding the States, to support all the idle, to guarantee social security, and what not. It has gone further than that. It has actually destroyed the solid South by injecting another feature, which I may discuss when the time comes. Our social security has been destroyed, or an attempt has been made to destroy it, by the injection of a new element, and that, too, under the auspices of the party I have revered and which was our pillar of cloud by day and pillar of fire by night—the old party that actually saved the civilization of the South.

Why this about face? Does anyone deny that it was to get the votes of the unfortunate race? Read the newspapers. We in our beleaguered condition are now left defenseless by both the Republican Party and the Democratic Party. Why was that done?

Mr. President, I hope that my friends here—and I have them—will not think that I was imputing to them any sinister motives. I merely wanted them to be fair and say, "Yes, we hope by this means to get those who were the beneficiaries of our largess to vote for us." You know quite well you would not give it to them if you thought they would not vote for you.

Would you? Let us be honest. Can Senators look me in the face and tell me that they were moved by a great humanitarian feeling?

Mr. President, I do not want the charge made that I ever accused others of doing what I felt I was too righteous to do. It is not a question of personal feeling with me. I have done my best. If there is a God, it will not be very many years, by the statute of limitations, before I will face Him, and standing in that solemn moment I will face Him—and if He is a gentleman He will recognize one when He sees him—I will face Him and let Him judge my sincerity.

I do not believe we have a right in Washington to assume all the burdens we have assumed. Take the illustration I used about joining our ranks with an unfortunate people. Surely Senators knew what that meant to us. What was that for? Was it for their uplift? The Republicans were doing that.

Mr. President, I am sorry if Senators took the speech I made yesterday as a reflection upon their honesty. I thought they would honestly say, "Yes, that is what we did it for." Honest to God, I thought that was what they would say. I thought they would admit that they felt that one was a fool who would not try to get votes. I am objecting to the method of getting them, that is all. I am not going to vote to mulct the taxpayers of America for the purpose of promoting the party to which I belong. I am not going to do it.

Now that personalities have been brought into the debate, let me say that I never could figure out why I like our leader, but I just like BARKLEY—yes, I do. [Laughter.] He said he did not know why he liked me, but—

I do not love thee, Dr. Fell,
The reason why I cannot tell;
But this alone I know full well,
I do not love thee, Dr. Fell.

Mr. BARKLEY. Mr. President, if the Senator will make an honest effort to find out why he likes me, I will then tell him why I like him.

Mr. SMITH. Before we adjourn I may devote myself to it.

Mr. President, I spoke the truth as I saw it, and, God help me, I will not take it back. All I want to say is that I was not impunging the motives of a single Senator, not one. I think they are just as honest and honorable as I am. I think they are just as sincere in their desires as I am in mine. The only thing is that we are just going in opposite directions.

What sort of statement is it for a man to rise and say, "Why, I voted for all this stuff for pure, genuine humanitarian reasons?" My friend from North Carolina [Mr. REYNOLDS] impresses me as being extraordinarily sincere and honest; but he did not want any soul searching here this afternoon.

Mr. President, one more word and I am through. I am surprised to hear a man from my section of the country say we have outlived the Constitution, that we have outlived the immortal doctrine—I use the word "immortal" correctly—and that we are now launched on an uncharted sea headed for a destination that means progress. As for me I shall remain a States' rights Democrat, and shall continue to maintain that the States may fully exercise all reserved powers, and I shall resist any further encroachment by the Federal Government into that splendid system of government.

Now, Mr. President, if anyone can tell what I have said he is welcome to it.

AUTHORIZATION FOR REPORTING AND SIGNING BILLS, ETC.

Mr. MINTON obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator from Indiana yield to me for the purpose of submitting a unanimous-consent request?

Mr. MINTON. I yield to the Senator from Kentucky.

Mr. BARKLEY. I am obliged to leave the Senate Chamber at a quarter to 4 o'clock to go down amid the cherry blossoms and put a crown on the head of a very beautiful girl who is to be crowned queen of the cherry blossom festival. I rejoice in the honor which has been conferred upon me by the request that I take part in that ceremony, and I am glad that it will take me amid scenes of peace and beauty, where I am sure there will be no feeling of any sort except that which is actuated by the almost unanimous sentiment of the American people that Washington is their city and that the cherry blossom festival has become a national institution.

Therefore I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 12 o'clock on next Monday, and that in the meantime committees may be authorized to report bills, resolutions, and nominations; that the Secretary of the Senate may be authorized to receive messages from the House of Representatives; and that the Vice President may be authorized to sign any bills that may become ready for his signature.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 246) making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 246) making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939, was read twice by its title and referred to the Committee on Appropriations.

PROPOSED REDUCTION IN RELIEF ROLLS

The PRESIDING OFFICER (Mr. NEELY in the chair). Will the Senator from Indiana suspend until the Chair disposes of the pending resolution? Without objection, the resolution which was presented earlier in the day by the Senator from Florida [Mr. PEPPER] will be considered as having been submitted by unanimous consent, ordered to be printed, and lie on the table. Is there objection? The Chair hears none, and it is so ordered.

The resolution (S. Res. 116) submitted by Mr. PEPPER was ordered to lie on the table, as follows:

Resolved, That the Administrator of the Works Progress Administration is hereby requested to see to it that no needy person is discharged from the relief rolls of the Works Progress Administration except for cause other than lack of funds until the funds appropriated by the Emergency Relief Appropriation Act of 1938 are exhausted.

Mr. MINTON. Mr. President, I shall detain the Senate only a few minutes. I shall not throw any bouquets. Neither shall I throw any brickbats.

I shall not speak in defense of Senators, because they can speak for themselves. I merely wish to direct the attention of the Senate to another group included in the remarks of the senior Senator from South Carolina [Mr. SMITH], a group which does not enjoy the privilege of this floor. I am sure the Senator does not question the sincerity or the honesty of purpose of any of his colleagues. If he should so far forget himself as to do that, of course, Senators have this forum in which to defend themselves in honorable debate with the great Senator from South Carolina.

Mr. President, it was not Senators whose motives were impugned yesterday and again today. It was not Senators who were held up to scorn. It was not Senators who were lashed by the Senator from South Carolina. That was only incidental. Yesterday the Senator from South Carolina said:

We pour out billions of dollars to support people who never contribute one iota to the progress or welfare of the country.

The rest of his remarks only bore out the thought that the money we were appropriating for the poor unfortunate victims of a depression, not of their own making, was appropriated for those who were unworthy and "who never contributed an iota to this country."

Ah, Mr. President, I know many of these unfortunate people. I know hundreds of them. I know thousands of them. Like the Senator from Florida [Mr. PEPPER], coming as I do out of poverty, I speak of them with sympathy and understanding. So I speak for them this afternoon, and not for great Senators, who can speak for themselves.

I wish to resent the imputation that the money which is appropriated to drive hunger and starvation from the doors of good American citizens, whose only crime is that they cannot get a job to earn their bread by the sweat of their brows, is misspent. I resent the imputation which has been cast upon good American citizens by statements such as those made by the Senator from South Carolina; and I wish to summon to my side, to bear witness to the faith that is in me, a widow in Indianapolis, who wrote me the other day about the W. P. A. program. She is not an isolated case.

She is only one of millions in the United States who feel as she does. She wrote me as follows:

I am an employee of the W. P. A., and this work has helped me wonderfully, and I certainly have appreciated what has been done for me. I am a widow and the mother of one child that is depending on me for support in the home to care for, and will you please extend this work a little longer, as I hate to go back on direct relief, as I am eligible and I want to work, as I have no one to help me in any respect. Thank you.

ETHEL VAUGHN,
713 West Thirteenth Street, Indianapolis, Ind.

I am speaking for the Ethel Vaughns of this country, who tell me and other Senators in their letters that the W. P. A. has saved them, their children, and their families from starvation.

I resent the imputation that Ethel Vaughn and the millions like her contribute no iota to the welfare of this country. I denounce it as a base, gratuitous slander upon millions of good American citizens. So, Mr. President, I am speaking only for those who cannot be heard in this forum.

Perhaps Senators vote to appropriate relief money in order to buy votes. Perhaps we are venal. Perhaps we are low. Perhaps we have no humanitarian purpose in the program. If any Senator says we have not, I am no better than he is. However, Ethel Vaughn thinks differently. We are not buying her vote with the pittance we give her to keep starvation from her door. The people believe that the program is worth while. They believe that their Government is doing something for them that is worth while.

The Senator from South Carolina says that it was a sorry day when the Federal Government stepped in to bring relief to those who could not help themselves and that the States ought to take care of them. Ah, Mr. President, I do not know what the situation is in the great State of South Carolina; I have been through it only a few times in my life; but it did not appear to me to be much more prosperous than is Indiana. I know a little about the State of Indiana. I know that the Federal Government spent between $500,000,000 and $600,000,000 for recovery and relief in the great State of Indiana. Indiana could not have met the effects of the great depression upon those who work. A national calamity threw people out of work all over the country by the thousands. The National Government had to step in and meet the problem. The State of Indiana by itself could not have met it. If Indiana and South Carolina had had to bear the burden of the depression where would the money have come from to pay the bill? Out of the pockets of the taxpayers of the States of Indiana and South Carolina, and nowhere else, because we have nowhere else to look for the money to pay our bills; but Uncle Sam can reach out in 48 States and tax the rich and the well to do all over the country, wherever the wealth of the Nation may find its hiding place, and pay the bills of Uncle Sam. So Uncle Sam has only been carrying out a great humanitarian project because he was faced with a national problem, a national disaster, which only Uncle Sam, in all his power and might, could meet.

Mr. President, I dare say that we shall see the Senator from South Carolina repudiating his own doctrine in a few days. The Senator from South Carolina will be upon the floor in a few days asking, perhaps, parity payment for cotton. Perhaps he will want some cotton given back to the farmers in South Carolina at 3 cents a pound—cotton which they have already sold to the Government for 9 cents a pound. If I took an attitude like that of the Senator from South Carolina, I would say, "Let the people of South Carolina pay their parity payments on cotton. We do not raise any cotton in Indiana. Let the people of South Carolina pay their part of the $90,000,000 which Uncle Sam is going to lose on the cotton transaction. We do not have any cotton in Indiana."

The Senator from South Carolina is correct when he brings in his bills; and the present administration is correct when it looks upon the welfare of the cotton growers in 16 or 17 States in the United States as a national problem and a matter of national concern. With the slight and feeble power that is within me, I will not in the slightest degree stand in the way of parity payments on cotton, or doing what is necessary to save the cotton farmer of the South, or the wheat and the corn farmers on the plains. However, it seems to me that the Senator from South Carolina will be taking an inconsistent position in a very few days when he comes before the Senate and asks that the farmers of South Carolina be helped. God knows they need it. The Senator will admit that they need it, but when he comes and asks for help for the farmers of South Carolina he will not be laying South Carolina's dollars on the line. He will be asking Uncle Sam to help. He will be asking Uncle Sam to bring relief to the distressed people of South Carolina who cannot help themselves. I wish to help them. I shall not stand upon the floor and denounce them when they cry out in their misery and suffering.

So, Mr. President, I enter my protest, not in behalf of Senators, but in behalf of humble people who cannot speak for themselves or help themselves, and who look to us to bring relief to them in the time of their trials and troubles.

RESTRICTION OF IMMIGRATION AND DEPORTATION OF ALIENS

Mr. REYNOLDS obtained the floor.

Mr. McNARY. Mr. President——

Mr. REYNOLDS. I yield to the Senator from Oregon.

Mr. McNARY. Mr. President, I rise to suggest that perhaps the Senate had better adjourn and go home.

Mr. REYNOLDS. Mr. President, I desire to submit a few remarks to this body.

Mr. McNARY. It can only be done by unanimous consent.

Mr. REYNOLDS. Then I ask unanimous consent.

The PRESIDING OFFICER. The Senator from North Carolina asks unanimous consent that he be permitted to submit a few remarks. Is there objection?

Mr. McNARY. The Chair says "a few remarks."

The PRESIDING OFFICER. The Chair makes no guaranties. The Chair simply repeats the request of the Senator from North Carolina.

Mr. McNARY. I have no objection to the Senator making a few remarks.

Mr. REYNOLDS. I refuse to limit them.

The PRESIDING OFFICER. The Senator from North Carolina amends his request and asks permission to make unlimited remarks.

Mr. REYNOLDS. Unlimited remarks. [Laughter.]

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from North Carolina may proceed, unlimited.

Mr. REYNOLDS. Mr. President, I naturally assume that the Members of the Senate are desirous of returning to their respective offices for the purpose of answering correspondence or meeting constituents from home, or perhaps driving some of their friends around to see the cherry blossoms. If any of the Members of this body are desirous of so doing, I wish to state that I have no serious objection, because I now expect to direct my remarks to the American people through the columns of the CONGRESSIONAL RECORD. [Laughter.]

Mr. SCHWELLENBACH. Mr. President——

Mr. REYNOLDS. I yield only for a question—I should say, Mr. President, for an intelligent inquiry.

Mr. SCHWELLENBACH. Does the Senator mean to overlook the intelligent group in the press gallery when he says that he addresses the American people only through the columns of the CONGRESSIONAL RECORD? [Laughter.]

Mr. REYNOLDS. The Senator from North Carolina is unlike many of his colleagues, particularly his beloved colleague from the State of Washington. The Senator from North Carolina, when he addresses the American people, never glances at the press gallery, as do the Senator from Washington and others of our colleagues.

Mr. President, I am inspired to submit unlimited remarks this afternoon by the subject matter so ably discussed by many Members of the Senate this afternoon, which subject matter incidentally relates to the question of the unemployment problem in this country; and the unemployment problem in this country in turn is related to a subject which is paramount in the minds of the American people today; to wit, the restriction of immigration.

In bringing that all-important subject to the attention of the Members of the Senate, I desire initially at this time to advert to the fact that I introduced in the Senate in the month of January Senate bills 407, 408, 409, 410, and 411. I desire to say in that connection that the five bills, the numbers of which I have just mentioned, have been and are now being considered by a subcommittee of the Immigration Committee of the Senate. I may add that I hope that certainly within 10 days the subcommittee will have reported to the full committee, and I am living in high hope that the full committee may see fit to report to the Senate favorably, without reservation, these five bills of mine.

Mr. President, Senate bill 407, introduced by me, is a bill "to further reduce immigration, to authorize the exclusion of any alien whose entry into the United States is inimical to the public interest, to prohibit the separation of families through the entry of aliens leaving dependents abroad, and for other purposes."

Senate bill 408, introduced by me, is a bill "to provide for the national defense by the registration of aliens in the United States, and for other purposes."

Senate bill 409 has as its object the protection of American labor, and the stimulation of the employment of American citizens on American jobs.

Senate bill 410, likewise introduced by me in January as aforesaid, is a bill to provide for the deportation of aliens subsisting on relief under certain circumstances.

Senate bill 411 provides for the deportation of aliens inimical to the public interest.

These measures, as I stated a moment ago, are Senate bills 407, 408, 409, 410, and 411. I propose this afternoon at my leisure to discuss the question of restricted immigration, the registering and fingerprinting of aliens, the deportation of alien criminals and undesirables, and other features of those subjects in general, and in the discussion thereof I am desirous of bringing to the attention of those present newspaper articles, resolutions, and correspondence furnished to me from time to time.

Especially I bring to the attention of this body a letter under date of March 1, 1939, from Oklahoma City, Okla., on the stationery of the Senate chamber of the State of Oklahoma, signed by Hon. J. William Cordell, secretary of the senate. This letter from Oklahoma is addressed to Hon. JOSH LEE, United States Senator, Senate Office Building, Washington, D. C., and reads as follows:

DEAR SENATOR: Pursuant to the direction of the Oklahoma State Senate, Seventeenth Legislature, I am transmitting herewith a copy of enrolled Senate Resolution No. 17, which was unanimously adopted by the State senate on the 27th day of February 1939, requesting the Federal Congress to direct its attention toward providing legislation which will cause the speedy deportation of all alien residents of this country who do not within a reasonable time signify their willingness, desire, and intention and qualify to assume the obligations of citizenship and become citizens of the United States of America.

Yours very truly,

J. WM. CORDELL,
Secretary of the Senate.

Before asking that the clerk read the resolution furnished me by the Senator from Oklahoma I desire to state that the Senator from Oklahoma turned over this letter to me personally to bring to the attention of the Members of this body, because he was familiar with the fact that I have been doing everything I possibly could in the Senate to strengthen our immigration laws and to prohibit more aliens from coming to this country to take the jobs of Americans. I assume to state that the Senator from Oklahoma was aware of the fact that I was endeavoring as best I could to bring about the deportation of the alien criminals in this country and to have the alien undesirables expelled from our fair land.

I send to the desk the resolution referred to in the letter and respectfully request that it be read.

The PRESIDING OFFICER. Without objection, the resolution will be read.

The legislative clerk read as follows:

Senate Resolution 17

Resolution memorializing the Federal Congress to enact adequate legislation providing for speedy deportation of all alien residents who do not signify their willingness, desire, and intention to become citizens of the United States within a reasonable time after entry into the United States of America

Whereas it is estimated that there are approximately 8,000,000 residents within the boundaries of the United States of America who have neither become naturalized nor filed any declaration of intention to become citizens of this Nation; and

Whereas this large group of alien residents provides a fertile field for agitators and organizations who are not in sympathy with the American form of government; and

Whereas it is the sense of the State Senate of the State of Oklahoma that this large group of alien residents should not be permitted to enjoy the freedom and privileges of this Nation without assuming the corresponding duties and obligations of citizenship: Now, therefore, be it

Resolved by the Senate of the State of Oklahoma, That the Federal Congress be, and it is hereby, requested to direct its attention to this condition and to enact adequate legislation which will provide for speedy deportation of all alien residents of this country who do not within a reasonable time signify their willingness, desire, and intention, and qualify, to assume the obligations of citizenship and become citizens of the United States of America; be it further

Resolved, That the secretary of the State senate be, and he is hereby, directed to transmit properly authenticated copies of this resolution to each branch of the Congress, to each member of the Oklahoma congressional delegation, and to each of the United States Senators from Oklahoma; be it further

Resolved, That the secretary of the State senate forthwith transmit properly authenticated copies of this resolution to each of the legislatures of the several States of the Union, which are now in session, same for their consideration and action if they so desire.

Mr. REYNOLDS. Mr. President, in connection with that resolution I may in passing advise the Senate that it is my recollection that several weeks ago there was introduced in the House of Representatives a bill providing for the deportation of foreigners upon our shores who have been here for a period of 1 year and who within that time have not made application for American citizenship.

I now send to the desk a resolution which was adopted by the Senate of the State of Maryland in reference to this subject matter of interest to the American people; that is to say, relative to "isms" of the earth, restricted immigration, deportation of alien criminals, and so forth. I ask that the clerk read this resolution adopted by the Senate of the State of Maryland. In that connection, I apologize to the Members of the Senate for the references to myself in the resolution, but I assure them the references are no fault of mine, in that I had no part in suggesting to the senators of the State of Maryland that my name be mentioned therein. I am anxious, however, to have the resolution read at this time to demonstrate the fact that every State in the Union, through its legislative members, is calling upon this national body to do something in reference to the subject which I have endeavored as best I can to bring to the attention of the American people for the benefit of the unemployed in this country and for the benefit of the Government itself.

I therefore ask that the clerk read the resolution.

The PRESIDING OFFICER. Without objection, the resolution will be read.

The legislative clerk read as follows:

Whereas the constant and ever-increasing manifestations of peoples, groups, and organizations expounding the philosophies and theories of communism, nazi-ism, and fascism; and

Whereas these manifestations are in practically every instance inspired by aliens, or alien-minded people; and

Whereas the philosophy or theory as expounded by representatives of the individual organizations are for the promotion, fostering, and strengthening the doctrines of communism nazi-ism, and fascism in America; and

Whereas the Honorable ROBERT R. REYNOLDS, United States Senator from North Carolina, has caused to be introduced in the United States Senate, legislation in the interest of national defense and for the protection of America in time of war, providing for the registration and fingerprinting of each and every alien now in the United States, or who may hereafter apply for permission to enter the United States, and which is known as S. 408, and legislation providing that any alien or group of aliens whose presence in the United States is inimical to the public interest shall upon warrant of the Secretary of Labor be taken into custody and deported forthwith, which is known as S. 411; and

Whereas the members of the Senate of Maryland, reaffirming their steadfast belief in the principles of true democracy, and abhorring the alien-directed activities, for the purpose of pregnating and demoralizing minds of young and impressionable Americans, with obnoxious and unwarranted "isms": Therefore be it

Resolved, That the Senate of Maryland does hereby extend its appreciation and express its admiration to the Honorable ROBERT R. REYNOLDS, United States Senator from North Carolina, for his patriotic and inspiring legislation to the end that the philosophy of Washington, Jefferson, and Lincoln shall never be replaced with un-American principles as expressed by communism, nazi-ism, and fascism; and be it further

Resolved, That upon the adoption of this resolution the secretary of the senate is hereby instructed to forward copies thereof to the Honorable ROBERT R. REYNOLDS, United States Senator from North Carolina, the Honorable MILLARD E. TYDINGS, and the Honorable GEORGE L. RADCLIFFE, United States Senators from the State of Maryland.

Mr. REYNOLDS. Mr. President, at the time the Senate of the State of Maryland adopted the resolution just read, remarks were made by State Senator Robert B. Kimble in the Senate of Maryland on the resolution, commending the resolution introduced in the Senate of the United States by me. Again I apologize for asking the clerk to read the remarks of the Honorable Mr. Kimble as a senator of the State of Maryland at the time the resolution was adopted.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

REMARKS OF SENATOR ROBERT B. KIMBLE IN THE SENATE OF MARYLAND ON SENATE RESOLUTION COMMENDING LEGISLATION INTRODUCED IN THE SENATE OF THE UNITED STATES BY SENATOR ROBERT R. REYNOLDS, FROM NORTH CAROLINA

Mr. KIMBLE. Mr. President, the resolution just read by the clerk is self-explanatory. However, I do desire to comment briefly on the subject matter. As will be noted, the resolution represents an expression of the Senate of Maryland as concurring with the purposes and objectives of legislation introduced in the United States Senate by the Honorable ROBERT R. REYNOLDS, the distinguished Senator from the State of North Carolina. This legislation, as proposed by Senator REYNOLDS, provides for the mandatory registration and fingerprinting of every alien now in the United States or who may hereafter apply for permission to enter the United States. The objective of the proposed legislation is the strengthening of our national defense. It also provides for the deportation of every alien or group of aliens whose presence or activities are inimical to the public welfare of the United States. Certainly, when the American people are confronted with the daring and dangerous activities of aliens or alien-minded people, in the spreading of foreign propaganda, it is only just and fitting that this august body should give an expression of confidence and admiration to the Senator from North Carolina for his patriotic and inspiring legislation, to the end that the philosophy of Washington, Jefferson, and Lincoln shall never be replaced by the philosophy of communism, fascism or nazi-ism. There is a school of thought that to curb the activities of these propagandists would be to deprive them of the right of free speech and the freedom of assembly. My answer to this is that the Constitution of the United States and the Bill of Rights appended thereto was written for the protection of Americans and American institutions and not for foreign powers or their subjects. Should an alien desire to become a naturalized American citizen there are certain definite requirements which he must comply with; the most important makes it mandatory that he must renounce all bonds of allegiance to his native country. I submit, therefore, that the demonstration by the German-American Bund in the city of New York, where members were clothed in the uniform of the Nazi storm troopers, wearing arm bands on which were displayed the symbol of nazi-ism, the swastika, giving the Nazi salute, and having the audacity to compare Hitler with the Father of Our County, have not renounced their allegiance to their native lands and are not entitled to the privileges and liberties as guaranteed by the Constitution of the United States of America. Because of such daring activities we must assert ourselves against these subversive interests. There are alien interests at this very moment, in every sphere of our everyday life, attempting to drag us into the mephitic cesspool of dictatorship. Millions of dollars are being expended in these United States of ours to increase the interest in the aims and principles of these obnoxious, un-American "isms." Our mighty citadels of learning, both public and private, are being undermined by persons in the pay of and acting under directions from these countries which are attempting to bring about an upheaval in our democratic form of government. Our labor unions, our industries, our professions, and even our National, State, and local Governments are being subjected to this same despicable treatment. Men and women, high in public office, have admitted their support of and affiliation with the political organizations representing these foreign interests in our country. Many others have been accused and have answered neither in the affirmative nor the negative. It is high time that we brought about some definite action to rid ourselves of these undesirables. Do not misunderstand me in my use of the word "alien"; I am not referring to the millions of persons either foreign born or of foreign extraction who came to this country so that they might have a new birth of freedom; you all know to what class I am referring, and the sooner we take measures to rid ourselves of them the better off we will all be. Never forget; it could happen here. We must not permit it to happen here. We must rid ourselves of this alien menace so that, in the words of the Great Emancipator, "Government of the people, by the people, for the people, shall not perish from the earth."

Mr. REYNOLDS. Mr. President, I have before me another resolution, from the American Legion in Minnesota. I send it to the desk and ask that it be read, it being the third resolution which has been brought to the attention of of Members of this body today, and, I repeat, I am bringing to the attention of the Senate these resolutions in order that Members of the Congress may know that the American people today are demanding action by their national legislators.

The PRESIDING OFFICER (Mr. CHAVEZ in the chair). Without objection, the clerk will read.

The legislative clerk read as follows:

Whereas there is now in excess of 13,000,000 unemployed in the United States placing the future welfare of its citizens in jeopardy; and

Whereas aliens are entering the United States at the rate of more than 179,000 each year adding further to the unsurmountable unemployment problem; and

Whereas nothing has been accomplished to assure our present unemployed employment in the future, and our citizens have been forced to the conclusion that such unemployment will remain a permanent condition in the United States; and

Whereas hundreds of thousands of aliens entering this country are being given "aliens' preference" in the matter of employment, more than 14,000 of whom are now employed by the United States Government alone; and

Whereas among the aliens referred to are hundreds of thousands of so-called habitual aliens who have been in the United States from 10 to 30 years, enjoying all the privileges and immunities of citizenship, but not becoming naturalized and not undertaking or assuming any of the legal responsibilities or duties of citizenship; and

Whereas the continued admission of aliens into the United States will constitute a serious menace to the future welfare of our citizens: Now, therefore, be it hereby

Resolved by the Minneapolis Bearcat Post, No. 504, of the American Legion, Department of Minnesota, at its regular meeting held on the 24th day of February 1939, That all immigration into the United States of America be absolutely and wholly closed to all immigrants of every race and foreign nation whatsoever for a period of at least 10 years or until all employable citizens desiring employment shall have been absorbed into industry; be it hereby further

Resolved, That all elective and appointive officials of the United States, State, county, and municipalities thereof, deny employment to all aliens, and that all aliens now employed be discharged forthwith, and their vacated positions filled by American citizens; be it hereby further

Resolved, That a copy of this resolution be sent to both the State and National headquarters of the American Legion, to each of the Minnesota Senators and Congressmen, and that the proper officials of the department of Minnesota, the American Legion, be requested to forward a copy of this resolution to the post commanders within the department of Minnesota.

Mr. REYNOLDS. Mr. President, the American Legion sent copies of the resolution just read to their Representatives in the House and to Senators, as well as to American Legion headquarters in Indianapolis, Ind.

In addition I desire to read a letter addressed to me from Newport News, Va., under date of March 20, 1939, on the letterhead of the welfare committee of the Junior Order United American Mechanics of the State of Virginia, signed by R. B. Barker.

Before reading this letter I desire to take advantage of the opportunity to say that the Junior Order United American Mechanics has around 500,000 active, paid-up members, and they are found in every State of the Union. I know of no organization which has done more to bring about restricted immigration laws than has the Junior Order United American Mechanics, the national secretary of which is Mr. James Wilmeth, who resides in Philadelphia, Pa., and who came to Washington from the City of Brotherly Love a few days ago to testify before the subcommittee of the Committee on Immigration of the United States Senate in behalf of the five bills the captions of which I read a moment ago, having been introduced by me.

The letter reads as follows:

NEWPORT NEWS, VA., *March 20, 1939.*

HON. ROBERT RICE REYNOLDS,
United States Senator,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR REYNOLDS: On behalf of on extensive membership of native-born Americans in the Old Dominion, whom I officially represent, I want to again express my appreciation of your patriotic efforts in behalf of America and Americans. When the Kerr-Coolidge bill was before Congress you did a remarkable piece of work in killing this piece of atrocious legislation, and, in my opinion, Congress should be considering your needed proposed legislation in registering aliens for their own as well as the protection of all American citizens. The consideration of legislation restricting immigration instead of legislation similar to the Wagner joint resolution (S. J. Res. 64) and staying deportation of aliens and alien criminals should, in my opinion, be the first consideration of the present Congress.

Since becoming interested in the particular subject of immigration restriction, I have noticed recently and have accumulated various newspaper clippings and even letters inserted by the introducer of Senate Joint Resolution 64 in the CONGRESSIONAL RECORD, which I receive every day through the courtesy of my distinguished Senator, Hon. HARRY FLOOD BYRD. Quite apparently these letters and newspaper articles have a common origin and no doubt a common inspiration.

I enclose herewith my answer to a newspaper editorial which only the other day apeared in the Richmond News-Leader, which editorial came wittingly or unwittingly from the above-mentioned common source; the answer which I enclose appeared in the same newspaper of this date. I hope you will be inclined to insert in the CONGRESSIONAL RECORD this answer, which I wrote to show that such expressions of sympathy and generosity for Germans only, does not represent the sentiment of all Virginians.

Very sincerely yours,

R. B. BARKER.

I thank Mr. Barker very much for having addressed this letter to me, and I assure him of my gratitude for the compliments paid to me in the letter. I only hope that I am worthy of them.

In connection with the letter of Mr. Barker, I respectfully ask that a copy of his letter dated Newport News, March 15, 1939, directed to the editor of the Richmond News-Leader, Richmond, Va., be included as a part and portion of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEWPORT NEWS, VA., *March 15, 1939.*

EDITOR, RICHMOND NEWS LEADER,
Richmond, Va.

DEAR SIR: I have read with much interest your article in the editorial column of your paper yesterday under the heading "Bring Over the Children." The entire situation is a pitiable one to face and to these who may oppose the plan to bring over 20,000 children in 2 years will be classed as everything but a liberal American. The importation of these 20,000 children, as I see it, means:

Twenty thousand foreign children to be admitted outside the quotas.

Twenty thousand additional applicants for American charity which belongs to the children of America.

Twenty thousand potential applicants for entry into eleemosynary and other public institutions supported by American taxpayers.

Twenty thousand additional applicants on their maturity for jobs rightfully belonging to the youth of America.

Twenty thousand immigrant children, if each mated within or without the group, and each mating produced four children, to in turn become parents, would add in five generations, 640,000 offspring to the population of the United States.

Twenty thousand additional applicants for legislation to admit the fathers, mothers, sisters, brothers, cousins, aunts, and uncles of these children in order that their families may be reunited in the United States.

Last fiscal year 252,697 aliens of all classes entered the United States legally, of whom about 30,000 were nonpreference quota immigrant aliens, having no near relatives here and every one of them coming for permanent residence and being a potential job or relief seeker. Germany has a quota of 27,370. Why should that enormous quota be increased by 10,000 next year and the following year as proposed? If it is German orphan refugees that are wanted, then reserve 10,000 of the present German quota.

Out of these resolutions that you propose the American people accept, why accept only the German refugees? What about Ethiopian refugees who are being persecuted by Mussolini? Spanish "reds" who are being persecuted by Franco? What about Arabs persecuted and having their homes taken away from them in Palestine? Chinese "reds" as well as German "reds"? Would you advocate bringing them in also? I think not.

Every other country is making their country for their own people. I think it time America was doing the same thing. It also appears to me that it is time that someone, on behalf of the youth of America, appeal to the American people to oppose such legislation as you endorse in your editorial.

I trust you will allow me space in your paper.

R. B. BARKER,
Chairman, Welfare Committee, Virginia State Counsel, Junior Order United American Mechanics.

Mr. REYNOLDS. Mr. President, I desire at this juncture to call attention to a paragraph of Mr. Barker's letter, first, in reference to the registration and fingerprinting of aliens; second, in reference to the refugee problem, which he has seen fit to mention in the letter.

Mr. LUNDEEN. Mr. President——

The PRESIDING OFFICER (Mr. BILBO in the chair). Does the Senator from North Carolina yield to the Senator from Minnesota?

Mr. REYNOLDS. Certainly.

Mr. LUNDEEN. I should like to say to the able Senator that I have never heard anyone put the number of unemployed lower than 10,000,000 in recent days. Many say there are 11,000,000 unemployed, and, as nearly as I can find out, the number must be somewhere around 12,000,000.

Mr. REYNOLDS. Mr. President, let me say to the Senator that some have estimated the number to be as high as 13,000,000. In furtherance of that statement I may say that I have been informed that, in addition to the 13,000,000 unemployed, there are 26,000,000 who are unemployed part time, and, as the Senator knows, there are 3,000,000 on the W. P. A. rolls, a matter which has been discussed here this afternoon. In addition thereto, I am reliably informed that there are 4,000,000 Americans who are working for the various and sundry political subdivisions in the United States, first, the Federal Government, second, the State governments, third, the municipalities.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. LUNDEEN. I should like to state to the distinguished Senator from North Carolina that, in my opinion, this is no time to allow to come into our country large numbers of aliens or refugees from other countries. This is a time when we should remember our own people first, when we should take care of our own people first. "He who will not first take care of his own is worse than an infidel," says the Good Book. Let us first take care of our own.

When questions such as this come up I am glad that serious debate is had upon the subject, because frequently these matters are passed through the legislative body, the House and Senate, in very quick order, such as for instance our neutrality law which was brought forward in 1937, as I recall, and passed in a few moments, with very brief consideration, if any, being given to it, and now after a couple of years we are now supposed to find that it is very wrong. I do not want to bring that subject into the present discussion. I think we should have full debate upon it, and full consideration of it, and that we should be willing to listen to both sides of the question.

It seems to me, however, that there is only one side to the question, and that is the American side, because, after all, we are American Senators, we have been placed here by the American people, we stand under the American flag, and our duty is to the people who sent us here, and not to foreign countries and to foreign peoples and to aliens. Our duty is to Americans and Americans only.

Mr. REYNOLDS. I thank the Senator immensely for his contribution. In connection therewith I wish to say to the Senate that there can really be no debate upon this subject, because no one can intelligently take the other side. That is to say, no one can intelligently debate and maintain the side opposite to that taken by the able Senator from Minnesota and myself.

Mr. President, it is not a question of debate. I am not debating anything. I am merely bringing facts to the attention of this body. If anyone, I do not care who it is, wants to discuss these facts with me I shall be delighted to welcome such a discussion upon the floor of the Senate or anywhere else.

Mr. President, my friend from Virginia who complimented me so highly, and to whom I am indebted for those compliments of which I am not worthy, made mention of the fact that he was of the opinion that we should pass my bill calling for the registration and fingerprinting of aliens. Who should object to that? The only people in this country who object to being fingerprinted are some aliens. Why they should object is beyond my comprehension, because every man who was in the military service—and there were during the World War 4,400,000 American boys in uniform and under arms—was fingerprinted. All those in the armed forces of the United States today, during these times of peace—that is say, our soldiers, our marines, our sailors, our Coast Guard men—have been fingerprinted.

Mr. President, in addition to that, the President of the United States a number of years ago was fingerprinted when he was Assistant Secretary of the Navy, and recently I observed through the columns of the press that all of the members of the White House staff either have been or are to be fingerprinted. I read a newspaper article which I have before me, clipped from a local newspaper of several days ago, which is headed:

All White House employees being fingerprinted.

The article proceeds:

President Roosevelt disclosed at his press conference yesterday that all White House employees are being fingerprinted by Federal Bureau of Investigation agents at his suggestion.

The Chief Executive said that he believes all citizens should be fingerprinted for their own protection.

And the Chief Executive is precisely right in that assertion.

Mr. Roosevelt said he has always been in favor of fingerprinting, and submitted to the process himself 22 years ago, before sailing for France.

The President, chuckling, suggested that it might be well for all members of the press to be fingerprinted, too.

Mr. President, I think it is well for everyone to be fingerprinted. I am very happy indeed that the President of the United States, the Chief Executive himself, has recommended the fingerprinting process, and I am hopeful that the President of the United States may find time to advise the Members of the United States Congress to the effect that he favors my bill, which provides for the registration and fingerprinting of aliens. I do not need to argue to the Senate that the President of the United States does favor my bill; otherwise he would not have made that statement. If the President of the United States did make that statement and at the same time disapproved my bill he would be inconsistent, and the President of the United States, I say, is anything else but inconsistent. I am very grateful to the President of the United States for the recommendation I assume he has made to Congress to pass my bill calling for the registering of and fingerprinting of aliens by way of the statement which he made to the press.

Mr. President, not only is the President of the United States in favor of my bill, but I have a clipping before me from the New York Herald Tribune of recent date, with a cut from a photograph showing the Vice President of the United States, the President of this body, being fingerprinted by the Honorable J. Edgar Hoover, the Director of the Bureau of Investigation. This clipping, which I hold before me, from the New York Herald Tribune, is headed:

Vice President of United States fingerprinted by J. Edgar Hoover.

This is an Associated Press photograph. These words are right under the photograph of our beloved Vice President:

Vice President JOHN N. GARNER (left) heeding President Roosevelt's suggestion that Washington officialdom be fingerprinted has his taken by the head of the Federal Bureau of Investigation. Laughing over GARNER'S shoulder is Senator ROBERT F. WAGNER, while Columnist Walter Winchell is behind Hoover.

I send that newspaper clipping to the desk and ask unanimous consent that a cut be made from the photograph and that it be printed in the CONGRESSIONAL RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Subsequently it was ruled that the photograph referred to could not be printed in the RECORD without an order of the Joint Committee on Printing.)

Mr. REYNOLDS. I wish to bring to the Senate's attention another subject raised by the letter sent me by a patriotic friend at Newport News, Va. He mentions refugees, and he suggested that we should take care of our own before proceeding to foreign shores to take care of the orphans, unfortunate as they are, in the lands beyond the blue waters of the Atlantic. In that connection I desire again to thank the able and patriotic Senator from the great State of Minnesota [Mr. LUNDEEN] for his statement on that subject.

Mr. President, I am very happy to be provided the opportunity at this particular time of bringing to the attention of the Senate the question of refugees, because today as here I sat, and as there stood the Senator from the State of Florida, he told of the unfortunate youngsters of his State who were not properly nourished and who were not properly clothed, and in his argument he appealed to the Members of this body for funds to be contributed to the W. P. A. I wish to say that I am of the opinion that we should take care of our own orphans and take care of our refugees in this country before we attempt to take care of the orphans or the refugees from other lands of the world.

I speak of refugees. There are 13,000,000 of our people out of employment. I speak of refugees. There are 26,000,000 persons in this country who are employed only part of the time. I speak of orphans. I bring to the attention of the Senate that there are today in every State of the Union thousands and thousands of boys and girls who, poor little things, unfortunately have lost their fathers and their mothers.

The Senate will remember that a moment ago I read a letter from a gentleman in Newport News, Va., who is a member of the Junior Order United American Mechanics. The Junior Order United American Mechanics has in the State of North Carolina a paid-up membership of 53,000 active members. It maintains an orphanage for unfortunate little boys and girls whose fathers and mothers have died, and in Lexington, N. C., are hundreds of unfortunate orphans whose fathers and mothers have died. I say we should take care of the orphans of this country before we reach across the briny waters of the Atlantic and bring to our shores for shelter and protection and maintenance the orphans of Germany, Austria, Czechoslovakia, or any other foreign country.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. CHAVEZ. I am most sympathetic with what the Senator from North Carolina has in mind, but I am wondering whether, in his endeavor to try to reach his high goal with respect to all needy Americans, he has in mind the point I am about to mention. Whether we like it or not, we have had immigration into this country. We have had immigration of Danes, we have had immigration of Germans, and we have had immigration of peoples of other races throughout the world.

Mr. REYNOLDS. And many, many are fine, honorable people.

Mr. CHAVEZ. Yes. Many of them have fought for and even made the supreme sacrifice for our country. I was just wondering whether in a matter such as the Senator from South Carolina has in mind he has taken into consideration that we have in America many persons from foreign lands who are actually first-class Americans, but who, perhaps, have not become citizens. I will state what I am trying to impress upon the Senator from North Carolina. For instance, in my section of the country we do not have the Swedes, we do not have the Irish, we do not have the English, but we have a population which came to New Mexico years before the English population came to this country, and who are now considered in that area as being aliens to this country. What does the Senator think about them?

Mr. REYNOLDS. As a matter of fact, they are as much Americans as are you or I. An alien is an individual who comes from a foreign land to our land and who has never made application for American citizenship. I want to say to the

Senator from New Mexico, so that I may not be misunderstood, that I know personally in this country people who have come from Germany, from Austria, from England, from France, from Spain, from Mexico, and from many of the other countries of the earth who have become good American citizens, both men and women, and such people, men and women, who have come from foreign countries to this country are just as fine men and women as I have ever met in all my life in any part of the United States.

When I speak of aliens I speak of foreigners who come from foreign countries to the United States, who are now here, who have never made application for American citizenship, and who never intend to make application for American citizenship. In addressing this body I desire it to be well understood that I cast no reflection upon the fine people from foreign shores who are now here and who have signified their respective intentions to become American citizens. When they do become American citizens we shall welcome them into our fold as we welcome constituents from any State in the entire Union.

Some of the finest people in the world have come from abroad. Our ancestors came from foreign shores. Those fine people aided materially in the development of the country.

We have now reached the point of saturation. We have reached the point where we must look after our own. For the information of the able Senator from New Mexico, I may add that I have received hundreds of letters from and I have talked to scores of foreigners who have taken out American citizenship papers. Those who have already become naturalized are 100 percent in accord with my ideas about closing the gates at this time, because they know that the more who come in, the more competition there will be for us.

Mr. President, I was on the subject of refugees. In connection therewith I ask that there be printed in the RECORD as a part of my remarks an article from the New York Herald Tribune, issue of Sunday, February 19, 1939, entitled "The Future of Refugees," with a subtitle reading as follows:

A CORRESPONDENT SAYS IN DUE TIME THEY WILL COMPETE IN STRUGGLE FOR JOBS

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of February 19, 1939]

THE FUTURE OF REFUGEES—A CORRESPONDENT SAYS IN DUE TIME THEY WILL COMPETE IN STRUGGLE FOR JOBS

To the NEW YORK HERALD TRIBUNE:

I have read with great interest your editorial anent the child refugees, and though I am in full agreement that their lot is an unfortunate one, I nevertheless cannot help but comment on a few corollaries that would follow the admission of 20,000 foreign children into this country.

These children would not compete in American labor markets—not now. But in 5 years they will create quite a problem for the American-born child, who will then find himself competing for his heritage. The bill introduced by Senator WAGNER would simply allow these refugee children to be brought in by those already willing to receive and support them. Who are these people? Are they unaware of the fact that there are thousands of children in our own United States who are in need of succor—or aren't these philanthropic-minded persons interested in the needs of American children?

It seems to me that people grow hysterical about the unfortunates of other countries and at the same time are cold and aloof to the needy of their own land. Perhaps this is due to the fact that far greater publicity is given to the unlucky somewhere else. It puffs up the national ego to point out how badly those of other nations are faring, and we feel very magnanimous when we give assistance; our philanthropies have flowered from the flooded wastes of China to the battle-scarred fields of Spain, but we have been so busy taking care of these flowers that the few seed sown in our own backyard have dried and withered.

There still are millions of unemployed in the United States, and thousands of children of the unemployed—children who have quite as much need of help as do the children who are not wanted in Germany. While we must sympathize with these poor youngsters, we must not lose sight of the fact that our first thought should be to our own, that charity begins at home.

There are many, many orphans in our own country, children who have not even the memory of their parents. And the ragged children in the slums of our large cities and in the shacks and hovels of our more rural sections.

Every liner arriving from Germany disembarks refugees on our shores. By various interpretations of the laws, by this means and that, thousands of these people in excess of the quota have been allowed to enter our country. Of course, every one of them has a job awaiting him and so does not become a burden to us, but the man whose job he has taken finds himself on relief. I cannot believe that the jobs were especially created for the incoming refugees; if that is true, why weren't the jobs created years ago for the unemployed American citizens?

You cannot get around it; either the jobs these refugees are getting means an unemployed American for every employed refugee or else it means that jobs can be created for refugees but not for our native sons.

GEORGE ACKER.

LITTLE FERRY, N. J., *February 14, 1939.*

Mr. REYNOLDS. Mr. President, another clipping which I ask to have printed as a part of my remarks is a clipping from the New York Post of Wednesday, March 8, 1939, entitled "Refugees on Soil Take in Kinsmen."

The PRESIDING OFFICER (Mr. LUNDEEN in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Post of March 8, 1939]

REFUGEES ON SOIL TAKE IN KINSMEN—THIRTY-NINE JEWISH FAMILIES ARE HARBORING MORE THAN TWO HUNDRED AND FIFTY PERSONS

Progress was reported today by the Jewish Agricultural Society, Inc., 301 East Fourteenth Street, in helping Jews to settle on the soil. Particular attention has been paid in the last year to refugees.

"To help meet the ever-growing pressure of the refugee problem, the society has liberalized its lending policy so as to reach the refugee with small capital, Dr. Gabriel Davidson, general manager, said today:

"It has been found that as soon as a refugee farmer becomes established, he brings to his farm refugee relatives and friends. Thus the farms of thirty-nine families so far settled by the society became havens for more than 250 refugee individuals.

Since its founding the society has granted 12,648 loans aggregating $7,663,000 to Jewish farmers in 40 States, Dr. Davidson said.

Mr. REYNOLDS. Mr. President, I have before me a clipping which was sent to me, evidently from a national weekly magazine, entitled "Social Justice." The column is entitled "Running Refugees," with a subhead "Barge Meets Ship," and another subhead "Jobs For Refugees." I ask to have the article embodied in the RECORD as a part of my observations.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RUNNING REFUGEES

"An international alien smuggling ring, geared to bring more than 10,000 aliens a year into the United States via the Canadian border, and widely patronized by Jewish refugees, was disclosed through the arraignment of its Canadian director in Brooklyn Federal court." So reads a story in the Washington Herald of January 19. It continues:

"Arrested at Rouses Point, N. Y., Friday night and held incommunicado since then at Ellis Island, Spyros Cyrcos, 38, of Montreal, boasted to Assistant United States Attorney James G. Scileppi that he had conducted at least 25,000 aliens across the border within the last 2 years."

BARGE MEETS SHIP

How about the New York barges that slide out to clandestine meetings with ships anchored off the 12-mile limit to bring in overall-clad refugees with "W. P. A. shovels" in hand? These craft, so one report runs, steam past the Statute of Liberty and Ellis Island, thumbing their noses at such hampering regulations as passports and immigration quotas. We repeat, it is a report. Social Justice puts it down as a wild one. It runs counter to the vigilance of our Immigration Service, the harbor police, and the reputed zeal of officials to keep New York an American city.

What makes it still more incredible, it would be so unnecessary. Refugees are pouring into this country by the thousands on every ship. They enter as visitors under a 6 months' permit. Somebody is going to have an insurmountable task, however, notifying all these guest refugees that their 6 months are up.

JOBS FOR REFUGEES

"How many refugees will you take?" is a routine question asked of Jewish businessmen, not only in seaboard cities but throughout the Middle West as well. In some cases the employers have been told how many Christians should be discharged. Few of them ever resist the committee's suggestions.

Mr. REYNOLDS. I have before me a newspaper clipping in the form of a letter addressed to the editor of the New York Times by Mr. Robert G. Booth, of East Orange, N. J., entitled "Admitting Child Refugees—Wagner Resolution Is Held Likely to Produce Future Problems." I ask that it be printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ADMITTING CHILD REFUGEES—WAGNER RESOLUTION IS HELD LIKELY TO PRODUCE FUTURE PROBLEMS

To the EDITOR OF THE NEW YORK TIMES:

In your editorial, Children in the Dark, on Senator WAGNER's proposal to admit 10,000 German-born refugee children to the United States in excess of the quota limit, there are few points which seem to have been overlooked.

You say, "All would be under 14 and so would not compete for employment." What of the future? Perhaps in the next decade, when these children will be of employable ages, we can readily absorb them into our productive enterprises, but perhaps they will deprive thousands of our native-born young people of jobs. Perhaps thousands of them will become burdens on the State, because the law requiring that "their support be guaranteed by responsible individuals or organizations" cannot be construed to mean providing support indefinitely.

These 10,000 are in addition to the regular quota from Germany coming into a land burdened with about 10,000,000 unemployed. It is true that the generosity that pinches is deeper than a thoughtless charity, but our own needs and consideration of the coming years should enter into a decision.

These thousands will place a burden on many of our community educational systems that are none too flush with funds at the present time, which ultimately places a burden on the public, already tax laden.

You say that "they would grow up to be good citizens." This is highly probable, but there are many in this group who will bear a bitter animosity to the regime which deprived them of home or parents, a group which might be too ready to snatch up a cry for foreign aggression when that cry could be prevented by widespread emotional balance.

The purpose of this letter is neither to condemn nor condone the purpose of the Wagner resolution, but is merely to point out that the issues must be faced more squarely than the approach through sentiment alone.

ROBERT G. BOOTH.

EAST ORANGE, N. J.

Mr. REYNOLDS. I have before me an editorial from the New York Post, issue of February 14, 1939, entitled "Reply to Hoover: These, Too, Are Refugees," dealing with the W. P. A. and with the 11,000,000 or so unemployed in the United States today. I ask to have the editorial printed in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Post of February 14, 1939]

REPLY TO HOOVER: THESE, TOO, ARE REFUGEES

Do you remember a poster showing a large-eyed child with sunken cheeks and rachitic legs, and an appeal "Help the Armenian Refugees"?

It impressed thousands among the most generous people on earth. We gave—gladly—to the Armenians and many other victims of the economic and political dislocations of the war.

Men were found who moved heaven and earth to accomplish seeming miracles of food distribution. All over middle and eastern Europe and Asia Minor there were American hospitals, American soup kitchens, American clothing depots.

No decent man carped or criticized. Postwar relief is one of the most glorious chapters in American history.

Now we have refugees of our own, men, women, and children driven out of our economic system. Dispossessed sharecroppers sit along a Missouri highway. Jobless factory workers exist week after a week on a dole that barely sustains them.

But many of those who gave freely to the American relief agencies in Europe lead today a chorus of criticism directed against the efforts to aid our own refugees.

They resent the 3,000,000 on W. P. A. They resent the 7,000,000 or more on various forms of direct State and local relief.

Why are they less deserving of our help than the Syrians, the Russians, the Germans we helped after the war?

At its peak the American Relief Administration under Herbert Hoover was feeding 10,491,000 Russians, 1,315,000 Poles, 1,000,000 Germans (through the Friends' Service Committee), 548,000 Czechs and Slovaks, 128,000 Finns, 150,000 Rumanians, 84,000 Estonians, 110,000 Hungarians, and 200,000 Jugoslavs.

The total fed by the A. R. A. at its peak was nearly 15,000,000.

The A. R. A. disbursed a total of $1,600,000,000. This does not include nearly $100,000,000 that we spent for Near East relief.

At its present rate the W. P. A. takes nearly a year to spend as much.

And what we spend for W. P. A. stays in our economic system, keeps circulating through our channels of trade from which our taxes come.

What change has come over us—over Hoover, who last night denounced W. P. A.? Have our hearts become hard? Or is it that suffering can only be appreciated when seen by a telescope?

It is not generally realized that Government aid of various kinds was mounting very rapidly in the United States before the depression began in 1929—and mounting without any complaints.

In 1911, for instance, governmental expenditures for outdoor relief amounted to 4 cents per inhabitant a year in New York and 23 cents in Detroit. By 1919 it had risen to 45 cents in New York and 47 in Detroit.

Then came the Coolidge prosperity era. But the per capita governmental expenditure for relief continued to rise. By 1928 it reached $1.18 in New York, 29 cents in Philadelphia, and $2.08 in Detroit. By 1931 the figures hit $3.12 for New York, $1.76 for Philadelphia, and $9.17 for Detroit.

Though the rise has been sharper since, it was steep even before the depression.

In addition to the huge sums that were spent, without a grumble, for relief both foreign and domestic in the 1920's, the American people kicked in billion after billion in foreign loans. This money was used for bridges, for schools, for housing projects, for business enterprises abroad. Of it, $8,000,000,000 is now estimated to be in default.

Nor does this count the $11,000,000,000 of defaulted war debts. We don't begrudge it.

But why can't we show a like spirit toward our own people? They, too, are refugees. If we don't help them, who can or will?

Mr. REYNOLDS. Mr. President, of course, we are all extremely sorry for the refugee children from foreign lands, 20,000 of whom my beloved colleague the Senator from New York [Mr. WAGNER] is trying to bring in from Germany at the rate of 10,000 a year for a period of 2 years. It is true, Mr. President, that according to the requirements of his resolution the children must now be under the age of 14 years. However, I call attention to the fact that 5 years from now 20,000 children who are now under the age of 14 will be 19 years old, and those 20,000 boys and girls will be competing with the sons and daughters of American fathers and mothers.

Again I say that I prefer first to take care of the boys and girls of America and provide them with jobs, before admitting those from foreign shores to compete for American jobs. Many of us are in sympathy with the refugees. I commend the fine work that many of our societies in America are doing to raise money for the poor refugees.

In that connection, I have before me a clipping from the New York Times, entitled "Union Plans 'Refugee Day'—Thirty-five Thousand in Garment Trade to Give Tomorrow's Pay to Fund." The article reads as follows:

UNION PLANS "REFUGEE DAY"—THIRTY-FIVE THOUSAND IN GARMENT TRADE TO GIVE TOMORROW'S PAY TO FUND

More than 35,000 cloak and suit workers, members of the New York Cloakmakers' Union, an affiliate of the International Ladies' Garment Workers, will devote the full earnings of their work tomorrow to the fund being raised by the union for refugee relief. Earnings for the day are expected to net $250,000.

Although the union does not permit work on Saturdays, arrangements for tomorrow's "refugee day" were made by agreement with the manufacturers. All members of the union, regardless of nationality, will participate.

I commend the fine work being done by the union, because it is being done for poor children who are desirous of coming to the shores of America.

Mr. President, in conclusion I desire to bring to the attention of this body a clipping which I received sometime ago. The printing looks like that of the Washington Times-Herald. The article is entitled:

Girl offers eye to help family.

What a pathetic thing!

Declares she's sincere in asking for $1,500.

The article is illustrated by the most pathetic sort of photograph. Here is a poor, unfortunate girl with four little tots, her little brothers and sisters. She loves them, and she is so deeply interested in providing nourishment for those four little tots that she actually offers to sell her eye to anybody for $1,500 in order to obtain enough money to keep her little brothers and sisters from starving. Under that pathetic photograph the article says:

Four reasons why Carmelina D'Avanzo * * * offers to sell an eye. They are her brothers and sisters * * * Christopher, 4; Marie and Eugene, 16 months; and Vincent, 3.

Mr. President, why do we not help that poor girl and those four little tots before we talk about helping those in other parts of the world who would be brought here by my distinguished colleague from the State of New York [Mr. WAGNER]?

I ask that the article referred to be printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times-Herald]

GIRL OFFERS EYE TO HELP FAMILY—DECLARES SHE'S SINCERE IN ASKING FOR $1,500

(By Carol Frink)

Carmelina D'Avanzo, 18-year-old Eastern High School girl, is offering one of her eyes for sale.

She appealed yesterday to the Times-Herald to help her find somebody who would pay $1,500 for a perfect eye.

"This is no crank, but a sincere and desperate person," she wrote. "I am unemployed and I have five younger brothers and sisters. My father is unemployed, too, and there is no food or clothing. That is why I'm doing this. Please help me."

WILLING TO WORK

At the D'Avanzo address in the 300 block of Ninth Street SE., Carmelina answered the door. The first thing you noticed about her were her very large, expressive brown eyes. Madonna eyes, a painter would call them.

"And they are very good eyes," she pointed out, naively. "They were examined in school, and the doctor said they were perfect."

That Carmelina is desperately sincere in her amazing offer is beyond question. She states her case so simply.

"I thought of every other way first," she said. "I have tried and tried to get work. I've clerked in stores and I can type. I'm willing to do any kind of work, but it seems there just isn't any.

"It hurts me to think of losing one of my eyes, but it hurts me more to see the babies cold, hungry, and sick. So you see I really mean to go through with this, and only hope I can find a buyer."

FOUR TODDLERS

The D'Avanzos live in a five-room house with only one small coal stove in the center downstairs room. The plaster is crumbling from the damp walls. They pay $25 a month for these wretched quarters—when they have it to pay.

Four of the children are toddlers, and all of them have chickenpox. These are Christopher, 4, Vincent, 3, and Eugene and Marie, 16-month-old twins. An older brother, Norman, goes to school.

The family has been living on $3 a week, contributed by their church. The church has also sent them small amounts of coal from time to time.

NEEDS CLOTHING

Carmelina, who had 2 years at high school before she left at 15 to find work, has been handicapped in her search for employment by the lack of clothes. She has no stockings and her shoes are shabby, her only coat is a short lightweight jacket.

"I'm not thinking of myself," she said, her eyes filling with tears. "You come to the point where you can't be embarrassed about anything any more. I'm only thinking of those poor little kids; I can't sit here and see them suffer any more."

Mr. REYNOLDS. Mr. President, I shall close by reading a letter which I have before me. I wish to read the letter myself. The letter is from 33 Oakland Avenue, Lynbrook, Long Island. It is written to Mr. John B. Trevor, president of the American Coalition, an organization of patriotic societies. The American Coalition embraces 125 patriotic societies in America, the names of which are to be found on the back of the letterhead which I have before me. These societies are 100 percent American patriotic societies which are endeavoring to protect the foundations of our country from destruction by alien groups and foreign "isms." I ask that the list of those societies be printed in the RECORD as a part of my remarks. The societies are sponsoring all five of my immigration bills.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

SOCIETIES COOPERATING WITH THE AMERICAN COALITION

Aeronautical Association of America, Inc.
Allied Patriotic Societies, Inc.
American Coalition of New York.
American Defence Council.
American Vigilant Intelligence Federation.
American War Mothers.
American Women Against Communism.
American Women's League.
American Women's Legion of the World War.
Associated Chapters, Order of DeMolay of Pennsylvania.
Associated Farmers of California, Inc.
Auxiliary, Sons of Union Veterans of Civil War.
Better America Federation of California.
California Society, Order of the Founders and Patriots of America.
Colonial Order of the Acorn, New York Chapter.
Congress of States Societies.
Dames of the Loyal Legion of the United States.
Daughters of America, National Council.
Daughters of America, District of Columbia Council.
Daughters of the Defenders of the Republic.
Daughters of Union Veterans of the Civil War, 1861–65.
Defenders of the Constitution of the United States.
Descendants of the Signers of the Declaration of Independence.
Disabled American Veterans of the World War.
District of Columbia Commandery, Naval and Military Order of the Spanish-American War.
District of Columbia Society, Order Founders and Patriots of America.
First Motor Corps Unit, No. 12, Massachusetts State Guard Veterans.
General Court, Order of the Founders and Patriots of America.
General Pershing Chapter, American War Mothers.
General Society of Mayflower Descendants.
General Society of the War of 1812.
Immigration Study Commission.
Junior American Vigilant Intelligence Federation.
Junior Order United American Mechanics, New Jersey.
Ladies of the Grand Army of the Republic.
Larchmont Colony, National Society of New England Women.
Louisiana Coalition of Patriotic Societies.
Massachusetts Society, Order of the Founders and Patriots of America.
Massachusetts Women's Constitutional League.
Metropolitan New York Jurisdiction, Order of DeMolay.
Military Order of Foreign Wars of the United States, National Commandery.
Military Order of the Loyal Legion of the United States, Commandery in Chief.
Military Order of the Loyal Legion of the United States, Commandery of the District of Columbia.
Military Order of the Loyal Legion of the United States, Commandery of the State of New York.
Military Order of the Loyal Legion of the United States, Commandery of the State of Pennsylvania.
Military Order of the World War.
Minute Men of America, Inc.
National Auxiliary, United Spanish War Veterans.
National Camp, Patriotic Order Sons of America.
National Commandery, Naval and Military Order of the Spanish-American War.
National Constitution Day Committee.
National Corps, Army and Navy Union of the United States of America.
National Council, Sons and Daughters of Liberty.
National Patriotic Association.
National Patriotic League.
National Security League, Inc.
National Society, Daughters of the Revolution.
National Society, Daughters of the Union, 1861–65.
National Society of New England Women.
National Society 1917 World War Registrars, Inc.
National Society, Service Star Legion.
National Society, Sons and Daughters of the Pilgrims.
National Society, Sons of the American Revolution.
National Society, United States Daughters of 1812.
National Society, Women Descendants of the Ancient and Honorable Artillery Company.
National Woman's Relief Corps.
New England Protestant Action League.
New Jersey Society, Order of the Founders and Patriots of America.
New Jersey State Society, Daughters of the Revolution.
New York City Colony, National Society of New England Women.
New York Society, Order of the Founders and Patriots of America.
Old Glory Association.
Old Glory Club of Flatbush, Inc., Beacon No. 1.
Order of Colonial Lords of Manors in America.
Order of Independent Americans, Inc., State Council of Pennsylvania.
Order of Three Crusades, 1096–1192, Inc.
Pennsylvania Society, Order of the Founders and Patriots of America.
Philadelphia Protestant Federation.
Protestant Women's National Civic Federation.
Reserve Officers' Training Corps Association of the United States.
Rhode Island Association of Patriots.
Rhode Island Daughters of the American Colonists.
Rhode Island Society, Order of the Founders and Patriots of America.
Rochester District, American Coalition.
Schenectady Committee of 100.
Society for Constitutional Security.
Society of Colonial Wars in the District of Columbia.
Society of Colonial Wars in the State of New York.
Society of New York State Women.
Society of the Daughters of the United States Army.
Society of the Sons of the Revolution in the Commonwealth of Massachusetts.
Sons of Union Veterans of the Civil War.
Southern Vigilant Intelligence Association, Inc.
State Council (D. C.) Sons and Daughters of Liberty.
Tax Evils Committee of Council Bluffs, Iowa.
The Advisory Committee on Cooperation in Patriotic Work.
The American Coalition of Washington.
The American Indian Federation.
The Christian American Crusade.
The Federation of Huguenot Societies in America.
The Paul Reveres.
The Wheel of Progress.
Union to Preserve American Ideals and Institutions.

United Daughters of the Confederacy, New York Chapter.
United States Aviation Cadets, Inc.
United States Naval Reserve Officers Association.
Veterans of Foreign Wars of United States, Department of Delaware.
Veterans of Foreign Wars of United States, Morley S. Oates Auxiliary, No. 701.
Westchester Security League.
Wisconsin Chapter, Daughters of Founder and Patriots.
Woman Patriot Corporation.
Woman's Pioneer Aircraft Association of Chicago, Inc.
Women's National Defense Committee of Philadelphia.
Women of Army and Navy Legion of Valor, United States of America.

Mr. REYNOLDS. I shall conclude, Mr. President, by reading the letter directed to Mr. Trevor:

MY DEAR MR. TREVOR: I beg there will be a negative vote in regard to bringing any more foreign people at this time to America. This country is now in dire distress. Our Americans on pension relief which the Government is not able to pay. Many of our founders' descendants have lost their business and their homes. I speak from my own experience. My husband's business gone. Our home to be sold by H. O. L. C. We on a pension just barely keeping alive. My husband's father once representative of Worcester. My people first to swear in United States deputies. I, a worker all my 82 years of life for America, worker for all wars and politics in every sort of public work in my time. Now humiliated to accept charity or starve from no fault of our own.

Here is a letter from an old lady 82 years old, in Long Island, N. Y. We talk about letting more people come into this country. I wonder if we have all gone crazy. She says:

I think it will be a terrible thing to bring more poverty to this country when we have so many suffering now. Old folks not wanted, young ones jobless; suicides every day from despair. Anyone who votes for more of this must be insane.

The old lady is right.

I shall use my influence against those who vote for more poverty.

I presume she means by that, bringing more of the unfortunate and poverty stricken into this country.

The letter is signed "Mary Randolph Peckham," and is dated March 7, 1938.

Mr. President, I desire to bring to the attention of the Senate the fact that I asked unanimous consent to have published in the RECORD a facsimile of a photograph printed in a newspaper, and there was no objection; and therefore I am entitled to have the photograph published in the RECORD. It is a cut, a reproduction of a photograph in a newspaper. I asked unanimous consent, and there was no objection; and I say that I am entitled to have the photograph published in the RECORD.

The PRESIDING OFFICER. The Chair calls the attention of the Senator from North Carolina to rule 11 of the rules governing the publication of the CONGRESSIONAL RECORD.

Mr. REYNOLDS. I should like to have the Chair read the rule.

The PRESIDING OFFICER. The rule reads, in part:

Illustrations shall not be inserted in the RECORD without the approval of the Joint Committee on Printing.

Mr. REYNOLDS. But, Mr. President, I make the point of order that when I requested of this body, a legislative body, unanimous consent to have the illustration published in the RECORD, regardless of any rule, it does not apply in this instance, because of my having secured unanimous consent. I am asking that the consensus of this body be adhered to. I am asking that the mandate of this body be carried out.

The PRESIDING OFFICER. The Chair holds that there is a law governing the matter and that a unanimous-consent agreement cannot change it.

Mr. REYNOLDS. I should like to see the law, Mr. President. I make the point that this is a lawmaking body—a legislative institution—that this afternoon this body gave unanimous consent, and by so doing gave unanimous instructions to the Public Printer to print a facsimile of that cut in the columns of the CONGRESSIONAL RECORD; and that there is nothing in the world for the Public Printer to do but to print it.

The PRESIDING OFFICER. The Chair is very sympathetic with the Senator from North Carolina, but it takes two Houses of Congress to enact a law.

Mr. REYNOLDS. The action to which I refer is not in the form of a law, Mr. President. It is a mandate of this body.

Mr. MINTON. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Indiana will state his point of order.

Mr. MINTON. I maintain that what was requested by the Senator from North Carolina was against the rules of the Senate.

Mr. REYNOLDS. But we overrode the rules of the Senate.

Mr. MINTON. The Chair has ruled on the matter; and that is the law of the Senate in this case, at least.

The PRESIDING OFFICER. The point of order of the Senator from North Carolina is overruled.

Mr. REYNOLDS. Mr. President, if the Chair will hear me for a minute, I said a moment ago——

Mr. MINTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the parliamentary inquiry.

Mr. MINTON. Has not the Chair ruled upon the point of order made by the Senator from North Carolina?

The PRESIDING OFFICER. The Chair has, as the Chair understands it.

Mr. MINTON. I insist upon the Chair's ruling.

The PRESIDING OFFICER. The rule which the Chair has read in part was adopted in pursuance of a law passed by both Houses. The Senate cannot change that law. The Chair is sympathetic with the Senator from North Carolina, and in the past has found himself in the same position; but the Senate cannot change the law.

Mr. REYNOLDS. I am not asking that the law be changed. It will not be denied that there have been times when there were published in the columns of the CONGRESSIONAL RECORD facsimiles of photographs made by way of cuts. The only way in which they have ever been inserted in the RECORD was by unanimous consent.

I had before me a moment ago a picture of the Vice President of the United States with Mr. J. Edgar Hoover, at which time the Vice President of the United States was being fingerprinted. I wanted his picture in the CONGRESSIONAL RECORD to show that he had no objection to being fingerprinted. I wanted the benefit of his influence. I asked unanimous consent that the photograph be published in the RECORD, and no Senator objected. When there was not an objection, it became mandatory on the part of the Public Printer to carry out the instructions of the Senate, when by agreeing unanimously they instructed him to print the photograph.

I say, Mr. President, I am entitled to have the picture of the Vice President published in the RECORD, because the Senate has ordered the Public Printer to publish it, regardless of any rule.

In arguing the point of order, Mr. President, I ask, how was it possible heretofore to publish photographs in the RECORD? They were not published as the result of changing laws. It was done only by getting unanimous consent.

The PRESIDING OFFICER. The Senator will suspend a moment to enable the Chair to call attention to the fact that illustrations can be printed in the RECORD only by the approval of the Joint Committee on Printing. That is the provision of the rule of that committee, which was adopted under the authority of the following law:

TITLE 44. SECTION 181. CONGRESSIONAL RECORD; arrangement, style, contents, and indexes: The Joint Committee on Printing shall have control of the arrangement and style of the CONGRESSIONAL RECORD, and while providing that it shall be substantially a verbatim report of proceedings shall take all needed action for the reduction of unnecessary bulk, and shall provide for the publication of an index of the CONGRESSIONAL RECORD semimonthly during the sessions of Congress and at the close thereof.

That is the law. The Senator argues very persuasively, but he cannot change the law by a request for unanimous consent on the floor of the Senate.

Mr. REYNOLDS. Mr. President——

Mr. MINTON. I make the point of order that the Senator from North Carolina is out of order, as the Chair has already ruled upon the matter.

The PRESIDING OFFICER. The Chair thinks the point of order is well taken.

HARRY E. KALODNER — MOTION FOR RECONSIDERATION OF CONFIRMATION

Mr. KING. Mr. President, as in executive session, I enter a motion to reconsider the vote by which the Senate confirmed the nomination of Harry E. Kalodner to be district judge for the eastern district of Pennsylvania.

The PRESIDING OFFICER. Without objection, as in executive session, the motion will be entered.

Mr. MINTON. Mr. President, I did not catch what the transaction of business was.

Mr. KING. Yesterday I was advised that the Committee on the Judiciary had reported the nomination of Mr. Kalodner to be district judge for the eastern district of Pennsylvania. I conferred with the Senator from Delaware [Mr. HUGHES], who is the chairman of the subcommittee, and told him I had received a large number of letters in opposition to the nomination and asked him if the clerk of the committee had such letters, and the Senator stated that he had. I stated to the Senator from Delaware that I desired to read those letters before the nomination was considered.

Mr. MINTON. There will be no executive session today.

Mr. KING. I have merely entered a motion, as in executive session, to reconsider the vote by which the nomination was confirmed.

Mr. MINTON. By which it was confirmed yesterday?

Mr. KING. Yesterday I told the majority leader that I desired to enter the motion.

ADJOURNMENT TO MONDAY

Mr. MINTON. Under the order heretofore made, I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.), under the order previously entered, the Senate adjourned until Monday, April 3, 1939, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 31, 1939

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lamb of God, in the hush of these moments, we praise Thee for the message of human redemption. In it there is so much of hope and confidence that the future is to grow brighter and better. We thank Thee for the blessedness of those truths which Thou hast made universal. They teach us to reckon lightly the things of time, the delights of the flesh, and the treasures of earth. Give peace to hearts that are disturbed and release to those who are tempted. O Lord of the vineyard, whose every breath is healing and recovery, bathe every sense of our being with purity and tenderness; O make us the temples of Thy spirit and the vessels of Thy grace. Cause the blighted and the wasted places of our spiritual garden to blossom as the rose and bear fruits immortal. Through Christ our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. PACE. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a letter from the Department of Agriculture.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

By unanimous consent, permission to revise and extend their own remarks was granted to Mr. ANDERSON of Missouri, Mr. MACIEJEWSKI, and Mr. MERRITT.

Mr. HENDRICKS. Mr. Speaker, I ask unanimous consent to extend my own remarks, and include a brief speech by Hon. VINCENT F. HARRINGTON, Member of Congress.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COST OF PRINTING BILLS

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, I want to call attention to the fact that there have been 13 bills, each containing 183 pages, placed in the hopper to take the profits out of war. Those 13 bills are identical. I will give the numbers of the bills so that you will know what they are: H. R. 5176, H. R. 5177, H. R. 5183, H. R. 5184, H. R. 5230, H. R. 5233, H. R. 5234, H. R. 5274, H. R. 5290, H. R. 5316, H. R. 5317, H. R. 5360, and S. 1885.

I will not mention the names of the authors, but it seems to me that when 13 bills of 183 pages are placed in the hopper it is not the right thing for us to do. Certainly 13 people could not think of writing the same identical bill.

I also call attention to House Joint Resolution 229, designating August 19 of each year as National Aviation Day. There are 12 resolutions exactly alike for that particular purpose. They are as follows: House Joint Resolution 229, House Joint Resolution 230, House Joint Resolution 231, House Joint Resolution 232, House Joint Resolution 233, House Joint Resolution 234, House Joint Resolution 235, House Joint Resolution 236, House Joint Resolution 237, House Joint Resolution 238, House Joint Resolution 239, and House Joint Resolution 240.

Now, it seems to me if we want to save and economize in our Government printing, we should not put bills in the hopper just because we think it is a good idea in an effort to call the attention of the public to those bills. We should do what we can to cut down these expenses. The people of the country do not know that they are one and the same bill, and if a person interested in the subject of the proposed bill does not know that the bills are identical, he may write for the bills and get a copy of each, or 13 bills of 183 pages, and find out that they all read alike. A waste of paper, a waste of printing, and a waste of the taxpayers' money. Let us refrain from this practice; it is just good common sense and nothing else.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an address by Hon. Felix Hinkle.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COST OF PRINTING BILLS

Mr. KELLER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute in order to ask the gentleman from Pennsylvania [Mr. RICH] a question.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KELLER. Mr. Speaker, I think this matter which the gentleman from Pennsylvania has called attention to is entirely correct, and the gentleman is entirely justified in his criticism, but we have a foolish rule in the House which does not permit more than one Member to introduce a bill. The Senate has a rule by which any number of men can go together and introduce the same bill. If we would change that rule in the House, a number of men could go together who wanted to introduce the same bill, and that would solve the question properly.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. KELLER. I yield, certainly.

Mr. RICH. Of the 13 bills there is only one Senate bill, but there are 12 House bills.

Mr. KELLER. In the Senate they often join together in introducing bills as I have already pointed out, and as they have in this case. We cannot do that in the House. The gentleman and I could not introduce a bill here together in our two names, but that can be done in the Senate.

Mr. RICH. If that is the reason why 12 identical bills are introduced in the House, at the enormous expense of printing 183 pages each, for instance, I say it is not right.

Mr. KELLER. Why not change that rule?

Mr. RICH. I think it would be a wise thing to do.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. KELLER. I yield.

Mr. MICHENER. What does it cost to print one of these bills?

Mr. RICH. I do not have the figure from the Public Printer.

Mr. MICHENER. Will the gentleman get that and place it in the RECORD, to show what these 13 identical bills would cost?

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. KELLER. I yield.

Mr. RANKIN. All they will cost is the paper on which they are printed. You already have the type and the help.

Mr. MICHENER. It costs several hundred dollars for each bill, I understand.

[Here the gavel fell.]

Mr. RICH. I herewith give the printing cost of the bills to take the profit out of war, as follows:

Mar. 21, 1939:	
S. 1885	$811.78
H. R. 5176	165.78
H. R. 5177	165.78
H. R. 5183	165.78
H. R. 5184	165.78
	1,474.90
Mar. 22, 1939:	
H. R. 5230	276.18
H. R. 5233	165.78
H. R. 5234	165.78
	607.74
Mar. 23, 1939:	
H. R. 5274	276.18
H. R. 5290	165.78
	441.96
Mar. 24, 1939:	
H. R. 5316	276.18
H. R. 5317	165.78
	441.96
Mar. 25, 1939:	
H. R. 5360	276.18
	3,242.74

When these bills first came to the Government Printing Office it was found that they were identical, so they were printed as one continuous run on the press, changing only the first and last pages on four bills.

The type was retained, and on each subsequent appearance of the bill the same procedure was followed, whereby a large saving was effected.

If the copy editors at the Government Printing Office had not been alert each bill would have cost $811.78, or $10,553.14.

The cost of the resolutions was as follows:

Mar. 25, 1939:	
H. J. Res. 229	$9.04
H. J. Res. 230	9.04
H. J. Res. 231	9.04
H. J. Res. 232	9.04
H. J. Res. 233	9.04
H. J. Res. 234	9.04
H. J. Res. 235	9.04
H. J. Res. 236	9.04
H. J. Res. 237	9.04
H. J. Res. 238	9.04
Total	90.40
Mar. 27, 1939:	
H. J. Res. 239	9.04
H. J. Res. 240	9.04
Total	18.08
Grand total	108.48

On small bills and resolutions each is set and printed, as the pick-up is negligible.

TAX PROFITS OF LAST WAR

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Let me say to the gentleman from Pennsylvania [Mr. RICH] that I have been urging this Congress for many years to tax the profits of the last war. If we had properly taxed the profits of the last war from the beginning, you would not be talking about a war today.

The people who are clamoring to get into another war now are the ones who got rich in the last war. Every time we report a bill to take care of the disabled veterans a clamor goes up against it, just as you will hear a clamor go up against the one I reported today from the Veterans' Committee to take care of the disabled veterans, their wives, orphans, and dependent parents, victims of the last war. These favored interests would like to have another war—these people who got rich out of the last war. I am not interested in taking the profits out of the next war so much as I am in taking the profits out of the last war. That will do more to prevent war than anything else we can do. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an editorial from the Shelbyville Republican of March 30, 1939, on the W. P. A.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXPLANATION

Mr. PIERCE of Oregon. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. PIERCE of Oregon. Mr. Speaker, on last Tuesday, March 28, when the House had under consideration the agricultural appropriation bill I attended the session, answering roll call 43 "Present." During the afternoon I made a speech in favor of the appropriation of $250,000,000 for partial parity payments on basic agricultural commodities. About 6:30 I left the floor because I was indisposed with a cold, having recently recovered from an attack of the grippe. Before I left I consulted Members sitting near me and found it to be the general opinion that no final vote would be taken that day and no roll called. I very much regret having missed roll call 44. Had I been present, I would have voted "yea" in favor of the $250,000,000. I consider that amount an essential appropriation even under an economy program and I hope we will have an oportunity to make this appropriation.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. PACE. I ask unanimous consent that in connection with the remarks I shall make later in the day on the pending bill I may be permitted to include certain tables relating to the administration of relief.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. PACE]?

There was no objection.

Mr. HOFMAN asked and was given permission to extend his own remarks in the RECORD.

ADDITIONAL APPROPRIATION FOR WORK RELIEF

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of House Joint Resolution 246.

Mr. ANDERSON of Missouri. Mr. Speaker, I suggest the absence of a quorum.

The SPEAKER. Obviously there is not a quorum present.

Mr. WOODRUM of Virginia. Mr. Speaker, I move a call of the House.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 46]

Alexander	Celler	Green	Sacks
Andresen, August	Connery	Hennings	Sasscer
Andrews	Creal	McMillan, John L.	Schwert
Beam	Crowther	McReynolds	Seger
Blackney	Curley	Manasfield	Smith, Ill.
Bolton	Evans	Osmers	Sweeney
Brewster	Ford, Leland M.	O'Toole	Thomas, N. J.
Buckley, N. Y.	Gathings	Owen	Vinson, Ga.
Byron	Goldsborough	Powers	

The SPEAKER. Three hundred and ninety-four Members have answered to their names. A quorum is present.

On motion of Mr. WOODRUM of Virginia, further proceedings under the call were dispensed with.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent that on Monday next, after the disposition of matters on the Speaker's table and at the conclusion of other special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

EXTENSION OF REMARKS

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include an address delivered by the Governor of Puerto Rico.

The SPEAKER. Is there objection to the request of the Resident Commissioner from Puerto Rico?

There was no objection.

Mr. RABAUT asked and was given permission to extend his own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. KEEFE. Mr. Speaker, I ask unanimous consent that on Thursday, April 6, after the disposition of business on the Speaker's table, and at the conclusion of special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. KEEFE]?

There was no objection.

EXTENSION OF REMARKS

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from the President of the United States on the Spanish situation.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House at this time for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, Congress by its action has made it mandatory for the Works Progress Administration officials to dismiss those persons from the rolls who are not citizens of the United States. I trust the manufacturers will now put private industry behind a program to have the employers of America give labor to those workers who are American citizens and to separate from the rolls of business of this country those who are aliens. [Applause.]

I call attention of the Members of the House to such fine action a few days ago by William Anderson, president of John A. Roebling's Sons, in which he dismissed 100 aliens and plans to place American citizens in their jobs. [Applause.]

In the following letter I have called on the National Association of Manufacturers to lead a movement in America for employment of citizens:

MARCH 28, 1939.

Mr. HOWARD COONLEY,
President, National Association of Manufacturers,
14 West Forty-second Street, New York, N. Y.

MY DEAR MR. COONLEY: For several years I have been interested in the problems arising from the alien influence in the United States. Looking toward a partial approach to this problem, I have introduced a bill in the House of Representatives which contains the following language:

"A bill to provide for deportation of certain aliens who do not make declaration of intention to become citizens

"*Be it enacted, etc.*, That any alien who does not make his declaration to become a citizen of the United States within 1 year after he becomes eligible to make such declaration, or within 1 year after the date of the enactment of this act, whichever is the later, shall be taken into custody and deported by the Secretary of Labor in accordance with provisions of law relating to other deportable aliens."

The foregoing is by way of introduction for a suggestion which I now make to you as president of the National Association of Manufacturers. I believe it would be of invaluable assistance if, through your organization, you could impress upon the manufacturers in America the vital necessity of employing only American citizens and separating from their jobs those individuals who are not citizens of this country.

Alien workers who now live in the United States and accept the privileges, the profits, and the protection of our democracy, but accept no responsibility of citizenship, should not hold jobs in American industry. They indicate no interest in the progress of America, and by the thousands they have taken jobs in business which rightfully belong to American workers. In speaking of "aliens," I designate those persons who have entered our country legally or illegally but who remain here and make no attempt to become citizens of the Nation to which they have come and who are not willing to uphold the foundations of our system. Secretary of Labor Perkins has estimated the number of these aliens to be about three and one-half millions. Other estimates place the number at more than 5,000,000.

Naturalized citizens are just as important and valuable to the country as native-born men and women. I congratulate these persons who appreciate the land to which they have come to live, and figures show that applications for naturalization are increasing. These men and women become splendid and law-abiding citizens and contribute to the betterment of the United States. These people are awakening to the fact that they must protect their good names and not allow aliens to besmirch their fine citizenship record.

I have been impressed with the affirmative action reported to have been taken by William A. Anderson, president of John A. Roebling's Sons Co., in dismissing 100 aliens working in a plant which I understand employs 3,500 workers in Trenton and Roebling, N. J. Mr. Anderson is quoted as having said:

"It has long been the policy of the Roebling Co. to employ American workers. Our percentage of citizen employees is very high, at least 80 percent being native-born or naturalized. In our employ check-up each year we have urged all aliens to apply for citizenship papers.

"Our present action follows a necessity for temporary reduction of the force, and it was decided that it was only fair to dismiss aliens of less than 10 years' service. All positions will be filled by Americans, we hope soon."

I have today sent the following wire:

"MARCH 28, 1939.

"Mr. WILLIAM A. ANDERSON,
"*President, John A. Roebling's Sons Co.,*
"*Trenton, N. J.:*

"I want to deeply and sincerely congratulate you upon the action you have taken as reported in the press of dismissing 100 aliens and employing in their place American citizens. This is indeed highly commendable, and I earnestly trust will serve as a forerunner for similar action to be taken by manufacturers throughout the United States. You have met the problem in a courageous way and have set a fine example for other employers to follow.

"JENNINGS RANDOLPH,
"*Member of Congress.*"

I feel that the action taken by this firm is highly commendable and should be followed by similar action throughout the country. I am writing you at this time because I believe your association could wield a powerful influence in bringing this about. I understand that you have a membership of 7,300 manufacturers who employ several hundred thousand persons. In this group there are probably thousands of aliens who are denying American citizens the right to work. In addition to this, I am advised that your association sponsors the National Industrial Council, which includes 34 State associations with a membership of approximately 40,000 manufacturers. Needless to say, there must be many thousands of aliens employed in this group.

In the event you are interested in advancing the proposal I have made, I shall be pleased to discuss it with officials in your Washington office or with yourself, either here or in New York.

Faithfully yours,

JENNINGS RANDOLPH.

EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein a letter written to Mr. Coonley.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made a while ago.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

Mr. FULMER asked and was given permission to extend his own remarks in the RECORD.

Mr. D'ALESANDRO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein addresses by Governor O'Conor, of Maryland, and my colleague from Texas [Mr. DIES].

The SPEAKER. Is there objection to the request of the gentleman from Maryland [Mr. D'ALESANDRO]?

There was no objection.

ADDITIONAL APPROPRIATION FOR WORK RELIEF

The SPEAKER. There is pending the motion of the gentleman from Virginia [Mr. WOODRUM] that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of House Joint Resolution 246.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of House Joint Resolution 246, with Mr. WARREN in the chair.

The Clerk read the title of the joint resolution.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. BRADLEY].

Mr. BRADLEY of Pennsylvania. Mr. Chairman, it is a very easy matter to pick out different points in a great program and attempt to discredit the entire program. The gentleman from Virginia [Mr. WOODRUM], for whom I have a sincere and profound respect, is one of the most capable Members of this House. He knows how to assemble facts and data to give the greatest support to his contentions. However, I do not think his statement furnishes a complete summarization of the whole W. P. A. situation. All this reference to theater projects is out of all proportion to the part such projects play in the great work of the W. P. A. I would say the number of people who are employed on these particular projects is not more than one-half of 1 percent of the total number of persons employed under the Works Progress Administration.

I believe the record of the W. P. A. under the previous administrator, Mr. Hopkins, and under Colonel Harrington, presents a picture with regard to efficiency and honesty in administration that is not surpassed in the history of this country. There has been no Fall, no Denby, no Daugherty, no Forbes, or others of similar type who characterized previous administrations in this country. There has been no orgy of corruption. If there have been irregularities, they have been on the part of minor subordinates, and those responsible have been detected and prosecuted by the officials of the W. P. A. itself.

The gentleman from New York [Mr. TABER] makes a ridiculous statement regarding the fact that someone who has a job on the W. P. A. suggested that convicts should be formed into a union. The gentleman knows that statement was made in a facetious article written back in 1929 by an unimportant individual, back in the days when those who ran this Government with the benevolent blessing of the Republican Party had perpetrated their crimes of exploitation and swindling on the American people that caused the catastrophe which faces this country today. I would say to the gentleman that if there ever is a union of convicts in this country there will be so many men who formerly held high office in this Government under the Republican Party members of it, that it will look like a Cabinet meeting of some former Republican administration.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY of Pennsylvania. If the gentleman will secure more time for me, I shall be pleased to yield; otherwise, I am sorry.

Mr. Chairman, you have heard a lot about people who do not want to work and people who supposedly refuse work. In my city, Philadelphia, we have practically no W. P. A. program. The only thing we have there are Federal projects and those which were sponsored by our State administration before the recent political change in Pennsylvania. Right now we have a situation where we have had slashing and curtailment of the W. P. A. rolls. This is the situation with which we are faced today. I have here an article from a Republican newspaper, dated March 15, and this is what it states:

SEVEN HUNDRED IN RUSH FOR FIVE JOBS—POLICE CALLED OUT—ONE MAN INJURED IN CROWD—BOYS ARE HIRED

A man was hurt and police were called to keep order this morning when several hundred men and boys sought five jobs at the Art Novelty Co., Inc., on the second floor of 140 North Tenth Street.

Miss Jane D. Godfrey, owner of the company, which manufactures lamps and lamp shades, solved the problem by hiring the first five in line, who had waited since 1 o'clock this morning.

The crowd started gathering some time after midnight. By 7 o'clock Miss Godfrey estimated about 700 applicants were outside the building.

James E. Semons, 40, of Springfield, Delaware County, the bookkeeper, tried to push his way through and was prevented by some of those in the crowd who thought he was another applicant.

Near collapse, he was taken to Hahnemann Hospital and treated for chest injuries. Four policemen were sent to the scene.

This is the answer to those who say people do not want jobs. If you, and I refer particularly to you Republicans from the big cities, want to have in your cities the conditions we have in Philadelphia—because we have already had curtailment and slashing of the W. P. A. rolls, due to the fact that our Republican city council refuses to accept Federal funds, claiming that if people are put to work they may perhaps be grateful to the Democratic administration—you will vote down the $150,000,000 proposition, but if you wish to give the people of this country what they are entitled to, you will send out word that this Congress will not abandon the unemployed people of the United States, and you will vote to increase the amount to the full $150,000,000. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, when the President presented this proposition for $150,000,000 in additional relief funds to Congress a little more than 2 weeks ago I, like the rest of the Members of this House, was confronted with a theory which seemed almost impossible of proof. That theory, I am happy to say, now has resolved from a doubt into a condition as concrete as any could be concerning always doubtful relief conditions.

At least I know whereof I speak when I say the vast majority of my constituents are opposed to granting the full $150,000,000 requested by Mr. Roosevelt at this time. This is no guesswork on my part. I have made as thorough and accurate a survey of the conditions and needs of my constituents for relief as it is humanly possible to do under the circumstances.

In spite of the conflicting and confusing claims made by the administration, the counterclaims made by the Appropriations Committee, and the charges made on this floor, concerning the entire relief situation, I feel unusually qualified to vote on this question without injustice to the unfortunate citizens of my district or any other district or to the taxpayers of the country.

I took some pains and a somewhat unusual method to prepare myself for the consideration of this so-called emergency measure. In a sincere effort to secure a cross section of opinion concerning actual needs for an additional appropriation for W. P. A. activities between now and June 30, I sent several hundred letters to citizens of my district. In that letter I described the confused situation which existed

more than 2 weeks ago concerning this proposition and appealed to each of my constituents to whom I mailed it to make a survey of relief conditions and needs in their communities or neighborhoods and asked them to give me the benefit of their findings.

Those letters went to men and women, Republicans and Democrats alike; to businessmen, both large and small; to clergymen, professional men, school teachers, and college instructors; miners; railroaders; and W. P. A. workers themselves. It constituted a truly representative cross-section of the people in my own district. And I have obtained most gratifying results. Letters in reply continue to come in, and at the last count this morning substantially more than two-thirds of the answers state that nothing like $150,000,000 is required to avert hardship among those on relief and work relief.

After a thorough study of the evidence available, taking into consideration the result of the survey, the report of the Democratic majority of the committee, which stated the $100,000,000 favorably reported was on the side of liberality, and the informal statement by minority Members, I have concluded that $100,000,000 will be adequate to meet the present needs of the situation. Much additional information, some of it being of a startling nature, has been developed during this debate. I was especially impressed, as I am sure all other Members must have been, by the candid presentation of facts by the gentleman from Virginia [Mr. WOODRUM], who was deposed as chairman of the subcommittee in charge of the measure because of his realistic and uncompromisingly honest approach to the relief problem.

In view of the thorough debate on the principal features of this measure and the factors which convince most of the ablest Members of this body that the actual need nowhere near approaches the amount requested by the President, it is unnecessary for me to discuss all of the details. It must be remembered that Congress already has appropriated $2,063,000,000 for W. P. A. during the fiscal year 1938–39, and by adding $100,000,000 more to that sum, Congress will have provided the staggering total of $2,163,000,000 for the year ending June 30.

It likewise should be remembered that when the President made the arbitrary demand for the $150,000,000 which was lopped from the original emergency relief fund for the remainder of the year, the W. P. A. had not acted upon two provisions which Congress attached to the $725,000,000 measure after making the cut. One provided for the dropping from relief rolls of all persons not entitled to relief. To date about 89,000 persons have been separated from the rolls in compliance with that provision. The other provided for the dropping of all aliens, and to date about 30,000 aliens have been severed from relief.

In other words, about 120,000 persons less are eligible for relief now than when the President sent his special message to Congress asking for complete restoration of the $150,000,000 slashed from the bill, without any regard for the reduction in relief enrollees accounted for by the previous action of Congress. Nor does the amount demanded by the President take into consideration the slight upturn in business and the increased seasonal employment with the coming of spring was expected to more than absorb the number already dropped from the relief rolls as a consequence of the previous action of Congress.

Without going into any tedious details, it is interesting to point out the marked discrepancy between the unemployment index of the American Federation of Labor and the index of employment of the Department of Labor. The A. F. of L. index of unemployment shows 11,590,000 for January and 11,470,000 for February, or a reduction of 120,000 in the unemployed before the W. P. A. had scarcely begun to weed out the 120,000 persons ordered dropped from relief rolls. I may say that the American Federation of Labor's index of unemployment always has been unusually accurate and reliable.

On the other hand, it is not possible to say as much for the index of employment of the Department of Labor. That shows 32,582,000 employed in January and 32,627,000 in February, or an increase of only 55,000 in employment. Yet, in the face of less unemployment and rising employment, despite the difference in the two sets of figures, the W. P. A., according to the statement of Administrator Harrington, in a letter to Senator VANDENBERG, of Michigan, dated March 24, the number of W. P. A. employees was estimated as follows: February, 3,000,000; March, 3,000,000; April, 2,900,000; May, 2,800,000; and June, 2,700,000.

Now compare that with the assertion of the W. P. A. Administrator that the number of employees reached a total of 3,043,511 as of February 25. Since that date, Colonel Harrington said the number had gradually decreased and under the orders that will go into effect April 3 the employees will be cut to 2,600,000.

Certainly something is "screwy" with that state of affairs. But "cockeyed" as these figures are, I believe it is obvious that $100,000,000 will be ample for W. P. A. needs for the remainder of the fiscal year, until June 30.

After taking into consideration the savings resulting from the dropping of aliens and ineligibles from the rolls and nearly $46,000,000 charged to the initial appropriation, or a total of $69,000,000, it is found that if $100,000,000 more were appropriated, as recommended by the committee, the allowance would be $19,000,000 in excess of the $875,000,000 originally requested by the President. Add that $19,047,425, to be exact, to the unobligated balance of $26,659,000 on January 31, the committee would allow a safety margin of $45,706,455.

In fact, the committee asserts Colonel Harrington should be able to effect economies which would make the $100,000,000 it recommended wholly adequate. The committee further cites Colonel Harrington's testimony that about 55,000 persons employed on W. P. A. projects are eligible for assistance under the aid to dependent children and old-age assistance programs of the Social Security Board. That is cited as just one instance of an unwarrantable monthly levy of $3,355,000 for work relief, or more than $40,000,000 annually.

This committee, controlled by the Democrats, mind you, then proceeds to criticize severely the unjustifiably high administrative expenses of W. P. A. For instance, it cited average monthly administrative expenses of well over $5,000,000, of which more than $4,000,000 is for personal services. It points out 1,900 administrative employees in Washington and 32,670 in the field-roll force. It takes a crack at the travel and subsistence bill of $500,000 monthly and $150,000 monthly for communications.

The committee says these expenses "are too high and should be brought down." I say they must be brought down. It also takes a dig at the character of projects undertaken, which have much to do with the program and result in very high labor and material costs. The expenditure of $300,000 of relief funds to erect an exhibit building at the New York World's Fair came in for especially bitter criticism. It was asserted that such projects failed to make employment available to a greater number of persons in actual need. This spread of work was urged frankly "to remove some of the public criticism of this activity."

Altogether, this Democratic committee in its report roundly condemned the glaring inequities and lax methods of the W. P. A., and concluded its critical report with a solid "sock" against the continued increase, instead of decrease in W. P. A. appropriations. It was pointed out that with the proposed addition of $100,000,000 a total of $2,163,868,406 would be provided for the current fiscal year. Continuing, it showed the growth, with $1,270,235,000 for 1936, $1,833,456,000 for 1937, and $1,427,701,000 for 1938.

On that point, let me quote from the report, as follows:

> This expense should not be building up, in the committee's opinion. It feels that its proposal is on the side of liberality; that a lesser amount would suffice. However, recognizing that time is the essence just now because of the pressing need, however brought about, to project administrative procedure for the remainder of the fiscal year, the committee, perforce, has pursued a more liberal policy than a searching inquiry probably would justify. Between now and the time the measure providing for relief for the fiscal year 1940 is presented to the House, it is the hope of the committee that it will have completed the investigation and study contemplated by House Resolution 130, passed by the House on March 27, 1939.

The latter reference is to the resolution by Representative Cox, a Georgia Democrat, who is as anxious as the rest of us to see politics stripped from W. P. A.

In view of that report, I could not in good conscience vote for more than $100,000,000 additional, which will be ample to avert any real hardships in my district or elsewhere.

Those are the broad aspects of the picture. In the letters I received from my own constituents are many sidelights and the intimate details of gross mismanagement, political skulduggery, and intimidation in my own district. They have given me certain leads which I intend to run out to the end.

For instance, one of my constituents—himself a relief worker—declared the smaller appropriation would be more than ample if the chislers were dropped. He declared some of the high-salaried supervisors have money in the bank, and in some cases three in a family are employed while among common labor only one out of each family can be employed on W. P. A., and for $57.20 per month, at that.

This man also pointed out that new projects were needed, as many of the projects now being worked are overmanned, which naturally leads to waste.

Perhaps one of the most glaring examples of favoritism and inequality was cited by this man. He named a certain project, cited the salaries of the superintendent at $300 a month down to timekeepers at $75 per month. I figured it out, and found that 14 men in the white-collar class were drawing 12½ percent of the pay that went to the 185 men working on the project, in my own home county.

Others who wrote me along this same line declared that if any reductions were made in the forces it would means cuts in the pick-and-shovel forces and not in the white-collar jobs.

Altogether, I believe my constituents were unselfish and disinterested in their surveys and reports to me, and I am deeply grateful to them all for their assistance in aiding me to obtain a true picture of the situation. An outstanding example of the unselfish attitude of these people was that of one of the leading retail merchants in my home city of Altoona. Although any cut in W. P. A. would mean a heavy loss to him, he declared economy in government must start somewhere, and he opposed any increase whatsoever in the present appropriation.

As I have stated, I am pledged to support all measures for real economy in government, and I propose to redeem that pledge in this instance. If I believed it was a question of bread and butter for the unfortunate people in my district in Pennsylvania, or anywhere in this country, I would not hesitate to protect them. Moreover, the question of relief is not a partisan matter. In any choice between my party and my people, I have no hesitancy in choosing my people, regardless of their party affiliations. [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, one of the most disturbing features of the relief question is the apparent lack of interest in trying to solve the problem of unemployment.

There are today just about as many unemployed in the country as there were several years ago when Congress first tried the plan of solving unemployment through relief appropriations. The net result has been a gradual increase in the appropriations for relief. In 1936, $1,270,235,065 was spent for relief, in 1937, it was $1,833,456,971, and in 1938 it was $1,427,701,994.

For this fiscal year we have already appropriated $1,425,000,000 last June, $725,000,000 in January, and now we have a request for $150,000,000 more, or a total of $2,300,000,000 for this year.

Can it be that we are faced with a problem which is too big for solution? Or are you merely taking the easy way of spending the taxpayers' money rather than tackle the problem and make the sacrifices necessary for its solution. It is now admitted by everyone that spending money for relief is not the solution. Private business is the place for private employment and this Congress should give immediate consideration to the recent recommendation of the president of the American Federation of Labor and provide private business with the assurances necessary to induce them to start the wheels to turning and to make use of the idle billions now on deposit in our banks.

No Member of Congress has any idea of allowing American citizens to starve. We are all ready to provide aid for any who have made an honest effort to secure work and are in actual need. But I, for one, do object to some of the wasteful, extravagant, and foolish practices of the W. P. A. in spending the taxpayers' money.

For instance, Congress appropriated $3,000,000 for a building at the world's fair in New York, and the President requested all governmental agencies to join together and prepare an exhibit for that building. And all agencies did except the W. P. A. But instead of using the relief money to aid those in need, W. P. A. is spending $300,000 for a separate building at the fair, and today it has thousands of men at work at the fair and paying them relief money at the rate of from $150 to $260 per month. No one ever intended such use for relief money, and the only way I know to stop such practices is to stop giving them such extravagant sums of money.

I object to the discrimination against the South by W. P. A. officials. I am advised that in New York today they are paying common, unskilled labor as high as $1 per hour, while in Georgia the average is less than $1 per day. The records show that in Philadelphia they have paid as high as $24 per day for relief labor. If you will turn to page 8 of the hearing, you will notice that in 1937 the average monthly pay for administrative officials was $122.87 per month in Georgia, which they have now reduced to an average of $107.43 per month. But during the same period they have raised the average in New York from $125.55 to $136.92, in Pennsylvania from $117.76 to $127.43, in Illinois from $128.80 to $132.86, in Indiana from $116.27 to $121.56, and in California from $127.42 to $138.40 per month. Oh, what a premium for being a doubtful State.

I wish it was possible for the President to know what is going on, to see the wasteful practices and the thousands and thousands who have been put on the relief rolls for purely political reasons. The gentleman from Wyoming has stated here on the floor that for 2 long years he went repeatedly to the W. P. A. officials and told them that great numbers of people were being put on the relief rolls in his State solely on account of their political influence and without any regard to their being in need; that he never could get anything done about it and an investigation was never secured until a United States judge ordered one.

It is unfortunate that the President cannot look into such cases personally. But his time is so limited and his responsibilities are so great that he appears to rely entirely on what he calls "his aides," who are the W. P. A. officials who make their living out of relief and apparently want it to go on forever.

In January it was represented to us that W. P. A. would be out of money on February 1. So we appropriated $725,000,000 to run them from February 1 to June 30. At the same time we directed them to dismiss from their rolls all aliens and all persons who were not in actual need. We find that 30,000 aliens were dismissed, which will save $7,015,000 during April, May, and June. Also that 88,975 were found on the rolls who were not in need. Is it not strange that it required an order from Congress to get these off? This resulted in a saving for April, May, and June of $16,282,425. Then we find that instead of being broke on February 1, they had on hand $72,409,030. Of this $45,750,000 was used to meet the pay rolls for the first week in February and an unobligated balance of $26,659,030.34 remained on hand.

In January the President said $875,000,000 was all that was necessary to carry W. P. A. from February 1 to June 30. Of this, as just stated, we appropriated $725,000,000. Now, if you will add to this $725,000,000 the $72,409,030 balance on hand on February 1, and the $7,015,000 saved by knocking off the aliens on the rolls, and the $16,282,425 saved by eliminating the 88,975 who were not in need and not entitled

to relief, you will find that they total $820,706,455 or only $54,293,545 short of the $875,000,000 which the President said was needed to carry W. P. A. to July 1, 1939, the beginning of the new fiscal year.

Within the next 3 or 4 weeks we will have another bill before us to appropriate a billion, or two billion, or some large sum for W. P. A. for the next fiscal year, beginning July 1, and I feel sure that if this balance on hand last February and these savings were brought to the attention of the President in the proper way that he would readily agree that $54,293,545 is every dollar which we should appropriate now as supplemental funds for the next 3 months.

Certainly, with a deficit this year of nearly $4,000,000,000, and with a national debt of nearly $45,000,000,000, and with world conditions such that we do not know what tomorrow will bring, we should not appropriate to any department any more than its actual needs.

Mr. TABER. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, I hold in my hand a resolution unanimously adopted by the city council of my home, St. Paul, Minn., urging me to vote for an appropriation of $150,000,000 to carry on the W. P. A. for the balance of the fiscal year in view of the drastic need for relief employment.

They call my attention to the fact that if the W. P. A. rolls are reduced it merely transfers those removed to the direct relief rolls and that the city, in common with all other cities, cannot absorb any more of the relief burden.

I was home last week and went into this whole situation with the city officials, and I know the conditions. Therefore, I am going to vote for an appropriation of $150,000,000.

I regret that the necessity still exists for such huge appropriations, but we are faced with the failure of the New Deal's recovery program.

Recovery has not been brought about and will not be as long as business is faced with the great uncertainties that confront it now.

There is only one solution to this problem, and that is reabsorbing the unemployed in private industry. This can be done and will be done if business and industry are permitted and encouraged to expand.

However, business cannot expand as long as it is constantly interfered with and met by Government competition, and then, on top of all that, burdened with enormous taxation and constant threats of new taxes as well as new regulations and restrictions.

Taxes are approximately twice what they were in 1929, yet business only about 60 percent of what it was that year. There will have to be relief for business or we will never get out from under these gigantic W. P. A. relief appropriations.

The President recently appealed for cooperation from business and assured industry that there would be no additional burdens and that taxes would be reduced.

Just as business was about to settle down to stabilizing itself in preparation for expansion, the whole business world is again thrown into confusion and chaos by the threat of a new program of regulations, increased taxes, and nobody knows what else.

The country is kept in a constant condition of jitters also because of our uncertain foreign policy. There is too much butting into European affairs by administration officials.

If President Roosevelt and his administration will restore confidence at home by assuring business that it will be assisted and encouraged instead of hamstrung, and restore confidence in the buying public that we will not be dragged into a foreign war, this country will recover, and do it quickly. I believe it is not only unfortunate, but tragic, that we are faced with a situation where we have to bring in supplemental W. P. A. appropriations. After all, this was all designed for relief, and it was supposed to be temporary, for use in an emergency. The New Deal administration was supposed to bring about recovery. It is a sad commentary on the success of the recovery efforts of the administration that we have to keep bringing in more and more relief appropriation measures all the time. It seems to me that if we would get down to some real fundamentals in this Government we would not be faced with these problems perpetually, because relief is becoming a permanent problem.

Today our philosophy seems to be, How much can the Government do and how little does the citizen have to do? This Government was founded upon and grew great upon the fundamental principle, from which we have now gone far afield, that the Government should do absolutely nothing which could be done by the citizen or by the community.

If we would get back to those fundamentals we might solve our Budget problem and we might solve our relief and unemployment. As I say, it is with regret that I find it necessary to vote for this appropriation, but I hope the time is not far distant when we can bring about recovery and solve unemployment in industry and not have to be perpetually burdened with these relief appropriations. We will do that when we return to the American way of doing things. [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Chairman, the author of the statement referred to in the remarks of the gentleman from Pennsylvania [Mr. BRADLEY] is Mr. Alsberg, who is in charge of the Writers' Project. Mr. Alsberg calls himself a philosophic anarchist, and in a serious statement to the Nation he did advocate the unionization of convicts and jailbirds.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield.

Mr. BRADLEY of Pennsylvania. That statement was issued in 1929.

Mr. COX. It does not matter; he still calls himself a philosophic anarchist and he has never denied authorship of the statement.

Mr. BRADLEY of Pennsylvania. And that has nothing to do with the fact that people are out of work.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield one-half minute to the gentleman from Louisiana [Mr. MILLS].

Mr. MILLS of Louisiana. Mr. Chairman, I take the floor at this time in defense of my position on the first relief bill we had on the floor of the House in this session.

It was reported by the press at that time that I was in favor of cutting the original request $150,000,000; however, said press report was incorrect. I advocated at that time $875,000,000, and I take the position at this time that $150,000,000 should be appropriated.

I am happy God has blessed this country with an abundance of plenty; therefore I believe it is the duty of this Government to provide the necessary means whereby the unfortunate members of society may be able to sustain a livelihood.

In my congressional district, as well as my State, I find members of families without the necessary means to provide the necessities of life; so, in conclusion, Mr. Chairman, I trust the Committee will not lose sight of those that are in need. [Applause.]

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Michigian [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, the gentleman from Virginia [Mr. WOODRUM] yesterday called attention to the fact that this administration, for relief purposes, had appropriated $21,000,000,000; that $7,000,000,000 of that sum went to the W. P. A. Everyone realizes that the appropriation of these funds, the remedies which have been applied, have not ended the depression.

Everyone concedes that the Government cannot continue to let expenditures exceed receipts. The only question is when and where the cut shall be made. A disagreeable job postponed only becomes more disagreeable, more distasteful. We might as well act now as wait until later.

The gentleman from Virginia [Mr. WOODRUM] and the gentleman from New York [Mr. WADSWORTH] each pointed out how the W. P. A. can carry on without this last appropriation. Each pointed to specific items of waste and extravagance.

People back home realize what is happening because in many instances they have personal knowledge of the misuse of the funds which we vote.

The Somerset (Pa.) Daily American of yesterday contains an editorial which shows that throughout the country at the next election Congressmen will hear in no uncertain terms from the taxpayers, those who provide the funds, if we continue to waste those funds. That editorial reads as follows:

ONE THOUSAND NAMES

The farmers of Stonycreek Township have forwarded to Samuel W. Marshall, chief engineer of the Pennsylvania Turnpike Commission, vehement protests against allowing the hod carriers' union to mace the labor to be employed on that project. Those protests contained more than 1,000 names.

They constitute a spontaneous outburst of righteous indignation and patriotic sentiment.

In order to relieve unemployment, the Federal and State Governments have cooperated to make jobs, and incidentally a new highway across the State. The original set-up provided that the unemployment service of the State should provide the labor for the project from among the jobless. The work had scarcely started when two men walked off the Connell & Laub job in Somerset County and the hod carriers' union declared that there was a strike. That stopped the State employment service from providing the labor required.

A conference in Harrisburg resulted in a de facto "closed shop," although, it is said, there has been no agreement signed.

The farmers of Stonycreek object to having the hod carriers' union collect $15 from every common laborer, $25 from every truck driver and $75 from every steam-shovel operator on the job, in addition to monthly dues. They demand that the workers of Somerset County shall have the employment designed for them by the Government.

As the news of the activities of the Stonycreek farmers has spread abroad, the farmers of other townships have become interested. Had there been an organized effort made, 20,000 names of Somerset County citizens, instead of 1,000, of farmers, wage earners, businessmen, and professional men, together with their women, would have been attached to the protest.

Our people are incensed at the "muscling in" of a labor union where the employer is a Government agency and the employment was designed for distressed citizens.

Somerset County farmers are a determined lot. Their well-cultivated fields, their well-kept buildings, and the high quality of their produce attest the dogged perserverance with which they hold under subjection the lands which their forefathers conquered.

They have the spirit of those farmers of Lexington, Mass., who in 1775 fired shots that were heard around the world. They have the spirit, also, of those farmers who intervened in a labor dispute at Hershey several years ago and settled it.

The turnpike commission and its chief engineer will do well to take these facts into consideration while mulling over the protests that have been sent them.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, had the men who gathered in the city of Philadelphia during the summer of 1787 even dreamed that the Government which they were about to create after 81 days of brilliant debate, would some day become engaged in the theatrical and show business, as a function of that Government, I am satisfied they would have adjourned sine die, gone home, attended to their own private affairs, and refused to sign the Constitution of the United States. [Applause.] But that is actually what happened, and yesterday the House and the country were informed that we have 1,215 show and theatrical troupes under W. P. A. roaming this country at an average cost of $40,000 each, which totals $48,600,000, paid for out of the taxpayers' money that we appropriated here to relieve distress and unemployment in the United States.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. Yes; I yield.

Mr. VOORHIS of California. What does the gentleman think the unemployed white-collared people ought to do?

Mr. DONDERO. I am satisfied the Congress of the United States never intended that the money it appropriated would be used to produce shows and exhibitions, and, what is worse, putting on shows in order to glorify the distress and the want in the United States under the best government on the face of the earth. That is the regrettable part of it.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I have only 5 minutes, but if I have time at the end of my statement I shall yield.

Mr. HOUSTON. The actors have to eat, do they not?

Mr. DONDERO. It will make very little difference what amount you vote for under the resolution before the House today. You can vote for $150,000,000, you can vote for $100,000,000, or you can vote a smaller amount of money and still be within the amount as indicated on page 3 of the report by the committee, to continue the W. P. A. until July 1 of this year.

If you will look at page 3 of the report, you will notice that there will be a surplus or residue of $45,000,000 on hand July 1, the end of this fiscal year, if we appropriate $100,000,000. I voted for the $725,000,000 in January to uphold the judgment of the committee. The committee this time has seen fit to cut the demand of the President by $50,000,000. I believe we would be safe to vote for $55,000,000 to continue the W. P. A. to July 1 for the reason I have mentioned. Mark you well that before this session ends W. P. A. will be knocking at the doors of Congress again for unnumbered millions to continue that function of Government during the next fiscal year, and we will be asked to appropriate those millions that the Government does not have and must borrow. One thing that is now uppermost in the minds of the people of this country is, How long, America, can you continue to spend and spend and borrow and borrow before we reach the brink of national bankruptcy and ruin? Secretary Morgenthau, before a subcommittee of the Committee on Appropriations, on the Treasury Department bill, stated recently that he would not care to make any forecast of what might happen if the national debt went beyond $50,000,000,000, and yet this week in this Chamber we passed a bill carrying with it nearly $1,000,000,000. Ten more bills like that and we will have reached that point where Secretary Morgenthau says he would not care to make any forecast that reached beyond the figure of $50,000,000,000.

I am not against providing for the needy and those in want and there is not a Member on this floor, regardless of his politics, who does not take that position, but I am opposed to continuing a governmental function that is driving the Nation toward ruin and destroying the spirit and the initiative of the American people. Too many are now willing to lean on the Government for support and unwilling to stand on their own feet and engage in private employment even when offered. As some evidence bearing on this point, let me quote from a letter to me from the Bricklayers and Masons' Union of Detroit, Mich., dated February 1, 1939:

It is our contention that the W. P. A. has become a distinct menace to the construction industry, not only to the mechanics but to the contractors who have for many years past employed our people, due to the many abuses which have crept into the W. P. A.

And I quote from a letter from the International Brotherhood of Electrical Workers, Detroit, Mich., of January 19, 1939:

It is our understanding that W. P. A. was created for the purpose of producing productive work for unskilled labor only. If that is true, we vigorously protest any W. P. A. money for projects that invade the field of the skilled trades.

We trust that you will give our complaint serious consideration and use every effort to curb this vicious practice, and that you will use your good efforts to see that no more W. P. A. money is used for any building operations. As it now is W. P. A. money is of no value or assistance to the skilled, semiskilled, and unskilled labor of the building trades.

The gentleman from Virginia [Mr. WOODRUM] pointed out to this House yesterday that one of these theatrical troupes under the W. P. A., and enjoying money that was intended to provide relief to the needy, was offered employment in private theatrical work at far greater wages than they were receiving and enjoying under the W. P. A. and refused to accept it.

Recently a brick mason, driving a taxicab here in the Capital City, notified his employer that he had obtained work for practically the balance of the year of 1939, but when he took the job he discovered they were unable to obtain hod carriers at $20 a week because they were on W. P. A. getting only $12 a week. For this reason the work had to be abandoned and he returned to the job of taxi driving and the hod carriers are still on W. P. A. instead of being in private em-

ployment at higher wages. That is the tragic and shameful attitude on the part of many who have fastened themselves like leeches on this governmental agency. Their morale has been destroyed, their courage has disappeared, and they have removed themselves from the list of self-sustaining people.

It is inconceivable that an agency of the Government, set up to relieve unemployment and distress, should desire to glorify itself to the country and to the world by exhibiting the result of human want. Yet such is the case. At the world's fair in the city of New York W. P. A. will spend relief money to do just that. Nearly a half million dollars either has been spent or will be to erect a permanent building out of the funds we appropriated in this Congress to provide food, shelter, and clothing for the distressed people of this Nation. When the fair is over that building is to be given to the city of New York.

It is interesting to note what the Pontiac Daily Press, of Pontiac, Mich., a newspaper in my district, thinks about this method of spending the taxpayers' money. It is evidence of what the people back home are thinking. I quote:

WHAT AN EXHIBIT

Few of us will judge the W. P. A. more than a temporary agency to meet an emergency. We see no reason for it to advertise itself. Yet W. P. A. officials think differently. They are spending $250,000 of public money on a building for the New York fair. Is this propaganda to make us think dependence on the Government is a grand institution?

If Congress made an appropriation to advertise the W. P. A., we might think differently of this venture, although we would still consider it silly. But Congress took no such action. The W. P. A. officials are doing it on their own initiative, probably with the idea in view that this is to be a permanent agency for all time. And the $250,000 may not represent all the expenditure. Several officials think it will reach a cost of twice that amount.

When an agency that was created to give away money to support the poor and jobless start to spend $250,000 or $500,000 to advertise its own activities it is spreading it on a bit thick. If the American public wants to finance an exhibit at the fair, it has other things to show. The public would rather its tax money for relief purposes be confined solely to that purpose.

We were assured in this House within the last 60 days that the $725,000,000 would be ample to carry the W. P. A. through the rest of the fiscal year, or until July 1, 1939. Now we are asked to provide at least another $100,000,000. If the money was not wasted, there would be no need for appropriating further huge sums for this purpose, and for these reasons I cannot support it. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, we heard a great deal yesterday about the swing Mikado and the lord high executioner of W. P. A., the gentleman from Virginia——

Mr. VINCENT of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. No; I have only 5 minutes. The lord high executioner of W. P. A., the gentleman from Virginia [Mr. WOODRUM], gave us both rhetorical and oratorical trucking and swinging, in order, in effect to divert the attention of the Congress from the real issue involved. Speaking about "swing" Mikado, speaking about the world's fair exhibit, speaking about the airport in New York, Mr. Chairman, I submit is not a discussion of the fundamental issue involved in this appropriation bill. The fundamental issue resolves itself down to the following propositions: First, the number of unemployed in our country; second, how many people have been certified as being eligible for W. P. A. and on the waiting lists throughout the Nation; third, how many must be carried on W. P. A.; fourth, how much of a burden can local and State governments carry; and fifth, what is our responsibility to the unemployed of our country? Let us also be mindful in our deliberations that the number of unemployed has increased rather than decreased, and all of the evidence in the hearings conclusively establishes that we have at least over 1,000,000 more unemployed than on December 15, 1938. However, the diverting swing which was given us yesterday was so ably and so beautifully performed that the membership was so diverted from these real issues that it had the following effect on our colleagues: For instance, we had a gentleman, my colleague from New York [Mr. TABER], speaking about a letter written 10 years ago by one of the administrative employees of W. P. A. We had offered as a solution of unemployment a Chinese solution by another Member.

We had, for instance, a dissertation on post cards, and also a dissertation on a demand for overalls and on the supply of diapers. Unfortunately, the swing tempo rendered to us by the gentleman from Virginia [Mr. WOODRUM], the lord high executioner of W. P. A., was so effective that even those of us who are in favor of the $150,000,000 must of necessity deal with that swing and pull down the jitterbug house of cards that was set up against the W. P. A. by the peer of Tommy Dorsey and Benny Goodman. One of the chief resentments against W. P. A. felt by the gentleman from Virginia yesterday was the fact that here we had an "outrageous diversion" of funds by the W. P. A. in leaving behind to the park department of the city of New York for recreational purposes for the benefit of women and children the W. P. A. building at the New York world's fair after the fair is over. That was an "outrageous diversion" of funds, and the gentleman from Virginia cried to high heaven against it. On the other hand, while the gentleman from Virginia criticizes this contribution to New York City, he fails to mention that the W. P. A. has been doing this very same thing in every part of the country, leaving behind its completed permanent projects which are of value to the various communities. Why has not the gentleman from Virginia mentioned this? Certainly it is sound practice for W. P. A. to put men to work on construction of projects of value to our localities throughout the Nation. This is exactly what W. P. A. will have done with its world's fair building. To do away with these so-called "diversions of funds" will mean abolition of useful projects and putting W. P. A. workers back to raking leaves. Does the gentleman from Virginia want that? He also criticized the W. P. A. for refusing to divert the theatrical hit, "swing" Mikado, and turn it over to private individuals on Broadway who want to exploit a Government hit for private profit. On the one hand W. P. A. is criticized for leaving something to a community, and on the other hand it is criticized for refusing to turn over something of value that belongs to the Government to private individuals for private profit. The swing was swell, but the logic not so hot.

He also asked why this world's fair exhibit? He said that it was a world's fair exhibit which will advertise our shame. I say that the W. P. A. world's fair exhibit does not advertise any shame. To the contrary, I say that the W. P. A. world's fair exhibit is necessary to demonstrate to the entire world that the American democracy can survive and can take care of its unemployed during periods of distress and economic crisis. It will demonstrate that our unemployed are not forced into abysmal wage slavery as is done in dictator countries. It will demonstrate that they are still free men and free women, breathing the free air of a free country.

Furthermore, the lord high executioner of W. P. A. failed to mention that this world's fair building for W. P. A. will cost $250,000 to construct, of which 60 percent will be used for W. P. A. labor. He failed to mention it will be a wooden building. He failed to mention that this cost does not add a penny more to the W. P. A. funds allocated to the city of New York.

Another piece of rhetorical jitterbugging which the lord high executioner of W. P. A. gave us yesterday was his complaint that W. P. A. workers are working full time for the completion of the world's fair airport in New York City and that they are being paid $260 per month. As the gentleman from Missouri [Mr. CANNON] established conclusively, the lord high executioner of W. P. A. should know, and in any event he should have found out before making this assertion, that New York City out of its own funds is paying all wages over and above the security wages. Why should the gentleman from Virgina protest when W. P. A. is doing this type of a job? The completion of an airport will mean

better business for many Eastern States. He is an advocate of economy and has expressed himself to be very anxious for business recovery. Why, then, does he complain when this type of work will aid recovery? It might also be of interest to the gentleman from Virginia that the city of New York has contributed $15,000,000 for the establishment of this airport. Just why did the lord high executioner of W. P. A. omit so many pertinent facts in his sweeping denunciation of this meritorious project.

Coming back to the "swing" Mikado, the lord high executioner of W. P. A. in his rhetorical jitterbugging, failed to mention that the "swing" Mikado has been making money, running at a profit, not at a loss. Unemployed actors are entitled to employment on W. P. A. and it is such productions as the W. P. A. "swing" Mikado which give employment to them. It does not compete with private theatrical enterprises, for it is well known in theatrical circles that a hit show always brings business for other theaters in the vicinity of the hit. Since it aids private theatrical enterprises, the gentleman from Virginia should also have stated that the W. P. A. theater projects make the drama available to thousands of Americans because of the low prices of admission.

Again, I say that the gentleman from Virginia's well-delivered speech yesterday constituted a complete evasion of the fundamental propositions involved:

First. That $150,000,000 is a minimum needed on an arithmetical basis of $61 per man-month for 3,000,000 people on W. P. A.

Second. That even though there have been separated from W. P. A. 88,975 persons, that these had to be replaced because of the existence of 850,000 persons certified as eligible for W. P. A., waiting to be placed on W. P. A.

Third. That as long as there is a waiting list of such great proportions, replacements must be made.

Fourth. That there has been an increase for the month of December 15 to January 15, of 886,000 in the number of unemployed nonagricultural workers. While the figures are not available, there has been a further increase of the number of unemployed during the months of January and February.

These undisputable elements leave two choices, either we provide from the United States Treasury for the unemployed employables or we shift them back to be provided for by the localities and the States. The gentleman from Virginia and others very well know that the States and localities cannot assume any additional burdens.

Therefore, it is our solemn duty to continue to provide and give useful work for the employable unemployed. This, Mr. Chairman, is a most democratic attitude, it is a most humanitarian attitude, it is a most sound policy to pursue in order to prevent another business recession and economic chaos. To cut down the President's request of $150,000,000 to $100,000,000 to the tempo of oratorical swing and by means of a rhetorical Susie Q. is twentieth century Bourbonism. [Applause.]

Mr. TABER. Mr. Chairman, I yield 7 minutes to the gentleman from Wisconsin [Mr. JOHNS].

Mr. JOHNS. Mr. Chairman and Members of the Committee, I am deeply interested in the matter before the House at this time because it is not only one of our most serious problems facing the country today but it is going to continue to be for some time to come. All of us here in the House owe a debt of gratitude to the distinguished gentleman from Virginia who opened the discussion on this bill yesterday morning. It was not so much the facts that he gave to us, because many of them were known to us, but it was the courage and statesmanship of the man that caused us to applaud him because of his courage.

I personally have heard more about the "more abundant" life during these discussions than I have heard during the whole time of this depression. I admire the courage of the people of this country, and especially those who have jobs, with insufficient wages in many instances, who are willing to pay as they did last year, about 17½ cents of every dollar they received toward helping keep those unemployed and on relief. If they paid in full as we went along they would have paid about 24 percent of their earnings last year in taxes.

The tragedy of this whole situation is that we are spending all of this money, and with all these people on relief and W. P. A., we are getting no place in this country except further in debt. I am satisfied in my own mind that we are not only going to be required to make this appropriation, but we will continue to make many more for the same purpose. The present set-up is getting us nowhere. There are over 10,000,000 farmers in this country and most of these farmers could employ on an average of at least one man during the year, but from personal knowledge I know that men on W. P. A. and relief will not work for a farmer. The trouble is that the farmer cannot pay the wages paid by the W. P. A., and the W. P. A. worker will not work for a farmer because he is afraid, or gives as his excuse, that he will lose his job on W. P. A. Those on relief will not work a day because they are afraid somebody will notify the relief officers that they have a job and they will be cut off of relief and cannot get back on again. As a result the farmer is constantly looking for new machinery to take the place of a man on the farm, and in many instances he is finding it. Nobody has any more sympathy for these people on W. P. A. and relief in their hopeless condition than I have because I have seen adversity myself and I know what it means, but I always tried to do something to help myself, and I hope that these people who are in this condition today will try to do something to help themselves.

The present set-up of the W. P. A., as every one knows, is poorly managed. As stated on the floor of the House here, of the $21,000,000,000 that has been spent during the past 6 years for relief purposes, $7,000,000,000 has gone for W. P. A. and relief, and this has been placed in charge of one individual to take the full responsibility for handling such a business. There seems to me that there ought to be a nonpartisan commission to handle W. P. A. and relief. This commission should consist of about five businessmen, one who might be located in the West, one in the Central West, one in the East, one in the South, and one in Washington. The President ought to be able to find at least two Republicans that could be trusted in the United States to serve on this commission who would be nonpartisan in their views, and this ought to be true with the Democrats on such a commission. This would do away with the partisanship and inefficiency that we now have in our present set-up. You can save enough on the traveling expenses in one month to pay the salaries of these men, even though you paid them $10,000 a year; you could very easily take off something from the telephone bill of $150,000 a month.

The W. P. A. and relief should be purely a business proposition, and should be operated like any business is operated, and not a political organization. Until this is brought about you are going to have the waste and inefficiency that has been outlined here by speakers who have taken the floor on this important subject.

There must be some adjustment of the wage scale. When men get on relief they are not looking to make a profit, but they are looking for a living, and there is no reason why a man in Pennsylvania should receive $3.03 an hour and the man in Tennessee 18 cents per hour. A well-directed business is not operated that way, and relief and W. P. A. should not be operated in such a manner.

I hope that this Congress will consider very seriously changing the present political organization to one of business and efficiency. [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include certain factual statements from Government sources.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KELLER. Mr. Chairman, I have a limited time in which to talk about the most important and far-reaching subject before the American people at the present time. a

subject upon which it has been my very great pleasure to spend a number of years in study, observation, and experience and myself directing large numbers of men; and to write a book on this great subject of unemployment. Many of my colleagues have had the opportunity of seeing and studying this book. I do not complain at this very sharp limitation of time assigned to me, I assure you, because in the near future I hope to lay before this body an address in which I shall show how we can solve the unemployment problem and keep the unemployment problem solved permanently. In this, I shall cite Government figures to prove my statement and I shall challenge any man on the Republican side of the House, especially, to deny the facts, to refute the arguments, or meet me in public debate.

I regret exceedingly, as all of the friends of the unemployed must regret, that all our objectors have done just one thing; they have pointed out the little, unimportant mistakes or abuses and have referred to none of the glorious accomplishments of the W. P. A. They have absolutely failed to suggest anything better than the W. P. A. because they do not know anything better.

I want to point out especially the fact that we have had called to our attention that there are some thousands of people on W. P. A. who might, under the law, be on direct relief. I shall show you why they selected the W. P. A. instead of direct relief. The Social Security Board supplied the facts I here cite. I am here showing what one State provides for 1 week's food for each person.

I have in these Cellophane bags the total allowance for one person on direct relief for 1 full week. I hold up here the 1⅘ pounds of flour, nine and a half ounces of corn meal, one-half pound of prunes—26 little prunes, count them yourselves. It is easy enough. Here is one-quarter pound of butter and 5 ounces of white beans. You can count the beans without difficulty. Look at this array of direct relief. Note the entire absence of meat, vegetables, or milk, and this is all one person gets for a whole week. Then you will understand why no one goes willingly onto direct relief. It ought to be called indirect starvation. It is nothing less. I am going to show something of what this means in weakening the body, creating sickness, rendering men unfit for labor, and shortening the lives of all who are forced to live on this starvation ration.

I want you to take a good look at this whole week's allowance for one man. You ought not to forget it. Each one of you must understand that what I am holding in my hands is all that one man gets on direct relief in 1 whole week. It all cost me 37 cents in a grocery store on a main street in the city of Washington.

It is easy to rationalize on poverty when it does not press heavily on you or is so far removed that you can easily forget about it. But if it knocks at your own door, or you are carried by a missionary spirit into the slums of our great industrial cities, or out into the rural slums on the edges of some of the richest agricultural areas in the United States, then poverty becomes a hard reality calling for action.

Certainly without wishing it upon my friends, the gentleman from Virginia [Mr. WOODRUM] and the gentleman from New York [Mr. TABER], I wonder what they would do and how their opinions would hold or change in case they were compelled to live for 1 month upon the same sort and amount of food on which these people are compelled to eke out an existence constantly. More especially I would like to know what they would think about relief after 1 month of such experience and how they would vote next time they were called on to appropriate money for the W. P. A. That is not an unfair illustration because the thing you are doing here today in cutting down what the President has asked for is driving 150,000 men and their families at least back onto direct relief, for which this terrible starvation food is provided.

And here I quote the gentleman from Virginia [Mr. WOODRUM'S] answer to my question:

> Mr. Chairman, I yield myself 1 minute to answer the interrogatory of the gentleman from Illinois [Mr. KELLER], who made inquiry if I were in the position of a person who had to live on such a diet what I would do. I would write to my Congressman in Washington, Mr. Chairman, and ask him to use his best efforts to do everything in his power that he could to see that the W. P. A. used the money that Congress appropriated for work and for food instead of throwing it away on foolishness.

As will be observed, the gentleman from Virginia [Mr. WOODRUM] did not answer my question at all. He used the lawyers' well-worn trick of setting up a straw man of his own so he could knock it down, and so dodged the question I put to him. As will be observed, I did not ask the gentleman from Virginia "What would you do if you were a person who had to live upon such a diet?" I asked the gentleman from Virginia how he would view the question of relief, and how he would vote the next time an appropriation came up for W. P. A. after he had existed for a month on such starvation rations as I set out there on the table so all could see. If I were willing to be facetious, I might have retorted to his question-dodging answer, if I had been given time to reply, that the probable reason he had not had a lot of letters from the thousands of Virginians existing on this starvation diet is that they are too weak to write.

Let us look into the implication in the gentleman from Virginia's dodging answer. He implies that the money the Congress appropriates for work and food are "wasted on foolishness." He has constantly implied defalcations in the W. P. A. The gentleman from Virginia [Mr. WOODRUM] has not given and cannot secure any facts to substantiate any proportionately large waste or any important thefts in W. P. A. Wherever any waste has taken place it has been the entire fault of the Congress as a whole, and of the economy bloc in particular. The gentleman refers to mismanagement, but he does not show any to exist. Considering the size of the project, the millions of workers and the necessary thousands of administrative officers, an examination of the W. P. A. will show a cleaner record than any corporation in the country, if taken from the beginning of its existence to its final success.

The W. P. A. program is the greatest physical-development program in history. It is a gigantic engineering enterprise. It has constructed hundreds of thousands of miles of farm-to-market roads; built and repaired thousands of miles of streets in the cities of our country; repaired, remodeled, and built thousands of schoolhouses all over the country; constructed hundreds of waterworks, sewer systems, and sewage-disposal plants for the smaller cities; drained many swamps and destroyed the malaria in many localities; constructed thousands of dams for conservation of water; built great levees and dams for flood control.

The doing of this tremendous work program requires a more diversified engineering training and experience than any lay-out for physical accomplishment in the history of the world. It has required vision and training.

It has had a man of vision and experience at its head. It has had the best engineers available. The Army has given some and the great enterprises of private organization gave us others. The man who has not had wide experience in the doing and directing of work is not capable of judging the result of the W. P. A.

But from the beginning this engineering leadership has had to contend with a Congress 82 percent of the Members of which are lawyers. When an engineer needs legal advice he seeks a lawyer. It would appear to me that lawyers, when dealing with problems involving engineering knowledge, would seek and accept the advice of high-class engineers.

The engineering leadership of the W. P. A., compelled to look for the appropriation of money to carry on their projects to such a Congress, four-fifths of whom are entirely without experience, training, or understanding of projects requiring physical labor and movement of goods; without knowledge of planning large-scale work, about equipping men for efficient work, nor what physical work men can do in a given time under given conditions, was not able by its own expert testimony to convince two leaders of the subcommittee representing the Membership of the House, both of whom were lawyers inexperienced in the doing of such work, and evidently unwilling to seek or accept the statement of men, interested or disinterested, whose experience would qualify

better business for many Eastern States. He is an advocate of economy and has expressed himself to be very anxious for business recovery. Why, then, does he complain when this type of work will aid recovery? It might also be of interest to the gentleman from Virginia that the city of New York has contributed $15,000,000 for the establishment of this airport. Just why did the lord high executioner of W. P. A. omit so many pertinent facts in his sweeping denunciation of this meritorious project.

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> Mr. Chairman, I yield myself 1 minute to answer the interrogatory of the gentleman from Illinois [Mr. KELLER], who made inquiry if I were in the position of a person who had to live on such a diet what I would do. I would write to my Congressman in Washington, Mr. Chairman, and ask him to use his best efforts to do everything in his power that he could to see that the W. P. A. used the money that Congress appropriated for work and for food instead of throwing it away on foolishness.

As will be observed, the gentleman from Virginia [Mr. WOODRUM] did not answer my question at all. He used the lawyers' well-worn trick of setting up a straw man of his own so he could knock it down, and so dodged the question I put to him. As will be observed, I did not ask the gentleman from Virginia "What would you do if you were a person who had to live upon such a diet?" I asked the gentleman from Virginia how he would view the question of relief, and how he would vote the next time an appropriation came up for W. P. A. after he had existed for a month on such starvation rations as I set out there on the table so all could see. If I were willing to be facetious, I might have retorted to his question-dodging answer, if I had been given time to reply, that the probable reason he had not had a lot of letters from the thousands of Virginians existing on this starvation diet is that they are too weak to write.

Let us look into the implication in the gentleman from Virginia's dodging answer. He implies that the money the Congress appropriates for work and food are "wasted on foolishness." He has constantly implied defalcations in the W. P. A. The gentleman from Virginia [Mr. WOODRUM] has not given and cannot secure any facts to substantiate any proportionately large waste or any important thefts in W. P. A. Wherever any waste has taken place it has been the entire fault of the Congress as a whole, and of the economy bloc in particular. The gentleman refers to mismanagement, but he does not show any to exist. Considering the size of the project, the millions of workers and the necessary thousands of administrative officers, an examination of the W. P. A. will show a cleaner record than any corporation in the country, if taken from the beginning of its existence to its final success.

The W. P. A. program is the greatest physical-development program in history. It is a gigantic engineering enterprise. It has constructed hundreds of thousands of miles of farm-to-market roads; built and repaired thousands of miles of streets in the cities of our country; repaired, remodeled, and built thousands of schoolhouses all over the country; constructed hundreds of waterworks, sewer systems, and sewage-disposal plants for the smaller cities; drained many swamps and destroyed the malaria in many localities; constructed thousands of dams for conservation of water; built great levees and dams for flood control.

The doing of this tremendous work program requires a more diversified engineering training and experience than any lay-out for physical accomplishment in the history of the world. It has required vision and training.

It has had a man of vision and experience at its head. It has had the best engineers available. The Army has given some and the great enterprises of private organization gave us others. The man who has not had wide experience in the doing and directing of work is not capable of judging the result of the W. P. A.

But from the beginning this engineering leadership has had to contend with a Congress 82 percent of the Members of which are lawyers. When an engineer needs legal advice he seeks a lawyer. It would appear to me that lawyers, when dealing with problems involving engineering knowledge, would seek and accept the advice of high-class engineers.

The engineering leadership of the W. P. A., compelled to look for the appropriation of money to carry on their projects to such a Congress, four-fifths of whom are entirely without experience, training, or understanding of projects requiring physical labor and movement of goods; without knowledge of planning large-scale work, about equipping men for efficient work, nor what physical work men can do in a given time under given conditions, was not able by its own expert testimony to convince two leaders of the subcommittee representing the Membership of the House, both of whom were lawyers inexperienced in the doing of such work, and evidently unwilling to seek or accept the statement of men, interested or disinterested, whose experience would qualify

them to advise upon the subject, that W. P. A. was or was not a fair and right means of overcoming unemployment.

These lawyers caused men to be put to work without necessary material and equipment to work with. In ordinary industry involving the same type of work, as is done by W. P. A., the provision of material and equipment for each man per month is $17. But these lawyer-appropriators provided a maximum of $7 per man-month. They, thereby, made efficiency impossible. Then when they were told that the W. P. A. was not doing efficient work they raised a shout against the men who were struggling to accomplish results with totally insufficient materials and equipment. They referred to the men who were doing their best to get work done, although they did not have proper equipment, as a gang. These lawyers implied, and some said that the W. P. A. workers were lazy, no-accounts who had never worked and who did not want to work now.

They have not brought a single engineer into the hearings for disinterested consultation and advice for their own account, but have presumed to reject the testimony of the splendid Government engineers who appeared before them. They sit and listen and ask questions and then, without training or experience or understanding, make recommendations, contrary to the testimony of the Government's thoroughly high-class engineers in charge of the greatest engineering program of all history.

The whole line of argument against the President's request for $150,000,000 to make up the cut from his original request, is one of criticism of small things and a complete dodging of the vital issue involved. Every plea was the paid attorney's plea. The objecting to nonessentials; the magnification of the little things; making mountains out of molehills. It was a lawyer's plea to lawyers only. The pleas of the paid attorney addressing this great body made up of 82 percent lawyers, with no consideration of the engineering facts or human needs involved.

The criticism of political influence of W. P. A. has been made. If the W. P. A. and their families had voted with the Democrats at the last election, there would have been no new faces on the Republican side in this House. The fact is, these W. P. A. workers are independent Americans, to be swayed by the same arguments that all Americans are motivated by. Our Republican friends appealed to them with all the specious arguments, promises of better pay, more employment, higher old-age pensions up to $200 a month. In short, they assured the voters that the Republican Party would outdeal the New Deal by providing more money along all lines. So many voters voted for greater prosperity and see what they are getting. Look at the Republican vote on W. P. A. Vote to cast out $150,000,000 which was badly needed.

We who are for the W. P. A. are accused of being so for votes. Yes, of course. You who are against the poor, you are not for votes, are you? Oh, no. Of course not. Maybe.

The fact is we are both angling for votes because as a matter of fact in a republic every policy is of necessity decided by political action. We are for the poor. That is our avowed policy. You are for the rich, but such is not your open nor avowed policy. That is the difference. The whole interjection of the question of politics was a red herring drawn across the trail to muddle and deceive people into condemning the W. P. A. without a hearing. This subcommittee has, in effect, converted itself into a bureau of misinformation with the motivating slogan of "whatever is, ain't right."

The decision of the Appropriations Committee to cut the $875,000,000 which the President asked for in January to $725,000,000 was a purely political decision both in the House and in the Senate. The present cut of $150,000,000 to $100,000,000 again asked for, was equally a political move. Neither cut can be explained on any other grounds.

The two leaders of this political combination in the House, the gentleman from Virginia and the gentleman from New York, are doubtless able and successful lawyers in their own bailiwicks. But no one accuses them of any training, experience, or understanding of engineering. Their records show no accomplishment on the part of either one of planning public works, equipping men for rendering efficient service; no knowledge of the materials necessary to the successful execution of well-planned work. Yet, without full knowledge of all these things, no man can form a justifiable opinion on his own account. Now what happened was this:

Colonel Harrington is a great engineer and has associated with him several other high-class men. No one ever doubted their ability, training, or experience; and never has the honor or loyalty of any one of them been questioned. These men came first before the President and presented the facts which justified him in recommending the $875,000,000 asked for in his message. Then they came before the subcommittee of the Appropriations Committee with our two political lawyers in control and presented the entire matter to the minutest detail, answered all the questions, and submitted full proof of the requirements. Then these two lawyers without training, without knowledge, without experience, cast aside the training, experience, understanding, reputation, and responsible control of 5 years, and said in effect, "We know more about all this than these engineers do. No matter what they say, we know that $725,000,000 will be a great abundance to carry on until July 1. What's the use of engineers, anyhow, when the House has us two to guide it?"

And the matter was put through in such a way that a record vote was denied the Members of the House. Of course, this was done as a part of the political plan to keep the opponents of the W. P. A. off the spot, because everyone knew if we had had a record vote the $875,000,000 would have carried.

Then the President asked that the $150,000,000 cut off be restored and the same wise men of the same subcommittee again controlled it in the same way. They admitted that they were wrong the first time by agreeing to $100,000,000 and again a record vote was denied for the same reason as before—that is, that a record vote would have carried for the whole $150,000,000.

It may just as well be pointed out that whatever amount the President had recommended, these two leaders of the so-called economy bloc would have cut it down. If he had asked $725,000,000 originally, they would have reported $600,000,000. If he had asked for $500,000,000, the cutters would have allowed $400,000,000, and so on down the line. They have taken the ground that necessity to prevent suffering is not the proper motive in making appropriations. They place their opinions above all the evidence of the only men who from training, understanding, experience, and 5 years of the direct control of the W. P. A., can know or do know the actual requirements of the millions whom the Government has given some small measure of opportunity against starvation.

Whatever may be the resulting conclusion in relation to their judgment or their intelligence, I must confess that I believe these men and those on the committee that accepted their opinions are entirely honest in those opinions.

What this so-called economy bloc is really driving at is to turn the whole relief problem back to the States and save money. You may be able to put the people of some parts of this country on the sort of direct relief I showed the House. But you certainly ought to know that the greater part of the people are not going to try to live on 5 cents a day. As soon as the people find out that that is what it will mean to put relief into the control of the States, the advocates of such a policy will be left at home to share that munificence among themselves.

There are many well-intentioned and high-minded leaders in our midst who would reduce our present national work program to the level of pauper relief. What else does the returning of relief to local communities really mean? It will be cheaper, yes, in dollars, but it will be very costly in human lives. Most of the 3,100 counties in the United States will be compelled to discard the work program immediately and substitute direct relief. What guaranty do we have that their relief standards will be higher than those at present prevailing?

The gentleman from Virginia, whom the newspapers have aptly styled the "lord high executioner of the W. P. A.," has come here pleading for economy in relief on the theory that the humanitarian emergency is past and that it is now necessary to stiffen the backbone of the unemployed by a diet of slow starvation. He wants the W. P. A. to be turned back to the States to be run more economically.

I believe that the philosophy behind his economy was well summed up by the remarks of his colleague in the upper House, the senior Senator from Virginia, who said:

> I individually think that more economic blunders, if not in some instances economic crimes, have been perpetrated by Congress in the name of the starving, who never starve, and freezing people, not one of whom has ever frozen, than the imagination can conjure up.

The State of Virginia has certainly not erred in this direction. It has not been too extravagant in its provision of relief to people who are under the impression that they are starving or freezing. The condition of affairs in Virginia, and particularly its economies in relief, appear to represent the ideal of economy which these honorable gentlemen from Virginia wish to force upon the whole United States. So it behooves us to look into the state of affairs in Virginia and examine the nature and results of its economies in relief.

According to the data collected by the Social Security Board, Virginia was blessed with an unusually low direct-relief load. In December 1938, there were only 9,444 cases receiving direct relief in the Old Dominion. This is less than six-tenths of 1 percent of the Nation's total. Virginia's population, as estimated by the United States Bureau of the Census on July 1, 1937, represents slightly more than 2 percent of the Nation's total. Virginia's unemployment, as calculated by the Biggers Census of November 1937, is about 1.44 percent of the Nation's total. In other words, Virginia's direct-relief rolls are less than one-third of what they should be if population is used as a guide. It is 40 percent of what it should be if unemployment is used as a criterion of destitution. There are two possible explanations of this discrepancy. One explanation is that less than half of the people actually in dire need in Virginia get any relief. The other explanation is that Virginia is a miraculous area where all the familiar laws of nature are suspended—a place where large numbers of poor people get along without jobs, without resources, without help of any kind, and can go indefinitely with practically no food, yet never, never starve, never grow cold, and never become naked.

Now, of course, it may be that Virginia's population is just such a remarkably sturdy breed as that. But our confidence in this possibility is shaken by the fact that there are some 3,600 families in Virginia who depend exclusively on food from the Federal Surplus Commodities as the only form of aid they can get. These families would be glad to get direct-relief grants, but they cannot get them.

Since the direct-relief rolls are so small, it might be supposed that the State of Virginia and the local communities treat their relief clients with exceptional generosity. But the Social Security Board reports that Virginia's average direct-relief grant per case was $9.26 for the month of December 1938. For the United States as a whole it was $26.15—and God only knows how inadequate even that figure is. In 10 counties in Virginia the average amount of general relief per case in December was less than $5, or approximately $1 per person per month, or less than 50 cents per person per week. It may be assumed that these allowances are made primarily for food, but even on this assumption the food allowance per person amounts to from 3 to 5 cents per person per day.

I know, of course, that Virginia is part of the South, and the argument has often been made on the floor of Congress that God made the South so bountiful by nature that very little money is needed for food, clothing, and shelter. Virginia, however, is not exactly a tropical country, and a recent study of intercity difference in the cost of living conducted by the Bureau of Labor Statistics and the Works Progress Administration in 59 sample cities reveals that in Norfolk, Va., the annual maintenance budget for a family of four is $1,251.38; the average for the 59 cities over the whole country is $1,260.62. In other words, the cost of living in Norfolk is very close to the average urban cost of living in the whole United States. It may be presumed that the cost of living in the rural areas of Virginia also does not diverge notably from the average rural cost of living for the United States as a whole.

What is the picture in other forms of relief? Notwithstanding that the Federal Government is ready to match grants for old-age assistance, Virginia was the last State in the Union to set up an old-age assistance program. The program in Virginia began in September 1938, and as of December, the number of recipients per 1,000 population 65 years of age or over, was only 48, as compared with a national average of 224. Only two other States showed ratios of less than 100. In neighboring States, the corresponding proportions were: Maryland, 160; North Carolina, 229; Kentucky, 241; District of Columbia, 78; West Virginia, 229; and Tennessee, 171.

Perhaps the small number of beneficiaries of old-age assistance in Virginia may be attributed to the newness of the program. But what about the size of the grants? Virginia paid $9.54 per recipient in December 1938—half, of course, being met by the Federal Government; the national average was $19.55.

Virginia was also the last State to enact a program for aid to dependent children, which also did not go into operation until September 1938. The number of recipients per 1,000 estimated population under 16 was 3, compared with a national average of 22, and a maximum of 46 in Maryland and Arizona. Corresponding proportions for neighboring States were: North Carolina, 17; the District of Columbia, 25; West Virginia, 27; and Tennessee, 29.

Mr. Chairman, I fail to see why the record of Virginia on economy in relief is anything to boast about, or anything for the Federal Government or the Nation as a whole to emulate. The people who take pride in how little they can spend for relief and get away with it, might just as well boast of putting a pants button in the contribution plate on Sunday and getting away with that. And as for those who are tired of spending in the name of starving who do not starve, and the freezing who do not freeze, I would ask them for the moment to forego any humanitarian feelings and put the case for the maintenance of human beings on the same basis as they would put the maintenance of machines. What engineer waits for machine bearings to burn out before giving a thought to lubrication and repair? And yet in the case of human beings, we insist on waiting until they die in front of our doorstep before we recognize the need for maintenance relief.

Human starvation is a slow process, just as machine breakdown is a slow process. And the final stages are not enacted upon the steps of the Capitol in Washington or on the verandas of the Virginia bankers or judges who battle for economy. The deaths from malnutrition and from slow starvation take place in the public wards of the hospitals or in the hovels of the poor. But just because the final results of relief economy are not nakedly visible on Capitol Hill, do not let anybody say that there is no relation between inadequate relief standards and sickness and death among the destitute.

The Surgeon General's office recently conducted a national health survey. It was not designed to inquire into the effect of low relief on health and mortality, but in its differential findings concerning sickness and death among the poor and the relief families, as compared with the well-to-do, it puts its finger at the same time on the relation of cause and effect between inadequate relief and sickness and starvation among those dependent on public aid.

The survey revealed:

> That the gross sickness and mortality rates for the poor in our large cities are as high today as they were for the Nation as a whole half a century ago.

That is, that no improvement has taken place in 50 years in the living conditions of the poor. And that is a national disgrace.

That among families on relief canvassed in the national health suvey, acute illness is 47 percent more prevalent and chronic illness 87 percent more prevalent than among families with incomes of $3,000 or over.

That nonrelief families with incomes of less than $1,000 experience twice the rate of disability through sickness than families in the higher-income group experience.

Let us note that during these times of semistarvation the increase in tuberculosis is inevitable and in proportion to the length and intensity of the period of starvation indulged in. For many years we have been reducing the number of tuberculosis patients per thousand of the population, but since the depression resulting from the panic of 1929, this is again on the upturn. In the years to come we will pay dearly for the starvation that we force upon any part of our population now.

The National Health Survey in its findings is comparable to a survey of railroad accidents among well-equipped and well-maintained railroads on the one hand, and poorly equipped and poorly maintained railroads on the other. If such a survey revealed twice the accident rate on the latter as on the former, would it not also show that a reduction of relief maintenance on the poorer roads is tantamount to an increase in the accident rate?

The fact is that neither relief nor W. P. A. give enough money for the maintenance of a decent and healthy standard of living. W. P. A. wages, it has been estimated, represent only about two-thirds of an emergency standard of living; average direct-relief grants are about half of the W. P. A. wages, and Virginia relief grants are less than half of the national average of direct-relief grants.

Is Virginia economy at the expense of the poor a proper subject of boasting in the Halls of Congress? Is it not rather an astonishing confession? Is it not rather a warning—a danger signal showing us what lies ahead on the fatal road of false economizing? Let us hope that the Old Dominion will not tread that path to this bitter end—that it will rather join the ranks of those States that are seeking to raise the standard of living—not lower it—for all their citizens. Let us hope that Virginia will return in time for the spirit of leadership once given by Thomas Jefferson, to whom democracy meant equality, and who rejected the notion that the mass of mankind was "born with saddles on their backs" and that a favored few were born "booted and spurred, ready to ride them legitimately by the grace of God."

At the present time and for some years past, Roanoke, the home of the gentleman from Virginia, has been classified as one of the most prosperous cities in the United States. It seems, therefore, that the gentleman from Virginia has not been forced to see any suffering from unemployment in his city, and this may to some extent account for his attitude toward the starving in the parts of the Nation less prosperous. It may be lack of experience that is responsible for his limited influence in this entire matter.

But the era of poverty, when Americans eat sowbelly and blackstrap is gone with the wind. The people all know there is a superabundance of food for all in this country. If the Congress is not wise enough to provide the opportunity for a job for every man and woman who wants to work, surely it should be decent enough to provide against starvation.

Do you deny that the W. P. A. has been a great blessing in providing enormously valuable public improvements, jobs for millions of idle men, food and some clothing for many more millions of women and children?

Well, what do you propose in its place? What will men do? What will the millions of women and children eat and wear? What right has the Congress to take away present jobs until they have provided other jobs? What has the economy block or any member of it ever proposed since the panic of 1929 until the present day to take us out of that economic tail spin? What right has any critic to condemn a policy unless he can propose a better one? Step forward, gentlemen of the economy bloc and tell us what to do, and do not stutter in the telling. Please be specific. Tell us what we shall do for this 3,000,000 who have been on W. P. A. and are being thrown out of it by your parsimony. Tell us what you are going to do with the other 2,000,000 employables, now very much in need of work. What about them?

You have spoken of waste in relation to the W. P. A. When your subcommittee starts investigation of the W. P. A. under the resolution authorizing that proceeding, you will not find waste of any importance which your own parsimony has not brought about.

But let us see what waste has actually taken place. The panic of 1929 and the inevitable depression following it threw vast numbers out of employment through no fault of their own. It offered a great opportunity to the Congress to pick up these unwillingly idle millions and save their tremendous earning power in the form of permanent public improvements. The work was there—enough to absorb labor of every idle man for 50 years to come. The economy bloc was vocal against all expenditures. It handicapped every attempt at providing any expenditures commensurate to the needs of the occasion. It gave grudging acquiescence to appropriations based solely on emergency. It had not sufficient vision to grasp the fact that these emergencies were actually permanent. That only by planning over a period of years could we hope to correct the misfortunes of this depression.

True to its lack of economic understanding it now seeks to scrimp and pinch our way out by throwing more men out of employment, adding vastly to the enormous waste already suffered. For the information of the Members who are studying this subject to evolve a solution, I quote from the Bureau of Labor Statistics the following facts:

The loss to the Nation in the wages of industry alone beginning in 1930 and up until July 1, 1938, is over $120,000,000,000. The loss for the same period in the prices of agricultural products is $38,000,000,000.

This represents a total loss of $158,000,000,000 in these two items alone—nearly a third as much as our total national wealth wasted—gone into the limbo of lost and forgotten things, irretrievably lost. This is an appalling waste in dollars, but a vastly greater loss in human skill, training, confidence in our country, belief in the justice and common sense of the Congress. Any system of economics that does not take humanity as its very basis is a false economy.

The scrimpers and pinchers have from the beginning, insisted, as all too many did and still do, that this depression is a temporary matter, an emergency that would, if let alone financially, pass quickly and permanently as depressions have done in the past.

They have deluded themselves into this belief from an entire lack of understanding of the immediate causes of the panic and the inevitable resulting depression. They refuse to see that the conditions which have permitted other depressions to pass no longer exist. They do not comprehend how other depressions have passed. They do not know the basis of recovery in the past no longer exists. They, therefore, do not see that what seemed an emergency is in fact a condition that is, to all intents and purposes, permanent. They do not grasp the certainty that it will require many years to grow out of this condition. It cannot be solved by localities, States, or regions. It is a national question. It is fundamental and will pass only when we provide the opportunity for a job for every man and woman who wants to work. The difficulty will be increased every time a man is denied a job, every time a man is thrown out of a job. There is only one remedy for this great fundamental depression—the assurance of universal employment.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield myself 1 minute to answer the interrogatory of the gentleman from Illinois [Mr. KELLER], who made inquiry if I were in the position of a person who had to live on such a diet what I would do. I would write to my Congressman in Washington, Mr. Chairman, and ask him to use his best efforts to do everything in his power that he could to see that the W. P. A. used the money that Congress appropriated for work and for food instead of throwing it away on foolishness. [Applause.]

Mr. KELLER. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, ladies, and gentlemen, we have before us the third W. P. A. appropriation bill for this fiscal year.

No Member of this House goes before me in active and sincere sympathy for needy people. For the fiscal year ending June 30, 1938, Congress appropriated for the W. P. A. $1,427,701,994.

TOTAL OF $2,063,868,406 FOR 1939

Congress has already appropriated for W. P. A. for the fiscal year beginning July 1, 1938, and ending June 30, 1939, $2,063,868,406. In other words, Congress has already appropriated for this fiscal year ending June 30, 1939, $640,000,000 more than we appropriated for the fiscal year ending June 30, 1938. The testimony of Colonel Harrington, W. P. A. Administrator, before the Appropriations Committee shows clearly that he needs no more than $55,000,000 to carry on W. P. A. as now set up to the end of this fiscal year, June 30, 1939, but the President insists that we appropriate $150,000,000. This bill carries $100,000,000. If this bill is passed, we will then have appropriated for W. P. A. for the fiscal year ending June 30, 1939, $2,163,868,406. That is $740,000,000 more than we appropriated for the fiscal year ending June 30, 1938, and, I might add, nearly a billion dollars more than we appropriated for the fiscal year ending June 30, 1936.

CUT OUT ALIENS, CHISELERS, USELESS OFFICEHOLDERS

Many of the Members of Congress, Democrats and Republicans, have been urging the elimination from the W. P. A. rolls of aliens, chiselers, and unnecessary officeholders. There are tens of thousands of these. If these were cut off the rolls, it would not be necessary to cut any needy citizen from the relief rolls. We could increase the relief rolls with the needy by tens of thousands.

We hear threats that those in charge of the W. P. A. are cutting or threatening to cut many needy people from the rolls. There is no evidence that any material cut has been made or will be made of the useless officeholders. The cut should be at the top and not at the bottom.

TAKE POLITICIANS OFF RELIEF

Those at the head now say that relief has been taken out of politics. That cannot be. The relief set-up in Kentucky and in practically every other section of the country was built up by the politicians into a political machine. Hopkins has been succeeded by Colonel Harrington at the head here in Washington, but out in the various States the same political machine is still in control of W. P. A. The politicians have not been taken out of or off of W. P. A. W. P. A. cannot be taken out of politics until we take the politicians out of and off of W. P. A.

We have seen much of politics in W. P. A. in Kentucky and we hear the same story from many other States. It is a shameful and sordid record. It is the first time in American history that one party or faction has financed its campaigns out of the pockets of the taxpayers and used relief money to coerce, browbeat, and intimidate the needy people.

In Kentucky last year the relief rolls reached their peak at the August primary in the Democratic senatorial race. Between September 1937, an off year in national politics, and the November election 1938, the relief rolls in the Nation increased from 1,600,000 to 3,200,000. There was a national election on, and that explains why there is demand now for additional relief funds. It was squandered, wasted, and grafted in elections. That is why, although we have appropriated $640,000,000 more than we did last year, there is a demand for more money.

Indictments have been returned and persons have been convicted in various parts of the country for grafting and the unlawful use of relief funds. A distinguished Democratic Senator stated on the Senate floor today that the new dealers in urging large sums for W. P. A. were not actuated by humanitarian principles—their purpose was to get votes. In other words, they had used and desired more money to use to play politics with human misery.

The W. P. A. is engaged in all sorts of crackpot schemes. It has developed theater projects in 21 States and put on more than 1,400 shows. Many of these are touring the country. One of them, the "swing dance" Mikado, swings all the way from Chicago to New York City. Other troupes are touring various parts of the country and consuming the relief funds. Many of the persons connected with these shows receive salaries in excess of $250 per month. The W. P. A. has other projects on foot on which many of the persons receive $250 or more per month, and they are supposed to be on relief, yet many needy people are denied relief work, jobs like building roads, at twenty-odd dollars per month.

The W. P. A. is engaged in competition with private enterprises along many lines. They undertake to produce almost everything. In some sections they receive less than 25 cents an hour, while in other sections as much as $3 per hour. The chief characteristic about W. P. A. has been and still is politics, favoritism, and partiality. For every person given a place on relief, there are at least four other persons just as deserving and just as needy who are denied relief. As a general rule, in my section—and this, I understand, is true in most sections of the country—those who are on W. P. A. have been selected from the New Deal faction of the Democrats or from others who are willing to change their registration and cast their votes for the New Deal candidates.

UNEMPLOYMENT, RELIEF ROLLS, AND DEPRESSION INCREASE

There has been much boasting about these wonderful New Deal policies. What have been the results?

This administration has increased taxes collected from the people more than 230 percent annually. It has increased the national debt $20,000,000,000. Congress has appropriated under this administration approximately $67,000,000,000 in a little over 6 years. This is a greater sum than all the Congresses appropriated from March 4, 1789, up to and including the signing of the armistice on November 11, 1918, nearly 130 years. Our national debt on tomorrow, April 1, will go beyond $40,000,000,000, and by June 30, 1940, it will exceed $45,000,000,000. This is the debt limit fixed by Congress. I wonder how many Members of the House and Senate are willing to vote for a bill to raise the debt limit above $45,000,000,000?

The American Federation of Labor for February 1939 shows there were 11,420,000 unemployed industrial workers in America. This is at least 3,000,000 more than there were in 1937. There are 173,000 less railroad workers and 100,000 less miners at work today than there were in March 1937. Business is at a standstill. The prices of farm commodities and the farmers' income continue to go down. Wheat delivered in Chicago in March 1937 was $1.52 per bushel; today it is 67⅞ cents. Corn delivered in Chicago in March 1937 was $1.25 per bushel; today it is 47½ cents per bushel.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield for a brief question.

Mr. WOOD. The gentleman is very much appalled at 47-cent corn and 60-cent wheat. I wonder if the gentleman was appalled back in 1932 when we had 10-cent corn, 3-cent eggs, and 3-cent hogs.

Mr. ROBSION of Kentucky. In the first place, I never heard of any such prices before. If they existed at all, it was on rare occasions in some out-of-the-way community. The prices I have quoted are the prices of corn and wheat delivered in Chicago. If the gentleman will look up the record and measure the prices received for corn and wheat delivered in Chicago in 1932, he will find that they were then as high as they are now, but the prices now being received are in the 59-cent dollars, while in 1932 they were in the 100-cent dollars. If the prices now were measured in 100-cent dollars, as they were in 1932, wheat would be around 35 cents a bushel and corn 27 cents a bushel delivered at Chicago. The Democrats went into power in 1932 with the promise that they would bring prosperity to industry, give work to the unemployed, and restore farm prices. It should be no comfort to the new dealers, after 6 years and after they have spent

these enormous sums of money, for the prices to be no better than they were in 1932. [Applause.]

OUR NATION THREATENED

We have now had 9 consecutive years of deficits—9 years in which this Nation has spent more than it took in. The deficit for the fiscal year ending June 30, 1939, will be more than $3,000,000,000, and we now know that the deficit for the fiscal year ending June 30, 1940, will be more than $4,000,000,000. We know that the national debt at that time will be at least $45,000,000,000, and we know there will be a deficit for the fiscal year ending June 30, 1941.

Mr. Roosevelt stated in his message to Congress on March 10, 1933, that we were on our way to bankruptcy. Industry and agriculture could not prosper and unemployment would continue because we had had 3 years of deficits amounting to $4,000,000,000 and an increase in our national debt of $4,000,000,000. We are now about to enter our tenth consecutive year of deficits. The President will have added $24,000,000,000 of deficits and increased the national debt to $45,000,000,000, and there will be a large deficit for the fiscal year ending June 30, 1941. There will be no reduction of taxes, deficits, or debts during the present administration. Industry will continue to lag, agriculture to decline, unemployment and relief rolls to increase. Will someone tell us on what road we are now traveling?

It is admitted that we are the richest nation of the world. We surpass all others in the wealth of our natural resources, industries, and agriculture. We have an intelligent, industrious people; yet we have more unemployed and more people needing relief than at any other period in the history of our own Nation or any other nation. These conditions have been brought about through the unwise, unworkable, and un-American New Deal policies. The American people cannot hope for recovery until there is a change in administration and policies in Washington.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 4 minutes to the gentleman from Missouri [Mr. WOOD].

Mr. WOOD. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman already has that privilege. That privilege has already been given to all Members.

Mr. WOOD. Mr. Chairman, I do not know that anyone's mind could be changed by anything that might be said either now or later. I doubt if it has been changed by anything that has been said since discussion started on this bill. Discussion did not affect the vote of this House upon the parity-price provision of the agricultural appropriation bill, the $250,000,000 for parity payments, which I was in favor of. I am, of course, in favor of the $150,000,000 appropriation, because I believe it will create jobs, employment, and work relief for the unemployed of this Nation.

A great deal has been said about gross corruption and mismanagement on the part of W. P. A. and many other New Deal agencies by the Members of the minority. They are very much appalled at the low price of corn, wheat, hogs, and cotton at this time—47-cent corn, 60-cent wheat, 7½- and 8-cent hogs, and 15- or 18-cent eggs, but they have forgotten the fall of 1932, when corn in my section was selling for 10 cents a bushel and just a little further north in Iowa they were leaving the corn in the fields rather than gathering it at the low price. Eggs were selling at 3 and 4 cents a dozen and hogs on the Springfield market at $2.60 and $3 per hundred.

We are faced with the prospect of 400,000 W. P. A. workers being stricken from the rolls if we pare this appropriation to $100,000,000. It is a matter of 400,000 being stricken from the rolls by July 1. Mr. Chairman, in 1928, which was the peak year of production, there were 2,400,000 unemployed, according to the best estimates we can get from governmental agencies. In 1937 we reached the peak production of 1928, and in some of the heavy industries went to 130, taking 1928 as 100. What is the answer? We had a peak of production, yes; but we did not have a peak of consuming power.

It is the application of science and invention to the modern labor-displacing machine production that has been put into use since 1928.

Our unemployment load in 1937 reached a peak as compared with 1928. Our load then was about 8,000,000.

In my own district during the last year a strip mine operated two coal-loading machines and two shovels. Recently they put in the largest shovel in the world, which displaced 50 men. One hundred men are now operating that shovel, whereas 150 men were necessary formerly. The Government must take charge.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

RED INK BRINGS BANKRUPTCY, NOT PROSPERITY

Mr. ANGELL. Mr. Chairman, I appreciate the gravity of the unemployment situation in our Nation. It is my sincere conviction that until we are able, through the restoration of confidence and other means, to restore to private industry our unemployed, the burden of making suitable provision for them rests upon the Congress. It is my purpose, therefore, to support the pending bill for additional relief appropriations for W. P. A. for the fiscal year. However, I believe that it is imperative that the Congress enact legislation that will not only provide relief but will eradicate the causes which make relief and the W. P. A. necessary. Among measures which will bring such a condition about is H. R. 2, now pending before the Ways and Means Committee of the House.

Mr. Chairman, America's greatest need today is increased purchasing power. After 6 years over 10,000,000 of our able-bodied citizens are still unemployed. Over three millions are on the relief pay rolls and millions more are marking time looking for paying jobs. The unemployed have no purchasing power. Our warehouses are overfilled with foodstuffs and merchandise, and yet many of our people are hungry, poorly clad, and without shelter. We are dumping millions of bushels of wheat, and all over our land our people are clamoring for bread. We are asked to spend a hundred million dollars to subsidize the dumping abroad of 11,000,000 bales of cotton, while the jobless shiver in rags. Our people in want and distress cry out for relief in every city, hamlet, and countryside, and we answer by plowing under foodstuffs, killing brood stock, and curtailing production. To fill our stomachs and cover our naked backs and to put shoes on our children's feet we are asked to preach and practice the doctrine of scarcity. For over 6 years Uncle Sam has been endeavoring by borrowing and spending twice as much as he receives to bolster up this purchasing power and put into the empty pockets of our people borrowed money with which to eke out an existence. The plan has not worked. It has broken down. It is tumbling upon our heads. Our people are discouraged. We are piling up an immense debt for future generations to pay. We are rushing like mad toward a rendezvous with bankruptcy. Red ink brings bankruptcy, not prosperity. Have you noticed Uncle Sam has acted queerly of late? Sometimes I think he is losing his mind.

This should not be. We, as Americans, have only 6 percent of the world's area and 7 percent of its population. Nevertheless, we produce 70 percent of the world's oil, 60 percent of its wheat and cotton, 50 percent of its copper and iron, 40 percent of its lead and coal, and we consume from one-quarter to three-quarters of the world's production of most of its basic products. We have 60 percent of the telephones and telegraph facilities, one-third of the railroads, and 80 percent of the motor cars. We have two-thirds of the world's gold supply and banking resources. We have stowed away in the hills of Kentucky fifteen billions of gold. The American market is the greatest market in the world. We alone have a purchasing power greater than that of one-half billion Europeans or 1,000,000,000 Asiatics.

We have skilled and intelligent workmen, unsurpassed by any nation. We have the machinery for production. Our modern mills, factories, and implements of production are geared almost to perfection for the mass producing of the necessities of life. And yet this great machine stands practically idle by the side of our unemployed workmen, who are anxious and able to work. We are richly blessed with

natural resources, and we have immense quantities of raw material ready to be put through the machine and turned out as finished products. These great industries and this rich market of the American people are stagnant by reason of the lack of purchasing power, of funds in the hands of our people. All the schemes concocted in the last 6 years in an endeavor to solve these social, economic, and political problems and to start the wheels of industry turning have failed miserably. We have been unable to put back into private employment the great armies of the unemployed and thus create purchasing power and provide our people with the necessities of life.

It is the purpose and philosophy of the Townsend national-recovery plan to overcome this catastrophe which is gripping the throat of America and threatening the very life of our democracy. It will put the machinery of industry whirling again, put the unemployed back on the pay rolls of private enterprise, and bring prosperity again to the greatest Nation on earth, America. It will create buying power. It will start money circulating in the blood streams of industry. It will stimulate and increase business activity. It will create jobs for the unemployed. It will bring back happiness and confidence to America and put an end to the depression.

This plan has two major purposes: First, to promote national recovery; second, to provide for our senior citizens.

It provides:

For the retirement of all citizens who are 60 years of age or over from gainful employment, who desire to avail themselves of the privileges of the plan;

For the levying of a Federal tax of 2 percent on all monetary transactions, collectible monthly, and distributed pro rata among all citizens who qualify under the act, conditioned that it be expended for American-made goods within 30 days.

The American public is determined that our old people, who have labored through the years in making America and in preserving our democracy, are entitled to share in their old age in what America produces by reason of their contribution during their productive years.

There are some 8,000,000 Americans over the age of 60 years who could qualify under this plan, and half of them are employed in gainful pursuits. This would reduce the unemployment rolls by some 4,000,000. The forced spending of these funds would immediately provide buying power and would at once put to work great numbers of other workers in providing the necessary goods, which, under the provisions of the act, must be manufactured or fabricated in the United States. It would mean that the laborers in the woods, in the fields, in the mines, in the shops, in the stores, as well as professional workers, would find a market for their goods or services. It is reasonable to believe that these incentives given to business and the increased volume of trade would largely absorb the transaction tax.

It is instructive to compare the Townsend plan with our social-security law. It was intended to provide a coordinated plan of old-age security. We all believe in its objectives. It needs, however, major amendments. Should the full amount of these taxes be exacted, the reserve account will have by 1980 a "paper balance" of $47,000,000,000, a nation's ransom, wholly unnecessary, draining white industry and labor alike.

Roger W. Babson, the outstanding financial expert, in discussing the social-security program recently, said:

> These social-security taxes alone are now giving the Government about $1,000,000,000 a year of new spending money. This is the annual contribution of millions of individuals to the trust fund which is supposed to provide them with a monthly income in their old age. The funds, however, are being used for current public expenses. Is one cent being set aside for the future?
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> If the social-security system is not changed, I doubt very much if the young people of 20 to 30 years of age will ever receive any benefit from it. When their time arrives to get their $40, $50, or $60 monthly Government check, it may not even buy a pair of shoes or a roast of beef. The Townsend plan, on some reasonable basis, is far safer.

The economist John T. Flynn, before the Ways and Means Committee of the House, said:

> Over the next 40 years what they are actually going to do under the guise of creating a reserve is to collect $47,000,000,000 more than they pay out, and this $47,000,000,000 is never going to be paid back in any form to the social-security system.
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> * * * * * * *
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> I want the Government to stop collecting money it is not going to use for social security. * * * Next year it is going to take $714,000,000; it is going to pay out $22,000,000 in benefits and spend $52,000,000 to run the system, making $74,000,000 in all, and it is going to borrow the balance and use it to pay the expenses of running the Government, maybe buy a battleship or two, and a few other things. That mony is never going to be used for social security.

The reserve account, so-called, is only a bookkeeping entry, as the money is spent to bolster up an unbalanced Budget. Under the fiction indulged in, the I O U's of the Government are all that is left of the tax dollars exacted from industry and the workers. Eventually the same taxpayers who put up this fund, together with the other taxpayers of the Nation, must again be taxed to make the payments to old-age beneficiaries these funds were supposed to cover.

The taxpayer's burden has been increased almost threefold in the last 7 years, yet our deficit has averaged over three billions a year. The public debt has increased over twenty-three billions. It is obvious the Government is not keeping good faith with the wage earners and their employers from whom is taken this huge fund for old-age payments. The financial integrity of the Government cannot be maintained by adhering to such a program. To continue it means complete financial collapse.

The American people are pension-minded. The Gallup poll, released February 26, 1939, shows that 94 percent of our people favor a reasonable pension. Such a pension plan, on a pay-as-you-go basis, is desirable. As Mr. Babson said, referring to the social-security law:

> The Townsend plan on some reasonable basis is far safer.

The following States have sent memorials to Congress with reference to the plan: Arizona, California, Colorado, Georgia, Idaho, Indiana, Michigan, Minnesota, Montana, North Dakota, Oregon, South Dakota, Washington, and Wyoming. No pending legislation in the Congress affecting the general welfare of America has so captivated the rank and file of our American citizens. The movement is not political, sectarian, or class-promoted, and is Nation-wide. The wishes of the American people cannot be ignored.

This plan is not merely a pension program, but provides for national recovery and is a philosophy of life founded upon sound American principles. The legions of supporters of the movement in every State of the Union are loyal, patriotic, earnest American citizens pledged—

(1) To uphold and defend the Constitution of the United States.

(2) To stand against the surrender of any of our traditional American liberties.

(3) To oppose fascism, communism, or any other form of dictatorship which may menace the traditional form of American government.

(4) To strive for a higher standard of living for the underprivileged classes.

(5) To stand as a safeguard of the American tradition against racial, political, or religious intolerance.

(6) To foster and promote better citizenship by educating the voters to safeguard their own interests.

The old-age security law has failed to solve this social problem of affording relief to our old people; on the other hand, it has exacted unnecessary, burdensome taxes from workers and employers alike, impeding business and halting recovery. It is limited in its applications to selected groups. It rests upon the fiction that these taxes are to be used for relief payments, whereas the money is immediately spent for Government activities. It stifles industry and robs the wage earner, giving little relief. The Townsend plan, on the other hand, is a pay-as-you-go program. It is universal throughout the United States in its application, covering all citizens 60 years of age or over, otherwise qualified. It is a sound American plan. It will create purchasing power. It will start mills and factories. It will provide pay rolls. It will

afford an immense market for American products and will lead America back onto the high road to prosperity.

As Mr. Babson says:

Fundamentally, the only real security is high spiritual and intellectual character. Industry, honesty, thrift, ability, courage, and kindness are those vital factors which make any security program click. Eliminate these qualities and insurance of any kind is useless. The government is simply the organization of people. The moral fiber of the government reflects the moral fiber of the people. If the people do not have strong character, their government insurance and security is useless.

Mr. Chairman, I urge upon the serious consideration of the Members of this House, as a measure which will ultimately make unnecessary W. P. A. and other similar relief, H. R. 2, and I trust that you will join with the author of this legislation in making it possible that it may be brought upon the floor for debate and consideration.

Mr. WIGGLESWORTH. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER of Michigan. Mr. Chairman, I will take but a moment of the Committee's time. I will vote for an appropriation of $55,000,000 for W. P. A., and not one cent more.

Colonel Harrington's own statement before the Appropriations Committee was to the effect that $55,000,000 would permit him to carry on the program of the W. P. A. to the end of June without any reductions in the pay roll. In view of Colonel Harrington's own statements, I cannot see how I could justify a vote for a larger appropriation.

It is my understanding that there will be a motion to recommit this bill with instructions that it be reported back to the House forthwith in the amount of $55,000,000. I will cast an affirmative vote on this motion. If the motion carries, I will vote for the bill. If the motion fails and the bill provides for more than $55,000,000, I will cast a negative vote on final passage.

Mr. WIGGLESWORTH. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, the ink is hardly drp upon the resolution passed by this body last Monday for an investigation of the Works Progress Administration.

Today we are asked to appropriate another $100,000,000 before the investigation has even gotten under way. In view of the serious charges that have been made from time to time against the administration of W. P. A. in the past, I believe that any appropriation now will be interpreted by the people as an indication the proposed investigation will be nothing but a beautiful gesture and a prelude to a whitewashing of things that have passed.

There is still sufficient money available from previous appropriations to carry on the work of W. P. A. for another month or two. The Appropriations Committee has an obligation to the Congress and the people which should be discharged before we appropriate another dollar.

We should have this investigation first and appropriate every cent that is needed to take care of the people afterward. This investigation need not require a great length of time nor the expenditure of a huge sum of money. There is available for the Appropriations Committee information which has been submitted to the Special Committee to Investigate Campaign Expenditures of the Senate concerning the activities and operations of W. P. A. in the States of Kentucky, Tennessee, and Pennsylvania. There is also available to this committee, if it so desires the results of an investigation made into election irregularities in various counties in the State of Indiana, which will throw considerable light on the operations of W. P. A. in that State. In New Mexico the irregularities and graft in connection with W. P. A. have already resulted in many indictments.

In Missouri only last week a W. P. A. foreman was shot down while in the process of robbing a merchant.

We ought to investigate among others the Dr. Jekyll's and the Mr. Hyde's in W. P. A. We ought separate the wheat from the chaff, so if we possibly can, restrict the future distribution of public relief to law-abiding citizens.

Mr. Chairman, I am against an appropriation of any amount at this time. We are trying to put the cart before the horse if we do so. We will try to lock the stable after the horse is stolen. Let us be sensible, look before we leap, and investigate before we appropriate.

Here is a chance to put practical economy into practice, and it will not be at the cost of human misery. We all have taken an oath of office to support the Constitution of the United States of America. You have enough information showing you that much of the money spent in the guise of relief has been wasted and squandered. Our system of administering relief is wrong and you all know it.

Under such conditions, and every Member of Congress knowing it, then to misappropriate funds is a direct violation of your duty and contrary to sound business principles and a violation of your oath and obligation to your country.

Mr. WIGGLESWORTH. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. GROSS].

Mr. GROSS. Mr. Chairman, members of the Committee, as a farmer I voted against parity appropriation to farmers, and I am going to vote against this appropriation for the following reasons: Because people everywhere have been forced onto relief; because of the methods of administration and the rottenness and waste that exist; it is well known that people are getting $1 per hour, and no one knows that they are employed except the bankers who cash their checks.

If the Public Treasury could stand the present procedure, public sentiment could no longer tolerate it. Even those getting relief are disgusted with it.

Here is a common-sense relief program: Give the American farmer the American market and let him alone; see that the social-security moneys are used as was intended; amend the Wagner Act so industry can operate; amend the wage and hour law so that countless thousands now forced into idleness and onto relief may return to their work that is waiting for them; see that the consumer gets his food and clothing at the same low price that the producer has to take. Then prices will go up.

And let me say to this side of the House: Do you remember that last September in 10 days the hog market dropped $2 per hundredweight, and in the same time the President's popularity dropped from 56 to 47?

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, it has been interesting to me to listen to the debate on the pending bill. There has been a great deal of constructive information developed on both sides of the aisle.

You will remember the statement made here yesterday by the distinguished gentleman from New York [Mr. TABER] when he said:

Money is being wasted so fast that it is a menace to our national existence.

You will also remember the statement by the gentleman from Missouri, which followed closely that of the gentleman from New York, who said:

If you do not vote this money for the W. P. A., you will have riots, you will have bloodshed, you will have revolution.

Mr. Chairman, I have no doubt that both of these gentlemen were honest and sincere in their convictions and I have no doubt also that there is a great deal of truth in what both of them said, although you can see they indicate the two extremes of this problem. It is my intention, I may say in passing, to support, if an amendment is brought in, an appropriation for $150,000,000 for the W. P. A. [applause], or any other sum which the House decides is the proper amount.

Mr. Chairman, I want to call attention to something which I said on this very subject on January 13. If these gentlemen, whose remarks I have quoted, are correct, if they are right, then is it not plain to all of us that we are wasting time—I should say, not only our money but our time—in discussing this problem without working out something of

a constructive, sound nature as a substitute which will solve the ever-recurring problem of voting money for the W. P. A.?

There is an answer to this problem of relief and unemployment in the United States of America. If we, with the matchless brains and intelligence which there is in this House, would set up a committee as I suggested in January, I have no doubt but that we could work out a sound and constructive program which would solve this problem instead of bankrupting the Nation and instead of continuing to waste the money as has been charged and instead of bringing about bloodshed, riot, and revolution. We would then get back on a good, sound, firm foundation for our American Government.

I presume there is some justification for the charges that have been made on both sides. I want to discuss some of the statements that have been made with reference to two or three of these charges. It was stated here yesterday that the W. P. A. spends some $4,547,597 in the course of one month for personal services. I do not know how many of you have broken down this figure, but I took the time to do it. I divided that by the 34,572 people who are employed in the executive and administrative departments of the W. P. A. throughout the country, including those in Washington, and I find that it amounts to the amazingly low sum of $131.54 per month for each of those employees on an average. I want to add that the 34,572 also includes some high-paid officials, of whom we must necessarily have some in so large a business venture, involving nearly $2,000,000,000 a year as it does.

According to the testimony before the committee, there are 26 assistant administrators receiving over $600 per month salary.

Greatly to his credit as a patriot and a citizen, W. P. A. Administrator Harrington is accepting a yearly salary of only $7,179, although he is entitled to receive $12,000, the same as his predecessor, Mr. Hopkins, received.

I have faith and confidence in Colonel Harrington. I know he is not only honest, but he is a good businessman, with fine judgment. And as a result of that faith and confidence, I believe, if he asks for $150,000,000, that it is needed, and will be used just as sparingly and efficiently as circumstances and good business practice and judgment warrant.

THE LOCAL ANGLE

Now, just a thought as to the necessity for the present appropriation viewed from the local angle. Last week I had a call at my office on the part of Mr. Ole A. Pearson, efficient superintendent of public relief for Minneapolis.

Mr. Pearson brought me a detailed report of their relief problem. He showed that their load is not only increasing, but that they are not far from the day when no more bonds can be floated to meet relief costs, because of their statutory debt limitation. If the Federal Government forces more unemployed on local communities, all the sooner will local funds be completely depleted.

I am also this morning in receipt of a letter and resolution from the great city of St. Paul, pleading for the $150,000,000 W. P. A. appropriation which is now being considered. Doubtless their plight is as great or greater than Minneapolis. And what is true of these two cities, is probably similarly true of most other large cities in America today.

The St. Paul city resolution is as follows:

Whereas appropriations heretofore made by the Congress of the United States for the Works Progress Administration are insufficient to carry on such activities for the balance of this fiscal year, ending July 1; and

Whereas the Works Progress Administration has advised that it will be necessary to reduce persons on W. P. A. in the county of Ramsey, and that such reduction in W. P. A. forces will force approximately 2,500 more families on relief; and

Whereas the city of St. Paul and the county of Ramsey are unable to care for such additional families on relief and are finding it increasingly more difficult to finance their present direct relief load, without the addition of the said 2,500 more families; and

Whereas there is now pending before the Congress of the United States an appropriation bill which will appropriate $150,000,000 to care for the deficiency in the W. P. A. funds for this fiscal year: Now, therefore, be it

Resolved by the Council of the City of St. Paul, That it urges the Congress of the United States to adopt such deficiency appropriation bill; be it further

Resolved, That copies of this resolution be forwarded to the members of the Minnesota delegation in the House of Representatives and the Senate of the United States.

Because of these facts and circumstances I feel that I must support the request of the W. P. A. Administrator, Colonel Harrington, in order to take care of the present needs of so many thousands of our people.

THREE MILLION NOW ON W. P. A.

On April 1 there will be approximately 3,000,000 workers employed on the W. P. A. program, and none of these will be subject to discharge on the grounds that they are not in need. This number of workers is far in excess of the employment level that can be maintained during April, May, and June with the funds that are available at the present time, even though it is assumed that reserves which are normally maintained would be expended by June 30.

By carrying out the employment reduction which must be made, an emergency situation would be created which would have a direct effect not only on the workers involved but on the direct relief programs of the States and localities, and on business conditions generally, as a result of the sudden withdrawal of a large volume of consumer purchasing power. The actual number of workers who must be discharged increases directly with the length of time over which the process of employment reduction is to be spread. It is imperative, therefore, that the reduction begin immediately on the 1st of April and that the total employment be reduced to 2,000,000 as rapidly as possible.

It is obvious that any improvement in business and employment conditions which may occur in the next 3 months cannot possibly absorb the number of workers who must be removed from the W. P. A. rolls. It must be remembered that for every W. P. A. worker there are about three other unemployed workers competing for jobs which open up in private industry.

As a matter of fact, as I anticipated at the time of the January congressional hearings, there has been a temporary interruption in the trend of business and employment conditions which had progressed upward at a rapid rate throughout the fall of 1938, and during January nonagricultural employment declined by 900,000. Other indicators of industrial production and business conditions reflect a period of adjustment during the general upward movement. It can be reasonably predicted that the general improvement will be resumed during the spring, but it is clear that a very rapid expansion of business activity would be necessary during April, May, and June to bring about the net increase of 1,500,000 in private employment, on which the President's original recommendation was predicated. I think it is clear that the estimate was the most optimistic one which can be justified in the light of existing conditions, and it is equally clear that the dismissal of 1,000,000 W. P. A. workers in April and May would result in widespread suffering.

The average W. P. A. worker has three other persons dependent on him for support, and the arbitrary discharge of 1,000,000 W. P. A. workers would affect the day-to-day existence of a total of 4,000,000 people. If all these people were brought together they would comprise a population as large as that of the city of Chicago, and the extent of the emergency which would be created by separating this number of people from employment and reducing them to complete destitution can be readily imagined.

State and local relief agencies at the present time are providing direct relief for over 1,750,000 households, and hundreds of thousands of these households have workers who are eligible for W. P. A. employment. The latest reports show that there are approximately 865,000 workers certified to the W. P. A. as being in need of relief and eligible for W. P. A. employment who have not been assigned to W. P. A. jobs for the reason that adequate funds are not available.

The current review of the need of W. P. A. workers indicates that most of the 1,000,000 persons who would have to be dismissed by the W. P. A. would be forced to turn to State and

local agencies for direct relief. In most States and cities relief funds are inadequate to meet the load which is being carried at the present time, and hundreds of thousands of the discharged W. P. A. workers and their families would be left without assistance of any kind. While others would be taken onto local direct relief rolls, this would mean that relief funds would have to be spread even thinner than they are at the present time and that local relief standards, which are already wholly inadequate in many areas, would be even further reduced.

"WHITE COLLAR" WORKERS

We hear a lot of talk about the W. P. A. money spent for educational and recreational services. I want to say a word about that, because I think much of the criticism is unjustified and uncalled for. Currently about 12.5 percent of the total amount expended on projects operated by the W. P. A. is used for educational, professional, recreational, and other "white collar" projects, which provide employment for workers who had formerly been engaged in private employment of this type.

Expenditures on Federal art, music, theater, and writers' projects represent 1.8 percent of total W. P. A. project expenditures; educational and recreational projects each comprise about 1.8 percent of the total, and the remainder represents expenditures on clerical, research, and other types of "white collar" work.

If "white collar" work were eliminated from the program entirely, the net result would be that the W. P. A. could provide only unskilled or other manual labor for needy workers whose training and job experience would be completely wasted, and would deteriorate rapidly on jobs of that kind. Many "white collar" workers would not be physically able to perform the manual labor required on W. P. A. construction jobs.

A major contribution of the "white collar" program, in addition to the tangible results which it produces, is the preservation of the skills and talents of the persons who are engaged on the projects. The assignment of a competent professional worker to an unskilled manual laborer's job not only results in a complete loss of individual morale, but also tends to reduce this group of workers to a state where they are, in effect, no longer reemployable at their former occupations, and tends to make them permanently dependent on the Government for support.

The importance of professional, "white collar," and service workers in the national economy is larger than is generally realized and their need for employment cannot be ignored. The census of 1930 showed more than one-third of all nonagricultural workers were employed in professional, service, managerial, or "white collar" jobs; 11 percent of all W. P. A. workers are employed on "white collar" projects, and it is apparent that the W. P. A. "white collar" program is not disproportionate to the needs of this group of workers.

Taken all in all, and until we can develop a satisfactory substitute in the way of reemployment, I feel that we are left no alternative but to vote for this appropriation. [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. HEALEY].

Mr. HEALEY. Mr. Chairman, the very able and eloquent gentleman from Virginia prefaced his remarks yesterday by saying that he conceived it to be the duty of the Federal Government in the discharge of its obligations toward society to assume its share of the relief burden. We have by common usage during this emergency construed that duty to entail the providing of work at least at a security wage to those employables throughout the Nation who have been unable to find employment in private industry. The States and their subdivisions have assumed the duty of providing subsistence for the unemployables and their dependents, as well as the burden of furnishing the tools and materials necessary for the employment of those employables whose wages the Government pays through the instrumentality of the W. P. A.

If we are going to assume this obligation—and I believe it is the will of Congress that we shall assume it—I think it is tolerably clear that we should provide ourselves with all the facts concerning the problem of unemployment in this Nation. I maintain that we did not legislate on the basis of adequate information in January when we passed the bill appropriating $725,000,000, and that we have no scientific factual basis for the bill before us today. On the contrary, I believe, if anyone will read these hearings, particularly the statement of Colonel Harrington, which has remained unshaken by the very expert questioning of my friend the gentleman from Virginia [Mr. WOODRUM], chairman of the subcommittee, he cannot but reach the conclusion that there is no scientific foundation for this sum. It is mere guesswork—an arbitrary slash with no factual support or justification.

In support of this contention I wish to read just the opening statement made by Colonel Harrington before the committee. He states:

> I have never known the basis on which that figure was arrived at—

Colonel Harrington was referring to the cut of $150,000,000 in the appropriation in January—

> or whether it had any relation to any proposed program or not. Obviously, it intended that there should be a reduction below what the President proposed, but I am not familiar with the reason why it was $150,000,000 instead of, say, $100,000,000 or $200,000,000 or some other amount.

In other words, there was no objective standard or guide upon which the Congress could have or should have taken the action it did in January in approving the reduction to $725,000,000.

In order that the Congress may be enlightened and in order that this body itself and the Committee on Appropriations may have the real facts, I have recently introduced House Resolution 129.

This resolution provides that the Committee on Appropriations, or a duly authorized subcommittee thereof, be authorized and directed to conduct an investigation of the extent of unemployment in all cities in the United States of 5,000 population or over.

For such purposes the committee would be authorized to obtain from the mayors or other officials of cities and towns of 5,000 or over population, by means of questionnaires or other suitable methods, information regarding the extent of unemployment in their several communities, the extent of their relief problems, and other information directly bearing on the problems involved in determining the size of appropriations necessary for W. P. A. purposes. Such information, when obtained, is to be furnished to the Committee on Appropriations and the House of Representatives to serve as a guide in our deliberations on the whole subject.

I believe that the mayors and officials of cities and towns are in a position to furnish swift and accurate information regarding the extent of unemployment and the relief needs of their respective municipalities. Through the medium of a questionnaire I feel that the committee could gather together within a very short time data that would present a fairly complete and accurate picture of the extent of unemployment throughout the Nation today. There would be very little expense involved by such a study and the results would serve to remove the whole question from the realm of speculation and furnish to the committee and the House the factual basis so necessary to guide them in their deliberations on this vital subject.

I have been informed by the chairman of the subcommittee [Mr. WOODRUM] that he believes the language of the resolution of the gentleman from Georgia [Mr. COX] which was adopted a few days ago by the House is broad enough to include an inquiry of this sort. If so, I would have no objection to action being taken to obtain this information under the terms of that resolution.

But, in any event, I feel that this type of information is an essential prerequisite to consideration of the entire question of relief appropriations, and I hope that by the time the regular appropriation for W. P. A. comes before us the House will have a solid and substantial factual report to safely guide it in its deliberations. [Applause.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, while I intend to vote for this deficiency bill as reported out by the committee, appropriating $100,000,000 for W. P. A., may I remind the Members that if the W. P. A. were to undertake to employ all of the 12,000,000 unemployed at the average wage of $61 per month, the Congress would have to appropriate the staggering sum of $8,784,000,000 each year. That cannot be done, and every Member knows it.

Something has to be done to correct this unemployment situation—and done soon. It is a cancer eating out the very substance of this Nation. I have been here 3 months now, and practically nothing has been done to attack this basic problem.

All we have done is pass a few little bills and appropriate billions. We cry our eyes out for the poor unemployed and appropriate an average of $61 per month for about a quarter of them, but nothing is done to promote new jobs and new opportunities for them so that they may rejoin the normal society of self-supporting citizens.

As a matter of fact, this W. P. A. is becoming an ever-increasing monster in our midst. It is on the increase, because men cannot get jobs anywhere else. It has even gone so far that Government contracts are let to private contractors with a clause providing that as many laborers as possible shall be hired by the contractor from the relief rolls. What does that mean? It simply means that you almost have to be on relief to get a job on these projects. In my district men have applied for work on these projects and have been told that they could not get them because they were not on relief. On the one hand the relief rolls are reduced, and on the other hand people are forced to go on the rolls.

I recently, on March 20, inserted a letter and resolution from the Los Angeles Building Trades Council into the Appendix of the RECORD—and here is the first paragraph of that resolution:

> Whereas, after a thorough study of the conditions in the methods pursued by W. P. A. in the field of the building and construction industry, wherein W. P. A. is setting up construction projects in direct competition to those engaged in the industry, and on which projects, due to the regulation provided, it is practically impossible for the regular building-trades mechanics, who have spent their life in the industry, to be certified.

It is a serious condition when a workman has to be listed on the relief rolls in order to be considered for employment on a Government contract. I am sure Congress has not intended that, in reducing relief rolls on the one hand, new clients should be added on the other.

In this connection I want to bring up another similar subject. We find that because you have to be on relief to get these jobs, it eliminates the employment of single men on these jobs. Single men cannot get on these jobs in my State; and I have a letter from a young man in my district, which clearly sets forth this position, that I intend to ask to be printed in full in the RECORD.

The letter follows:

ROSCOE, CALIF., *March 20, 1939.*

Hon. CARL HINSHAW,
House of Representatives, Washington, D. C.

HONORABLE SIR: I will try in as few words as possible to explain to you a very unfavorable situation which now exists in this locality and doubtless in many others which you may or may not be aware of.

This situation tends to affect a great army of single men, such as myself, between the ages of 21 and 35, in obtaining employment, especially the kind relative to that which they are best suited for. The reason for this is that practically all of the public projects now in effect, the labor on such, both skilled and unskilled, must be taken from relief rolls or W. P. A. rolls; and what, may I ask you, are we single men who are not able to go on relief to do for a living?

In my own case, for instance, I have recently been laid off at the completion of a road project and have been striving desperately since to get work on others, but to no avail.

Speaking for myself, and I think a great majority of others, the routine is something like the following:

When I applied for relief, the first question asked was, "Are you married?" I answered "No," and was told that the only thing available for me was in a mountain camp, cutting brush and such, for the mere pittance of $5 a month and board. This savors of nazi-ism, this talk of concentration camps. Shall we go Hitler? Then there is another retort so often heard, "Get married, and you are all set." This is a Fascist idea, when they inaugurated the bachelor's tax in Italy. Shall we go Mussolini? And, besides, show me a man who has no more pride in him than to take his bride to a relief office in order to provide sustenance. We want a job first, so we can work for a wife and build our homes and raise real American children who will never know the meaning of the word "dole." But, instead of getting away from all of this, we are being shoved into it deeper every day.

Recently the W. P. A. was just allotted a large appropriation; today the President is asking for one hundred and fifty million more for these poor unfortunates, and we cannot qualify. The F. H. A. will not finance us a home because we cannot qualify. I am a taxpayer, and built my own modest home myself, and must pay $27 a month to the various merchants who furnished the materials, but what have I done to be thus disowned by my country, and especially the administration which we voted for and so earnestly believed would solve our problems; and now we stand idly by and see others take the jobs that we by every right should have a share of, and at the same time uncounted thousands of migrants from other States are crowding in here, and the (our) Government is quick to feed, clothe, and shelter them and give them money and work. To those who have not the wherewithal to buy the barest necessities goes our tax money, and we reflect with grim humor when we read of our Honorable MARTIN DIES attempting to stamp out "isms," supposedly coming from other countries, when it is here in our own America where communism, fascism, and nazi-ism is being bred. Let him look no further than our own shores.

Lastly, I say, "Throw open these jobs to all" that we may have some of them, for there is revolt brewing against this to our way of thinking, useless and unhelpful measures. Can you help us?

I trust, honorable sir, that I have not taken up too much of your valuable time with this missive, but we are asking for your help and feel that you agree, if only in part, with the contents of this letter, and that it is a problem that needs everyone's cooperation in remedying at the earliest possible time, else it will and can become most disastrous.

Thanking you in advance for any aid you may be of and for your kind consideration, I am

Your loyal constituent,

THOMAS J. PENDLETON.

Now, in conclusion, there has been a great deal of talk here about reactionaries and reference to the preceding Republican administration. I want to say that I cannot see where the present administration has done anything to improve employment other than spend money it does not have, but has to borrow from the people themselves. In fact, it would almost seem that this administration has done everything it could to smother the courage and character and initiative of the people. There are taxes and taxes and anticipated taxes, and there are reports and reports and inspectors and rules made by bureaucrats that nobody knows about until they have violated them.

When are we going to consider the problems of the great middle class and unemployed workers of this Nation? They are the ones who are slowly but surely being drained of their substance and forced lower and lower toward relief. I have not seen any effort on the part of this administration to consider ways and means of stimulating business and reemployment in order that this great burden may be lifted. What about the young man coming out of school? Is his only hope to be relief? Let us get down to brass tacks and really do something constructive.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. LORD].

Mr. LORD. Mr. Chairman, we all want to take care of those in need and take care of them well, but when I heard the gentleman from New York [Mr. TABER] and the gentleman from Virginia [Mr. WOODRUM] speak yesterday and bring out the facts regarding some of the waste that has been going on of the funds appropriated for W. P. A. I was willing to rest the case then and rise and vote on the bill. What we have had to say in the meantime has been about matters we have had on our own minds, but I believe we would have done just as well and have saved 1 day of time if we had stopped at that point.

When we find that $500,000 is spent in 1 month for traveling expenses and $150,000 for telephone and telegraph expense, by the W. P. A. officials, we can see how far this sum might have gone to take care of the poor persons of the country. We are appalled to learn that the W. P. A. has exhibits at the international expositions at Paris,

France, and London, England, advertising the distress in America. We learn that W. P. A. is expending $300,000 at the New York World's Fair to construct a building in which to advertise to the world this same fact. All of this waste when so many people need assistance and for whose aid this money should have been expended. Now how are we ever going to get out of this mess? That is what we have to think about. What is going to be the future of relief? I believe we should turn relief back to the States to administer. The Government has proven it is not competent to take care of the situation without wasting tremendous sums of money. If we should appropriate just one-half of the amount of money we are appropriating today and turn it over to the States to administer through their local agencies which are already set up, there would be no expense of administration and we could take care of the people better and have more money to feed the people who are in need than we have today. Much more worth while work could be done and then if the administration would let business go ahead we could work out of these troubled times and get back to the 1926 days when the Republicans were in control. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 4 minutes to the gentleman from Oklahoma [Mr. MASSINGALE].

Mr. MASSINGALE. Mr. Chairman, I rise in support of, and will support, the amendment that will be proposed here to make the amount of this appropriation $150,000,000.

There has been a great deal of discussion here that, in my opinion, ought not to have been made. I do not like to hear a Member be too critical of the other party. I happen to belong to the other party in this controversy, but I wish to say to the distinguished gentleman from Michigan, who said that he did not know what the gentlemen would have done in 1787 when they were trying to draft a Constitution if they had known that 150 years later the Congress of the United States would consist of such wild spenders, that had those same gentlemen known that the great party to which he belongs would in 4 years—from 1928 to 1932—have engaged in a spree of stealing and plundering this Nation to the extent of $250,000,000,000, probably they never would have launched the ship of state in 1787.

It is said by economists that the Government of the United States lost in assets better than $250,000,000,000 by reason of what took place during the Republican administration. I do not know whether or not that is true or whether it is a little bit of Democratic propaganda. I am inclined to believe sometimes that it is true. If it is true, the Republicans have no right to complain because the public debt the Democrats have run up is as large as it is. They ought not to complain until we get back some of the $250,000,000,000 we lost by reason of the Republican regime.

I have listened attentively to the debate, especially to the remarks of the gentleman from Virginia. I admire the gentleman and every man admires the gentleman's ability and his courage, but I want to tell you that while I admire his courage he knows, and I want you to know, if you do not know it, I am not in sympathy with his philosophy of government. The gentleman states that he favors legislation that will take care of those who are in need and in distress. I am satisfied that the gentleman does favor it. I will just say this to you.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield the gentleman 1 more minute.

Mr. MASSINGALE. Mr. Chairman, I am sorry I cannot have more time because I want to talk nice about the gentleman from Virginia. [Laughter.] I admire him. Every man in this House admires the masterful manner in which he has presented the other side of this controversy, but I cannot agree with him. I think if he had voted along with me on other appropriation bills a few days ago, he would have had better standing with me, anyhow. [Laughter and applause.] Before we cut loose and condemn everything the W. P. A. has done should it not be better and fairer to look at some things done by the W. P. A.?

Mr. Chairman, so much misinformation has been spread about the value of the Works Progress Administration to the country, I take the liberty of submitting herewith somewhat of a summary, without having the time to make actual statements about the general character of the work done by the W. P. A. in Oklahoma. It must be borne in mind that Oklahoma has been one of the drought-ridden agricultural States, and that had it not been for the aid to the people of that State through the Federal works program during the last 5 years, there would have been complete economic disaster in that section of the country. Approximately half the State's relief roll is made up of the one-time fairly well-off tenant farmers and landowners who have been impoverished by drought, crop failures, and low prices for farm commodities. Most of these classes have been forced to accept relief checks as their only means of obtaining a reasonable livelihood.

In addition to the farmers and landowners that have been forced to seek work on W. P. A. projects, a large number of oil-field workers, miners, and craftsmen of all types, and industrial workers have been without any permanent employment during these years of distress, and they also had to look to the W. P. A. for work enough to sustain them and their families in part. Many lasting and worth while improvments have been made in Oklahoma by the W. P. A., and the earnings in working on these improvements have enabled business in that State to keep going to a larger extent than any other program of private business has been able to do.

In fact, Oklahoma is a panorama of Federal work relief buildings and improvement. Every city and community in Oklahoma has received the benefit of W. P. A. activities, and new elementary- and high-school buildings, courthouses, community recreation halls, parks, swimming pools, new streets and sidewalks, new roads throughout the State, busses to take children to and from school, improved roads over which to carry the mail, are visible everywhere in the 77 counties of Oklahoma. It is estimated that 75 percent of all construction work carried on in the State of Oklahoma has been through the W. P. A.

Perhaps the largest program in the State has been the farm-to-market roads which have been sponsored by the county commissioners of the counties of Oklahoma, and it is said that in each county from 150 to 1,000 miles of county and State roads and highways have been built in Oklahoma since 1933 as projects of the W. P. A. Indeed, in many counties of Oklahoma, the essential and ordinary work of the boards of county commissioners in their respective counties would have been completely abandoned had not the Federal Government provided assistance for carrying on such works through a Works Progress Administration. In the country districts of the State, the rural population has been benefited more than any other sections of the State.

In addition to the work as outlined, there has been much done in the way of sanitation and malaria control, sewing-room projects, and repair work on county and town buildings.

Another thing that should not be lost sight of is that fully 75 percent of all county officials in the State of Oklahoma, according to reports, are enthusiastic in their appraisal of the character and high standard of the work done under the direction of the W. P. A. authorities. Common laborers have been taught to become skilled workmen, and over all the State wherever there is native stone or rock, these men have been taught to shape the rocks for construction purposes, and many thousands of tons of building material have been taken from the quarries, shaped into materials fitted for construction purposes, and attractive as well as permanent public school and other structures, including bridges and culverts have been built. There have been constructed in the State up to July 1, 1938, 1,185 new buildings; 820 buildings have been repaired and improved; and on 76 buildings there have been additions of a permanent character made.

Three hundred and eleven public-school buildings have been constructed, 492 have been repaired, and additions have been made on 52.

Five new libraries have been built and several improved.

One hundred and ninety-two recreational buildings have been constructed, including 15 auditoriums, 26 stadiums, 55 gymnasiums, and 96 pavilions, bathhouses, and the like.

In addition, hospitals, penal institutions and other buildings have been constructed.

Sixteen courthouses have been constructed, 16 additional ones have been repaired, and on 2 courthouses additions have been made.

Such buildings as fire houses, aircraft hangars, warehouses, and armories have been built in the State.

There have been constructed 15,466 miles of highways, roads, and streets, and 438 miles of these have been paved. One hundred and eighty-one miles of paving have been repaired. Better than 14,000 miles of unpaved roads have been constructed. Eight hundred and fifty miles of urban streets have been constructed, and about 150 miles of those streets have been repaired and made travelable. Roads and driveways have been constructed through parks and cemeteries, and road shoulders, bridges, and culverts, sidewalks, and paths have been built in every community of the State. One thousand two hundred and sixty-seven bridges have been constructed. Eight hundred and fifty-nine unsafe bridges have been repaired and improved. The bridges mentioned under new construction aggregate in length 72,489 feet, and the repaired bridges total a length of 39,395 feet.

Culverts, which are as essential to roads as bridges, have been constructed to the number of 21,080, and 2,300 additional culverts have been improved. The total length of culvert construction is 570,293 feet, and 60,932 feet of repairs in culvert work have been completed.

These improvements, including dams on streams, streambed improvements, levees, revetments, and embankments number thousands of linear feet and include many thousands of cubic yards of concrete.

It would take several pages of the CONGRESSIONAL RECORD to set out a list of the improvements that have been made in the State of Oklahoma through the Works Progress Administration. In my own district there have been several hundred modern, attractive, and permanent school buildings constructed, and many are now under construction.

In fact, as a result of the activities of the W. P. A., interest in public construction of useful and permanent buildings of all sorts has been stimulated to an extent not known heretofore. It is possible now, by reason of the work done by the Works Progress Administration, that thousands upon thousands of school boys and girls have comfortable school buildings and facilities that heretofore they had not enjoyed. All of the new buildings are thoroughly modern.

So far as Oklahoma is concerned, the citizens of that State are grateful beyond expression to the Congress for making it possible for them in times of distress to receive these improvements.

Mr. TABER. Mr. Chairman, I yield 13 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, 90 days from today the Secretary of the Treasury will close the books for the fiscal year 1939. The national debt will stand somewhere in excess of $44,000,000,000. This means the equivalent of $100,000,000 for each of the 435 Members of this House. The deficit for the fiscal year 1939 will be in excess of $4,000,000,000. We will have expended about $10,000,000 more for each of the 435 Members of this House in a single year than we took in.

Now, you cannot contemplate a situation like that without looking into the future and wondering what kind of consistent policy can be developed in the matter of expenditures. I think I have found it for myself and I am not going to depart from it, even for the sake of political expediency.

I had as much, if not more, to lose in the parity-payments vote the other day than most of the Members of this House, because I have six counties in the farm belt. I have as much to lose politically today in my attitude as any Member of this House, because one-half of my district is industrial, but notwithstanding all that, I have tried to hew to a philosophy on which I can stand, and it is briefly this:

I am not opposed to Government spending, but I am opposed to increased Government spending unless there is an absolute need and a conclusive justification for it, and that has not been demonstrated in connection with the bill that is before us today. We are going to have to be like the old wag who, when he was asked to donate to the building of a fence around the cemetery, said, "I will not donate because it is not needed. In the first place, nobody who is in the cemetery can get out, and in the second place, nobody who is on the outside wants to get in." [Laughter.]

This is going to be my philosophy, and this matter will have to be demonstrated from the standpoint of need and justification. Using that as a yardstick, what are we up against today? Do we have to have this money right away? No; that is answered in the letter that Colonel Harrington wrote to Senator VANDENBERG on the 27th day of March, and which is reproduced on pages 3337–3338 of the CONGRESSIONAL RECORD. The money that W. P. A. has at the present time is sufficient to carry out the program as laid down and scheduled by the President until the 7th day of June. So while there is an apparent emergency here, strictly speaking, it is not an emergency and from that standpoint it cannot be justified.

Secondly, how can we justify an expenditure at this time, when only on Monday of this week, this House, by a vote of 351 to 27 voted to investigate the W. P. A.? For what purpose? For the purpose of enabling the Congress better to examine future legislation in behalf of relief. That resolution provides for a thorough investigation and study of the Administration, the laws, the regulations, and the orders that have been isued by W. P. A. You have to have a lot of courage to vote any more money when, by a solemn mandate of this House by vote of 351 to 27, we have stated that W. P. A. should be investigated. This is No. 2.

No. 3 is that I find it pretty hard to advance money for an agency which in some parts of the country is under suspicion. On the day before yesterday in a Washington paper, the Times-Herald, was this short clip on the first page:

> Five more guilty of W. P. A. frauds. Five more in New Mexico, one of whom was the county chairman of Mora County, N. Mex., whose name is Bernard Cruez.

I undertook to ask a few questions in the right places, and I find that among other things Mr. Cruez has been using W. P. A. labor in order to build a house for himself. I am informed that matter was brought to the attention of Mr. Hopkins when he was still the Administrator, and nothing was done about it.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from New Mexico.

Mr. DEMPSEY. The gentleman from Illinois has most graciously yielded to me because I am the Representative from the State of New Mexico. I am not going, as you probably think, to make any denial about politics in W. P. A. in New Mexico.

Mr. DIRKSEN. I think the gentleman is to be congratulated for that statement on the matter.

Mr. DEMPSEY. I want to say to the gentleman that as a member of the Rules Committee I voted for the Cox resolution to investigate the W. P. A., and I was recorded as voting for it on this floor. For 2½ years I made so many trips to the W. P. A. offices in Washington I could not count them, pointing out that people were certified in New Mexico, not based upon need, not based upon dependents, but based upon how many votes they could control and how they would vote them.

Mr. DIRKSEN. There you have a pretty conclusive statement of the case from the gentleman from New Mexico himself.

Mr. DEMPSEY. We have a situation that we have cleaned up or are cleaning up. I do not know anything about the men who have been indicted in New Mexico, whether they are guilty or innocent, and nobody will know until they are tried, but I do know that it took a Federal judge, a Democratic

judge, to bring about the investigation, and when we tried to have the W. P. A. investigate it we got no action.

Mr. DIRKSEN. The corollary of that is this: This is entirely germane to the problem before the Congress today, for here is a diversion of funds voted by Congress for relief, and how can you justify the expenditure for more funds than are absolutely needed in the face of that statement, in the face of the statement of the distinguished gentleman from New Mexico [Mr. DEMPSEY]. That is No. 3.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. The gentleman will excuse me. With respect to the certification which has been discussed, here is something that is illuminative on that point. On page 85 of the record of hearings you will find a squib taken from the Cleveland Plain Dealer, introduced into the hearings by the gentleman from Virginia [Mr. WOODRUM], and on reading this item you will see that they actually sped up the certifications out there so as to get a great bulging list of people ready for assignment, and as the language continues, "so that the President can persuade a hostile Congress of the necessity of another deficiency appropriation."

If that sort of thing is going on in different sections of the country, it accounts then for the extra number of certifications at the present time. Obviously, it can only be construed as an effort to coerce the Congress.

The next item I desire to bring to the attention of the Committee is this: If you look at the report, you will find that there is no justification whatsoever for any expenditure in excess of $55,000,000.

Mr. CASEYof Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. The gentleman will excuse me, please, at present. Look on page 3 of the committee report and there you find the following language: "Obviously there could be deducted without interference with the program visualized by such original recommendation," the following amount, aggregating some $69,000,000, partly for the aliens that will be taken off, partly for the people who are eligible for social-security relief, and partly for the one-quarter month pay roll charged to the initial appropriation for the current fiscal year. Deduct that from the available amount and there in the committee's own language you have a statement that $100,000,000 is not needed, is not necessary. The committee report continues further on page 3 to the effect that administrative expenses of the Works Progress Administration are unjustifiably high, in the opinion of the committee. If economies are made in accordance with the expectation of the committee, still other economies could be made, so that the amount needed is less than the sum of $55,000,000, rather than the $100,000,000.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. We then come back to this whole question of whether $100,000,000 is needed, and there has been no demonstration, no proof, no conclusive evidence, that $100,000,000 is needed at this particular time. I yield to the gentleman from New York.

Mr. MARCANTONIO. Will the gentleman explain why the committee in its report, and why the people who take the position that the committee has taken, omit mention of the figure 850,000 people who are certified as eligible for W. P. A.? Why was that omitted from the report or from any of the arguments advanced against an increase in this appropriation?

Mr. DIRKSEN. I do not know why it was omitted from the report, but the language of the Cleveland Plain Dealer inserted on page 85 of the record to show how certifications have been speeded up, indicates that any figure they may have put in the record after word had gone out to speed up, would not help this Congress in reaching a solution.

Mr. CASEY of Massachusetts. Does the gentleman know in the case of the certifications that they originate largely with local authorities, welfare agencies, and in many instances from a Republican source?

Mr. DIRKSEN. I do not know; but I want to get one more matter before the Committee before my time expires. On the 18th of January of this year the Assistant Administrator of the Public Works Administration came before the independent offices subcommittee of the Committee on Appropriations, and you will find his testimony starts on page 1240 of the hearings. Here is what Colonel Gray told our subcommittee: He said that the 1938 P. W. A. program going into effect now would have the greatest effect on unemployment of any program yet launched, and will reach 500,000 persons in July of this year in the way of jobs. He testified that you can multiply that by two and a half to take care of the number who will receive indirect employment. We had only 161,000 on P. W. A. rolls in January, and we will have 500,000 in July.

If you will interpolate the expenditures which they set out in the record, you will find that as early as April there will be a gain of 770,000 direct and indirect jobs, and by July the number will increase to 1,250,000. In view of that testimony from the Assistant Administrator of the P. W. A., where is the need, where is the justification for the expenditure of the money that is carried in the pending bill?

Surely it is self-evident that if the Public Works Administration expects to provide employment for as many as 380,000 at the site by April and another 950,000 indirect jobs as a result of the projects which are under way, the number of new available jobs will be sufficient to absorb the dismissals from W. P. A. and will go far toward absorbing the additional certifications for which no immediate provision is contemplated. Where, then, is the need for these funds at this time?

To summarize the situation, Mr. Chairman, Colonel Harrington, the Administrator of W. P. A., indicates in his letter of March 24 that the funds now available will carry him to June 7 on the schedule proposed by the President. The House has voted to make a thorough investigation. The report of the subcommittee in charge of this bill states clearly that $55,000,000 is ample to cover W. P. A. needs, and this does not include the administrative economies which are expected. The P. W. A. program will reach its peak force in the spring and summer months, as testified by the Assistant Administrator of the P. W. A. Where, then, is the need for these funds? Is it but a polite way of disposing of this issue until the regular relief appropriation bill for 1940 comes on for action by the Congress?

One other item in connection with this bill has scarcely been alluded to during the debate on this measure, and that is the capacity of the sponsors to supply the sponsor's share of the projects that are to be embraced by the additional funds. So many cities, counties, school districts, and other subdivisions of government are in such straightened circumstances today that they cannot raise sufficient available revenues to pay the sponsor's share.

It must be evident, if such is the case, that the communities which are most desperately in need of these funds could not obtain them. Conversely, the communities in the best financial condition and able to take care of their relief loads without undue aid from the Federal Government, will stand to take the lion's share of any funds that are voted.

Until a careful survey of the sponsors of projects is before the Congress, how can we undertake to vote more funds than the committee states as necessary, and how can we, in fact, supply additional funds only to be used where the need is least pressing?

In these premises, Mr. Chairman, I could find no justification for approving the amount requested in this bill.

Mr. TABER. Mr. Chairman, I yield to the gentleman from Missouri.

Mr. CANNON of Missouri. Mr. Chairman, inasmuch as a number of Members, including my friend from Illinois who has just spoken, have referred to the tabulation on the third page of the report cited by the committee in its attempt to justify its reduction of the W. P. A. appropriation, I would like to call attention to the fallacy of any such conclusion.

The committee cites three items which it claims could be deducted without interference with the program visualized by the original recommendation, as follows:

1. 88,975 persons not in actual need	$16,282,425
2. 30,000 aliens	7,015,000
3. Pay-roll reserve	45,750,000
Total	69,047,425

As to the first item, the Administrator of the Works Progress Administration in the hearings testified time and again that the number who would be dropped because they were not in need was not yet known and would not be known until the first part of April. He further testified that the number was likely to be less than 3 percent. The 88,975 figure used by the committee is an arbitrary estimate on their part with no foundation in fact.

As to the second item, the hearings show that the aliens were dropped because they were aliens and not because they were not in need. Consequently they would need direct relief and impose an additional burden on direct relief of the cities and in all fairness the Works Progress Administration should take an equivalent number of employable persons from the direct relief rolls of the cities.

Despite the elimination of persons not in need and of aliens, unemployment conditions in January and February required the W. P. A. to maintain its total employment at approximately 3,000,000 persons in order to meet the situation. Despite the replacements that were made in the W. P. A. during these months the waiting list of eligible unemployed persons in need increased from 750,000 to 850,000 during this period. At the present time there are approximately 3,000,000 people employed by the W. P. A. after all persons not in need and all aliens have been eliminated. Any reduction in the appropriation will result in the dismissal of needy employable citizens.

The item of $45,750,000 pay-roll reserve does not represent either an expenditure or a saving. It is an item that is always present, and for efficient administration of a program the size of the Works Progress Administration a reserve is always necessary. This reserve is not expended but carries over from period to period and thus does not affect the amount of expenditures on the program in any manner. The amount of expenditures is determined as a direct function of the number of persons to be employed. If it is the will of Congress that these reserves not be maintained, it will inevitably decrease operating efficiency and increase administrative expenses and result in a smaller proportion of the appropriation going to unemployed persons.

In other words, this section of the report is no exception to the rule and, like the rest of the report, is no justification whatever for the arbitrary proposal to cut the Budget estimate below the amount warranted by the evidence before the committee.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield the remainder of my time to the gentleman from Kentucky [Mr. O'NEAL].

The CHAIRMAN. The gentleman from Kentucky is recognized for 14 minutes.

Mr. O'NEAL. Mr. Chairman, there has been so much emotionalism in this debate that I want to confine myself, in closing for the committee, to a logical discussion of the proposed cut of $50,000,000, and show, as I believe I can from the testimony of Colonel Harrington himself, the fact that with the $50,000,000 cut, not one man on the rolls entitled to it will be laid off, and many of those on the waiting list of 850,000 will be put back to work. I trust I can demonstrate this in the time that is allotted to me.

The Appropriations Committee was created to pass upon Government expenditures, and, in my opinion, it has an implied duty to eliminate waste and to effect economies. Otherwise there would be no necessity for an Appropriations Committee. Congress is a trusteeship handling other people's money. So when a department presents its request for funds with which to operate, that request goes to a subcommittee for close study, and the members of that subcommittee have a solemn duty to perform. It is axiomatic that every department request can be cut some and that the heads of the departments invariably ask for amounts that can be reasonably reduced. Strange to say, W. P. A. has had $6,000,000,000. And Congress, until this year, has never had an explanatory estimate in advance of the appropriations nor reviewed the expenditures after the appropriations were used. So when the W. P. A. request came to our committee we examined it minutely, and, as is always true, we found where reasonable economies could be had. Yet there are those in this House and in this country who are in high rage because of the study made by the committee, and who have announced their opposition to any cut for any reason. They have closed their minds; they have heard no evidence and do not want to hear any. Yet President Roosevelt has said that an effort should be made to trim the appropriations wherever possible. It is never pleasant to say "no"; it is unpopular to pare appropriations; it is often dangerous to deny the passing popular will—but that is the duty of a conscientious member of the Appropriations Committee and of Congress. And confidence will return to our people when they see that Congress will dare to do the right thing, even though it may be unpopular.

In the spirit of duty most of this small band of subcommittee members accepted the disagreeable task of examining the W. P. A. request for funds, knowing from long experience that all department heads make estimates to Congress that are very generous to their departments, and oftentimes anticipatory of substantial reductions. Further, we sat as a friendly judicial body, and there was not a man on the committee who was willing to deprive a single deserving person on the rolls of his rights. Had it been necessary even to increase the appropriation to provide food, shelter, and work for those entitled to it, I would have done so gladly, as would every other member of this committee. There are no Members in this House more sympathetic to the needs of the W. P. A. worker than the members of this small subcommittee. We propose to Congress by our recommendation to give those beneficiaries of W. P. A. the money our great country wants them to have, but we are not willing to allow the funds to be dissipated in activities foreign to providing work and sustenance for the worthy unfortunates of our great country. I propose to show now how that can be done within the amount recommended by this committee.

Here are the salient facts that came out in the testimony that I believe establish the position that not one person will have to go off the rolls.

When the estimate first came to our committee for an additional $875,000,000, it was designed to provide for 3,000,000 people on the active rolls. There was also a waiting list of 850,000. With that money it was the plan of W. P. A. to reduce the number of beneficiaries by July 1, 1939, to 2,700,000. With $725,000,000 appropriated heretofore and $100,000,000 now, the testimony clearly demonstrated to the committee that if the money is wisely and carefully handled, it will provide the full benefits of W. P. A. to all those entitled to it, of the 3,000,000 estimated for, and it will be sufficient, in addition, to take care of all, or a large part of the 850,000 on the waiting list.

If there were no economies, and no possible savings, and if the situation today were as understood in January, a cut of $50,000,000 would have meant that in April, May, and June, the rolls of W. P. A. would be reduced by approximately 230,000 cases.

But the hearings brought out many interesting facts, which make it clear that all now on W. P. A. can be taken care of and still save $50,000,000.

The testimony disclosed that the voluntary withdrawals from W. P. A. rolls would probably run over 100,000 persons per month, or for 5 months a total of voluntary withdrawals of 500,000 to 600,000. The money saved by these voluntary withdrawals will not only provide funds sufficient to take care of the 230,000 who otherwise might be taken from the rolls by the $50,000,000 cut, but this saving will, in addition, allow 250,000 to be taken from the waiting list of those not now receiving employment.

But that is not all. Congress, in Public Resolution No. 1, required the W. P. A. to survey its rolls, and the Administrator testified that there would be removed by this survey from 3 to 5 percent of the total number—only those persons who were financially able to take care of themselves, and of course those able to take care of themselves should do so, and allow that sum to go to the others on the waiting list who have no means of support. Three percent of those on the rolls would mean about 110,000 people. This would change 110,000 people from the waiting list to the active list, and this was not known when the W. P. A. estimate was first sent to Congress.

But that is not all. The aliens were stricken from the lists after the Administrator prepared his estimate in January for a supplemental appropriation. The testimony showed that approximately 40,000 aliens were stricken from the rolls (a saving of over $10,000,000). They are not now on the rolls, but were estimated for—their places can be filled from the waiting list.

Again, actuarial figures indicate that, conservatively, in 5 months the rolls of W. P. A. would be reduced by other causes, such as death, by at least 125,000 people. These places could be taken by those on the waiting list.

And that is not all. It came out in the testimony that large sums of money were transferred to other departments, of which millions were not yet allocated. Certainly close supervision would result in substantial savings.

There are other facts which indicate by close scrutiny that appreciable sums of money could be made available. The time allotted to me is insufficient to cover all phases of the matter. It appears perfectly clear that in the light of the testimony and subsequent events, the estimate made in January, reduced by $50,000,000, will take care of every person on the 1939 rolls entitled to receive the benefits, and practically all those on the certified waiting lists not now receiving the benefits. So why should we not save a little money?

Gentlemen, I have refrained from any criticism of W. P. A. Colonel Harrington, in my opinion, is a man of character and ability. He answered our questions very frankly. But the immensity of the problem is too great for one finite mind to know all about. That is self-evident. There is bound to be waste, and much money that should go to the needy is dissipated, largely due to the tremendous size of the undertaking. In this, as in other matters, we are trying to work in too large units. That is where our subcommittee on the Appropriations Committee can help a little, and $50,000,000 cut from $875,000,000 is only a small part of what might be saved and returned in benefits to the people.

Certainly economies can be effected. Congress should inquire into the activities of a department which has a communications bill of $150,000 a month, as shown in the hearings. Part of that sum would feed a lot of people. Would anyone say that Congress and the administration should not try to call a halt on an expenditure for travel and subsistence of $500,000 a month, or $6,000,000 a year? Yet the testimony shows that W. P. A. is spending that amount.

In my opinion, we should have sufficient control over the funds of a department to prevent it from erecting a building costing over $250,000, to become the property of a city, where the city has not contributed one dime of the cost. I refer, of course, to the building at the New York World Fair, which is being erected entirely with W. P. A. funds without any contribution, and which will become a part of the New York park system after the fair is over.

Also, we and the W. P. A. Administrator should consider carefully the question of separating a work-relief program coupled with a public-improvement plan. There is danger that the enthusiasm for public improvement will take too much of the funds which are meant for those in distress. Under W. P. A., $3.50 out of every $100 is for overhead, $10.50 for material costs, and $86 for wages. On every project an average of $6.50 per man per month of relief money goes for materials, not for wages. If the material cost were nothing, every man on relief could be paid $6.50 more, and if the material costs were reduced below $6.50 per man per month, the individual on relief could receive that much more or more people could be put on relief.

May I add further that it is worthy of study and action by the Administration and Congress to see if each of the States, counties, and municipalities is doing its proportionate part with regard to relief which affects work.

Mr. Chairman, this is one of the most important matters and if you will examine the hearings you will see why that is so. Our laws imply uniformity of burden. The testimony before our committee showed that the load is not being assumed in equal proportions, and, in my opinion, the Federal Treasury is carrying more than its proper share and also the cities. They are borne down by the weight of simple relief out of proportion in many places with the State contributions. Further W. P. A. officials and Congress should require those governmental divisions which are not meeting their proper burden to assume more. There are many States that are not contributing to direct relief, and an interesting table will be found in the hearings on pages 63 and 64. Many governmental subdivisions tried to explain their inability to help more by stating that they have a debt limit which makes it impossible to do so. They will not run into debt, yet they are perfectly willing to see the Federal Treasury develop a still more unbalanced Budget. It is interesting psychologically that States, counties, and municipalities, due to the nearness of their people to the problem, see the tax burden that they must carry and will defeat any Governor, county judge, or mayor who advocates exceeding the budget or operating in the red; yet the Federal Government has operated in the red for 10 successive years. If it is bad for local units to run in the red, it must be bad for the National Government. If people realized that unparalleled Federal expenditures meant increased hidden taxes, they would be as economical and frugal in Federal expenditures as they are in local affairs. So, in my opinion, State and local units in relief matters which are not doing their equal part should not hide behind balanced budgets and force an undue part of the burden upon the National Government. All of these matters should be handled both by W. P. A. administrators and by Congress.

In closing I would like to state that the subcommittee felt that its duty required it to examine this request for funds just as the requests of all other departments are studied. The members of the subcommittee are men of sympathy and appreciation of the needs of the unfortunates of this country. They feel that real application of sound business would not only save the amount mentioned in this bill but would increase the quality of service and extend the benefits to many more who are not now beneficiaries of W. P. A. funds.

Our country must and will take care of its human misery, but let us do it with sympathy and intelligence.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

House Joint Resolution 246

Resolved, etc., That the amount of $725,000,000 appropriated to the Works Progress Administration in section 1 of Public Resolution No. 1, Seventy-sixth Congress, entitled "Joint resolution making an additional appropriation for work relief and relief for the fiscal year ending June 30, 1939," approved February 4, 1939, is hereby increased to $825,000,000, and the difference of $100,000,000 between such two amounts is hereby appropriated, out of any money in the Treasury not otherwise appropriated.

Mr. FITZPATRICK. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. FITZPATRICK: On page 1, line 8, strike out "$825,000,000" and insert "$875,000,000," and in line 9, strike out "$100,000,000" and insert "$150,000,000."

Mr. FITZPATRICK. Mr. Chairman, the amount of money provided by my amendment is that requested by the President and Colonel Harrington. They claim it will be necessary to have this amount if we are going to keep on the pay roll the

3,000,000 that are on there now. According to the statements by the daily papers during the months of January and February, there were 200,000 to 300,000 of the unemployed put to work by private industry. By your action today the cutting out the $150,000,000 will throw out of employment 300,000 or 400,000 people. Therefore, I ask you to vote for the $150,000,000 and keep these people on the pay roll, and not stop the progress that is now being made throughout the country.

Mr. Chairman, if $150,000,000 is not appropriated, we are going to reduce the purchasing power in the industrial sections of our great country. A few days ago, when the agricultural bill was up for consideration, I voted for the $250,000,000 parity payments because I believe if the people are prosperous in the agricultural sections they will also be prosperous in the industrial sections. There should not be any argument between the agricultural workers and those in the industrial sections. They should work in harmony with each other, because prosperity in one section means prosperity in the other. For that reason I supported the $250,000,000 provided in the agricultural appropriation bill. [Applause.]

I appeal to those from the agricultural sections today to support the $150,000,000 so that the people in the cities will have purchasing power to buy the produce from the farmers throughout the country. About a month ago we authorized hundreds of millions of dollars for national defense. Millions of that amount will be used to manufacture munitions to destroy human lives. Today we are asking you to vote for $150,000,000 to save human lives that are now in need of food throughout the country.

I remember in 1918, during the World War, that in 1 year we spent close to $19,000,000,000 over the Budget to send our boys to the other side to be slaughtered in the name of democracy. During the past 6 years we have only appropriated $7,000,000,000 for relief. If we can appropriate $19,000,000,000 over the Budget in 1 year to send our boys to the other side to be slaughtered, why can we not appropriate $150,000,000 to save the lives of the women and children of this country? [Applause.]

I appeal to you, especially to you Members from the rural and agricultural districts, where you do not know what it means to be hungry or in want, to vote for the $150,000,000. I have had mothers call upon me in my own home with tears in their eyes, begging for help to take care of their undernourished children. Today there are thousands of undernourished children from Maine to California, and statistics show it; yet we do nothing to revent such a condition existing throughout the country.

[Here the gavel fell.]

Mr. FITZPATRICK. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FITZPATRICK. The other day we voted to investigate the W. P. A. It may need investigating, and I approve of such an investigation; but while we are investigating the W. P. A. we should not let women and children starve throughout the country. Some time ago we appropriated money for an investigation of un-American activities in this country, and I voted for this investigation because I am against communism, or any kind of "ism," except Americanism. I am for our form of government, because I believe the citizens of this country should control the state and not the state control the citizens. But if you vote down this amendment and seek to destroy the only chance and opportunity the unemployed of this country have to receive food, you will do more to create communism in this country than all the agitators would do in years to come. We should try to provide employment for the people of our country in order to give them a chance to live as decent American citizens. Then there will be no danger of communism or dictatorship in this country. I appeal to you today not to vote down this amendment for $150,000,000, which will bring food to the undernourished children and happiness to the mothers, who are entitled to have food for their children in a rich country like ours. As I have stated in some of my answers to various constituents in my district, God provided everything we need and left it to man to divide. What is wrong with man? The answer is selfishness and greed, which, in my mind, is responsible for the sad conditions existing throughout the country today. I therefore ask you to vote for the $150,000,000 and show the countries throughout the world that we in this great democracy can take care of our unemployed. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Chairman, I offer a substitute amendment for the amendment offered by the gentleman from New York.

The Clerk read as follows:

Amendment offered by Mr. Cox as a substitute for the amendment offered by Mr. FITZPATRICK: In line 8, strike out "$825,000,000" and insert "$779,293,545", and in line 9 strike out "$100,000,000" and insert "$54,293,545."

Mr. COX. Mr. Chairman, I should regret to see the House make the retreat that is proposed in the pending bill. I believe it should hold the ground it took on March 4 of the present year. The amendment that has been offered is prompted by the report filed by the committee handling this bill, and gives to the Works Progress Administration all the money called for by the President in his first message.

On page 3 of the report of the committee this statement appears:

It—

Referring to the committee—

proposes an additional appropriation of $100,000,000, and by so doing in effect proposes an allowance of $19,047,425 in excess of the $875,000,000 originally requested; and such excess of $19,047,425, added to the unobligated balance of $26,659,030 on January 31, previously referred to, allows a safety margin or reserve of $45,706,455.

The President in his original message requested $875,000,000. On February 4 Congress appropriated $725,000,000. The saving effected by elimination from the rolls of those not in need amounts to $16,282,425. The saving from the permanent elimination of 30,000 aliens from the relief rolls is $7,015,000. There was on hand February 1 and used to meet the pay roll the first week in February $45,750,000. The unobligated balance on hand February 1, 1939, was $26,659,030. This makes a total of $820,706,455, and the $54,293,545 allowed under the amendment I have offered makes a total of $875,000,000.

Mr. Chairman, this House owes something to itself and to the country. It owes something to future generations. I submit, Mr. Chairman, the House ought at this time to stand upon its own feet and do its own thinking and its own legislating. [Applause.]

[Here the gavel fell.]

Mr. SABATH. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. WOODRUM of Virginia. Mr. Chairman, I wonder if it would be possible to fix a limit on debate on the two pending amendments?

Mr. Chairman, I ask unanimous consent that all debate on the two pending amendments be concluded in 40 minutes.

Mr. TABER. Reserving the right to object, Mr. Chairman, I would suggest that the gentleman ask that an hour be allowed. Judging by the number of Members who rose and who wanted 5 minutes apiece, a limit of an hour ought to be fair.

Mr. WOODRUM of Virginia. Mr. Chairman, I modify my request and ask unanimous consent that all debate on the two pending amendments be concluded in 1 hour.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. Of course, the Chair is unable to carry in his mind the name of every Member who rose, and has asked the Clerk to take down the names.

Mr. WOODRUM of Virginia. Mr. Chairman, I ask that 5 minutes be reserved for me, the balance of the time to be distributed among the Members who rose.

The CHAIRMAN. The Chair is going to read the names taken down of Members who desire recognition. [Reading:]

Messrs. RANKIN, JOHNSON of Oklahoma, HOOK, O'CONNOR, MARTIN of Colorado, THOMAS F. FORD, VOORHIS of California, COFFEE of Washington, DIRKSEN, TABER, CASEY of Massachusetts, MARCANTONIO, O'NEAL, GIFFORD, and WOODRUM of Virginia.

Fifteen Members have asked recognition, and the request was that the gentleman from Virginia have 5 minutes within which to close, which means 55 minutes for the 14 Members who rose.

The Chair now recognizes the gentleman from Illinois for 4 minutes.

Mr. SABATH. Mr. Chairman, I am satisfied that if the gentleman from Georgia was familiar with conditions in the Nation he would not have offered a substitute amendments, such as the one just read, which proposes to reduce the appropriation to $55,000,000.

There has been a great deal of misinformation on this entire subject, and I wish that I had the time to clear up a lot of points that have been discussed.

Mr. Chairman, we must concede that there is nothing perfect under the sun. It is true that there have probably been some things done by the W. P. A. deserving of criticism, such as the situation in New Mexico that was referred to. But that is exceptional. Can you show me a large corporation in this country, employing even 25,000 or 30,000 people, where irregularities will not creep in? Here is an organization, created in a hurry to provide work for 3,000,000 men. Not a few thousand, mind you, but three million. And it was not an organization that grew over a period of time, but was practically created overnight. How can you possibly expect perfection in such a case?

I want to emphasize, incidentally, that the work on which these men are employed is not work that we recommended. This work is on projects recommended by the cities, counties, and States, most of them giving permanent improvements to cities of the Nation.

My beloved friend the gentleman from Illinois [Mr. DIRKSEN], gives us an amusing story about the cemetery. Let me say to him, and I do not speak humorously, that if this $150,000,000 appropriation is not granted, if we cannot feed and clothe our needy, we may be faced with the grim fact that many of them will have nothing left but the cemetery.

Mr. Chairman, ladies, and gentlemen, this is not a personal matter with me. In my district you will find no projects, and I venture to say that I have fewer men on W. P. A. than any other district in the country. But I know what conditions are in the country, and that is why I appeal to you now in the interest of humanity to vote down the substitute amendment of the gentleman from Georgia and to vote for the amendment offered by the gentleman from New York, for $150,000,000. There is little I can add to his eloquent appeal of a few minutes ago.

Most of the criticism we have heard is without foundation. In a Chicago Republican paper this morning I read statements so far removed from facts that I could only wonder how such distortions could find their way into print. There is a reason for it, though, and the fact that we are on the eve of city elections explains it.

I have listened for a long time now to the sing-song of my Republican friends, to their ever-repeated cry that we must reestablish confidence. Just what do they mean by that? I wonder if they refer to the brand of confidence that prevailed under Mr. Hoover from 1928 to 1932? Do they ever stop to realize that if their party, and business generally, would support the policies of President Roosevelt and of this Congress that we would have the people's confidence?

Remember, if you will, that the Republican Party gave us the crash and the depression. The same industrialists who today cry out against the administration are the ones who contributed to that depression. And the Republican Party, which stands almost solidly against this $150,000,000 for relief, forgets that we would not have to be here pleading for the poor people if it had not been for the Republican Party.

It is not new for large business to oppose anything designed to aid the underprivileged. Small business, closer to the small man, takes a different attitude. I will not take up the time of the House by quoting from more than a couple of the thousands of letters that have come to me urging my support of the appropriation for W. P. A., but I can say to you that these letters are typical of the attitude of small business. The first one I want to call to your attention is from the Small Business Men's League of Illinois. Quoting from it, I read:

> We * * * do not believe that this is the time to cut any appropriations for the W. P. A. * * * The business world is suffering * * * any curtailment at this time would prove drastic and would also tend to increase communism in this country.

A Better Chicago League wrote me a few days ago as follows:

> Authorities as reliable as Joel Hunter of the United Charities, Lea D. Taylor of Chicago Commons, and Charlotte Carr of Hull House favor the President's request for an additional relief appropriation and are deeply alarmed by the possibility that Congress will be blinded to the grave need for relief, to such truths as the fact that its action affects 200,000 people directly in Chicago alone in their bare maintenance. In this situation the appeal for economy is a shocking mockery and, for thousands, a near-death sentence.

Now, Mr. Chairman, the gentleman from Virginia [Mr. WOODRUM], and the gentleman from Georgia [Mr. COX], stress the fact that unemployed professionals were employed on theater projects. As a matter of fact, less than 1 percent of W. P. A. funds was used for employees on projects of art, music, theater, writers, and historical records.

Let me remind the gentleman from Virginia [Mr. WOODRUM] that the people are human beings who need food and shelter just as the rest of us do. None of them are of a class noted for acquiring wealth. Their lives are devoted to amusing the rest of us, to entertaining us and contributing to the sunny side of our existence. They bring us joy and a great deal of happiness, and when the depression fell they were hit harder than any other group in the country. So what do you think we should have done about it? Let them starve? I cannot help feeling a little sad to hear men of intelligence standing up on this floor and decrying the fact that we have tried to feed the poor.

Another point. The gentleman from Kentucky [Mr. O'NEAL], and my good friend from Illinois [Mr. DIRKSEN], say to you that there are sufficient W. P. A. funds to keep those who deserve relief on the rolls. Yet I hold here in my hand, and this has been shown to all of you before, a statement released by the W. P. A. reporting that its regional directors have been ordered to dismiss 400,000 workers on April 1. Even while we stand here arguing, hundreds of thousands of individuals throughout the Nation are being notified that beginning tomorrow there will be no more work for them, that they can seek relief where they will, but that the richest country in the world can afford them none. In Virginia only 4,800 will be dismissed, so perhaps the cries of so few will not reach my friend from Virginia [Mr. WOODRUM]. But he can tell you, and we all know, that his State has received more than its share of Federal assistance. In Georgia 9,500 will be deprived of employment if this $150,000,000 is not voted. What will the gentleman from Georgia [Mr. COX] say to those 9,500?

Even the great and rich State of Texas, which has received over $1,457,320,759 in Federal benefits during the past 5 years, will find 13,500 of its citizens thrown out on the streets if this money is not made available to W. P. A.

The number to suffer will be greater in my State, and in New York, Pennsylvania, Michigan, Ohio, and others. But I do not look upon this as something benefiting only the cities. Do not overlook the fact that over 40 percent of the entire amount of W. P. A. money has been spent in rural sections of the country. However, even if it benefited only those far from the cities, if they were faced with hunger and poverty, I would still be as active in fighting for them.

This money is needed. The need is a real and immediate one. It calls for your most earnest consideration. The Members from some sections are a good deal disgruntled

because of the action of the House a few days ago in voting against parity payments. Let them not be inspired by any spirit of revenge, for I say to you that just as sure as I have cooperated with the farm group in the past, just as sure as I have done everything I could for their interests, I will remember today's votes when these Members come to me in the future seeking aid for their constituents. I say this not as a threat. Regardless of what you do, I shall still place the needs of your constituents and mine above politics. But if we cannot depend upon you today, your battles will no longer be my battles. Common humanity to our fellow beings is not a lopsided proposition; it must apply to all classes. I am not so far above the workingman that I distinguish the needs of the farmer from the needs of the city dweller. I know that their needs are vital needs, and I hope that my colleagues, all of you, will realize this and vote with me for the $150,000,000 for W. P. A.

Mr. GIFFORD. Mr. Chairman, I have often discussed this problem of relief during the past 6 years. I have voted even for the largest appropriations for relief until last year.

Nothing has been done to cure the evils that have been recognized in the distribution of this money. We have had an abundance of funds for the needy. I shall now oppose, and continue to oppose, the allocation to municipalities that can well afford to take care of their own relief problems. Everyone knows that as a vote-getting proposition the wealthy municipalities seek their full share. It is almost incomprehensible that this should be continued. The precarious position of the National Treasury ought to make us pause before we continue to give money to municipalities whose financial condition does not warrant it. My own city needs much of this relief money. Many other municipalities can afford to take care of this problem. My own tax commissioner declares: "Why do we longer hand it over to so-called sheltered communities and slight those municipalities in poor financial condition?"

Is it not time to forget the political significance of this great expenditure of borrowed money?

Under what theory of government is it that the mayor of a city or officials of municipalities can come to Washington with hat in hand asking for alms of a bureaucratic government because they could not be reelected unless they obtained their full share of these hand-outs? Under this method the wealthy, "bedroom" towns surrounding our cities clamor for relief money solely because this is available, although they could not possibly prove their incapacity to take care of their own needy population.

This phase has been presented so many times that we wonder that it can be longer allowed to continue. I am, indeed, glad to vote the limit for the needy. However, it is time to stop these promiscuous largesses where they are not actually needed. We too often cannot hire men to do the ordinary work, especially in the seasonable industries. They like the W. P. A. A mechanic gets one day and a half's work at prevailing wages and can work elsewhere the rest of the week. It has proved a sinecure for many people. Why not remedy those conditions and give the money to such needy persons as your leader, the gentleman from Virginia [Mr. WOODRUM], has described to you. We have appropriated a superabundance of funds if they had been properly distributed. Let these funds be controlled by the States and municipalities, with instructions that they be used in the needy localities and for the benefit of those properly entitled. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

REMONETIZE GOLD AND SILVER

Mr. RANKIN. Mr. Chairman, I shall support the Fitzpatrick amendment. It seems to me that we are quibbling over the degrees. If $55,000,000 is not wrong, then $100,000,000 is wrong only in amount, and $150,000,000 would be wrong also only in amount. The principle is the same in all three cases.

So far as I am concerned, I am not willing to join any economic bloc that undertakes to balance the Budget by economy, or restore prosperity through squeezing down on what is being done, until something is done about our monetary system. I know there are men on the Republican side and men on the Democratic side—Republican reactionaries and conservative Democrats—who are opposed to any change at all in our monetary system; but, in my opinion, we will never get out of our present trouble until we have a change in our monetary system.

The world seems to be breaking up today economically. We have the world's supply of gold. In my humble opinion, if we are ever going to have stabilized conditions in this country, we will have to go back on a metallic basis; we will have to remonetize gold and silver and invite the rest of the world to follow.

If we keep on as we are going, the Government's financial structure will collapse in any event. I have told you that time and time again. If it is going to collapse, it might just as well collapse with a debt of $44,150,000,000 as with one of $44,100,000,000. You are not curing anything.

It does not matter which way you vote. You can pass the entire amount or kill the entire amount, but you will not have even scotched the snake much less killed it. You have to go to the base, to the root of our trouble, go back on the gold standard and add silver to it, and then take back into the hands of Congress the power to coin money and regulate the value thereof, and not turn it over to private bankers as it is today. No man today knows what our money supply will be tomorrow. It depends upon the last guess of the Federal Reserve Board. You have a condition here now that seems to prevail all over Europe, with the result that we have international financial chaos.

Here in the richest country in the world we have people begging for money to buy bread, yet we have more wheat, more corn, more cotton, more hogs, more lumber, more raw material of all kinds, more manufactured products, more gold, and more unemployment than any other country in the world. This is the only agricultural country under the shining sun with farmers on relief. The people who produce cannot get enough to pay their taxes and supply themselves with food and clothes, because we are in a money panic and have been for 10 years, and we have attempted to cure it by borrowing from the rich and giving to the poor until now we have the poor on our hands, and not enough money in circulation to maintain living prices for agriculture or living wages for labor.

We must change the system or we will go on to ruin. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. HOOK. Mr. Chairman, I have faith in democracy, industrially and politically, and I believe that it alone affords conditions under which an individual is free to develop his power. I have faith in democracy and such distrust in the absence of it that I believe the very foundation of democracy will be threatened unless we vote out enough to properly care for the needy people of this Nation. I, who have been among them, know that we need the $150,000,000. I believe that the people of the Nation are entitled to it under the Bill of Rights.

I noticed yesterday, March 30, that the CONGRESSIONAL RECORD contained a ratification of the first 10 amendments to the Constitution by Georgia. The Speaker laid before the House a communication from the Clerk of the House transmitting a concurrent resolution of the Assembly of the State of Georgia ratifying the first 10 amendments to the Constitution of the United States.

It seems that there is a certain gentleman from Georgia who offered an amendment to practically cut out all W. P. A. spending, which would in my opinion put people in want and take away from them the rights guaranteed to them under the Bill of Rights.

Now, that the State of Georgia has ratified the Bill of Rights which is the first 10 amendments to the Constitution of the United States, I am hoping that he will abide by that ratification and see that the rights of the people are protected in their right to life, liberty, and pursuit of happiness.

I am hoping that the momentous occasion of the ratification as above stated will impress upon those affected the fact that the people of this Nation have a right to a decent standard of living.

There are thousands upon thousands of people who will be dropped from the W. P. A. rolls, not only in the State of Georgia, not only in the State of Michigan, but in practically every State of the Union if the amendment of the gentleman from Georgia should pass. In fact, if the $150,000,000 amendment is defeated there will be widespread suffering throughout this Nation.

I am wondering just what those people will think about their rights under the Constitution of the United States of America. I am wondering what those people will think about their rights guaranteed them in this great democracy. These hungry people who are in need should have the protection of the laws of this Nation not only under the Bill of Rights but laws placed on the statute books for their protection. Laws are made for the protection of the weak because the strong do not need protection.

Yes; we, the people of this Nation, must do everything we can to save this democracy. Let me say to you at this time that the State of Michigan is one of the greatest industrial and farming States in this Union. I spoke on the floor of this House in favor of parity for farmers. I believe that the farmers of this Nation are entitled to parity. I believe the farmers of Georgia, of Alabama, of Michigan, of the East, the West, the North, and the South are entitled to parity, and I believe the laboring people of this Nation are also entitled to parity; and I say to you from the farming sections, you men and women who want to save the farmers of the Nation, join with us for this $150,000,000 to establish the purchasing power to buy the products of the farm; and in turn when that farm appropriation bill comes back into this House on a conference report, let labor join with agriculture and vote for parity for the farmer. We will then be able to buy the products of the farmer. Parity for the farmer will help to bring up the purchasing power of agriculture and additional funds for W. P. A. will allow more purchasing power for labor. Join arm in arm on the road to prosperity by voting for $150,000,000 for W. P. A. and parity payments for the farmer. Unless this is done we are headed toward disaster, because the laboring people of this Nation will not stand idly by and allow their tables to become empty and their children to be hungry any longer. If you believe this democracy is worth saving, vote sufficient funds to feed and clothe our needy. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. JOHNSON] for 3½ minutes.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I rise in opposition to the pending amendment offered by the gentleman from Georgia.

Mr. Chairman, the debate on the pending relief bill proposing to cut the emergency fund from $150,000,000, as asked for by the President and Colonel Harrington, Director of the Works Progress Administration, has been one of the most heated debates heard in this Congress during the present session.

The opposition to the President's program has again presented their case in a forceful manner.

We listened with intense interest to the opening statement of our distinguished and able colleague on the Appropriations Committee, the gentleman from Virginia [Mr. WOODRUM]. He made a most forceful and effective presentation of his position. But while listening to the gentleman from Virginia, who is conceded to be one of the most adroit and persuasive debaters in either House of Congress, I was reminded of another eloquent appeal that he made in this Congress only a few weeks ago, at which time he repeatedly assured Members that $725,000,000 was every dollar that would be needed to continue relief until July 1. He was fully as certain then about his position as he is now. We were told then that the President and Colonel Harrington did not know what they were talking about, and this House refused to give the President the full amount requested then by cutting the amount asked for—$150,000,000. Now we find the gentleman from Virginia actually asking Congress for another $100,000,000 in spite of his previous solemn declarations. This is conclusive evidence, in fact admission, on his part that he was absolutely wrong then in the sum of at least $100,000,000. If he guessed wrong in January and made a mistake of $100,000,000 then in his calculations, I submit that the gentleman from Virginia might possibly be wrong some $50,000,000 now. [Applause.]

The distinguished gentleman from Georgia [Mr. COX], who is recognized not only as a leader but also as an arch foe of relief, has offered the pending amendment to cut this bill to exactly $54,292,545. Just how many weeks and months of calculating and figuring on his part that caused him to present this amendment we do not know, but apparently he has worked it out on a scientific basis, and has it reduced to the dollar. Just why he has not placed in his amendment the exact cents needed for relief he did not explain, but my own opinion is that the gentleman did not add the cents in his figures for the reason that he realizes full well that his amendment in fact, is a mere gesture, and really does not make sense. [Laughter and applause.]

Permit me to make the suggestion that these two distinguished leaders and self-admitted economists in matters of relief, who are so far apart in their figures, might well get their heads together. Their figures are now at a variance of nearly $50,000,000. Inasmuch as they now, by their acts, admit they were both decidedly wrong in the amount of relief required in January, permit me to suggest that both might possibly be wrong now. [Applause.] It is evident that both cannot now possibly be right.

For my part I chose to follow the President of the United States in January against the eloquent appeals of these and other distinguished gentlemen, and even though I know that the die is cast, and that I am in the hopeless minority on this bill, I am delighted to announce that when the roll is called today that I shall again follow the President of the United States. [Applause.]

The distinguished gentleman from Virginia who has been scouring the United States for bad and questionable projects has finally found 4 out of 100,000 W. P. A. projects to which he very strenuously objects. Frankly, I feel that some of his objections are well founded and that possibly three of the four projects mentioned by him are indefensible and absolutely inexcusable. I do not pretend to condone all of the Federal writers' projects, the theater projects, about which the gentleman from Virginia repeatedly referred, or the construction of a building in New York City, out of relief funds, but I submit that it was most unfair for the gentleman from Virginia to state that these isolated projects are typical of all the W. P. A. projects throughout the entire country.

The gentleman from New York [Mr. TABER] also made a blistering general attack against the W. P. A., and, if I recall his statement correctly, went so far as to declare that a majority of the W. P. A. projects are not sponsored by local communities. The fact is that of the 100,000 W. P. A. projects throughout the country, I am authoritatively advised today that each and every one of them have local sponsorships. If there are boondoggling on projects in any of your districts or States, it is not the fault of the W. P. A., but of those citizens who have sponsored, presented, and urged such projects. The fact is, I am officially advised, that 95 percent of all mayors and local public officials have approved the W. P. A. projects in their respective communities, which would indicate that generally they have been satisfactory to local communities.

In my remarks on this floor when the first W. P. A. bill was being considered in this session I pointed out that in Oklahoma we have constructed more school buildings under the W. P. A. than in any other State in the Union. We have built hundreds of miles of farm-to-market roads and have constructed city halls and other public buildings of permanent nature. These are not boondoggling or leaf-raking projects. The fact that the gentleman from Virginia presents only 4 bad or questionable projects out of 100,000 speaks for itself.

The gentleman from Indiana [Mr. LUDLOW] also made a very interesting statement. I was particularly interested in his suggestion, wherein he stated: "Let's look at this situation in terms of recovery." Of course, all Members of Congress, as well as the country, long for business recovery, but just how the turning of thousands of hungry people into the streets is going to bring about recovery is a problem that I am free to admit I am at a loss to know how the gentleman from Indiana has figured out. Frankly I do not follow him. I think of this bill not so much as an appeasement to business, which seems to be a popular slogan now, but in terms of hungry, needy, and worthy citizens who, through no fault of their own, find themselves unemployed. These people—at least a vast majority of them—do not want charity. All they are begging for is an opportunity to earn a livelihood for themselves, wives, and families. I submit, gentlemen, that all people have a moral right to eat, send their children to school, and to live in decency in this so-called land of the free. [Applause.] I am thinking of those thousands of good men and women in Oklahoma who will lose their jobs when this bill is passed with a $50,000,000 cut in funds, which now appears inevitable.

I might add I am confident that a vast majority of the businessmen in the district I represent in Congress desire to see the W. P. A. continued. Moreover, I am unable to see that it is any appeasement to business to turn hundreds of thousands of citizens out of work at this time.

Of course, it will be recalled that business had its way in those dark and dismal days of 1930, 1931, 1932, and the early part of 1933. Every appeasement possible was made to business by the Republican administration during the dark and never-to-be-forgotten days of the Hoover regime, but the fact that there were 15,000,000 of men unemployed and more than 40,000,000 of men, women, and children hungry and without food or livelihood, was apparently of no concern of those who were supposed to be charting the ship of state at that time, but who were actually floundering in the mire of the black sea of despond. [Applause.]

No effort was made by the Federal Government then in behalf of that vast army of unemployed. We were told by those in authority that depressions came in cycles and that nothing could be done about it by the Federal Government.

With all of its mistakes, and the Roosevelt administration has undoubtedly made many of them, this administration has at least done something about it. [Applause.] And there is much more that must be done.

Let me remind Members that Congress ordered all aliens to be taken off the relief rolls and immediately Colonel Harrington had every alien in America stricken from the rolls. Congress said a survey of the relief situation should be made and again Director Harrington ordered such a survey and it was made. He has demonstrated that he not only has unusual ability but that he is going to cut the red tape and eliminate a lot of justified criticism of the W. P. A. He is entitled to be given a chance to make good.

I fully agree that the overhead of the W. P. A. has been unreasonable. The travel and communications items are indefensible. There are too many white-collared supervisors, who are in many instances supervising the supervisors. But again, I must remind Members that the overhead of the W. P. A. in Oklahoma is less today than in any of the several States in that region. I join in urging that every possible economy be inaugurated in the administration of relief. Let us cut the overhead to the bone in this as well as in all departments of government. Early in the Roosevelt administration I said on this floor, "You cannot cut too much for me." But let us not, in the name of economy, wreak our vengeance on the unfortunate unemployed citizens of America who today become innocent victims of our folly. [Applause.]

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. Yes; if I have the time.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. THOMAS F. FORD] for 3½ minutes.

Mr. THOMAS F. FORD. Mr. Chairman, in the first place, I want to say that I voted for the $250,000,000 for parity payments and would have voted for $1,000,000,000 for parity payments, because I believe that the only way you can ever get back the farmer's purchasing power is to give him an adequate price for the products he produces. [Applause.]

In view of the fact that even the most determined and honest opponents of the increased appropriation from $100,000,000 to $150,000,000 admit that there are now 850,000 eligibles on the W. P. A. waiting list and that not to exceed two or three hundred thousand of those can by any stretch of the imagination be taken up, I cannot see how these fine gentlemen can oppose this increase.

It is my honest view that all arguments against an increase of the fund from $100,000,000 to $150,000,000 fails. As a matter of fact, at least $300,000,000 should be added to take up the waiting list. These opponents remind me, when they say they are in sympathy with W. P. A., of the old lady who answered her daughter's request to go out to swim:

Yes, my darling daughter; hang your clothes on a hickory limb, but don't go near the water.

That is the attitude of the opponents of this particular amendment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. THOMAS F. FORD. I yield.

Mr. McCORMACK. There was another old adage, "To kill them with kindness."

Mr. THOMAS F. FORD. Absolutely.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. MARTIN] for 3½ minutes.

Mr. MARTIN of Colorado. Mr. Chairman, 3½ minutes ought to be plenty. If a man did not know how he was going to vote on the amount to be carried in this bill before this debate started, it is not likely he would know when it ended.

I knew when the farm bill came into the House last week that I was going to vote for parity payments for agriculture. I knew when this bill came to the House I was going to vote for the $150,000,000 for unemployment relief; and I do not think I have any monopoly on intelligence and knowledge among the Members of this House.

There is nothing new in the criticism that has been voiced here on the floor of the House about W. P. A. It has been going on ever since the program started. It reminds me of the fellow who saw a ball game through a knothole in the fence. From where he was stationed all he could see was a bum outfielder who muffed the ball. So the whole game was rotten. [Laughter and applause.]

So they pick out some one thing or incident, some controversial project or incompetent official, and on the strength of such insignificant things as that they condemn the whole program. A whole lot of the time of this debate has been taken up against the New York W. P. A. theater program, and a member of the Committee on Appropriations told me that a whole lot of the time of the hearings was taken up with it. And mind you, this has been such a profit-making project for the Government that private agencies want to take it over.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I do not have time. I want to say this. I have driven all over the United States in a car, into every State of the Union, since this program started. I know of my own knowledge that W. P. A. has a new and higher standard of civic pride, improvement, and beauty. When I saw these new municipal and other buildings, schools, gymnasiums, and so forth, in these small cities and towns, they did not need a W. P. A. sign on them. They had a distinctive style of architecture and workmanship. As I have said, they have set standards which will carry on indefinitely, long after W. P. A. passes out of the picture.

Mr. Chairman, I saw this storm coming. On the day I left home for Washington, December 2 last, I made the following prediction in the press:

> The first big fight will be over W. P. A. The Republicans have been trying to knock it out for 2 years and now their vote is nearly doubled and the South is against it. I don't think they will get away with the proposition in this Congress to turn relief over to the States, but they will go after the new work-relief appropriation with an ax. Harry Hopkins will be fried alive when the coalitionists get him on the grill. It will be the first big crack of the coalition at Roosevelt. When they hit any New Deal head in Washington, they always mean Roosevelt.

If anything, that prediction was an understatement in the light of developments in this session of Congress. The drive against W. P. A. exceeds what I expected. Frankly, I have been somewhat puzzled by the attitude of the Republican Members of the House, not only against work relief, but farm relief. They know, or ought to know, that many of these new Republican Members are here by grace of the votes of dissatisfied farmers, work reliefers, and pensioners. They were dissatisfied, not because the Democratic Party had done nothing for them, but because it had not done enough, so they took it out on us by voting for candidates for Congress who were pledged to a program of economy, when it was known that the only places in which the Government could economize was on work relief, farm benefits, old-age pensions, and so forth. There was no other place to save the money in any substantial amounts.

It is common report from Democratic Members of Congress from all over the country, both those who were elected and those who were defeated, that they lost heavily in their districts through disaffection among the farmers, the unemployed, and the old-age pensioners. I know this was the case in my district, where I was opposed by a candidate who proposed to wipe out the whole system and turn it back over to the States and counties, where, he said, it belonged; yet they voted for him by thousands. The election of 1938 was the answer to the claims that the New Deal was perpetuating itself in power by subsidizing the voters.

Mr. Chairman, I want now, if I have a minute left to congratulate my Republican brethren on standing up for their economy pledges. I give them credit for having more courage than I thought they had. When we had the first work-relief bill before the House in January and marched up the aisle through the tellers, the $150,000,000 extra got only four Republican votes and two half Republican votes, the two half Republican votes being those of the gentlemen from North Dakota [Mr. LEMKE and Mr. BURDICK.] [Laughter.] When the farm bill came in last week carrying parity payments, something the farmers of the country had been demanding for the last 6 years, and the roll was called, only 20 Republicans voted for parity payments, and 135 voted against them. Now they are going to do the same thing they did before on work relief. I want them to make the record and go back home and stand on it. My guess is that a lot of people who voted for them last fall did not know it was loaded. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Washington [Mr. COFFEE] is recognized for 3½ minutes.

Mr. COFFEE of Washington. Mr. Chairman, if misleading statements were argument and their reiteration proof, the case against the W. P. A. today would be definitely closed.

I propose to vote for the $150,000,000. My only regret is that it is so inadequate. All of the statements casting aspersions on W. P. A. officials, and all the stigmata heaped upon the W. P. A. by distinguished conservative gentlemen of both parties will not undermine my confidence in this program. It is easy to vilify. You can traduce the organization by pointing to isolated examples of corruption, infrequent and inconsequential examples of misuse of public funds; nevertheless the confidence of the general public in the W. P. A. has not been undermined. I do not subscribe to the old Latin legal theory, falsus in uno, falsus in omnibus—if you are wrong or make a mistake in one thing you must be wrong or mistaken about everything—I do not think this doctrine can properly be applied to the W. P. A.

The W. P. A. is carped at and is condemned by our conservative brethren in this House. Upon whom did they wish to visit their venom because of their antipathy to the method of operation? Upon the helpless, defenseless unemployed. They would drive from the relief rolls hundreds of thousands of our fellow citizens and compel them to join the bread lines, asking for bread and finding it not. Why? Because down in New Mexico or in New York City a few pitiful examples of misuse of public funds were alleged to have been found.

We were told in this debate of plays produced by the W. P. A. The W. P. A. theater projects did produce many plays. Nothing was said, however, about the high caliber and artistic attainments of these plays and of the excellent reception accorded these plays by drama-loving audiences. What about Orson Welles, who is the greatest living American actor of character today? Whence did he graduate? He graduated from the theater project of the W. P. A.; and I could name a dozen outstanding actors and actresses on the American stage who graduated from W. P. A. [Applause.]

What about the Arts Project of the W. P. A.? Oh, we have heard about their weaknesses, we have heard about their mistakes, but who here has spent time dilating upon the virtues of the W. P. A.? We as a Nation have thought so much of the product of the art efforts of the W. P. A. that examples have been placed in a thousand post offices. We have thought enough of the paintings produced by the W. P. A. artists to put them in the White House, in the reception room of the President's mansion; but no one has taken this floor and set forth the panegyrics of the W. P. A. No; they have condemned hundreds of thousands of our fellow men and women to destitution because of an alleged misuse of funds on the part of a handful of public officials. I say shame on the Congress of the United States, I say shame upon the highest legislative body in America, the richest land on the face of the earth, where we have more gold buried in a vault in Kentucky than there is in all the rest of the world, to have to admit that today we have 12,000,000 unemployed in the most opulently endowed land on earth. This addition of $150,000,000 will retain only a portion of those who are now on the rolls. [Applause.]

Upon whom should the responsibility rest, Mr. Chairman, for adventitious weaknesses with which the administration of the W. P. A. is charged with being afflicted? The Congress of the United States. We cannot exculpate ourselves from our liability. For more than 5 years this agency has been operating in the same manner, yet no legislation has been passed by virtue of which a delimitation can be imposed upon its operation. We could very well ordain the character of the projects, the percentage of expense, the pro rata allocation of moneys, and specify particular penalties for violations of our legislative injunctions. Let us not, then, pusillanimously attempt, in effect, to exonerate ourselves of the negligence of which we have been culpable by denying to tens of thousands of our fellow Americans the modicum of work and wages which the full appropriation of $150,000,000, urged by our President, would provide.

During this debate I have been amazed by the plethora of crocodile tears shed so copiously by conservative colleagues of both parties as they delineated eloquently their devotion to the interests of the needy. How these gentlemen were almost overcome by emotion, in what I denominate as their factitious altruism. But let us judge them by their acts, not by their words. "By their fruits ye shall know them." My reply to these economy-hugging boys is, What you are speaks so much more loudly and persuasively than what you say that no one is converted nor is anyone misled by the volley of forensic broadsides aimed at the Works Progress Administration.

By what peculiar logic can a vote to reduce the rolls of the unemployed be justified by a detailing of certain reprehensible practices of administration by supervisory officials? Surely such reasoning is specious and fallacious.

In a message to Congress personally delivered, President Roosevelt recently revived the spirits of the indigent in our broad land by insisting that neither he nor the Congress would let the people down. Not by my vote, Mr. Chairman, do I propose now to repudiate that specific reassurance so eloquently given to the country by our national leader.

We hear uttered in this Congress, minute after minute, hour after hour, day after day, lugubrious croakings to the effect that it is imperative that we "restore business confidence," "balance the Budget," "stop spending," "put some business methods in Government," and similar frayed, minatory mouthings, based on repetitious assertions of publicity agents of the predatory interests in the United States. I favor economy and efficiency in Government, but never at the expense of those least able to stand the strain.

We must apply something more than mid-Victorian economics to the solution of our present ills. Pending before this Congress are constructive pieces of liberal legislation, the enactment of which would restore prosperity and effectuate recovery within a brief time, but so numerous and potent are the reactionaries in this body that not even a hearing will apparently be given to these bills in the committees, in whose bosoms they are now restlessly reposing. Under the rules of this body, Mr. Chairman, the ranking minority member and the chairman of the committee in charge of the bill up for discussion can utilize all the time, and outside of a courtesy vouchsafed to disagreeing members of the committee, those who might disagree with the proposals of the committee are usually not granted an opportunity to express their views adequately in general debate on this floor. To me this is a sad situation and affords an insight into the reason why it is virtually impossible to have merited reform legislation passed by this body.

Monopolies continue their unmolested course; the machine age is daily exacting a more deadly toll of unemployed; the mishandling of currency cries to high heaven for reform. The problem of money and credit remains to be solved. The need for the enactment of a generous national old-age pension on the revolving-plan basis is daily growing more cogent. The international situation is so critical that civilization stands at the brink of the precipice. One by one the democracies of Europe are being submerged. The light of learning is hourly growing dimmer. The flower of culture is withering under our eyes. The shadow of the swastika and of the fasces is lengthening across the surface of the world.

Yet here we are, Mr. Chairman, metaphorically speaking, playing on a harp while Rome burns. We temporize with an item of $50,000,000. Yet in this Congress these same colleagues who today inveigh at this item were not reluctant to vote many times this amount as decreed in bills providing for 6,000 planes, for more warships, for an enlarged army, for soil erosion, for grasshopper eradication, for blister-rust extirpation, for curing the diseases of birds in the air, beasts in the forest, bugs in the ground, and fish in the sea. It appears to me that the last group or thing for which we seem willing to appropriate money is man; the preservation of the spirit, the health, and the very soul of American citizens themselves. But I must not grow cynical, Mr. Chairman. Life must go on. We must advance, not with lackluster eyes but with vigorous step and confident demeanor. We must not grow discouraged. We must make democracy work. If the adjustments necessary in accomplishing that objective sometimes impinge upon what certain powerful groups and individuals regard as their vested rights, we must continue unafraid, undiverted from a well-defined course dictated by poignant necessity.

Have you courage, my colleagues, to cut the Gordian knot? Will you, as Chevalier Bayard of old, progress "without fear and without reproach"?

Until we can enact laws providing for the extension of public ownership, restoration to the Congress of its constitutional power to coin money and regulate the value thereof, own and operate our own banking system, safeguard for the people our natural resources, disintegrate monopoly, wipe out gambling in farm products, provide decent housing facilities, eliminate slums, accomplish complete tax reform—these and a score of other necessary progressive reforms—we must continue to maintain the W. P. A., but not niggardly.

Lincoln once said that no nation can continue to exist which is half slave and half free. Let us apply that warning to the President's quondam asseveration that one-third of our people are ill-housed, undernourished, and inadequately clothed. Such a disparity exists between the wealth of the few and the indigence of the many that any sensitive soul must be concerned about the future.

The Arabs had a proverb, Mr. Chairman, to the effect that the dogs bark and the caravan passes. I like to believe that, though liberalism may be temporarily in eclipse in reference to certain issues, though caviling critics may inveigh captiously at the progressive proposals of liberals, though the New Deal may be attacked from within and without, yet the caravan of progress in these United States will pass on to the goal of happiness and contentment for all the people.

Mr. Chairman, I shall vote for the $150,000,000 set up in the pending amendment, and I exhort my colleagues to join with me in this act. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from New York [Mr. MARCANTONIO] is recognized for 3½ minutes.

Mr. MARCANTONIO. Mr. Chairman, I rise in support of the amendment increasing the amount to $150,000,000, as requested by the President. The committee seeks to justify the reduction to $100,000,000 as follows in its report:

First. It bases the decrease upon an alleged saving of $16,282,425. This alleged saving represents the money that would have been saved had the 88,975 people who were separated from W. P. A. not been replaced.

Second. An item upon which this alleged saving is based is for the expense of carrying aliens who have been removed from W. P. A., $7,015,000. With respect to these two items, the committee very cleverly fails to report in its findings that there are waiting to be placed on W. P. A. 850,000 people certified as eligible for W. P. A. As long as there are 850,000 people certified as eligible for W. P. A., I submit you cannot expect W. P. A. to save either the $16,000,000 or the $7,000,000, because the purpose of W. P. A. is to give work to employable unemployed who have been certified to be eligible for W. P. A. employment. This was the clear intent of Congress when W. P. A. was established. Replacements must and should be made as long as there exists such a large list of certified unemployed.

Third. The last item is for $45,750,000, which the committee charges against appropriated funds.

The committee is most unfair in this contention. The purpose of this fund is very carefully explained on page 46 of the hearings. It reads as follows:

Mr. O'NEAL. Does that mean that on June 30, for the administrative expenses, you would have a balance of $45,000,000?

Colonel HARRINGTON. To cover the transition into the following fiscal year. It is not administrative expense. You have a program that is being operated on 2-week periods or semimonthly periods, and as we approached the end of January and beginning of February we had to discontinue obligations for pay rolls which would become payable at the end of the first week in February, and use those funds which normally would have been obligated to meet other pay rolls on a day-to-day basis. Furthermore, in order to make that transition from the end of January, we had to stop all purchasing in the field for a period of 2 or 3 weeks in order to save funds to cover pay rolls. That simply plays "Ned" in attempting to operate efficiently.

Mr. MCMILLAN. Referring to the $45,725,000 that you estimate would be necessary under that program, does not that include as well the commitments necessary under the program, and also the cost of the salaries that you were paying under the $875,000,000 program?

Colonel HARRINGTON. The cost of operating the program is based on the number of people who are working on it. That is what determines the cost of operating. The balance I referred to would not be obligated or expended out of the Treasury.

It is the cost of carrying the program over from the period when the appropriation has been expended. It does not come out of the Treasury. It cannot be considered as part of the operating cost of W. P. A. It is a cushion which an agency of such magnitude must have, and is not an item

that can be considered in estimating an appropriation for the operation and maintenance of the activities of the agency. Hence, I maintain these figures, these alleged savings, which have been given to us by the committee in this report in an attempt to justify the reduction are not established nor vindicated by realities. I summarize: 850,000 people waiting to be placed on W. P. A. who have been certified as eligible make replacements necessary and hence eliminates the alleged savings of $16,282,425 and of $7,015,000. The $45,750,000 item cannot be considered, as it is not an administrative expense. Now, therefore, gentlemen of the Committee on Appropriations, tell us how can you deduct this $50,000,000 from the $150,000,000 requested by the President?

Another proposition is this: The committee has failed to mention that during the month of January there was an increase in unemployment to the tune of 886,000 people. This means a drastic revision of the figure of the number that industry and P. W. A. will absorb. There has been a further increase in February. What do you propose to do with these unemployed? I urge the adoption of the amendment. I wish it provided for more.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, just to review the situation that is before us, the gentleman from New York [Mr. FITZPATRICK] has offered an amendment to increase the amount from $100,000,000 to $150,000,000. The gentleman from Georgia [Mr. COX] has offered an amendment to the amendment to decrease the amount so that it will be net about $55,000,000.

The reason for the amendment offered by the gentleman from Georgia is simply that in the language and figures adduced by the committee handling this bill there is an unobligated balance of $26,000,000, which, added to other excess sums in an amount of $19,000,000, totals $45,000,000 that can in good conscience be deducted from the $100,000,000 in the pending bill.

Mr. Chairman, let us assume that a committee came before this House with a bill providing for $100,000,000 and that the chairman of the committee handling the bill should come down in the Well and say: "Gentlemen of the House, we need only $55,000,000 for this purpose, but we put $100,000,000 in the bill.

"The smell that spring is in the air; the beauty of the cherry blossoms has had its effect upon us. There is the lilting of birds out on the Capitol lawn. So, under the impulses of those spring influences, we have decided that while we need only $55,000,000 we are going to put $100,000,000 in the bill."

How would you vote in a situation of that kind? Obviously you would vote it down. You would say $55,000,000 is all you are going to get. It differs, of course, from other departments of government where every item is specifically earmarked. Give them the extra $45,000,000 and they will spend it under the broad language under which they are authorized to operate. There is nothing under the heavens to prevent them from spending the extra $45,000,000 which in the language of the committee and according to the figures as shown by the committee hearings is not needed. That in itself ought to be a direction to this Committee this afternoon to vote for the amendment offered by the gentleman from Georgia [Mr. COX] to reduce the amount to that which is actually needed according to the committee, namely, $55,000,000 and not $100,000,000 or $150,000,000.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, the question has been raised as to whether $150,000,000 is needed or not. The gentlemen who have used this sophistry on the House have, in effect, insisted that we focus our attention merely on a tiny fraction of the unemployed people in this country and forget about all the rest. The reason that $150,000,000 is needed, the reason, indeed, that more than that amount is needed is because we have approximately 8,000,000 unemployed people in addition to those now on W. P. A. that you have never even touched with this program. Every improvement in economic conditions in this country during recent years has followed the extent to which the Congress paid attention to stimulating the buying power of the people of this country. Admitted it has not been got at in a fundamental manner, admitted we can do it in better ways, nevertheless the fact is the Congress has not yet taken that better way. The paramount job of the Congress today is to see to it that there does take place an improvement in the economic condition of this Nation. That job involves fundamentally the problem of the buying power of the people.

The chart before you is one prepared by the gentleman from Pennsylvania [Mr. SNYDER], and shows the disastrous course of events in the United States under the deflationary policy of falsely termed "economy" followed by Republican administration down to 1933. It shows that in that year there was a national income of only $45,000,000,000. It shows the climb of national income under the Democratic administration. This other line shows the course of Government expenditures during this same period of time. I have not time to discuss the issues about tax policy and our monetary system, which are most important. I am only talking about Government expenditures. Look at this line and look at that line. You will find that the economic conditions in this country, the business conditions for all the people, have followed very closely the degree to which this Congress saw to it that there was purchasing power put into the hands of those who otherwise would not have any.

So far as the argument between the President and the committee over the amount of this appropriation is concerned, it is all very simple. The President was right in January, and events have proven him so. The majority of the Appropriations Committee was wrong in January, and they are wrong today in suggesting that we cut this bill below $150,000,000. That is the difference between the President and the committee.

Various things have been said in connection with this debate about the job done by the W. P. A. I have not heard any specific allegation made about the administrative cost. A lot of general statements have been made, but no one, for some reason, has criticized specifically the percentage of such cost. I know that Colonel Harrington is making every effort to cut administrative costs to the bone. According to the best information I can get, in my State it amounts to about 3½ percent, which is a mightly low administrative cost, considering the program. This W. P. A. program takes care of people who cannot get employment elsewhere. It always has to give up its best workers first because those are the people who get jobs in private industry first. It has done a good job. Now is the time for us to have vision and realize the necessity of keeping this program going until we really and actually put something in its place. If we do not make the mistake we made in 1937, which was a tragic mistake, and if we carry through, it is altogether possible that the encouraging figures given by some people on the floor of the House with reference to increase in employment will continue. If we can then get down to business with certain other measures more fundamental than this, such as monetary reform, retirement pensions, and the like, then I have real hope.

Mr. Chairman, let us not be penny-wise and pound-foolish again today, which, indeed, we were on certain occasions.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Chairman, most of the argument I have heard here with reference to the opposition to this $150,000,000 is based upon the theory of waste. I am not going to attempt to answer in the short time I have to speak the argument made by the distinguished gentleman from Virginia. It would take a long time to do that. The best I can do in the time allowed is to make a few observations pertinent to the matter in issue. I want to say to the Members of the House that in my experience in life that waste is a matter of personal opinion and a matter of a person's own judgment. I had some people tell me not long ago that they thought that $10,000 paid to the Congressmen and the Senators of this country was a waste of money. Of course, they said in

complimentary explanation, that I was earning mine, but they thought the rest was a waste, and I said to them that waste is a matter of personal opinion. We have waste in all the departments. We have waste in common enterprise, we have it upon the farms, we have it in industry, and every other place, but I say to you, do not take out of the hide of hungry babies, women, and children the necessities of life because you think somebody has received a larger sum of money than he should have received as his salary, or as some would term waste.

I want to call your attention to this fact. We ought to thank God today that we are making an appropriation in this House to take care of us in peacetime instead of war [applause], and you can thank the leadership of the great Democratic Party, that by innuendo has been condemned, because we are appropriating money for peace. Is there any doubt in the minds of any of us but what the heavy hand of big business is pressing down in an indirect way on the membership of this House to bring about a reduction in the appropriation bill that is before the House? This statement is reenforced by an overwhelming Republican sentiment toward a reduction of the amount even as written in the bill. Was not such a combination of influences wiped from power in the election in the fall of 1932 and again emphatically rejected in the election of 1936? Should this House look to the leadership for guidance here today that was dramatically and forcefully ejected from public life on the occasions mentioned?

We voted over one-half billion dollars for the implements of war. Today we are appropriating for peace. Is not that much better than appropriating for war? I want to say to you that there can be a worse condition than an unbalanced Budget. You can imagine what it is—I do not have to tell you.

In conclusion, I am in favor of, and I shall vote for, the Fitzpatrick amendment providing for an additional $150,000,000. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I am opposed to this entire bill, but I shall vote for the substitute amendment offered by the gentleman from Georgia [Mr. Cox] for $55,000,000, because that is the lowest amount that is now offered.

The trouble in this country is that confidence has not been restored here, because we are voting for appropriations of money without any justification whatever. It is necessary that we stop that sort of thing if confidence is to be restored and if the people are to have food and legitimate jobs.

This appropriation is not to provide food, it is to prevent the employment of the people in honest industry. Now, what is the actual situation and picture? There has been a build-up in the W. P. A. in February and March. A cut, which would be no more than seasonal, has been ordered for April 3 to 2,600,000. It is absolutely certain that without a dollar appropriated we can run along with 2,600,000 in April, 2,500,000 in May, and 2,400,000 in June. We could get along honestly and efficiently in that operation without another dollar appropriated. All we need to do is to throw off the 150,000 that Colonel Harrington told us at page 50 of the hearings would appear to be without any relief status. The 850,000 certified includes thousands who were certified 6 years ago, and only a small percentage of them would appear for work.

W. P. A. has promoted waste and demoralization amongst the people of this country. The $45,000,000 that is referred to in the committee report is an actual surplus based upon the figures that were submitted by Colonel Harrington, and not a carry-over to take care of future bills, as somebody has suggested here.

Let us restore confidence by stopping foolish expenditures. Let us cast our vote for the amendment offered by the gentleman from Georgia [Mr. Cox]. The question before the Congress is, Has the Congress the courage to face the facts and stop wasting the people's money and give the people confidence and give the people an honest-to-goodness job and stop demoralizing them? [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, I think it surely may be said that the question of the adequacy or inadequacy of the amount provided in this bill has been thoroughly discussed. My colleague from Oklahoma [Mr. JOHNSON] gleefully exclaims that when I voted to cut $150,000,000 from the W. P. A. in January I must have been wrong, because now I am willing to appropriate $100,000,000. The gentleman is mistaken. When I voted to cut the $150,000,000 I thought I was right and I am now convinced that I was right. I am thoroughly convinced beyond any question in my own mind. Of course, that does not make it right, but I am talking about my own feelings. I am thoroughly convinced in my own mind that if the $725,000,000 had been administered as Congress meant it should be administered it would not now be necessary to appropriate any more money. However, it is equally true that it was not so administered, and Congress is placed in the position of either appropriating an additional amount of money or taking a chance on seeing real suffering among the people who are in need. So, instead of being the lord high executioner of the W. P. A., as my good friend from New York [Mr. MARCANTONIO] dubs me, I shall now take the role of defender of the W. P. A. If I judge the sentiment of the House correctly, there is no earthly danger of the House increasing the amount in the bill to $150,000,000, but I do fear that we may let our prejudices against mismanagement and mistakes which have been made in the operation of the program cause us not to deal adequately with the situation.

The effort to reduce the $100,000,000 to $54,293,000 is based upon the assumption that you can safely withhold the amount set out in the report as a so-called reserve or cushion. You cannot do that. No program of this size can be so coordinated or laid out that you can come out at the end of the fiscal year exactly to the penny. If Congress should determine today to entirely liquidate W. P. A. as of July 1 next, and cease operation entirely, there would have to be a sizable sum of money carried over into July in order to meet the last 2 weeks' pay roll in June and in order in July to pay the bills for materials and expenses incurred in June. So I hope the House will not make the mistake of cutting the fund below the amount determined upon by the committee. I believe sincerely that the sum of $100,000,000 will carry W. P. A., and I believe, after discussions on the floor of this House, that they will be so impressed with the necessity for economizing that they will be able to distribute that fund so that there will be no real suffering among the needy people.

The CHAIRMAN. The time of the gentleman from Virginia has expired. All time has expired. The question is on the substitute offered by the gentleman from Georgia [Mr. Cox].

The question was taken; and on a division (demanded by Mr. Cox), there were—ayes 111, noes 161.

So the substitute was rejected.

The CHAIRMAN. The question now recurs upon the amendment offered by the gentleman from New York [Mr. FITZPATRICK].

The question was taken; and on a division (demanded by Mr. FITZPATRICK), there were—ayes 99, noes 173.

Mr. FITZPATRICK. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. FITZPATRICK and Mr. WOODRUM of Virginia to act as tellers.

The Committee again divided; and the tellers reported—ayes 156, noes 205.

So the amendment was rejected.

Mr. CASEY of Massachusetts. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CASEY of Massachusetts: Page 1, line 8, strike out "$825,000,000" and insert in lieu thereof "$850,000,000", and in line 9 strike out "$100,000,000" and insert "$125,000,000."

Mr. CASEY of Massachusetts. Mr. Chairman, this amendment in the sum of $125,000,000 offers us on this side of the aisle a common ground upon which to meet. Make no mistake about it, this is an important vote, an important vote for those who come from the industrial centers of the country

and an important vote for those who come from the agricultural districts of the country. More than that, it is an important vote so far as the Democratic Party is concerned. Here we have the party that was put into power because during the crisis the Republican Party failed miserably to meet the exigencies of the situation created prior to 1932. I have heard arguments against the W. P. A. Of course, relief is an unpleasant topic, and it is an unpleasant situation with which we have to deal, needy men and women. We would like to walk away from it and just say, "Let them take care of themselves." Relief and W. P. A. were never intended to restore prosperity to this country. It is not an economic panacea. It is, however, our method of saying that we believe it to be the duty of the Government to give needy men and women whom private industry cannot employ an opportunity to exist and support their dependents until these distressful times have passed.

Throughout the world men and women, through no fault of their own, through no fault of any political party, were thrown out of work. It became a problem for every other nation as well as this country. The totalitarian nations have solved it by putting their unemployed in as shock troops and putting them to work under direct government supervision in the army. England tried to solve it by the dole. From authoritative sources I have read and have been told that the dole system has been demoralizing; that men are growing to middle age now who have never seen their fathers earn a single dollar and who have themselves never earned a dollar, but merely march up once a week and get a pittance from the Government without doing anything for it. The W. P. A., with all its faults, and they have been set forth clearly and fully, is a much better method of relief than has yet been brought forth in any nation on the face of the earth today. Of course, there has been criticism. "Swing" Mikado, building world's fairs, and so forth, but there has not been a single word said in its favor about the hospitals, about the schoolhouses, about the sewer and water systems that all of you know have been erected in your districts by W. P. A. I say, in view of the enormity of this program, Nation-wide in its scope, trying to deal with the misery and suffering of millions and millions of unemployed, it has stood the test of being brought into the light of day. Surely there has been travel pay that has seemed exorbitant. I do not defend that, but even in private industry you have heard salesmen talk about "swindle sheets." Of course, there has been waste and extravagance, but there has been much good done, not toward restoring prosperity but toward helping these distressed people and helping to take care of the needy and unemployed. That is all it was meant for. That is all that can happen with W. P. A.

The Republicans failed. We have put this into effect. The President said, "We need $150,000,000." There are others who said, "We need $100,000,000." Now, where shall we go? We have denied the President $150,000,000. Let me say to you Democrats that I never believed before 1932 that there was any great fundamental difference between Republicans and Democrats, but President Roosevelt breathed meaning into the Democratic Party [applause] and gave it life and made a clear and fundamental difference that enabled a great many liberals and people who believed that the weaker should have some protection in government and who did not care about political ties to join with him. It enabled those north of the Mason and Dixon's line to send Democrats to Congress because of their faith in progressive government and not merely because some of us were born Democrats. I say to you, let us meet on this common ground and not undermine the Democratic Party, which has been instrumental in enacting into law progressive, far-reaching measures that not even the Republicans, if they ever regain power, will dare repeal. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. McCORMACK. Mr. Chairman, reserving the right to object, I would like to have 5 minutes.

Mr. WOODRUM of Virginia. I will make it 10 minutes, Mr. Chairman.

Mr. DEMPSEY. Reserving the right to object, Mr. Chairman, I would like to have 5 minutes.

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate close in 15 minutes.

Mr. NICHOLS. Reserving the right to object, I have not had any time yet. I would like 5 minutes.

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 15 minutes.

The CHAIRMAN. Is there objection? The Chair observes five gentlemen standing, including the gentleman from Virginia.

Mr. WOODRUM of Virginia. I ask for 4 minutes myself. The rest of the time will be used against me, no doubt.

The CHAIRMAN. Is there objection?

Mr. McCORMACK. Reserving the right to object, Mr. Chairman, cannot my friend make that 20 minutes?

Mr. WOODRUM of Virginia. Well, we have debated on one little issue very liberally, and everybody knows how he is going to vote. You could talk for 30 minutes and you would not change anybody's opinion. I think we have been liberal to a fault in this debate.

Mr. McCORMACK. I think that is a rather broad statement.

Mr. WOODRUM of Virginia. Mr. Chairman, I make that request.

Mr. McCORMACK. Of course I am not going to object.

The CHAIRMAN. The Chair hears no objection.

It is the purpose of the Chair to recognize each of the five Members for 3 minutes. The Chair recognizes the gentleman from Illinois [Mr. KELLER] for 3 minutes.

Mr. KELLER. Mr. Chairman, I want to call attention again to the subject that I referred to this morning when I had the illustration of 1 week's direct relief food allotment before me. It is a disgrace that this Congress shall deny relief to any man or woman or child that needs it. We are keeping on direct relief, on a starvation line, no less than a million people unless we give the full amount of $150,000,000 the President asked for. The amendment offered by the gentleman from Massachusetts [Mr. CASEY] certainly ought to be adopted because it will help some toward the amount we ought to have voted with entire liberality.

It is not the fault of these men and women that they are on relief. It is a condition which has arisen out of industrial embarrassment. The machines have come, and we are going through a historic period here in which it is going to be necessary for us to readjust ourselves economically. It is not a question of a few millions of dollars or a few months. It is a question of carrying over until we get brains enough and sense enough and cooperative spirit enough to solve this problem of unemployment, and solve it once for all, as we can do. It is a shame and a disgrace to our intelligence that we should sit here and refuse to vote freely what the people need unless and until we are willing and able to put forth a plan, a method, by which they can again earn their living. We all ought to know that we have no right to deny a living to anybody until we have given him an opportunity to earn that living. This ought to be our guide. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New Mexico [Mr. DEMPSEY], for 3 minutes.

Mr. DEMPSEY. Mr. Chairman, we have heard much here today about abuses of the W. P. A. I have tried to be frank, so far as the conditions that prevail in my State of New Mexico are concerned. I do not feel, however, that because of the abuses of W. P. A., those who are not responsible for those abuses should suffer, and I am speaking of the certified workers. The difficulties that have arisen have come about through the way we in the Congress have legislated for W. P. A. [Applause.] We set up first a system whereby everybody was employed to do something, it did not make much difference what, and we paid them a security wage, immediately branching out into all forms of

activities in the way of projects. The labor unions recognized that the wage scale would be broken down and they made a demand for the prevailing rate of wage. Congress, realizing that it was the correct thing, provided the prevailing rate of wage; but the thing that has destroyed W. P. A. is that there has not been a willingness to do a prevailing day's work for the prevailing day's pay. [Applause.] That is the situation, and the fault lies not with the worker but with incompetent supervision. That is where the trouble is.

In my opinion, every project having to do with construction should be taken out of the Works Progress Administration and placed in some agency that is equipped to do efficient construction, an agency such as the P. W. A., if you please, where for every dollar expended for labor you get a dollar's worth of labor. I think the W. P. A. should change its name, should continue to administer the "white collar" projects, the sewing projects, and what not that the W. P. A. is competent and capable of administering through its welfare workers. I feel further, that unless in the next bill we bring up here the works-progress projects, such as sewer construction, airports, and so forth, are taken out of W. P. A. and placed in an agency that has the skilled men to do the work, public opinion will eventually stop the things we are doing.

I will be glad to agree to a reduction in the appropriation for W. P. A. if it means a cut in exorbitant expenditures for travel, telephone, and other nonessentials, but I am not willing to agree to any reduction that will take food out of the mouths of needy and deserving citizens of our Nation.

The certified workers in my State have been a political football. There is no denying this. For 2½ years I have made every effort I could to change the situation. Men and women were certified according to how many votes they had in their families and how they would deliver them, not upon the basis of how many dependents they had. That system has now been changed. Recently several indictments were brought in New Mexico as the result of a grand jury investigation authorized by a Federal judge. About 70 persons were indicted; most of those have been acquitted or the cases against them have been dismissed. The indictments, of course, were not an indication of guilt of the individuals but rather an indication of something wrong in W. P. A. administration; and, frankly, I think more blame attaches to those in charge or control of the administration than to those minor figures in the W. P. A. who have been named. [Applause.]

[Here the gavel fell.]

The CHAIRMAN (Mr. THOMAS S. MCMILLAN). The Chair recognizes the gentleman from Massachusetts [Mr. MCCORMACK] for 3 minutes.

Mr. McCORMACK. Mr. Chairman, I was rather interested to note that on the vote on the amendment offered by the gentleman from Georgia [Mr. COX] 111 voted for it and 161 against it. Of the 111 who voted for it, 21 were Democrats and 90 were Republicans; and of the 161 who voted against it, 20 were Republicans and 141 Democrats. I think this is an interesting observation for the RECORD, because there are some people who read the RECORD.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CANNON of Missouri. It would also be interesting to note that the majority of the Democrats of the Committee on Appropriations were in favor of the $150,000,000 figure.

Mr. McCORMACK. That is a very interesting and correct observation.

Mr. Chairman, in connection with the $100,000,000, I am reliably informed that 200,000 persons will be dropped the first week in April, 200,000 persons will be dropped the first week in May, and at least 200,000, and probably more, will be dropped the first week in June. I supported the $150,000,000 amendment, and I am urging my colleagues to support the amendment offered by the gentleman from Massachusetts [Mr. CASEY]. Certainly, those on the Democratic side who supported the $100,000,000, and likewise those on the Republican side are honest in their beliefs. Those who supported the $150,000,000 amendment were equally honest. Why can we not be fair? Why can we not recognize the honest positions adopted by both groups in the House and compromise our differences by agreeing upon $125,000,000 the amendment offered by the gentleman from Massachusetts?

In his observations, my friend, the gentleman from Massachusetts [Mr. CASEY], called attention to the weak. In the practical operation, government functions for the weak. The strong do not need the assistance of government. Government of all time, particularly democratic government, in its practical operation, functions in aid of the weak wherever inequities exist, and in this case it is the unemployed; in some other case it is small or large business being unable to obtain loans from banks; in other cases it is a business discriminated against; in bygone days it was unfair differentials or discriminatory rates by railroads or public utilities. We had to pass legislation to protect the weak against the strong.

The weak is not necessarily the one who is unemployed. The weak is not necessarily the man who is facing starvation. The weak is any group of our citizens with reference to whom inequities exist and with reference to whom those inequities developing into abuses must be controlled or regulated. Government, in its practical operation, must of necessity function for the weak. The strong do not need the assistance of government.

There are many people who fail to realize that exigency and necessity invariably is the influence that prompts governmental action. Certainly government should not close its eyes or ears to this fact, and that exigency and necessity has and will invariably exist, prompting governmental action, where injustices exist, or where inequities are imposed by a stronger group upon a weaker group. In the field of business, government has always taken the side of the weak. The weak in that case are not persons who are unemployed, out of work, facing conditions where human distress and suffering will result, but are men engaged in legitimate business who have had imposed upon them inequities, the continuance of which will affect them adversely in the conduct of their business, and probably in the destruction of their business. Where such a condition exists, where abuses exist, the continuance of which will be harmful to the country, and the source from which the abuses or inequities arose are unable or refuse to control them, then it is the duty of some agency to step in and to handle the situation; and that agency—the proper one—is the Government of the people, legislating to meet the problem in accordance with our scheme of government.

In the case of the depositors in banks that fail the weak were these persons who deposited their savings, feeling that their deposit in a bank assured safety. When banks failed they were the weak. The failures of banks were so numerous that something had to be done to protect this class—in this case, the weak class. We passed the Federal Deposit Insurance Corporation Act, insuring deposits up to $5,000 in all banks included in the system. In the case in years gone by of secret rebates by railroads and other public-utility companies, and of other discriminatory practices, the weak were those upon whom the inequities were imposed. As a result, regulatory boards in Federal and State Governments were created by law. In the case of the regulation of stock exchanges, to make them realize that in their operation they were charged with a public interest, the weak were not persons of no means but the investors who were being robbed by fictitious issues of stocks or bonds, and those who suffered as a result of the manipulation of the market by small and inside groups. Government acted to protect the weak in this situation. I can enumerate many other illustrations to show that the weak are not alone those who are in distress, but are any group of citizens upon whom inequities have been imposed, and who should receive protection against the ruthless strong. I wonder how many persons who want to see appropriations for relief of human beings stopped realize that in the making of appropriations that government is performing its duty; that none of us would like to see

conditions exist which require its performance, but it is performing a duty that is consistent with its natural and proper functions.

In this legislative fight the weak are those who are the unfortunate and innocent victims of the present adverse business conditions. The strong, those who are in a position of economic security, at least many of them, fail to see the side of the weak in their opposition to appropriations. Their claim that government should not make such appropriations, as many make, constitutes a gross misunderstanding of the responsibility of government under conditions as have existed during the past 9 years. It is government's duty to protect the weak when circumstances require it. In the making of appropriations today and in the past, government is not only doing what it ought to do but is doing what humanity calls upon it to do. I regret that the $150,000,000 amendment was defeated. I hope that the pending amendment will be adopted. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Chairman, surely this amendment will be adopted. In my judgment, the spectacle that has been going on here for 2 days should go down to the everlasting shame of at least those of the majority party of this House of Representatives. We have been for 2 days quibbling over the enforcement of economy which will save $50,000,000, to be taken away from the needy of this country.

If we are going to be controlled now by a spirit of economy, let us, in the name of common sense, apply this economy where it should be applied, and where we can effect real savings, if you please, if we are anxious that an economy program be launched upon. Any day that there is an appropriation bill for any one of the big departments of Government before this House for consideration, it is possible, without hurting anybody except a few bureaucrats, to cut more than $50,000,000 from it. [Applause.]

I charge this to be within the knowledge of each and every one of you. We pass an appropriation bill here in a few short hours, never as much as a day, which appropriates billions of dollars. Those appropriation bills are not put to the close scrutiny that this bill is being put today; and I charge that there is hardly a man on the floor of the House who can tell within a billion dollars where the appropriations will be spent, if the bill provides for more than a billion dollars, and I refer to appropriation bills for the Department of the Interior, Department of Agriculture, and the other departments of Government.

Why do we now, when no one will deny that this country from one end to the other is rife with need for assistance to the unfortunate people of this Nation, subject this bill to this scrutiny? The needy are in very great number. We know they do not have the opportunity to earn a living unless the Government gives them this opportunity. Why would you be speculating with nakedness and hunger when the welfare of hundreds of thousands of people depend upon this $50,000,000?

The amendment provides for $125,000,000, and I sincerely hope that at least the majority membership of this House will take up the cudgel and do its duty in the present instance. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM of Virginia. Mr. Chairman, I hope this amendment will not be agreed to. This is not a question of economy, though that question, of course, enters into the picture. No one is asking the House to withhold a dollar that is necessary for needy persons as a matter of economy. Just a few moments ago I stood in the Well of the House and asked the Members not to withdraw the $40,000,000 extra money that the W. P. A. has at the present time. Why, the Congress has given the W. P. A. and other such agencies $7,000,000,000 to take care of the needy of the Nation.

Your vote here today will determine whether or not Congress is going to insist upon an administration of this relief program for the people who really need relief. When you talk about taking bread away from starving people, let me ask, why not take some of the people off the airport project in New York on which the W. P. A. people are working full time and being permitted to earn $260 a month? There are more than 2,000 skilled workers on that one W. P. A. project working full time and earning all the way from $150 to $260 a month. Why not do that in the administration of the law instead of turning away hungry people?

That is the fight that is being made today. The committee is asking the Congress to insist upon an administration of this fund in such manner that the money that we provide will go for needy purposes and not for all this tomfoolery that has been spoken of in debate, and we have not even scratched the surface as yet, if the whole story were told, and it will be told eventually.

Mr. Chairman, I have handled every relief bill that has been brought in here. I have defended the W. P. A. I give them credit for what they have done, and they have done some fine things. On the other hand, they have done some other things that are not very creditable to them. I am asking the Congress now by its action to say that we want them to cut their administrative expense; we want them to administer this fund so that every dollar that goes out of the Public Treasury will help needy people, and not be ladled out by this administration in the manner the debate has shown it has been in the past.

I hope the House will support the committee. We feel we have been liberal. Our record shows we have been liberal. I hope, therefore, the House will support the committee in this effort to secure for relief a proper administration.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CASEY].

Mr. CASEY of Massachusetts. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. CASEY of Massachusetts and Mr. WOODRUM of Virginia.

The Committee divided; and the tellers reported that there were—ayes 160, noes 207.

So the amendment was rejected.

Mr. WHITE of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE of Ohio: Page 1, line 8, strike out $825,000,000" and insert in lieu thereof "$800,000,000"; in line 9, strike out "$100,000,000" and insert "$75,000,000."

Mr. WHITE of Ohio. Mr. Chairman, I shall not detain the Committee very long, I can assure you of that. As the gentleman from Virginia has said, this subject has been thoroughly debated. I do not want to add very much to what has already been said except that this amendment provides $75,000,000 more for current relief needs and yet it represents a cut of $25,000,000 as compared with the pending bill.

A few moments ago an amendment was offered providing for $55,000,000. The distinguished gentleman from Virginia conceded that $55,000,000 covered the needs actually shown for the period involved, but contended it would not afford cushion if the anticipated carry-over of $45,000,000 failed to materialize. This amendment gives that $55,000,000, for which actual need was demonstrated, and in addition to that it provides $20,000,000 more for the cushion of which he spoke. After listening to all this debate it seems to me that $75,000,000 represents a reasonable compromise, and therefore I ask your support in the adoption of this amendment to the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. WHITE of Ohio) there were—ayes 75, noes 259.

So the amendment was rejected.

Mr. BURDICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURDICK: Page 1, after line 11, add a new paragraph reading:

"No bonds of the United States shall be issued to finance any part of the appropriation herein provided, but the Secretary of the Treasury of the United States shall issue Treasury notes therefor without regard to any basis of issue except the direct responsibility of the Government itself."

Mr. WOODRUM of Virginia. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. Does the gentleman from North Dakota desire to be heard?

Mr. BURDICK. I do not, Mr. Chairman.

The CHAIRMAN. Under the very stringent rule adopted yesterday for the consideration of this matter, the point of order is sustained.

Under the rule the Committee automatically rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the joint resolution (H. J. Res. 246) making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939, pursuant to House Resolution 149, he reported the same back to the House.

The SPEAKER. Under the rule the previous question is ordered.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the joint resolution?

Mr. TABER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendments:

Page 1, line 8, strike out "$825,000,000" and insert in lieu thereof "$780,000,000"; page 1, line 9, strike out "$100,000,000" and insert in lieu thereof "$55,000,000."

Mr. WOODRUM of Virginia. Mr. Speaker, I move the previous question on the motion to recommit.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BRADLEY of Pennsylvania. If the previous question is voted down, will it then be possible to offer an amendment to the motion to recommit?

The SPEAKER. It would.

Mr. BRADLEY of Pennsylvania. Then, Mr. Speaker, I demand the yeas and nays on the motion ordering the previous question.

The SPEAKER. The gentleman from Pennsylvania demands the yeas and nays on the motion for the previous question. Those in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] On the demand for the yeas and nays 53 Members rose in favor of taking the vote by the yeas and nays. The Chair has counted the membership present, and counts 360 Members. The number necessary to order the yeas and nays would be 72. Not a sufficient number have risen, and the yeas and nays are refused.

Mr. NICHOLS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. NICHOLS. Is the vote now to be taken on the motion to recommit or on the previous question?

The SPEAKER. The vote is on ordering the previous question.

Mr. GAVAGAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GAVAGAN. Is not the parliamentary situation such that if the previous question is voted down, the motion to recommit would be then subject to further amendment?

The SPEAKER. The gentleman is correct. If the previous question should be voted down then a proper amendment to the motion to recommit would be in order.

Mr. GAVAGAN. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GAVAGAN. In that event the amendment to the motion to recommit would be subject to a roll call if sufficient number rose to order the yeas and nays?

The SPEAKER. Yes; if a sufficient number rose. The question is on ordering the previous question on the motion to recommit.

The question was taken; and on a division (demanded by Mr. MCGRANERY) there were—ayes 295, noes 75.

So the previous question was ordered.

Mr. WOODRUM of Virginia. Mr. Speaker, I demand the yeas and nays on the motion to recommit.

The yeas and nays were ordered.

Mr. BLOOM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLOOM. I am certain there is some confusion here. The way I understand it the motion to recommit is to insert $55,000,000 instead of $100,000,000.

The SPEAKER. For the information of the House the Clerk will again report the motion to recommit.

The Clerk again reported the Taber motion to recommit.

The question was taken; and there were—yeas 131, nays 276, not voting 25, as follows:

[Roll No. 47]

YEAS—131

Allen, Ill.	Doxey	Jenkins, Ohio	Robertson
Anderson, Calif.	Drewry	Jenks, N. H.	Robsion, Ky.
Andresen, A. H.	Durham	Jensen	Rockefeller
Arends	Dworshak	Johnson, Ill.	Routzohn
Ball	Elston	Jones, Ohio	Rutherford
Barton	Engel	Kean	Sandager
Bates, Mass.	Englebright	Kilday	Satterfield
Boren	Fish	Kinzer	Shafer, Mich.
Bradley, Mich.	Ford, Miss.	Kitchens	Short
Brown, Ga.	Gamble	Kleberg	Simpson
Brown, Ohio	Gartner	Knutson	Smith, Ohio
Bulwinkle	Gibbs	Lambertson	Smith, Va.
Burch	Gifford	Lanham	Springer
Carlson	Gilchrist	LeCompte	Stearns, N. H.
Chiperfield	Gillie	Lord	Taber
Church	Gore	Luce	Talle
Clark	Graham	McLean	Taylor, Tenn.
Clason	Griswold	Mapes	Tinkham
Clevenger	Gross	Martin, Iowa	Treadway
Cluett	Gwynne	Martin, Mass.	Vorys, Ohio
Coffee, Nebr.	Hall	Mason	Vreeland
Cole, N. Y.	Halleck	Michener	Wadsworth
Colmer	Hancock	O'Brien	West
Cox	Harness	Pace	Wheat
Crawford	Hartley	Pearson	Whelchel
Culkin	Hawks	Peterson, Ga.	White, Ohio
Curtis	Heinke	Pierce, N. Y.	Whittington
Darrow	Hess	Plumley	Wigglesworth
Dirksen	Hoffman	Reece, Tenn.	Williams, Del.
Disney	Holmes	Reed, Ill.	Wolcott
Ditter	Hope	Reed, N. Y.	Wolfenden, Pa.
Dondero	Horton	Rees, Kans.	Woodruff, Mich.
Douglas	Jarrett	Rich	

NAYS—276

Alexander	Chapman	Flaherty	Jeffries
Allen, La.	Claypool	Flannagan	Johns
Allen, Pa.	Cochran	Flannery	Johnson, Ind.
Andersen, H. Carl	Coffee, Wash.	Folger	Johnson, Luther A.
Anderson, Mo.	Cole, Md.	Ford, Thomas F.	Johnson, Lyndon
Angell	Collins	Fries	Johnson, Okla.
Arnold	Connery	Fulmer	Johnson, W. Va.
Ashbrook	Cooper	Garrett	Jones, Tex.
Barden	Corbett	Gathings	Kee
Barnes	Costello	Gavagan	Keefe
Barry	Crosser	Gearhart	Keller
Bates, Ky.	Crowe	Gehrmann	Kelly
Beckworth	Crowther	Gerlach	Kennedy, Martin
Bell	Cullen	Geyer, Calif.	Kennedy, Michael
Bender	Cummings	Goldsborough	Kennedy, Md.
Bland	D'Alesandro	Gossett	Keogh
Bloom	Darden	Grant, Ala.	Kerr
Boehne	Delaney	Grant, Ind.	Kirwan
Boland	Dempsey	Gregory	Kocialkowski
Bolles	DeRouen	Griffith	Kramer
Bolton	Dickstein	Guyer, Kans.	Kunkel
Boykin	Dies	Hare	Landis
Bradley, Pa.	Dingell	Harrington	Larrabee
Brooks	Doughton	Hart	Lea
Bryson	Dowell	Harter, N. Y.	Leavy
Buck	Duncan	Harter, Ohio	Lemke
Buckler, Minn.	Dunn	Havenner	Lesinski
Burdick	Eaton, Calif.	Healey	Lewis, Colo.
Burgin	Eaton, N. J.	Hendricks	Lewis, Ohio
Byrne, N. Y.	Eberharter	Hennings	Ludlow
Byrns, Tenn.	Edmiston	Hill	McAndrews
Caldwell	Elliott	Hinshaw	McArdle
Cannon, Fla.	Ellis	Hobbs	McCormack
Cannon, Mo.	Evans	Hook	McDowell
Carter	Faddis	Houston	McGehee
Cartwright	Fay	Huil	McGranery
Case, S. Dak.	Fenton	Hunter	McKeough
Casey, Mass.	Ferguson	Izac	McLaughlin
Celler	Fernandez	Jacobsen	McLeod
Chandler	Fitzpatrick	Jarman	McMillan, John L.

McMillan, Thos. S.	O'Connor	Ryan	Sutphin
Maas	O'Day	Sabath	Sweeney
Maciejewski	O'Leary	Sacks	Tarver
Magnuson	Oliver	Schaefer, Ill.	Taylor, Colo.
Mahon	O'Neal	Schafer, Wis.	Tenerowicz
Maloney	O'Toole	Schiffler	Terry
Marcantonio	Parsons	Schuetz	Thill
Marshall	Patman	Schulte	Thomas, Tex.
Martin, Colo.	Patrick	Scrugham	Thomason
Martin, Ill.	Patton	Seccombe	Thorkelson
Massingale	Peterson, Fla.	Secrest	Tibbott
May	Pfeifer	Shanley	Tolan
Merritt	Pierce, Oreg.	Shannon	Van Zandt
Mills, Ark.	Pittenger	Sheppard	Vincent, Ky.
Mills, La.	Poage	Sirovich	Voorhis, Calif.
Mitchell	Polk	Smith, Conn.	Wallgren
Monroney	Powers	Smith, Maine	Walter
Moser	Rabaut	Smith, Wash.	Warren
Mott	Ramspeck	Smith, W. Va.	Weaver
Mouton	Randolph	Snyder	Welch
Mundt	Rankin	Somers, N. Y.	White, Idaho
Murdock, Ariz.	Rayburn	South	Williams, Mo.
Murdock, Utah	Richards	Sparkman	Winter
Murray	Risk	Spence	Wolverton, N. J.
Myers	Robinson, Utah	Starnes, Ala.	Wood
Nelson	Rodgers, Pa.	Stefan	Woodrum, Va.
Nichols	Rogers, Mass.	Sullivan	Youngdahl
Norrell	Rogers, Okla.	Sumner, Ill.	Zimmerman
Norton	Romjue	Sumners, Tex.	The Speaker

NOT VOTING—25

Andrews	Cooley	Mansfield	Schwert
Austin	Creal	Miller	Seger
Beam	Curley	Monkiewicz	Smith, Ill.
Blackney	Ford, Leland M.	Osmers	Steagall
Brewster	Green	Owen	Thomas, N. J.
Buckley, N. Y.	McReynolds	Sasscer	Vinson, Ga.
Byron			

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. Speaker BANKHEAD, and he voted "nay."

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Andrews (for) with Mr. Byron (against).
Mr. Miller (for) with Mr. Beam (against).
Mr. Austin (for) with Mr. Brewster (against).
Mr. Leland M. Ford (for) with Mr. Green (against).
Mr. Monkiewicz (for) with Mr. Cooley (against).

General pairs:

Mr. Vinson of Georgia with Mr. Blackney.
Mr. Mansfield with Mr. Thomas of New Jersey.
Mr. Creal with Mr. Osmers.
Mr. Owen with Mr. Seger.
Mr. Steagall with Mr. Sasscer.
Mr. Smith of Illinois with Mr. Schwert.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the joint resolution.

Mr. WOODRUM of Virginia. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 292, nays 110, not voting 29, as follows:

[Roll No. 48]

YEAS—292

Alexander	Buckler, Minn.	Crowther	Fitzpatrick
Allen, La.	Burdick	Cullen	Flaherty
Allen, Pa.	Burgin	Cummings	Flannagan
Andersen, H. Carl	Byrne, N. Y.	D'Alesandro	Flannery
Anderson, Mo.	Byrns, Tenn.	Darden	Folger
Andresen, A. H.	Caldwell	Delaney	Ford, Thomas F.
Angell	Cannon, Fla.	Dempsey	Fries
Arnold	Cannon, Mo.	DeRouen	Fulmer
Ashbrook	Carter	Dickstein	Garrett
Barden	Cartwright	Dies	Gartner
Barnes	Case, S. Dak.	Dingell	Gathings
Barry	Casey, Mass.	Disney	Gavagan
Bates, Ky.	Celler	Doughton	Gearhart
Beckworth	Chandler	Dowell	Gehrmann
Bell	Chapman	Duncan	Gerlach
Bender	Clason	Dunn	Geyer, Calif.
Bland	Claypool	Eaton, Calif.	Gilchrist
Bloom	Cochran	Eberharter	Goldsborough
Boehne	Coffee, Wash.	Edmiston	Gore
Boland	Cole, Md.	Elliott	Gossett
Bolles	Collins	Ellis	Graham
Bolton	Colmer	Englebright	Grant, Ala.
Boren	Connery	Evans	Grant, Ind.
Boykin	Cooper	Faddis	Gregory
Bradley, Pa.	Corbett	Fay	Griffith
Brooks	Costello	Fenton	Griswold
Bryson	Crosser	Ferguson	Gross
Buck	Crowe	Fernandez	Guyer, Kans.
Hare	Lemke	O'Connor	Sirovich
Harrington	Lesinski	O'Day	Smith, Conn.
Hart	Lewis, Colo.	O'Leary	Smith, Maine
Harter, N. Y.	Lewis, Ohio	Oliver	Smith, Wash.
Harter, Ohio	Ludlow	O'Neal	Smith, W. Va.
Havenner	McAndrews	O'Toole	Snyder
Healey	McArdle	Parsons	Somers, N. Y.
Hendricks	McCormack	Patman	South
Hennings	McDowell	Patrick	Sparkman
Hill	McGehee	Patton	Spence
Hinshaw	McGranery	Pearson	Starnes, Ala.
Hobbs	McKeough	Peterson, Fla.	Stefan
Hook	McLaughlin	Pfeifer	Sullivan
Houston	McLeod	Pierce, Oreg.	Sumners, Tex.
Hull	McMillan, John L.	Pittenger	Sutphin
Hunter	McMillan, Thos. S.	Poage	Sweeney
Izac	Maas	Polk	Tarver
Jacobsen	Maciejewski	Powers	Taylor, Colo.
Jarman	Magnuson	Rabaut	Taylor, Tenn.
Jeffries	Mahon	Ramspeck	Tenerowicz
Jenks, N. H.	Maloney	Randolph	Terry
Johns	Mapes	Rankin	Thill
Johnson, Ind.	Marcantonio	Rayburn	Thomas, Tex.
Johnson, Luther A.	Marshall	Reece, Tenn.	Thomason
Johnson, Lyndon	Martin, Colo.	Rees, Kans.	Thorkelson
Johnson, Okla.	Martin, Ill.	Richards	Tibbott
Johnson, W. Va.	Massingale	Risk	Tolan
Jones, Tex.	May	Robinson, Utah	Treadway
Kee	Merritt	Rodgers, Pa.	Van Zandt
Keefe	Mills, Ark.	Rogers, Mass.	Vincent, Ky.
Keller	Mills, La.	Rogers, Okla.	Voorhis, Calif.
Kelly	Mitchell	Ryan	Wallgren
Kennedy, Martin	Monroney	Sabath	Walter
Kennedy, Md.	Moser	Sacks	Warren
Kennedy, Michael	Mott	Schaefer, Ill.	Weaver
Keogh	Mouton	Schafer, Wis.	Welch
Kerr	Mundt	Schiffler	White, Idaho
Kirwan	Murdock, Ariz.	Schuetz	Whittington
Kocialkowski	Murdock, Utah	Schulte	Williams, Mo.
Kramer	Murray	Scrugham	Winter
Kunkel	Myers	Seccombe	Wolverton, N. J.
Landis	Nelson	Secrest	Wood
Larrabee	Nichols	Shanley	Woodrum, Va.
Lea	Norrell	Sheppard	Youngdahl
Leavy	Norton	Shannon	Zimmerman

NAYS—110

Allen, Ill.	Doxey	Johnson, Ill.	Rockefeller
Anderson, Calif.	Drewry	Jones, Ohio	Routzohn
Arends	Durham	Kean	Rutherford
Ball	Dworshak	Kilday	Sandager
Barton	Eaton, N. J.	Kinzer	Satterfield
Bates, Mass.	Elston	Kitchens	Shafer, Mich.
Bradley, Mich.	Engel	Kleberg	Short
Brown, Ga.	Ford, Miss.	Knutson	Simpson
Brown, Ohio	Gamble	Lambertson	Smith, Ohio
Bulwinkle	Gibbs	Lanham	Smith, Va.
Burch	Gifford	LeCompte	Springer
Carlson	Gillie	Lord	Stearns, N. H.
Chiperfield	Gwynne	Luce	Taber
Church	Hall	McLean	Talle
Clark	Halleck	Martin, Iowa	Tinkham
Clevenger	Hancock	Martin, Mass.	Vorys, Ohio
Cluett	Harness	Mason	Vreeland
Coffee, Nebr.	Hartley	Michener	Wadsworth
Cole, N. Y.	Hawks	O'Brien	West
Cox	Heinke	Pace	Wheat
Crawford	Hess	Peterson, Ga.	Whelchel
Culkin	Hoffman	Pierce, N. Y.	Wigglesworth
Curtis	Holmes	Plumley	Williams, Del.
Darrow	Hope	Reed, Ill.	Wolcott
Dirksen	Horton	Reed, N. Y.	Wolfenden, Pa.
Ditter	Jarrett	Rich	Woodruff, Mich.
Dondero	Jenkins, Ohio	Robertson	
Douglas	Jensen	Robsion, Ky.	

NOT VOTING—29

Andrews	Creal	Miller	Seger
Austin	Curley	Monkiewicz	Smith, Ill.
Beam	Fish	Osmers	Steagall
Blackney	Ford, Leland M.	Owen	Sumner, Ill.
Brewster	Green	Romjue	Thomas, N. J.
Buckley, N. Y.	McReynolds	Sasscer	Vinson, Ga.
Byron	Mansfield	Schwert	White, Ohio
Cooley			

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. Byron (for) with Mr. Andrews (against).
Mr. Beam (for) with Mr. Miller (against).
Mr. Brewster (for) with Mr. Austin (against).
Mr. Green (for) with Mr. Leland M. Ford (against).
Miss Sumner of Illinois (for) with Mr. White of Ohio (against).

Until further notice:

Mr. Vinson of Georgia with Mr. Blackney.
Mr. Mansfield with Mr. Thomas of New Jersey.
Mr. McReynolds with Mr. Fish.
Mr. Creal with Mr. Osmers.
Mr. Owen with Mr. Seger.
Mr. Steagall with Mr. Sasscer.
Mr. Cooley with Mr. Monkiewicz.

Mr. JENSEN. Mr. Speaker, how am I recorded?

The SPEAKER. The gentleman is recorded as voting "yea."

Mr. JENSEN. I intended to vote "nay."

The SPEAKER. Does the gentleman desire to change his vote from "yea" to "nay"?

Mr. JENSEN. I meant to vote "nay."

The SPEAKER. Record the gentleman as voting "nay."

The result of the vote was announced as above recorded.

By unanimous consent, a motion to reconsider the vote whereby the bill was passed was laid on the table.

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, my colleague the gentleman from New York, Mr. CURLEY, is absent because of illness. Were he present, he would have voted "nay" on the motion to recommit and "yea" on the passage of the bill.

My colleague the gentleman from New York, Mr. BUCKLEY, was called home hurriedly because of the serious illness of his mother. Had he been present, he would have voted "nay" on the motion to recommit and "yea" on the passage of the bill.

My colleague the gentleman from New York, Mr. SCHWERT, is unavoidably absent. Had he been present, he would have voted "nay" on the motion to recommit and "yea" on the passage of the bill.

These three gentlemen would have supported the $150,000,000 figure.

EXTENSION OF REMARKS

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein two short resolutions, one of which refers to the Secretary of Labor and the other to President Roosevelt's administration of the New Deal.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that on Monday next, after the disposition of business on the Speaker's table, the legislative program for the day, and special orders, if any, that I may be permitted to address the House for 30 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD on the relief appropriation bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ANNOUNCEMENT

Mr. HENDRICKS. Mr. Speaker, my colleague the gentleman from Florida, Mr. GREEN, asked me to state that had he been here he would have voted for the $150,000,000 amendment, and that if that failed he would have voted "yea" on the passage of the resolution.

EXTENSION OF REMARKS

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two different topics and in the second extension to include a brief letter from a constituent.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from California [Mr. HINSHAW] may extend his own remarks and include therein a letter from a constituent.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MAPES. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. HOFFMAN] may include in an extension of remarks he made today in the Committee of the Whole an editorial to which he referred in his remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CANCER CONTROL MONTH

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes, and I ask unanimous consent to revise and extend my remarks therein tomorrow.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, last year I was fortunate enough to secure the passage of the bill which provides that the President shall declare the month of April, Cancer Control Month. Today I am asking the Members—and I know they will wish also—to join in inviting the country to unite in spreading information regarding cancer.

It is the belief of specialists at this time that many, many cases can be cured. Some of them go to the extent of believing that half the number who now die each year from cancer might be saved if their cases were taken in time. It is a matter for education. The following is the proclamation issued by the President:

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Whereas Public Resolution No. 82, Seventy-fifth Congress, approved March 28, 1938 (52 Stat. 148), authorizes and requests the President to issue annually a proclamation setting apart the month of April of each year as Cancer Control Month, and to invite similar action on the part of the governors of the several States, Territories, and possessions of the United States; and

Whereas such public resolution requests that such proclamations invite the medical profession, the press, and all agencies and individuals interested in a national program for the control of the disease of cancer, by education and other cooperative means, to unite during the month of April in a public dedication to such program and in a concerted effort to impress upon the people of the Nation the necessity for such a program; and

Whereas through the National Cancer Institute of the United States Public Health Service, the Federal Government is leading the way in advancing research, in promoting effective treatment methods, and in advocating the provision of adequate facilities for cancer patients, as are the several States which have adopted programs for the control of cancer, as well as voluntary groups led by the Women's Field Army, which are engaged in a Nation-wide educational campaign; and

Whereas medical authorities have assured the American people of the curability of many cases of cancer, a disease that now ranks second among the causes of death in the United States:

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby set apart the month of April 1939 as Cancer Control Month, and invite similar action on the part of the governors of the several States, Territories, and possessions of the United States; and, in order that the American people may become better informed concerning the prevalence of cancer and the effective steps which can be taken to control it, I invite the medical profession, scientific groups, all organs of opinion, including the press, radio, and the motion-picture industry, and all agencies and individuals interested in a national program for the control of the disease of cancer, to unite during the month of April 1939 in a concerted effort to impress upon the people of the Nation the necessity for this program and the importance of constant vigilance in this fight for humanity.

Done at the city of Washington this 17th day March, in the year of our Lord nineteen hundred and thirty-nine, and of the independence of the United States of America the one hundred and sixty-third.

[SEAL] FRANKLIN D. ROOSEVELT.

By the President:

SUMNER WELLES,

Acting Secretary of State.

Mr. Speaker, on February 28 I introduced a bill (H. R. 4585) to aid further in the prevention and cure of cancer.

In introducing this amendment, the National Cancer Institute Act, approved August 5, 1937, a brief statement should be made first regarding the original act, which unquestionably was the culmination of a long-time and increasing anticancer

movement in America. Indeed, this act was the first effort on the part of the Federal Government to crystallize a widespread feeling among all classes of our people that something must be done about the control of this scourge. There was no vote against the bill in either House. The United States Public Health Service is charged with its administration and in the year and a half since the act was passed fundamental cancer research and control activities have been started in many places. The National Cancer Institute, created by this act—the so-called Bulwinkle-Bone Act—is rapidly becoming the clearing house for cancer information as well as the general headquarters for a national organized attack.

Let me briefly review the achievements of the Public Health Service in cancer control during the past year. I quote from a recent report of the National Cancer Institute:

The National Cancer Institute Act created a National Advisory Cancer Council which shares with the Surgeon General of the United States Public Health Service the responsibility for the policies and activities of the Institute. The council has held seven meetings. One of the first actions of the council (meeting November 9, 1937) was to extend an invitation to the heads of various foundations, research institutions, and medical schools to meet in Washington and cooperate in the development of a broad Nation-wide Federal program of cancer control.

This meeting (December 13, 1937) resulted in several informal decisions:

1. Other conferences to be held from time to time as the necessity arises.

2. The appointment of a committee to formulate the fundamental aspects of the cancer problem as well as the fundamental principles of cancer research and to suggest various lines of work which merit investigation.

This committee has already made a report which appeared in the Public Health Reports of December 2, 1938. It formulates and clarifies the cancer problem in such a manner that it will serve as an excellent guide to both present and future investigators.

3. The appointment of a committee to study clinical cancer service and facilities for training in cancer diagnosis and treatment.

TRAINING IN DIAGNOSIS AND TREATMENT

On January 8, 1938, the chairman of the committee on cancer service, Dr. James Ewing brought together in New York City a group of well-known surgeons, radiologists, pathologists and deans of medical schools from different sections of the country. This group adopted resolutions urging the National Advisory Cancer Council and the National Cancer Institute to undertake at once the promotion of special training in diagnosis and treatment of cancer by means of stipends to selected young physicians in compliance with section 5 (b) of the National Cancer Institute Act.

A list of hospitals and cancer clinics suitable, in the opinion of the committee, for training was also submitted.

As a result of the above recommendations, training activities are now well under way and, at the present time, 22 young physicians carefully selected by personal interview are receiving special training at approved cancer centers. It is fairly well agreed that this special training of physicians in radiology, in tumor pathology, and in surgery meets one of the most urgent and immediate needs of the cancer-control program. Furthermore, this activity has been the means of stimulating cancer clinics throughout the country toward improving their equipment and personnel and toward a general raising of standards.

ESTABLISHMENT OF BALTIMORE CANCER CENTER

The largest clinical-research project initiated by the National Cancer Institute with the advice and cooperation of the council was the setting up of a cancer unit in the United States Marine Hospital at Baltimore. The regular beneficiaries of the Public Health Service east of the Mississippi River, the medical care of whom falls upon the Public Health Service, number approximately 170,000. Of these 40,000 are in the cancer age, and consequently some 4,000 cases of cancer will require treatment in the course of the next 25 to 30 years. An extra wing is being added to the hospital to provide the necessary facilities. Funds for the construction of this clinic were obtained from the Public Works Administration while the hospital division of the Public Health Service will furnish hospitalization and maintenance of patients. The National Cancer Institute will provide the personnel for carrying out clinical cancer research.

THE NEW INSTITUTE AND RESEARCH FELLOWS

In compliance with section 5 (c) of the National Cancer Institute Act, 15 research fellowships have been granted for work on projects undertaken both by the National Cancer Institute and other research centers. These fellows are appointed for 1 year only, subject to renewal if their achievements so warrant. The research staff of the institute will be recruited in the future largely from the fellows that display special aptitudes and talents.

The new cancer institute building is now under construction and will be ready for occupancy not later than September 1939.

FIELD STUDIES—STATISTICAL AND EPIDEMIOLOGICAL

Soon after the establishment of the National Cancer Institute, certain field investigations suggested themselves as comprising some of the essentials of a well-rounded program. These field investigations, although technically a part of the Cancer Institute's program, were authorized to be carried out under the administrative direction of the Division of Public Health Methods of the Public Health Service. While it is too early to report results, it should be mentioned that the studies initiated to date include five more or less distinct projects.

These may be listed as studies of, first, the incidence of cancer; second, mortality from the disease, including regional differences and trends of death rates during the past 30 years; third, the epidemiology of the disease with special reference to lung cancer; fourth, the effectiveness of various methods of cancer therapy utilized during recent years; and, fifth, the cost of adequate concer therapy.

DISTRIBUTION OF RADIUM

In compliance with section 5 (a) of the National Cancer Institute Act, the National Cancer Institute has purchased 9½ grams of radium. Within a few weeks distribution of radium will be made to institutions that have complied with the regulations and safeguards covering the loan, and where the need is greatest. It is expected that requests for radium will far exceed the amount available, as applications received since the completed regulations were sent out November 1, total more than 3,200 milligrams, and many other hospitals have indicated their intention of submitting applications. One gram will have to be retained for the institute's own work.

COOPERATION WITH STATES

In compliance with section 2 (g) of the National Cancer Institute Act, the institute has endeavored to stimulate the interest of State health agencies in the promotion of cancer prevention and control.

Six States—New Hampshire, Massachusetts, Connecticut, New York, Georgia, and Missouri—have legally enacted cancer-control programs. An analysis has been made of the laws in these States. Several other States are now interested in cancer legislation and have been provided by the National Cancer Institute with the basic principles that should be considered in drawing up a law. A model law is being prepared for presentation to the next meeting of the State and Territorial health officers with the Surgeon General for discussion and approval.

The institute also maintains close cooperation with the American College of Surgeons with reference to policies of training, and with the American Society for the Control of Cancer with reference to cancer-health education.

GRANTS-IN-AID

The National Advisory Cancer Council has considered 82 applications for grants-in-aid, totaling more than $1,000,000. The council has recommended and the Surgeon General has awarded 16 grants-in-aid totaling more than $116,000 to various institutions for the promotion of fundamental research projects in compliance with section 4 (c) of the National Cancer Institute Act.

CANCER IS A PUBLIC-HEALTH PROBLEM

Despite the well-organized attack of the Federal Government upon the fundamentals of the cancer problem, and the progress in research resulting from the National Cancer Institute Act, the immediate cancer victim is not provided

for. Skilled medical care is not available to a very large proportion of 500,000 cancer sufferers in the United States today. This country has 142,000 deaths annually from cancer. A recent survey by the National Cancer Institute has shown that there are five existing cases to every death from cancer in Atlanta, Ga., for example, and three cases to every death in Chicago.

In past years the death rate from cancer has been steadily increasing. In 1900, which is the year when first records are available, it caused 64 deaths per 100,000 of the population. In the decade between 1900 and 1910 there was a 57-percent increase in cancer deaths; in 1910 to 1920, a 39-percent increase in cancer deaths; and 1920 to 1930, a 41-percent increase in cancer deaths. This increase is believed to be due in part to better recognition of the disease and better reporting of cases; also in part to the fact that more people are living to the cancer age, and finally, to certain unknown factors in the complexity of life in our modern civilization.

Surgeon General Parran, of the United States Public Health Service, has recently declared that during the past 35 years we have witnessed a marked change in the health problems of the country. He says:

> The general death rate from all causes has declined from 17.6 to 10.7. Death rates from diphtheria, diarrhea and enteritis, scarlet fever, tuberculosis, and typhoid fever have decliined from a combined total of 433.6 to 83.5 per 100,000 people in 1900 and 1934. On the other hand, public-health measures have not been so effective against diseases in the older-age groups. Chronic diseases of various types, particularly cancer and heart disease, are increasing problems. It is inevitable, therefore, that public health should concern itself more with these chronic diseases. In my view, any disease whether communicable or not which has a wide prevalence, which is serious in its nature, and which is costly to treat is a proper concern of the public health. Cancer fulfills all of these definitions.

CANCER RATE HIGH IN INDUSTRIAL AND LESS-PRIVILEGED GROUPS

Cancer deaths are highest in our industrial centers, especially in the New England area. If the States are arranged in the order of their relative positions with respect to cancer mortality, giving the number of deaths per 100,000 of population, we have the following five States heading the list for the year 1936:

	Actual number of deaths	Rate per 100,000
Massachusetts	6,770	153.0
Maine	1,291	151.3
New York	19,190	148.4
New Hampshire	753	148.2
Rhode Island	991	145.5

The five lowest death rates from cancer are found in the following largely rural States:

	Actual number of deaths	Rate per 100,000
Alabama	1,728	60.3
Georgia	1,771	57.9
New Mexico	235	55.7
North Carolina	1,784	51.6
South Carolina	941	50.6
Arkansas	1,011	50.0

Data assembled from a number of sources in this country and Great Britain have shown that the attack rate of cancer is higher among the less privileged economic groups. For example, the cancer mortality rate of gainfully employed males between the ages of 15 and 64, by occupational groups, is such that if we take the death rate among professional men, as a base line of 100, the rate increases directly with other occupations until among unskilled workers the rate is 152. In other words, there is a 50-percent higher attack rate among unskilled workers than among professional workers.

RECOGNIZED NEEDS IN CANCER CONTROL

Cancer treatments frequently are very costly to the individual patient. Studies by the United States Public Health Service have shown that a case of cancer is often an economic catastrophe to an entire family.

Furthermore, it is now generally agreed by physicians and public-health officials that the successful treatment of cancer requires facilities and equipment far beyond the ability of the private practitioner to provide. The general practitioner does not, as a rule, undertake the treatment of cancer, his chief and most important function being to detect cancer in its early stages and to refer the patient at once to competent hands for treatment. The successful treatment of cancer requires the collaboration of skilled specialists—the pathologist, the surgeon, the radiologist, and the physicist. These specialists themselves cannot, because of the expense, provide facilities for treatment through their personal resources but must utilize facilities subsidized by private benevolence or by public funds.

The Memorial Hospital in New York City, as you know, is one of the great cancer institutions in the world. Dr. James Ewing, director of this hospital, in a letter to the late Senator Copeland, discussing the proposed Cancer Institute Act, then before Congress, said:

> The first responsibility of the Government is to furnish first-class diagnosis and treatment to the patients for whom it is responsible, and I think that a broadly organized cancer institute, designed primarily for treatment and located in Washington, would probably be an effective step in this direction.

Dr. Max Cutler, director of the Chicago Tumor Institute, says, "The facilities for the modern treatment of cancer in this country are wholly inadequate. The perfecting of service to the cancer patient demands a personnel of great experience, a costly equipment and a perfect organization. The future development of cancer treatment must develop along the line of concentration and specialization."

Dr. Ludvig Hektoen, executive director of the National Advisory Cancer Council, in a recent address before the Institute of Medicine in Chicago, declared that the lack of early action in cancer calls for continued education of the public and the physician. Dr. Hektoen pointed out the "grievous lack of competent, accessible cancer service," and further stated:

> Enormous difficulties exist as shown by the amount of cancer that slips through into the incurable stage with its crushing burdens of distress. The essentials of cancer service must be brought closer and closer to the patient, actual or prospective. Here are needs that cannot be met without the organized cooperation of public and private agencies. How, for instance, can effective examinations, which are urged in order to detect precancerous processes and cancer in the curable stage, be secured for all classes of people without organized public provisions? Besides, what can be done by the patient himself, by the medical profession, and by private agencies, more public means and methods are required to give to all the benefits of the present possibilities of early treatment of cancer. The care of a large proportion of the patients inevitably falls on the community, and the earlier competent care is provided in each case the better for all concerned, including the community itself as a whole.

CANCER CONTROL IN ENGLAND

In England, with a population of 60,000,000 people as compared to 130,000,000 in the United States, the British Government has announced its intention to establish a cancer service which will make available for everyone modern facilities for the diagnosis and treatment of cancer. The mortality from cancer in England has also been steadily rising for many years and the annual number of deaths from the disease is now 70,000. It is computed that not more than 1 in every 4 patients with cancer at an accessible site, and less than that in whom the disease is deep seated, is given an opportunity for the cure or amelioration offered by the prompt application of modern methods. According to the Minister of Health, "There are vast resources of knowledge in our laboratories which are not yet carried through to the lives of the people." The estimated cost of this cancer service will be £700,000 a year, or approximately $3,500,000.

It is perfectly clear now to the outstanding cancer experts in this country—America—that if our present knowledge and present skillful technique in the diagnosis and treatment of cancer were made available to all classes of our people, the greatest present-day need in cancer control would be met.

In fact a recent study of this problem indicates that if every patient suffering from cancer in the United States could be given the benefit of the most modern methods of treatment the increased curability over present conditions would result in a saving of at least 25,000 lives annually. The proposed amendment to the National Cancer Institute Act will provide the machinery which should eventually bring about this annual saving of lives.

SCOPE OF PROPOSED AMENDMENT

This proposed amendment to the National Cancer Institute Act is for the broad purpose of enabling the Public Health Service—

To assist States, counties, cities, or other political subdivisions of the States to extend and improve measures through public and private institutions and organizations for the diagnosis, treatment, and control of cancer, including the provision of hospital, diagnostic, clinic, and other facilities for the diagnosis and treatment of persons suffering from cancer or suspected of suffering from this disease.

It seeks to give present cancer sufferers the maximum opportunity for life which is offered by modern science.

The amendment conforms in structure and principle to the legislation embodied in title VI of the Social Security Act, authorizing the Public Health Service to cooperate with States, counties, and municipalities in establishing and maintaining adequate public-health services, and it is similar also to the Venereal Disease Control Act of May 24, 1938, authorizing the Public Health Service to cooperate with States, counties, health districts, and other political subdivisions of the States in the prevention, treatment, and control of the venereal diseases. Cooperative activities under both of these measures are progressing harmoniously and effectively with funds provided by Congress to the Public Health Service.

All over the country there is great need for providing modern facilities for cancer diagnosis and treatment and for enabling persons in need to meet the cost of treatment.

I am told that there are eight States—Nevada, Idaho, South Dakota, Arizona, Wyoming, Alabama, New Mexico, and Arkansas—without a single up-to-date cancer clinic. In only six States is there an official State organization for cancer control.

The proposed legislation provides for grants-in-aid of funds to be made to the States on the basis of (1) population, (2) the death rate from cancer, (3) existing facilities for the diagnosis and treatment of cancer, and (4) the financial needs of the respective States. The District of Columbia, Alaska, and Hawaii are included in the amendment.

Prior to the beginning of the fiscal year, State health authorities of each State or other State cancer-control authority, with the approval of the health authorities, will submit to the Surgeon General of the Public Health Service and the National Advisory Cancer Council plans for the use of funds made available in accordance with the legislation. A State plan, to receive approval, must provide for State or local participation in the costs of the plan to at least the amount of Federal funds allotted, must provide for improving and extending facilities for cancer diagnosis and treatment, with preference being given to the treatment of needy persons, and must provide for the cooperation in the plan of appropriate professional groups. After approval of these plans, amounts to be paid to the States are certified to the Secretary of the Treasury.

The amendment provides for the appointment of two additional members of the National Advisory Cancer Council, and specified that, with the approval of the Secretary of the Treasury, the Surgeon General shall, after consultation with State and Territorial health officers and the council, prescribe rules and regulations necessary to carry out the purposes of the legislation.

A further provision of the legislation permits the admission of a limited number of persons suspected of having or known to be suffering from cancer to hospitals of the Public Health Service for purposes of diagnosis, treatment, and clinical study, when facilities for the care of such persons are available.

I earnestly ask your help and cooperation in spreading this educational movement to stop the inroads of this most dread disease. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. BUCK. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the disposition of business on the Speaker's table, the legislative program for the day, and other special orders, I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. HOLMES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter which I received from Corrington Gill, Assistant Administrator, showing two tables on the expenditure of P. W. A. money and the number employed during 1938 up to March 1, 1939.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. HOLMES]?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to include in my remarks made this afternoon on the subject of W. P. A. a resolution from the city of St. Paul, Minn.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. ALEXANDER]?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein an article from the Washington Post of March 30.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. ALEXANDER]?

There was no objection.

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by printing a speech I delivered on the floor of the House.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. SIROVICH]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BUCK. Mr. Speaker, I ask unanimous consent to amend the request I made a few moments ago in view of the existing special orders for Wednesday next, and I make the same request for 20 minutes to address the House on Thursday, after the disposition of matters on the Speaker's table and at the conclusion of special orders heretofore made.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. BUCK]?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. MOUTON, for 8 days, on account of Government business.

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell us the program for next week?

Mr. RAYBURN. On Monday we will take up bills on the Consent Calendar and suspensions, if there are any. On Tuesday the Committee on Foreign Affairs will present a bill, on which the Committee on Rules will bring in a rule, having to do with various lands in Mexico. On Wednesday we will call the Calendar of Committees. On Thursday the Committee on Appropriations will present the appropriation bill for the District of Columbia. The consideration of this bill usually takes but a day. If we get through in 1 day with that bill, we will adjourn from Thursday until Monday.

Mr. MARTIN of Massachusetts. The gentleman does not know if there are any suspensions to come up on Monday?

Mr. RAYBURN. No. I have not consulted with the Speaker on that.

The SPEAKER. The Chair will take the liberty of stating that the Private Calendar will be called on Tuesday next after the matter referred to has been disposed of.

Mr. RAYBURN. Yes. I had forgotten about that. After consideration of the bill referred to, we will call up the bills on the Private Calendar.

Mr. MARTIN of Massachusetts. Does the gentleman know whether any committees that will have the call on Wednesday have any bills of major importance?

Mr. RAYBURN. I do not know what committee has the call. The committees have not been very anxious to bring up bills on Calendar Wednesday. That is the complete program for next week, as far as I know.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

There was no objection.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 25 minutes p. m.), the House, under its previous order, adjourned until Monday, April 3, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue on Saturday, April 1, 1939, at 10 a. m., on social-security legislation in the Ways and Means Committee room in the New House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Business Research Subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Monday, April 3, 1939. Business to be considered: Hearing on H. R. 3395—business-research bill.

There will be a meeting of the subcommittee of the Interstate and Foreign Commerce Committee on the trust-indenture bill (H. R. 5220). The hearings are to be held in the Interstate and Foreign Commerce Committee room beginning April 4, 1939, at 10 a. m. The hearings will be continued on April 5 and 6. Proponents of the bill will be heard on the 4th and opponents on the 5th and 6th.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 4, 1939, at 10:30 a. m., to continue hearings on the project for the Connecticut River, Conn. and Mass.

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs in the committee rooms, Capitol, Tuesday, April 4, 1939, at 10 a. m., for the consideration of H. R. 5031, for the relief of the sufferers from the earthquake in Chile and discussion as to the procedure with reference to amendments to the neutrality law.

COMMITTEE ON THE JUDICIARY

There will be a public hearing before Subcommittee No. 4 of the Committee on the Judiciary at 10 a. m. on Wednesday, April 5, 1939, on the bill (H. R. 4236) to provide for the more expeditious settlement of disputes with the United States, and for other purposes. The hearing will be held in the Judiciary Committee room, 346 House Office Building.

There will be a public hearing before Subcommittee No. 3 of the Committee on the Judiciary at 10 a. m. Friday, April 7, 1939, on the bill (H. R. 5138) to make unlawful attempts to overthrow the Government of the United States, to require licensing of civilian military organizations, to make unlawful attempts to interfere with the discipline of the Army and Navy, to require registration and fingerprinting of aliens, to enlarge the jurisdiction of the United States circuit court of appeals in certain cases, and for other purposes. The hearing will be held in the Judiciary Committee room, 346 House Office Buidling.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

Tuesday, April 4, 1939:

H. R. 3209, making it a misdemeanor to stow away on vessels; H. R. 3398, regarding the down payment for construction of new vessels; H. R. 3935, relating to the discharge of seamen.

Wednesday, April 5, 1939:

H. R. 3052, uniform insignia for Naval Reserve radio operators; H. R. 1010, intercoastal subsidy bill (WELCH).

Thursday, April 6, 1939:

H. R. 1011, acquisition of drydock facilities for United States Maritime Commission on San Francisco Bay (WELCH); H. R. 2870, acquisition of drydock facilities for United States Maritime Commission at Los Angeles (THOMAS F. FORD); H. R. 3040 acquisition of drydock facilities for United States Maritime Commission at Los Angeles (GEYER of California).

Tuesday, April 11, 1939:

H. R. 1783, inspection of hulls of sail vessels and barges (BLAND); H. R. 1785, motorboat bill (BLAND); H. R. 1795, motorboat bill (HENDRICKS); H. R. 1809, inspection of motorboats, 15 gross tons up (MAGNUSON); H. R. 2398, regarding pilots on yachts (ANGELL); H. R. 3837, inspection of motorboats, 15 gross tons up (CONNERY).

Thursday, April 13, 1939:

H. R. 4220, load-line bill for seagoing vessels (BLAND).

Thursday, April 13, 1939:

H. R. 2404, surgeon and hospital on vessels (SIROVICH); H. R. 2660, limitation of liability (SIROVICH); House Joint Resolution 153 and House Joint Resolution 194, investigate conditions pertaining to lascar seamen (SIROVICH).

Wednesday, April 19, 1939:

On Wednesday, April 19, 1939, at 10 a. m., the Committee on Merchant Marine and Fisheries will resume hearings on the bill H. R. 5130, to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

595. A letter from the Secretary of the Interior, transmitting the draft of proposed legislation to add certain lands to the Papago Indian Reservation in Arizona; to the Committee on Indian Affairs.

596. A letter from the Assistant Secretary of the Department of the Interior, transmitting a copy of a resolution passed by the Saint Thomas Harbor Board at a special meeting held on March 8, 1939; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. RANKIN: Committee on World War Veterans' Legislation. H. R. 5452. A bill to provide certain benefits for World War veterans and their dependents, and for other purposes; without amendment (Rept. No. 357). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHANDLER: Committee on the Judiciary. H. R. 5497. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; without amendment (Rept. No. 358). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. House Joint Resolution 241. Joint resolution providing for the participation of the United States in the celebration of the one hundred and fiftieth anniversary of the establishment of the United States Lighthouse Service; without amendment (Rept. No. 359). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 5375. A bill to promote nautical education, and for other purposes; without amendment (Rept. No. 360). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1708) granting an increase of pension to Mack C. Ratcliff; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 1736) granting a pension to Albert B. McDaniel; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 5107) granting an increase of pension to Annie S. Wynne; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 5204) granting a pension to William McCans; Committee on Claims discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Missouri:

H. R. 5471. A bill to amend the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended, and for other purposes; to the Committee on Military Affairs.

By Mr. CALDWELL:

H. R. 5472. A bill to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended, authorizing the Secretary of War to extend the services and operations of the Inland Waterways Corporation to Carrabelle, Fla.; to the Committee on Interstate and Foreign Commerce.

By Mr. CANNON of Florida:

H. R. 5473. A bill to authorize the erection of a memorial to commemorate the services of the American forces of the War with Spain; to the Committee on the Library.

By Mr. CROSSER:

H. R. 5474. A bill to amend the Railroad Unemployment Insurance Act, approved June 25, 1938; to the Committee on Interstate and Foreign Commerce.

By Mr. GEHRMANN:

H. R. 5475. A bill to protect the public health by regulating the importation of dairy products into the United States; to the Committee on Ways and Means.

By Mr. DIMOND:

H. R. 5476. A bill to create the Alaska Fisheries Commission, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. O'CONNOR:

H. R. 5477. A bill for the benefit of the Indians of the Crow Reservation, Mont., and for other purposes; to the Committee on Indian Affairs.

By Mr. POWERS:

H. R. 5478. A bill to provide for the maintenance at public expense of two mounts for officers of the Regular Army who are designated as mounted officers; to the Committee on Military Affairs.

By Mr. SWEENEY:

H. R. 5479. A bill granting annual and sick leave with pay to substitutes in the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. SMITH of Washington:

H. R. 5480. A bill to provide for the construction of a post-office building at Pe Ell, Wash.; to the Committee on Public Buildings and Grounds.

By Mr. BROOKS:

H. R. 5481. A bill requiring all aliens to declare allegiance to the United States within 30 days; to the Committee on Immigration and Naturalization.

By Mr. DOUGHTON:

H. R. 5482. A bill to increase the authorization for appropriations for the administration of State unemployment compensation laws; to the Committee on Ways and Means.

By Mr. SHAFER of Michigan:

H. R. 5483. A bill to provide for the registration forthwith of aliens employed by the United States Government, or any agency, bureau, or corporation thereof; to the Committee on the Civil Service.

By Mr. EVANS:

H. R. 5484. A bill for the registration of aliens employed by the United States of America or any department, administration, bureau, corporation, or agency thereof; to the Committee on the Civil Service.

By Mr. GAVAGAN:

H. R. 5485. A bill permitting the War Department to transfer old horses and mules to the care of reputable humane organizations; to the Committee on Expenditures in the Executive Departments.

By Mr. DARDEN:

H. R. 5486. A bill to extend the time for filing claims for refund of amounts collected under the Agricultural Adjustment Act; to the Committee on Ways and Means.

By Mr. GEHRMANN:

H. R. 5487. A bill to amend the Revenue Act of 1936 by extending the time for filing claims for refund of processing taxes to January 1, 1940; to the Committee on Ways and Means.

By Mr. RANDOLPH:

H. R. 5488. A bill to provide for the widening of Wisconsin Avenue in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. SABATH:

H. R. 5489. A bill to allow credits against the title IX tax of the Social Security Act for contributions to unemployment funds required by State law, irrespective of time of payment; to the Committee on Ways and Means.

By Mr. FISH:

H. J. Res. 254. Joint resolution to keep the United States out of foreign wars, and to provide for the neutrality of the United States in the event of foreign wars; to the Committee on Foreign Affairs.

By Mr. EDMISTON:

H. J. Res. 255. Joint resolution to provide for the erection of a memorial to the memory of Thomas J. (Stonewall) Jackson; to the Committee on the Library.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DARDEN:

H. R. 5490. A bill relating to the military record of Irving L. Leafe; to the Committee on Military Affairs.

By Mr. HUNTER:

H. R. 5491. A bill to pay salary of Ruth Dornsife; to the Committee on Claims.

By Mr. McLEOD:

H. R. 5492. A bill for the relief of John Lawler Harrigan; to the Committee on Naval Affairs.

By Mr. O'CONNOR:

H. R. 5493. A bill for the relief of Burr A. Davison; to the Committee on Claims.

By Mr. PETERSON of Florida:

H. R. 5494. A bill for the relief of John Marinis, Nicolaos Elias, Ihoanis or Jean Demetre Votsitsanos, and Michael Votsitsanos; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2219. By Mr. ASHBROOK: Petition of Russell Tish and 38 others, asking for an increased Works Progress Administration appropriation; to the Committee on Appropriations.

2220. By Mr. CURLEY: Letter of Local Union No. 488, United Brotherhood of Carpenters and Joiners of America, Bronx, New York City, supporting House bill 4576; to the Committee on Appropriations.

2221. By Mr. KENNEDY of Maryland: Petition of repeal associates, protesting against House bill 3650, returning prohibition to the District of Columbia; to the Committee on the District of Columbia.

2222. By Mr. MARTIN J. KENNEDY: Petition of Lodge No. 112, Brotherhood of Locomotive Firemen and Enginemen, Sioux City, Iowa, urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2223. Also, petition of Lodge No. 1234, International Association of Machinists, Titusville, Pa., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2224. Also, petition of the Joint Board Lodge, No. 581, Brotherhood of Locomotive Firemen and Enginemen, Willard, Ohio, urging passage of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2225. Also, petition of Millard Division, No. 104, Order of Railway Conductors of America, Middletown, N. Y., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2226. Also, petition of Ernest Brocker Lodge, No. 677, Brotherhood of Locomotive Firemen and Enginemen, Silsbee, Tex., urging passage of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2227. Also, petition of Rock Island (Ill.) Local No. 529, International Association of Machinists, urging passage of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2228. By Mr. KEOGH: Petition of Peter C. Giambalvo, national supreme master, Independent Order Sons of Italy, favoring the passage of House bill 2856; to the Committee on Immigration and Naturalization.

2229. Also, petition of the Saranac Lake Free Library, Saranac Lake, N. Y., concerning the Harrison-Thomas-Fletcher Federal-aid legislation; to the Committee on Education.

2230. Also, petition of Attucks School, Kansas City, Mo., concerning House bill 3517; to the Committee on Education.

2231. Also, petition of the Legislative Commission of the National Education Association of the United States, concerning the Harrison-Thomas Federal-aid bill; to the Committee on Education.

2232. Also, petition of the State, County, and Municipal Workers of America, concerning the O'Day bill (H. R. 101); to the Committee on Ways and Means.

2233. Also, petition of the United Automobile Workers of America, Detroit, Mich., favoring the President's recommendation for $150,000,000 additional appropriation for Works Progress Administration; to the Committee on Appropriations.

2234. Also, petition of the Moran Towing & Transportation Co., Inc., New York City, concerning appropriation for river and harbor work; to the Committee on Appropriations.

2235. Also, petition of the Parent-Teacher Association of Newhebron High School, Newhebron, Miss., concerning the Harrison-Thomas-Larrabee Federal-aid legislation; to the Committee on Education.

2236. Also, petition of the United Federal Workers, New York City, favoring the President's recommendation of $150,000,000 for Works Progress Administration; to the Committee on Appropriations.

2237. Also, petition of the superintendent of schools, Dickey County, Ellendale, N. Dak., concerning the Harrison-Thomas Federal-aid bill; to the Committee on Education.

2238. By Mr. LECOMPTE: Petition of subscribers of the Martinsburg Mutual Telephone Co., of Martinsburg, Iowa, favoring the amendment to the wage and hour law to exempt telephone exchanges with 1,000 or less subscribers from its provisions; to the Committee on Labor.

2239. By Mr. McCORMACK: Memorial of the General Court of Massachusetts, Hon. F. W. Cook, secretary of the Commonwealth, memorializing Congress in favor of legislation providing for the reimbursement by the Federal Government of cities and towns for the amount of welfare aid and relief granted by them to aliens; to the Committee on Ways and Means.

2240. By Mr. PFEIFER: Petition of the State, County, and Municipal Workers of America, New York district, Association of Hospital and Medical Employees, Local 129, concerning an extension of the National Social Security Act according to the provisions of the O'Day bill (H. R. 101); to the Committee on Ways and Means.

2241. Also, petition of the United Federal Workers, Locals 96, 100, and 109, New York City, urging the passage of the $150,000,000 deficiency appropriation for Works Progress Administration and the Byrnes bill (S. 1265); to the Committee on Appropriations.

2242. Also, petition of the International Union United Automobile Workers of America, Detroit, Mich., favoring the $150,000,000 deficiency appropriation for Works Progress Administration; to the Committee on Appropriations.

2243. Also, petition of the Moran Towing & Transportation Co., Inc., New York City, urging the maximum appropriation recommended for river and harbor work; to the Committee on Appropriations.

2244. Also, petition of the State, County, and Municipal Workers of America, New York district, concerning tax on salaries of Federal employees; to the Committee on Ways and Means.

2245. Also, petition of the National Parks Association, Washington, D. C., favoring the creation of the John Muir-Kings Canyon National Park in California, House bill 3794; to the Committee on the Public Lands.

2246. Also, petition of the Independent Order Sons of Italy, New York City, urging consideration of House bill 2856; to the Committee on Immigration and Naturalization.

2247. Also, petition of the Anti-Cruelty Society, Chicago, Ill., urging support of House bill 3540 and Senate bill 1045; to the Committee on Foreign Affairs.

2248. By Mr. SCHIFFLER: Petition of John Deison, Jr., and 63 other members of the Onlzed Rod and Gun Club, of Fairmont, W. Va., urging that every attempt to repeal the act known as the Pittman-Robertson Act be defeated; to the Committee on Agriculture.

2249. By Mr. VREELAND: Memorial of the Legislature of the State of New Jersey, memorializing the Congress of the United States to consider its Joint Resolution No. 1, to refuse enactment of legislation which would becloud the sovereign rights of the State of New Jersey in its submerged lands; to the Committee on the Public Lands.

2250. By Mr. WHEAT: Petition of certain persons of Mattoon, Coles County, Ill., to promote the general welfare of the people of the United States by securing the passage of legislation which will stop, as far as possible, the advertising campaign by press and radio for the sale of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

2251. By the SPEAKER: Petition of A. St. Clair, of San Francisco, Calif., and others, petitioning consideration of their resolution with reference to Works Progress Administration appropriation deficiency; to the Committee on Appropriations.

SENATE

MONDAY, APRIL 3, 1939

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty, everlasting God, who, by Thy tender mercy toward mankind, hast sent Thy Son, Jesus Christ, to be the revelation of Thyself and to enclose Thy love toward us in

robe of flesh that we might slowly learn with human eyes to spell the infinite meanings of our life: Grant in this holy week that we may find Him to be the true and living way.

We have seen many a righteous cause betrayed, its lofty dreams dispersed before the unyielding facts of life; at times the days hang heavy on our hands and the evening often finds the morning promise unfulfilled; the faces of the poor are ground; men labor still for naught, and we are tempted to despair; but, as in reverent thought we follow Him to the holy hill of consecration, teach us anew the meaning of the cross, its message of forgiveness and redemption as it lays bare Thy loving heart in Him who gave His life for all the world, Jesus, Thy Son, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, March 31, 1939, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolution:

On March 25, 1939:

S. 1098. An act to amend section 12 of the Soil Conservation and Domestic Allotment Act, as amended, by authorizing advances for crop insurance; and

S. J. Res. 76. Joint Resolution to authorize the Postmaster General to withhold the awarding of star-route contracts for a period of 45 days.

On March 27, 1939:

S. 876. An act to authorize the purchase of certain lands for the Apache Tribe of the Mescalero Reservation, N. Mex.; and

S. 1477. An act to repeal section 9 of the act of March 3, 1875 (18 Stat. L. 450), as amended.

On March 28, 1939:

S. 877. An act to add certain public-domain land in Montana to the Rocky Boy Indian Reservation;

S. 1104. An act to provide for conveying to the United States the land, buildings, and improvements comprising the Choctaw and Chickasaw Sanatorium and General Hospital;

S. 1301. An act to create the office of Military Secretary to the General of the Armies of the United States of America, with the rank of colonel, and for other purposes; and

S. 1476. An act to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Downey	Lee	Radcliffe
Andrews	Ellender	Lewis	Reed
Ashurst	Frazier	Lodge	Russell
Austin	George	Logan	Schwartz
Bankhead	Gerry	Lucas	Schwellenbach
Barbour	Gillette	Lundeen	Sheppard
Barkley	Glass	McCarran	Shipstead
Bilbo	Green	McKellar	Smathers
Bone	Guffey	McNary	Smith
Borah	Gurney	Maloney	Stewart
Brown	Harrison	Mead	Taft
Bulow	Hatch	Miller	Thomas, Okla.
Burke	Hayden	Minton	Thomas, Utah
Byrnes	Herring	Murray	Townsend
Caraway	Hill	Neely	Tydings
Chavez	Holman	Norris	Vandenberg
Clark, Mo.	Hughes	Nye	Wagner
Connally	Johnson, Calif.	O'Mahoney	Wheeler
Danaher	Johnson, Colo.	Overton	White
Davis	King	Pepper	Wiley
Donahey	La Follette	Pittman	

Mr. MINTON. I announce that the Senator from West Virginia [Mr. HOLT] is detained from the Senate because of a death in his family.

The Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. BYRD], the Senator from Illinois [Mr. LEWIS], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Missouri [Mr. TRUMAN] are absent on important public business.

The Senator from Idaho [Mr. CLARK], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained.

Mr. McNARY. I announce that the Senator from Kansas [Mr. CAPPER] is absent because of a death in his family.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. There is a quorum present.

SUPPLEMENTAL ESTIMATE, COUNCIL OF PERSONNEL ADMINISTRATION

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation for the Council of Personnel Administration for the fiscal year 1939, amounting to $15,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, LEGISLATIVE ESTABLISHMENT

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation for the legislative establishment, United States Senate, contingent expenses, fiscal year 1939, amounting to $15,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PUNISHMENT OF RECEIVERS OF ARTICLES STOLEN FROM THE MAILS

The VICE PRESIDENT laid before the Senate a letter from the Acting Postmaster General, transmitting a draft of proposed legislation to amend the penal laws of the United States to provide punishment of receivers of stolen articles from the mails, which, with the accompanying paper, was referred to the Committee on Post Offices and Post Roads.

AGRICULTURAL EXPERIMENT STATIONS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, a report covering the receipts and expenditures, and work of the agricultural experiment stations in the States, Hawaii, Alaska, and Puerto Rico, for the fiscal year ended June 30, 1939, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry.

REPORT OF THE BOY SCOUTS OF AMERICA

The VICE PRESIDENT laid before the Senate a letter from the Chief Scout Executive of the Boy Scouts of America, transmitting, pursuant to law, the Twenty-ninth Annual Report of the Boy Scouts of America, which, with the accompanying papers, was referred to the Committee on Education and Labor.

REPORT OF AMERICAN WAR MOTHERS

The VICE PRESIDENT laid before the Senate a letter from the national president of the American War Mothers, transmitting, pursuant to law, the report of the American War Mothers for the period from October 1, 1937, to October 1, 1938, which, with the accompanying report, was referred to the Committee on Military Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of Kansas, which was referred to the Committee on Agriculture and Forestry:

House Concurrent Resolution 16

Concurrent resolution memorializing the Congress of the United States to keep intact the embargo on livestock and its products from Argentina

Whereas the foot-and-mouth disease is prevalent among livestock in Argentina; and

Whereas the present embargo placed on Argentina livestock prevents the importation of livestock and its products from Argentina,

thus preventing the spread of this disease among livestock in our country: Now, therefore, be it

Resolved by the House of Representatives of the State of Kansas (the senate concurring therein), That we request and urge the Congress of the United States to continue its vigilant guard against the importation of livestock and its products from Argentina and other countries infected with disease, encourage the Department of Agriculture to keep the embargo on Argentina livestock intact and discourage any trade agreements whereby the terms of said embargo will be circumvented; and be it further

Resolved, That this resolution be engrossed by the chief clerk of the house of representatives and the secretary of the senate and that copies thereof be transmitted by the secretary of state to the Senate and House of Representatives of the United States and to several Members of said bodies representing this State therein, and to the President of the United States.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of Kansas, which was referred to the Committee on Education and Labor:

House Concurrent Resolution 10

Concurrent resolution memorializing Congress in regard to certain provisions of the National Housing Act amendments of 1938.

Whereas Congress enacted in 1938 the so-called National Housing Act (H. R. 8730) amendments of 1938; and

Whereas subsection (a) of section 2 of the National Housing Act as amended in 1938 which relates to insurance against certain losses and which authority expires on July 1, 1939; and

Whereas section 203 (a) limits mortgages to be insured after July 1, 1939, to (1) loans upon property not yet completed, (2) loans upon dwelling houses commenced since January 1, 1937, or (3) loans upon dwelling houses constructed prior to January 1, 1937, where such houses have previously been a security for an insured loan; and

Whereas section 203b (3) provides that until July 1, 1939, the maturity of mortgage insurance is 20 years and after such date will be 25 years from the date of the insurance of the mortgage; and

Whereas section 203 (c) relating to premium charges for insurance of mortgages expires on July 1, 1939; and

Whereas section 204 (a) relating to the payment of insurance expires on July 1, 1939: Now, therefore, be it

Resolved by the House of Representatives of the State of Kansas (the senate concurring therein), That the Congress of the United States at its present sitting be, and the same is hereby, urgently requested to enact such legislation, that will extend the provisions mentioned in the preamble to this resolution to those parts of the National Housing Act amendments of 1938 (H. R. 8730), which expire; and be it further

Resolved, That this resolution be engrossed by the chief clerk of the house of representatives and the secretary of the senate and that copies thereof be transmitted by the secretary of state to the Senate and House of Representatives of the United States and to the several Members of said bodies representing this State therein, and to the President of the United States.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of Kansas, which was referred to the Committee on Immigration:

Senate Concurrent Resolution 28

Resolution memorializing the Federal Congress to enact adequate legislation providing for speedy deportation of all alien residents who do not signify their willingness, desire, and intention to become citizens of the United States within a reasonable time after entry into the United States of America.

Whereas it is estimated that there are approximately 8,000,000 residents within the boundaries of the United States of America who have neither become naturalized nor filed any declaration of intention to become citizens of this Nation; and

Whereas this large group of alien residents provides a fertile field for agitators and organizations who are not in sympathy with the American form of government; and

Whereas it is the sense of the Legislature of the State of Kansas that this large group of alien residents should not be permitted to enjoy the freedom and privileges of this Nation without assuming the corresponding duties and obligations of citizenship: Now, therefore, be it

Resolved by the Senate of the State of Kansas (the house of representatives concurring therein), That the Federal Congress be, and it is hereby, requested to direct its attention to this condition and to enact adequate legislation which will provide for speedy deportation of all alien residents of this country who do not within a reasonable time signify their willingness, desire, and intention, and qualify, to assume the obligations of citizenship of the United States of America; be it further

Resolved, That the secretary of state be, and he is hereby, directed to transmit properly authenticated copies of this resolution to each branch of the Congress, to each Member of the Kansas congressional delegation, and to each of the United States Senators from Kansas; be it further

Resolved, That the secretary of state forthwith transmit properly authenticated copies of this resolution to each of the legislatures of the several States of the Union which are now in session, same for their consideration and action, if they so desire.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of Kansas, which was referred to the Committee on the Judiciary:

House Concurrent Resolution 12

Concurrent resolution memorializing the Congress of the United States to pass a Federal antilynching law

Whereas during the first 6 months of the year 1938 and while there was pending before the Congress of the United States a Federal antilynching bill, during which time not one lynching was reported within the territorial limits of these United States; and

Whereas during the second 6 months of the year 1938 and immediately after the adjournment of the Congress of the United States without having passed a Federal antilynching bill there occurred seven lynchings in various States of the Union in rapid succession; and

Whereas the Congress of the United States of America is again in session, and there has been introduced in the United States Senate bill No. 845 by Senators WAGNER, VAN NUYS, and CAPPER, a new Federal antilynching bill to assure to persons within the jurisdiction of every State the equal protection of the laws, and to punish the crime of lynching; and

Whereas it is the desire of the people of the State of Kansas as expressed by their legislature now in session to insure to all persons of every State the equal protection of laws, and to punish the heinous crime of lynching, which is in violation of every tenet of law and order and against the principles and ideals of American government: Now, therefore, be it

Resolved by the House of Representatives of the State of Kansas (the senate concurring therein), That we request and urge the Congress of the United States to pass during the present session the antilynching bill, same being Senate bill No. 845; be it further

Resolved, That sufficient copies of this resolution shall be printed and the secretary of state is hereby directed to transmit a copy of the same to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, and to each Member of the Kansas delegation in the National Congress.

The VICE PRESIDENT also laid before the Senate the following resolution of the Legislature of Nebraska, which was referred to the Committee on Commerce:

Legislative Resolution 23

REPUBLICAN VALLEY FLOOD CONTROL

Whereas the Congress of the United States, by the adoption of acts pertaining to flood control and reclamation, has recognized responsibility on the part of the Federal Government to control the destructive floodwaters of the basins of the Mississippi and Missouri Rivers, has declared this to be a national problem, and has heretofore authorized the expenditure of Federal funds in considerable amounts in the area for the improvement of conditions resulting from floods and drought; and

Whereas the Republican River Valley drainage area in Nebraska, settled by people who are and have been making every effort to better their condition in the face of adverse circumstances beyond their control, comprises many hundreds of thousands of acres of valuable land which has been greatly damaged by floods and drought; and

Whereas the Republican River Valley in Nebraska, a part of the great drainage area of the Missouri and the Mississippi Rivers, has thus far received but scant Federal recognition for conservation and reclamation; and

Whereas, as a result of the 1935 floods in that valley, over 100 persons lost their lives, the property loss was tremendous, and much of the fertile and valuable land in the valley has been imperiled and made subject to repeated damage from floodwaters, while, on the other hand, many thousands of acres in the area are in urgent need of the waste waters of the river for irrigation; and

Whereas a constructive and comprehensive Federal program for the protection of life and property from destructive floods and drought within the drainage area of the Republican River, including its tributaries, is admittedly a national problem, and is needed for the control, conservation, development, and beneficial use of the water and land resources of said area as affecting the well-being of the hundreds of thousands of its citizens: Be it

Resolved by the Unicameral Legislature of Nebraska, That the Congress of the United States be, and it is hereby, requested and urged to cause to be made full, complete, and comprehensive survey and investigation into the claims of the residents of the Republican River Valley in Nebraska for flood control and reclamation therein, including the storing, preservation, and distribution of the waste and floodwaters of said river and its tributaries for beneficial use;

That the Congress be, and it is, urged to make early appropriation of Federal funds to insure the inauguration and carrying on of internal-improvement projects within said valley, and that the proper Federal agencies be empowered and directed to give early and careful consideration to the feasibility and advisability of constructing and maintaining dams in said area in Nebraska, including the various tributaries of the Republican River, for the Federal purpose of flood control, conservation, and other beneficial use of the water, including that of irrigation;

That a copy of this resolution be sent by the chief clerk of this unicameral legislature to each of the following: The President of the United States, the Honorable Franklin D. Roosevelt; United States Senator, the Honorable George W. Norris; United States Senator, the Honorable Edward R. Burke; to each of the five Congressman from Nebraska, to wit, the Honorable Carl T. Curtis, the Honorable Karl Stefan, the Honorable Charles F. McLaughlin, the Honorable Harry Coffee, the Honorable George H. Heinke; the Vice President of the United States, the Honorable John N. Garner, as President of the Senate; the Speaker of the House of Representatives, the Honorable William B. Bankhead; the Secretary of the United States Department of Agriculture, the Honorable Henry A. Wallace; the Secretary of Commerce of the United States, the Honorable Harry Hopkins; the Secretary of War of the United States, the Honorable Harry H. Woodring; the Secretary of the Interior of the United States, the Honorable Harold L. Ickes; the Governor of Nebraska, the Honorable R. L. Cochran; the Chief of the Army Engineers, Maj. Gen. Julian L. Schley, Washington, D. C.; the Office of Army Engineers, Kansas City, Mo.; the Mississippi Valley Flood Control Association; the National Rivers and Harbors Congress; the National Reclamation Association; the chairman of each congressional committee in Congress which has to do with the appropriation of Federal funds for the conservation of national resources; the Governors, respectively, of Kansas and Colorado.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the Territory of Hawaii, which was referred to the Committee on Irrigation and Reclamation:

Concurrent resolution requesting the Congress of the United States to include in any reclamation program it may adopt a project for the development of water resources on the Island of Molokai

Be it resolved by the House of Representatives of the Legislature of the Territory of Hawaii (the senate of said legislature concurring):

Whereas a large portion of the Island of Molokai, Territory of Hawaii, is arid land not fit for agricultural purposes; and

Whereas surveys made by competent engineers under governmental authority have disclosed that the topographical structure of said island will lend itself well to the development of said arid land through proper diversion of the water resources of said island; and

Whereas the people of the Island of Molokai and of the Territory of Hawaii as a whole would greatly benefit by a development of the water resources of said island; and

Whereas the estimated cost of carrying such a project to completion is $5,000,000: Now, therefore, be it

Resolved, That the Congress of the United States be, and it is hereby respectfully urged and requested, to include in any program of reclamation which it may adopt a project for the development of the water resources of the Island of Molokai, Territory of Hawaii, and that it appropriate for that purpose the sum of $5,000,000; be it further

Resolved, That duly authenticated copies of this resolution be sent to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Delegate to Congress from Hawaii and the Director of Territories and Island Possessions of the Department of the Interior of the United States.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the Territory of Alaska, which was referred to the Committee on Education and Labor:

Senate Joint Memorial 9

To the Congress of the United States and to the Honorable A. J. Dimond, Delegate in Congress from Alaska:

Your memorialist, the Legislature of the Territory of Alaska, in fourteenth regular session assembled, respectfully represents:

Whereas the Seventy-fifth Congress of the United States passed an act which was approved on June 25, 1938, known and cited as the Fair Labor Standards Act of 1938, and popularly known as the wage and hour law; and

Whereas the said law provides for maximum hours and minimum pay for employees who are engaged in commerce or in the production of goods for commerce; and

Whereas there is some doubt as to whether the law applies to gold mining in the Territory of Alaska, and the question of its applicability cannot be determined until some action is brought in court in order to get an interpretation of the act with reference to gold mining in the Territory of Alaska; and

Whereas placer mining in the interior of Alaska is the chief industry of the second and fourth divisions; and

Whereas placer mining is seasonal and the application of the provisions of the Fair Labor Standards Act to placer mining operations is not practical for many reasons, including the following:

1. It is not possible to specify the number of days in any one season during which mining operations can be carried on, as the seasons vary in different districts and with different types of operations, and the length of the season is to a large extent governed by weather conditions, which change from year to year, so that placer mining operations, while highly seasonal, are not uniform.

2. That wages paid in placer mining operations in Alaska are much higher than wages paid for other employment, either within or without the Territory, and men employed are mostly skilled laborers who must earn sufficient during the short mining season to support them during the winter months, and if the pay were cut through reduction of working hours, it would work a great hardship on employees.

3. If the Fair Labor Standards Act is enforced in the placer mining industry, it will result in closing entirely many operations and curtailing others, as much of the ground now being worked over considerable areas is marginal ground, where the margin of profit will not justify any increased costs, and the enforcement of the law would have the effect of defeating the very purpose of the law and of curtailing employment.

4. Should the provisions of the law be strictly enforced, the earning capacity of men employed in the placer mining industry will be reduced to a point where they will not have sufficient funds to carry them through the winter months, thereby throwing them upon the Government for relief and subsistence.

5. That the placer mining industry is as seasonal in the Territory of Alaska as the fishing industry, which is exempted from the provisions of the law.

6. That if the provisions of the law were strictly enforced, it would result in lower pay for the workers and greatly increased costs, due to additional men required to do the same amount of work which can now be done by the present crews in the operations already being carried on and by a proportionate number of men in new operations during the coming season and the seasons thereafter.

Now, therefore, your memorialist earnestly requests that the Fair Labor Standards Act be amended so as to exempt from its provisions placer mining operations in Alaska in the same manner as the fishing industry is now exempted.

And your memorialist will ever pray.

The VICE PRESIDENT also laid before the Senate the following joint memorials of the Legislature of the Territory of Alaska, which were referred to the Committee on Post Offices and Post Roads:

Senate Joint Memorial 4

To the Honorable Congress of the United States:

Your memorialist, the Legislature of the Territory of Alaska, in the fourteenth regular session assembled, respectfully submits that:

Whereas there are three road-building agencies in the Territory of Alaska, namely, the Alaska Road Commission, under the Department of the Interior; the Bureau of Public Roads, under the Department of Agriculture; and the Territorial Board of Road Commissioners, a Territorial agency; and

Whereas it is believed that a single road-planning agency would function more efficiently and more economically and that the existing Territorial road-building agency understands the road needs and road problems in Alaska; and

Whereas the Territory of Alaska has contributed liberally in the past toward the construction of roads and will continue to support road development in the Territory to the limit of its financial ability; and

Whereas it is believed that the extension of the Federal Highway Act to the Territory of Alaska would not involve a greater expenditure of Federal funds than is now being expended under the existing arrangement; and

Whereas it is the sense of the Legislature of the Territory of Alaska that the people of Alaska should rightfully have a voice in the planning and building of all roads within the Territory and that the Territory is ready and willing to contribute on any equitable and fair basis toward highway construction within the Territory.

Wherefore, your memorialist respectfully petitions and prays that H. R. 1955, now before the Congress for the extension of the Federal Highway Act to the Territory of Alaska be enacted.

And your memorialist will ever pray.

Senate Joint Memorial 13

To the Honorable James A. Farley, Postmaster General, the Congress of the United States, and to the Honorable Anthony J. Dimond, Delegate to Congress from the Territory of Alaska:

Your memorialist, the Legislature of the Territory of Alaska, in fourteenth regular session assembled, respectfully submits that:

Whereas, due to the higher costs of living that prevail in Alaska as compared with those elsewhere in the United States; and

Whereas several governmental agencies have recognized this fact by putting into effect an increased salary scale; and

Whereas the Post Office Department has not been able to take such action, and its employees are therefore at a distinct disadvantage; and

Whereas Delegate DIMOND has introduced a bill (H. R. 2640) in the Seventy-sixth Congress, first session, asking for a 25-percent increase in pay for all Post Office Department employees in Alaska:

Now, therefore, your memorialist, the Legislature of the Territory of Alaska, endorses said measure and respectfully urges its speedy enactment by Congress.

And your memorialist will ever pray.

The VICE PRESIDENT also laid before the Senate the following memorials of the Legislature of the Territory of

Alaska, which were referred to the Committee on Public Lands and Surveys:

Senatorial Memorial 1

To the Congress of the United States and to the Honorable Anthony J. Dimond, Delegate to Congress from the Territory of Alaska:

Your memorialist, the Senate of the Territory of Alaska, in fourteenth regular session assembled, respectfully submits that:

Whereas it is generally believed that Alaska contains several important deposits of petroleum, gas, and oil; and

Whereas prospecting and drilling in endeavoring to discover oil in the fields where indications point to the existence of such deposits is naturally slow and expensive; and

Whereas under the present Oil Leasing Act of February 25, 1920 (41 Stat. L. 447), as amended, prospecting permits are first issued, which are in effect for a period of only 4 years, at the expiration of which period it is necessary to exchange such permits for leases, the terms and provisions of which are not practically applicable until production in commercial quantities is established; and

Whereas certain prospecting permits have been issued and vast sums of money have been expended in prospecting for oil and gas in the Territory, and, in one instance alone, the sum of $750,000 has already been expended and a well has been drilled to a depth of 7,156 feet, but that further time is absolutely essential in order to bring such well into production and to complete the prospecting work so that it is practicable and possible to comply with the terms of the lease under the act of February 25, 1920, as aforesaid; and

Whereas it is a matter of primary importance, both to the United States and to the Territory of Alaska, that the oil fields and oil deposits be developed at as early a date as possible, not only from a standpoint of national defense, but for the purpose of revenue in the form of royalties to the United States and taxes to the Territory of Alaska;

Now, therefore, your memorialist respectfully prays that the Oil Leasing Act of February 25, 1920 (41 Stat. L. 447), as amended, be immediately amended so as to extend the prospecting period and the life of prospecting permits to 6 years, the same to apply not only to new permits hereafter issued but to those already in existence, so that the life of all new permits may be 6 years instead of 4, and the life of those permits already in existence be extended for an additional period of 2 years.

And your memorialist will ever pray.

Senate Joint Memorial 16

To the Honorable President of the United States, the Speaker of the House of Representatives, President of the Senate of the United States, and the Honorable Anthony J. Dimond, Delegate from Alaska:

Your memorialist, the Legislature of the Territory of Alaska, in fourteenth regular session assembled, respectfully represents:

Whereas the Federal Government officials are again advocating the setting aside of Admiralty Island off the coast of Alaska as a national-park reserve; and

Whereas there is no need or demand on the part of the people of Alaska or other parts of the United States for such reservation; and

Whereas the national-park reservations in the Territory of Alaska have not been administered to the best interests of the people of the Territory and the United States; and

Whereas in national parks already existing in the Territory predatory animals have been allowed to increase and scatter to other parts of the Territory and to maraud to the great destruction of other game and fur-bearing wildlife both within and without the national parks; and

Whereas it is a matter of record that residents and settlers who have been brought within the bounds of national-park reservations in Alaska in the past have been persecuted and harassed by Park Service officials for the purpose of forcing them to move out of such boundaries;

Now, therefore, your memorialist strongly urges that Admiralty Island on the coast of Alaska do not be made a national-park reservation and that there be no other national-park reservations made in the Territory of Alaska on the grounds that they have proven detrimental to the best interests of the Territory and the United States.

And your memorialist will ever pray.

The VICE PRESIDENT also laid before the Senate House Memorial No. 1 of the Legislature of the Territory of Alaska, being identical with Senate Memorial No. 1 of that Territory, which was referred to the Committee on Public Lands and Surveys. (Supra.)

The VICE PRESIDENT also laid before the Senate the following joint memorials of the Legislature of the Territory of Alaska, which were referred to the Committee on Territories and Insular Affairs:

Senate Joint Memorial 5

To the Honorable the President of the United States, the Congress of the United States, the Secretary of the Interior, the Delegate in Congress from Alaska, and the Committees on Territorial and Insular Possessions in the Senate and House of Representatives of Congress:

Your memorialist, the Legislature of the Territory of Alaska, in fourteenth regular session assembled, respectfully submits that—

Whereas the interior of Alaska is a rich area capable of supporting a large population based upon mining and allied industries. This area embraces the Yukon and Tanana River Basins and the Alaska Rail Belt; and

Whereas the excessive freight tariffs imposed by the Alaska Railroad, if viewed in the light of an indirect tax, make the population depending upon the service of the Alaska Railroad the highest-taxed people in the world today; and

Whereas the Alaska Railroad under present policies is failing to realize the development objective for which the road was originally constructed. On the theory of making the railroad self-sustaining, freight tariffs are demanded which are so economically oppressive as to reduce tonnage and to stifle the needed development; and

Whereas the lowering of these excessive tariffs would encourage a much greater industrial and mining activity and would thereby multiply population and the consumption of manufactured and processed goods, thereby raising standards of living and increasing tonnage; and

Whereas the administrative authority delegated to Interior Department officials allowing the imposition of tolls on freight passing over Alaska highways has led to the unjust and unfair practice of imposing tolls for the purpose of forcing freight over the Alaska Railroad at a figure far above that commensurate with the value of similar services rendered in other parts of the United States:

Now, therefore, your memorialist respectfully urges that Congress adopt a resolution setting forth a policy of development as the aim of the Alaska Railroad, making appropriations to cover the costs of operations thereunder.

And your memorialist will ever pray.

Senate Joint Memorial 10

To the Congress of the United States and to the Honorable A. J. Dimond, Delegate in Congress from Alaska:

Your memorialist, the Legislature of the Territory of Alaska, in fourteenth regular session assembled, respectfully represents—

Whereas the Territory of Alaska has for a number of years expended great sums of money in an effort to control the damage to our fishing industry and fur industry by predators; and

Whereas for a period commencing April 1, 1937, and ending March 31, 1939, $245,000 were expended for predatory control, and whereas, notwithstanding this great expenditure of Territorial funds, the menace has not been abated; and

Whereas the organic act prohibits the Territorial legislature from making any rules or regulations governing fish or game; and

Whereas your petitioner, the Territorial Legislature of Alaska, feels that if it were enabled to regulate fish and game in cooperation with predatory control, more effective and efficient checking can be had:

Now, therefore, your memorialist earnestly requests that the organic act be amended so as to give the Territorial legislature authority to make regulations governing fish and game so as to protect our fishing and fur industry efficiently from predators and to enable us to make these important industries more permanent.

And your memorialist will ever pray.

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of Wisconsin, favoring the adoption of a stabilization program for butter prices, which was referred to the Committee on Agriculture and Forestry.

(See joint resolution printed in full when presented today by Mr. WILEY.)

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of Wisconsin, favoring the enactment of general-welfare legislation, providing old-age assistance, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented today by Mr. WILEY.)

The VICE PRESIDENT also laid before the Senate a resolution of the Hawaii Equal Rights Commission, favoring amendment of the so-called Ellender sugar bill (S. 69) so as to eliminate therefrom any and all discriminatory provisions, existing or potential, against the Territory of Hawaii, its people or industries, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a resolution of the Hawaii Equal Rights Commission, favoring an increase in the appropriation for the Hawaiian Agricultural Experiment Station from $55,000 to $80,000, which was referred to the Committee on Appropriations.

He also laid before the Senate petitions of sundry citizens of Brooklyn, N. Y., praying for an additional appropriation of $150,000,000 for the Works Progress Administration, as recommended by the President, which were referred to the Committee on Appropriations.

He also laid before the Senate the petition of the chairman and committee for the original stock and guaranteed mortgage certificate holders in the Fidelity Union Title & Mortgage Guarantee Co., of Newark, N. J., praying for an investigation of the operations of the company and its successors, the New Jersey Realty Co. and the New Jersey Realty Title Insurance Co., Newark, N. J., which, with the accompanying data, was referred to the Committee on Banking and Currency.

He also laid before the Senate a telegram from J. G. Berthold, secretary of the Huntington (W. Va.) Small Business Men's Association, relative to amendment of the National Labor Relations Act, taxes, slum clearance, and neutrality, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by a meeting of the Utah School Administrators, favoring the enactment of legislation granting Federal aid to the States for education, which was referred to the Committee on Education and Labor.

He also laid before the Senate a memorial of sundry citizens of Cincinnati, Ohio, remonstrating against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate a petition of sundry citizens of Montgomery, Ala., praying for the enactment of the so-called Wagner-Van Nuys-Capper antilynching bill, which was referred to the Committee on the Judiciary.

He also laid before the Senate a petition of sundry citizens of the United States, praying for the enactment of the so-called Wagner-Van Nuys-Capper antilynching bill, which was referred to the Committee on the Judiciary.

He also laid before the Senate a letter from the Italian-American Citizens Society, Altoona, Pa., relative to the immigration and naturalization laws, which was referred to the Committee on Immigration.

Mr. TYDINGS presented a resolution adopted by the Daughters of the American Revolution of Maryland, favoring the return of the frigate *Constellation* to Baltimore and to provide a permanent berth for the illustrious vessel at Fort McHenry, Md., which was referred to the Committee on Naval Affairs.

Mr. MEAD presented a petition of sundry citizens of New York State, praying for the enactment of House bill 11, a general-welfare bill providing old-age assistance, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Buffalo, N. Y., remonstrating against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

Mr. GILLETTE presented petitions of several thousand citizens of the State of Iowa, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. LEE. I present petitions concerning the same proposed legislation referred to in the petitions of the Senator from Iowa [Mr. GILLETTE] and ask that the body of one of the petitions be published in the RECORD and that the petitions all be referred to the appropriate committee.

The VICE PRESIDENT. Without objection, the body of one of the petitions will be printed in the RECORD, and the petitions themselves will be referred to the Committee on Interstate Commerce.

The body of one of the petitions referred to is as follows:

To the Members of the Senate and House of Representatives of the Congress of the United States:

We, the undersigned citizens of Oklahoma City, of the county of Oklahoma, of the State of Oklahoma, do respectfully petition you to help promote the general welfare of the people of the United States by securing the passage of legislation which will stop, so far as is possible by Federal law, the great advertising campaign for the sale of alcoholic beverages now going on by press and radio. The States cannot adequately regulate or prohibit the advertising of liquor so long as Congress permits such advertising through the medium of interstate commerce. Therefore we most earnestly urge your assistance in securing this proposed legislation in order that State regulations and laws upon the subject may thereby be made more adequate and effective and that radio advertising of alcoholic beverages may be stopped entirely.

Mr. BURKE presented petitions of sundry citizens of the State of Nebraska praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. SCHWELLENBACH presented petitions of sundry citizens of the State of Washington praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. STEWART presented petitions of sundry citizens of Tennessee praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. SHEPPARD presented petitions of sundry citizens of Abilene, Austin, Beaumont, Brownwood, Clarendon, Corsicana, Crandall, Denison, Denton, Fort Worth, Harlington, Hedley, Houston, Littlefield, Pearl, Perryton, Port Arthur, Plainview, Raymondville, Ropesville, San Antonio, San Marcos, Seagoville, Tahoka, Texarkana, Waco, Wichita Falls, and Weslaco, all in the State of Texas, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. LODGE presented a resolution of the General Court of Massachusetts favoring the enactment of legislation to provide for reimbursement by the Federal Government of cities and towns for the amount of welfare aid and relief granted by them to aliens, which was referred to the Committee on Claims.

(See resolution printed in full when laid before the Senate by the Vice President on the 31st ultimo, p. 5014 CONGRESSIONAL RECORD.)

Mr. WILEY presented the following joint resolution of the Legislature of Wisconsin, which was referred to the Committee on Agriculture and Forestry:

Senate Joint Resolution 29

Joint resolution urging the Secretary of Agriculture of the national administration to continue the stabilization program for butter prices

Whereas the A. A. A. was established by an act of the Federal Congress to stabilize the price of five basic agricultural commodities, namely, wheat, corn, cotton, tobacco, and peanuts; and

Whereas in May of 1938, the commodities stabilized under the authority of said act were expanded to include butter; and

Whereas pursuant to the authority of said act, the price of butter was stabilized since May of 1938 at 75 percent of its parity price. The parity price of butter for stabilization purposes was fixed at 34½ cents per pound. The 75 percent thereof was 25½ cents per pound. The parity price was fixed by a careful determination of the related price of butter to the equivalent cost of staple consumer's goods. This method permitted the stabilized or pegged price of butter to be reasonably effective and consistent with prevailing consumer's costs; and

Whereas it is urgent and in the interest of a sound present agricultural economy to continue with the stabilization policy as it has pertained to the basic agricultural commodity of butter, particularly in view of an unprecedented accumulation of the butter surplus during the early and late fall months of the year 1938. Normally production at that season falls considerably below the peak production period of the summer months. Consequently the dammed-up surplus clogged the market and forced the price downward. A more serious spiralling downward of the price to the producer was stayed due largely to the influence of the butter price stabilization policy; and

Whereas it was observed that on Thursday, March 9, 1939, the Secretary of Agriculture and the agricultural commodities stabilization authority suspended the policy of stabilization of butter prices. The suspension or removal of this policy as to butter immediately caused the prevailing market price of butter to drop from 25 cents to 23 cents per pound, or a drop of 2 cents per pound, and the price of cheese to sag to 11½ cents per pound or 1 cent per pound below recent market quotations on cheese; and

Whereas the price reductions noted, which followed the discontinuance of the stabilization or price-pegging policy, have with-

drawn from the farmers of Wisconsin and other dairy States a substantial part of an anticipated farm income. The reduced income to our farmers will automatically reflect itself adversely in the anticipated consumption of consumer's goods. The State's general economic order will be disrupted because of the close relation of agricultural income to the general economy; and

Whereas it is regarded sound practice and economic theory that particularly in the State of Wisconsin a fair and equitable price to the producer for butter is a minimum of 30 cents per pound and 15 cents per pound for cheese: Now, therefore, be it

Resolved by the senate (the assembly concurring), That the Legislature of the State of Wisconsin urges the Secretary of Agriculture and national administration to continue the butter price stabilization program, since discontinuance thereof will inevitably result in further price reductions, which in turn will cause substantially greater and added economic loss to the farmers of Wisconsin. It is the sense of this legislature that the stabilization program should of necessity continue for such time as will make possible the creation of a permanent stabilization program under Federal and State law. It is also the opinion of this legislature that a continuance of such stabilization program will win the commendation of all of the 200,000 farm owners and operators in Wisconsin, as well as those earnestly interested in a strong and vigorous economic and social order; be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, the Secretary of Agriculture, the presiding officer of each House of the Congress and to each Wisconsin Member in the Congress of the United States.

Mr. WILEY also presented the following joint resolution of the Legislature of Wisconsin, which was referred to the Committee on Finance:

Senate Joint Resolution 3

Joint resolution memorializing the Congress of the United States to enact a general-welfare law

Whereas there is now pending before the Congress of the United States a general-welfare bill (H. R. 2), which is now scheduled for public hearing before the House Ways and Means Committee; and

Whereas thousands of people in the State of Wisconsin in all walks of life are looking toward the Capital City of this land with expectant hope that this meritorious measure will be enacted into law; and

Whereas the proposed bill aims to humanely place in the hands of our citizens over 60 years of age sufficient purchasing power which, when put into circulation through such wealth distributing agency, to provide opportunity for our young people a higher level of well-being for our entire populace; and

Whereas many other schemes have been tried in an effort to restore prosperity, and all have failed except to provide temporary relief to the needy; and

Whereas repetition of such disregard of public need and sentiment on the part of the Congress of the United States will result in complete loss of faith on the part of our people in democratic government: Now, therefore, be it

Resolved by the senate (the assembly concurring), That this legislature deplores the action of the House of Representatives of the Seventy-fifth Congress, and the committee to which the general-welfare bill (H. R. 4199) was referred, for their refusal to provide for public hearings thereon and for failure to allow or compel the same to be considered for passage by the said House; and be it further

Resolved, That this legislature respectfully memorializes the Congress of the United States to take heed of the great public opinion in favor of the general-welfare bill (H. R. 2) by giving that measure careful consideration and enacting it into law; and be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, the Chief Clerks of both Houses of Congress, the Wisconsin Members of Congress, and the members of the Ways and Means Committee of the House of Representatives.

TAXATION OF STATE AND MUNICIPAL SECURITIES

Mr. DANAHER. Mr. President, I present and ask to have referred to the Committee on Finance and printed in the RECORD a telegram from the Governor of Connecticut protesting against proposed legislation providing for the taxation of State and municipal securities.

There being no objection, the telegram was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

HARTFORD, CONN., *March 31, 1939.*

Hon. JOHN A. DANAHER,
United States Senator, Washington, D. C.:

Please enter my protest against possible attempt to revive Federal proposal to tax bonds of the State, municipalities, or their agencies, as this will result in increased financing cost both to our State, towns, and other municipalities. Such proposal, in my opinion, would require constitutional amendment guaranteeing reciprocal right to tax Federal securities.

RAYMOND E. BALDWIN, *Governor.*

FEDERAL AID TO EDUCATION IN THE STATES

Mr. THOMAS of Utah presented a resolution adopted by a meeting of the school administrators of the State of Utah, which was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

Be it resolved by the school administrators of the State of Utah assembled:

Whereas there is now pending before Congress legislation which provides Federal support to the public schools of the several States for the purpose of aiding the States in the support of education; and

Whereas the sovereignty of the several States in matters pertaining to the administration and general control of the schools is in nowise jeopardized by the provision of said bill; and

Whereas the principle of equalization of educational opportunity has been recognized as sound in State and local administration, and is believed to be equally as sound nationally: Now, therefore, be it

Resolved by the Utah School Administrators assembled, That we urge the Congress of the United States to give approval to Senate bill 1305.

REPORTS OF COMMITTEES

Mr. BURKE, from the Committee on the Judiciary, to which was referred the bill (S. 1416) to make the provisions of the Employees' Compensation Act applicable to civil officers of the United States, reported it without amendment and submitted a report (No. 243) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1018. A bill to authorize the procurement, without advertising, of certain aircraft parts and instruments or aeronautical accessories, and for other purposes (Rept. No. 245); and

S. 1020. A bill to authorize the purchase of equipment and supplies for experimental and test purposes (Rept. No. 246).

FEDERAL ASSISTANCE TO PUBLIC EDUCATION

Mr. THOMAS of Utah. From the Committee on Education and Labor I report back favorably with amendments the bill (S. 1305) to promote the general welfare through appropriation of funds to assist the States and Territories in providing more effective programs of public education, and I submit a report (No. 244) thereon.

The Senator from Ohio [Mr. TAFT] has informed the committee that he intends to submit to the Senate minority views on this bill.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

INVESTIGATION OF TENNESSEE VALLEY AUTHORITY—FINAL REPORT (S. DOC. NO. 56)

Mr. DONAHEY. Mr. President, there is submitted herewith the final report of the Joint Committee to Investigate the Tennessee Valley Authority in accordance with Public Resolution No. 83, Seventy-fifth Congress, and Public Resolution No. 2, Seventy-sixth Congress.

The final report consists of the following:

First. Printed report, with two appendices, approved by the chairman, Senators FRAZIER, MEAD, and SCHWARTZ, and Representatives BARDEN and THOMASON.

Second. A minority report submitted and approved by the following: Senator DAVIS, Representatives JENKINS of Ohio and WOLVERTON of New Jersey, and a special minority report by Representative THOMAS A. JENKINS.

The VICE PRESIDENT. The report and minority views will be received and printed, with the illustrations, as a Senate document.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MALONEY:

S. 2033. A bill for the relief of Manuel Joao Esteves; and

S. 2034. A bill for the relief of Luigi Scala; to the Committee on Immigration.

By Mr. GILLETTE (for himself and Mr. HERRING):

S. 2035. A bill to authorize the establishment of certain bank offices in communities which have no banking facilities; to the Committee on Banking and Currency.

By Mr. GILLETTE (for himself and Mr. LUNDEEN):

S. 2036. A bill to provide for adjusted-compensation payments to veterans of the Spanish-American War, the Boxer Rebellion, and the Philippine Insurrection; to the Committee on Pensions.

By Mr. MEAD:

S. 2037 (by request). A bill to adjust the rate of pension to soldiers of the Indian wars who served 90 days or more in active service against hostile Indians, and for other purposes; to the Committee on Pensions.

By Mr. McNARY:

S. 2038. A bill for the relief of George H. Taylor; to the Committee on Military Affairs.

By Mr. JOHNSON of California:

S. 2039. A bill granting a pension to Dellar Milam; to the Committee on Pensions.

By Mr. SHEPPARD:

S. 2040. A bill providing for preliminary examination and survey of Pine Island Bayou, Tex.; to the Committee on Commerce.

By Mr. GILLETTE:

S. 2041. A bill to amend the act entitled "An act to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes," approved August 23, 1937; to the Committee on Immigration.

By Mr. SCHWELLENBACH:

S. 2042. A bill for the relief of Charles L. Lair; to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

S. 2043. A bill authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 18 to May 25, 1940; to the Committee on Foreign Relations.

By Mr. CLARK of Missouri:

S. 2044. A bill making inapplicable certain reversionary provisions in the act of March 4, 1923 (42 Stat. 1450), and a certain deed executed by the Secretary of War in the matter of a lease to be entered into by the United States for the use of a part of the former Fort Armistead Military Reservation for air-navigation purposes; to the Committee on Commerce.

By Mr. BROWN:

S. 2045. A bill to transfer to the Federal Deposit Insurance Corporation all Federal bank examining functions, and for other purposes; to the Committee on Banking and Currency.

By Mr. RADCLIFFE:

S. 2046. A bill to change the designations of the Abraham Lincoln National Park, in the State of Kentucky, and the Fort McHenry National Park, in the State of Maryland; to the Committee on Public Lands and Surveys.

By Mr. BARBOUR:

S. 2047. A bill to divest prize-fight films of their character as subjects of interstate or foreign commerce, and for other purposes; to the Committee on Interstate Commerce.

By Mr. KING:

S. 2048. A bill authorizing the installation of parking meters and other devices on the streets of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. TYDINGS:

S. 2049. A bill for the relief of William W. Tingle; to the Committee on Claims.

By Mr. McCARRAN:

S. 2050. A bill to authorize a sale of the old Carson City (Nev.) Mint site and building notwithstanding the provisions of Joint Resolution No. 18 of February 23, 1865; to the Committee on Public Buildings and Grounds.

S. 2051. A bill granting an increase of pension to Selina Dusang; to the Committee on Pensions.

By Mr. LEE:

S. 2052. A bill to further amend section 344 of the Agricultural Adjustment Act of 1938; to the Committee on Agriculture and Forestry.

By Mr. NEELY:

S. 2053. A bill for the relief of Emma Susan McMurdo; to the Committee on Finance.

By Mr. HAYDEN:

S. 2054. A bill for the relief of Joseph Alder, E. G. Allen, and E. G. Allen and By Hanchett jointly; to the Committee on Claims.

By Mr. BONE:

S. 2055. A bill to authorize the acquisition, rehabilitation, and operation of the facilities for the public in the Mount Rainier National Park, in the State of Washington, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. McKELLAR:

S. 2056. A bill for the relief of N. F. Clower and Elijah Williams; to the Committee on Claims.

By Mr. GILLETTE:

S. J. Res. 110. Joint resolution to provide for the publication of comprehensive statistics and data relating to agricultural adjustment and conservation programs; to the Committee on Agriculture and Forestry.

By Mr. PEPPER:

S. J. Res. 111. Joint resolution designating August 19 of each year as National Aviation Day; to the Committee on Commerce.

TAXATION OF JUDGES AND OTHER PUBLIC OFFICERS

Mr. BROWN submitted amendments intended to be proposed by him to the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, which were ordered to lie on the table and to be printed.

Mr. BONE and Mr. CONNALLY each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, which were ordered to lie on the table and to be printed.

CANCELATION OF CERTAIN NOTES HELD BY FARM CREDIT ADMINISTRATION—AMENDMENT

Mr. NYE submitted an amendment intended to be proposed by him to the bill (S. 1710) to provide for the cancelation of certain notes acquired by the Farm Credit Administration as a result of the activities of the Federal Farm Board, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

AMENDMENTS TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. WILEY submitted an amendment intended to be proposed by him to House bill 5269, the Agricultural Department appropriation bill, 1940, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 45, line 3, under the caption, "Forest Products", to strike out "$628,361" and insert in lieu thereof "$1,000,000."

Mr. WHEELER submitted amendments intended to be proposed by him to House bill 5269, the Agricultural Department appropriation bill, 1940, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 44, line 19, to strike out "$593,403," and insert in lieu thereof "$623,403,":

On page 44, line 19, to strike out "593,403" and insert in lieu thereof the following: "and not less than $58,350 shall be available for expenditure only for the conduct of investigations and experiments at the Northern Rocky Mountain Forest and Range Experiment Station."

On page 45, line 15, to strike out "$14,605,400" and insert in lieu thereof "$14,635,400."

On page 48, line 9, to strike out "$18,746,979" and insert in lieu thereof "$18,776,979."

On page 48, between lines 8 and 9, to insert the following:

"CONSTRUCTION OF ROADS FOR DEVELOPMENT OF MINERALIZED AREAS WITHIN NATIONAL FORESTS

"For surveys and such construction, reconstruction, repair, and maintenance of roads, trails, bridges as the Secretary of Agriculture may deem necessary in order to provide for the development of the mineral resources of areas which are located within the exterior boundaries of national forests and the greater portions of which are publicly owned, $1,500,000: *Provided*, That roads, trails, and bridges constructed, reconstructed, repaired, or maintained with any part of this appropriation shall be available for the use of

the general public, under such rules and regulations as the Secretary of Agriculture may prescribe, and for the official use of the United States."

On page 48, line 9, to strike out "$18,746,979" and insert in lieu thereof "$20,246,979."

BLOCK BOOKING AND BLIND SELLING OF MOTION-PICTURE FILMS

The VICE PRESIDENT. Resolutions coming over from a previous day are in order.

Mr. BARKLEY. Mr. President, resolutions coming over from a previous day I presume include a motion made by the Senator from West Virginia [Mr. NEELY] to discharge the Committee on Interstate Commerce from the consideration of Senate bill 280, dealing with the motion-picture industry.

The VICE PRESIDENT. The Senator is correct.

Mr. BARKLEY. A subcommittee of that committee today began hearings on the bill of which the Senator from West Virginia is the author. While the Senator is not present at the moment, I am sure he will not disagree to the unanimous-consent request I am about to make, that the motion go over without prejudice.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the motion will go over without prejudice.

THE SOCIAL SECURITY ACT AND THE TOWNSEND PLAN—ADDRESS BY SENATOR MALONEY

[Mr. MALONEY asked and obtained leave to have printed in the RECORD a radio address delivered by himself on April 2, 1939, on the subject of the Social Security Act and the Townsend Plan; which appears in the Appendix.]

THE NEW DEAL ERA—ADDRESS BY SENATOR GREEN

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD a radio address delivered by Senator GREEN on The New Deal Era, at Washington, D. C., March 28, 1939; which appears in the Appendix.]

THE MULTIPLE-PURPOSE PROJECT—ADDRESS BY HON. JOHN C. PAGE

[Mr. NORRIS asked and obtained leave to have printed in the RECORD an address on The Multiple-Purpose Project delivered by Hon. John C. Page, Commissioner of Reclamation, before the Rivers and Harbors Congress on March 23, 1939; which appears in the Appendix.]

THE LAKE ERIE CANAL—EDITORIAL FROM PITTSBURGH PRESS

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an editorial, under the heading "The Lake Erie Canal," published in the Pittsburgh Press of March 20, 1939; which appears in the Appendix.]

ORDER OF BUSINESS

The VICE PRESIDENT. If there be no further routine morning business, the consideration of bills on the calendar under rule VIII is in order.

Mr. BARKLEY. I ask unanimous consent that the call of the calendar be dispensed with.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Senators, the parliamentary situation is as follows under the rules of the Senate:

Ordinarily, if the Senate had not met today following an adjournment, the pending unfinished business would come before the Senate at this point in the proceedings; but under the rules of the Senate the unfinished business cannot come up until 2 o'clock, unless a motion to that effect is made.

Mr. BANKHEAD obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield to the Senator from Kentucky.

Mr. BARKLEY. I suggest that the Senator from Alabama withhold that motion for a moment so that the Senator from Wyoming [Mr. O'MAHONEY] may bring up at this time a joint resolution which I believe he desires to have considered.

Mr. BANKHEAD. Will it provoke debate?

Mr. BARKLEY. The Senator from Wyoming has indicated that if it provokes debate he will withdraw it.

The VICE PRESIDENT. The bill of the Senator from Alabama will automatically come before the Senate at 2 o'clock, if not earlier by his own motion.

TEMPORARY NATIONAL ECONOMIC COMMITTEE

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 90, Calendar No. 256, with the understanding that it will not delay the Senator from Alabama in the presentation of the measure in which he is interested.

The VICE PRESIDENT. The clerk will state the title of the joint resolution.

The CHIEF CLERK. Joint resolution (S. J. Res. 90) to amend the joint resolution approved June 16, 1938, entitled "Joint resolution to create a Temporary National Economic Committee."

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on the Judiciary, with amendments.

The first amendment was, in section 1, page 1, line 6, after the word "thereof", to strike out "$2,500,000" and insert "$1,100,000", so as to make the section read:

Resolved, etc., That subsection (a) of section 6 of the joint resolution entitled "Joint resolution to create a Temporary National Economic Committee," approved June 16, 1938, is amended by striking out "$500,000" and inserting in lieu thereof "$1,100,000."

The amendment was agreed to.

The next amendment was, in section 2, page 1, line 9, after the word "thereof", to strike out "$500,000" and insert "$220,000"; and in line 11, after the word "thereof", to strike out "$2,000,000" and insert "$880,000", so as to make the section read:

SEC. 2. Subsection (b) of such section is amended by striking out "$100,000" and inserting in lieu thereof "$220,000"; and by striking out "$400,000" and inserting in lieu thereof "$880,000."

The amendment was agreed to.

Mr. KING. Mr. President, when the joint resolution was considered by the Committee on the Judiciary, I opposed it, believing that there was no reason for the authorization of any sum or amount whatever. However, in view of the fact that the so-called Temporary National Economic Committee has not concluded its work, I was willing to support an appropriation for a few hundred thousand dollars, but, as stated, I was unwilling to vote for any authorization or for any sum in excess of $600,000.

When the resolution creating the committee was under consideration, I believed that the amount carried by the bill was adequate for any proper investigation. My recollection is that it was understood by the executive departments and the Congress that the amount of the appropriation provided for in the original bill was entirely sufficient. Undoubtedly, there are differences of opinion as to whether the work of the committee has been or will be satisfactory. There are some who believed that the investigation was to be in the nature of a witch-burning expedition. I think that view has been largely dissipated. There is some question as to whether any new facts have been developed or whether there is any valid reason for prolonging the life of the joint commission. It may be that the final report of the committee will prove disappointing. Be that as it may, I do not oppose the appropriation called for in the amended resolution, to wit, $600,000. With my present views, however, I shall oppose any further appropriation for the committee.

The VICE PRESIDENT. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

REDUCTION OF COTTON SURPLUS

Mr. BANKHEAD. I move that the Senate proceed to the consideration of Senate bill 1514.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1514) providing in the interest of the general welfare for an appropriate reduction of the burdensome oversupply of American cotton and for further encouragement of soil conservation and soil improvement by making payments in kind in cotton, and for other purposes, which had

been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and to insert:

That every person who, as a producer of cotton, participates in the 1939 agricultural conservation program formulated under section 8 of the Soil Conservation and Domestic Allotment Act and does not exceed his farm cotton acreage allotment under such program and in addition diverts to a soil-conserving or soil-building use, within the meaning of such program, an acreage equivalent to not less than 20 percent nor more than 75 percent (except that any producer may divert as much as 5 acres) of such allotment, shall be granted additional compensation by the Secretary of Agriculture for such additional contribution to such program by a payment in kind in cotton, in accordance with regulations prescribed by the Secretary, in an amount representing the normal production, within the meaning of such program, of the additional acreage so diverted. Such producer shall be entitled to receive such additional compensation under one or the other or both of the following methods if, in accordance with regulations prescribed by the Secretary, he has before June 16, 1939, signified his intention to make such additional diversion and shall have the right to choose the extent to which he shall benefit under one or the other or both if he files such choice not later than December 31, 1939.

(a) Notwithstanding any other provision of law, the Commodity Credit Corporation shall permit such producer to withdraw, after July 31, 1939, and before March 1, 1940, so much of the cotton then pledged by him under the 1937 Commodity Credit Corporation loan as is not in excess of the amount which the Secretary of Agriculture finds he is entitled to receive as such additional payment. Notwithstanding any other provision of law, said Corporation is hereby authorized and directed to deliver to such producer or any person designated by him at a price of 3 cents a pound, basis Middling seven-eighths, warehouse receipts covering such cotton free from any lien, debt, or other obligation except warehouse charges subsequent to December 31, 1939, and such producer may sell or otherwise dispose of such cotton as he sees fit, except that no one may ever place it under any Government loan whatsoever. In determining the amount of cotton a producer may withdraw, a major fraction of a bale shall be reckoned as a whole bale and a minor fraction disregarded; or

(b) Such producer may obtain at a price of 3 cents a pound, basis Middling seven-eighths, participating trust certificates in a pool of cotton which the Secretary of Agriculture is hereby authorized and directed to establish and operate in substantial accord with the 1933 cotton producers' pool. The amount of cotton covered by the producer's certificates shall be the difference between the total payment in kind for which he is eligible and the amount of cotton he has withdrawn under paragraph (a) hereof. Notwithstanding any other provision of law, Commodity Credit Corporation is hereby authorized and directed, after July 31, 1939, to acquire the title, pursuant to paragraph 4 of Commodity Credit Corporation Cotton Form A (1938–39), of such amount of cotton pledged by producers on said form as the Secretary finds is necessary to enable him to carry out this act and such cotton shall be acquired by the Corporation for loan value and accrued charges to August 1, 1939. Such cotton shall be delivered to the Secretary of Agriculture by the Corporation free from any lien, debt, or other obligation except warehouse charges subsequent to July 31, 1939.

The Secretary shall within a reasonable time liquidate the holdings of such pool in an orderly manner calculated to avoid so far as possible any disturbance of the cotton market and, after deducting the costs of the administration of the pool as ascertained or estimated by him, shall distribute the proceeds in one or more dividends to the participants in said pool. Such participating trust certificates may be sold, assigned, or transferred in accordance with regulations prescribed by the Secretary designed to protect the original holders thereof from exploitation.

In subsequent programs, for the purposes of establishing acreage allotments and normal or average yields, the additional acreage diverted hereunder shall be treated as if it had been planted to cotton, and it shall be assumed that such acreage yielded the same amount of cotton per acre as the acreage actually planted to cotton on the farm in the year in which such additional diversion was made (or in the last previous year in which cotton was planted thereon in cases where the entire allotment not exceeding 5 acres was diverted).

SEC. 2. At the end of section 1 of the bill insert the following paragraph:

"Conformably to section 8 (f) of the Soil Conservation and Domestic Allotment Act, wherever there is any reduction in the number of share tenants and share croppers below the average number on the farm during the 3 years 1936 to 1938 and the result of such reduction would be to increase the payment under this act to the landlord of the farm the payment to him shall be calculated by omitting such increase if the county committee disapproves such reduction as being not justified in view of all the circumstances."

SEC. 3. Not more than 3,000,000 bales averaging 500 pounds per bale shall be delivered to producers under the provisions of this act. If producers signify their intention to make the acreage diversion under this act in excess of 3,000,000 bales, the Secretary is authorized, under regulations to be made by him, to reduce, adjust, or abolish the quantity of cotton included in each producer's notice, so that the total amount will not exceed 3,000,000 bales.

The VICE PRESIDENT. Under the rules of the Senate the amendment in the nature of a substitute reported by the committee is considered as an original bill, and the amendment in the nature of a substitute is now open to amendment, or to explanation.

Mr. McKELLAR. I should like to have an explanation of the amendment.

Mr. McNARY. There will be an explanation if I have to make it. I assume, however, that the able author of the bill will make a reasonable explanation.

Mr. BANKHEAD. Mr. President, I intend, of course, to explain the measure. Before proceeding to an explanation, however, I have two amendments, which will be taken up later, one merely to correct a clerical error, to substitute the word "apportion" for the word "abolish," and the other reducing from three million to two million bales the amount of cotton which may be taken under the proposed program. It is as well to get those amendments before the Senate.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BANKHEAD. Certainly.

Mr. McNARY. What has the Senator suggested in his amendment? I did not hear it.

Mr. BANKHEAD. The bill as reported limits the amount to 3,000,000 bales. I am reducing that figure, because of the lateness of the time, to 2,000,000 bales.

Mr. President, this subject is not only very important to the section of the country from which I come, but cotton plays a very important part in our national economy. The fact is that since our ports were opened, 150 years or more ago, our net balance of trade up to 1938, the last year for which figures are available, amounted to $31,138,000,000 for raw cotton, and for cotton manufactures $3,800,000,000, in round figures, or a total of $35,000,000,000. Of the entire balance of trade, the entire increase in the national assets of our country as a result of foreign trade, raw cotton and manufactured cotton goods account for all except $2,745,000,000 of the total. In other words, considerably more than 95 percent of the total increase in national wealth growing out of all of our foreign trade since our Government was established is traceable to the value of cotton and cotton manufactured goods exported from this country.

I submit, Mr. President, that a commodity which occupies such a status in our national economy should never be looked upon as a sectional or local or geographical problem. At all times it should be considered from a broad national standpoint. It is, of course, of paramount importance to the Cotton Belt that that should be so. That great area of country is almost entirely dependent upon the returns from the sale of cotton. The Cotton Belt was founded upon cotton as its chief economy. It has been built up on cotton, and it would surprise those who are not familiar with conditions in the Cotton Belt to realize that when one goes into the largest department store in all the South, from cellar to attic he finds for sale but few commodities, except local produce from the farms, which have been manufactured or produced in the Cotton Belt. All the clothes, hats, shoes, radios, victrolas, automobiles—in fact, all those articles which supply the comforts and needs of our people—are, with very few exceptions, produced outside of the Cotton Belt and imported into the Cotton Belt for purchase by our people.

It is true that every day the mail carries remittances in large numbers and in large amounts to the industrial sections of the United States with which to pay for all these things which are found on the shelves of practically all the stores in the South. It is true that checks move to the financial centers of this country in the East and the North to pay insurance premiums of all kinds—life, fire, and accident—and sureties of every kind. Checks of the same character move out of the Cotton Belt to pay the dividends and the interest on the securities of the railroads, the utility companies, and the other great industrial organizations operating in the South, because their stocks and their securities are owned outside of the Cotton Belt.

Whence comes the money to help operate the factories in the North and the East, the funds with which to pay all these interest and dividend charges? Permit me to say to Senators who are not familiar with conditions which I have just indicated by describing the situation in all the stores in

the South that very few commodities, with the exception of cotton, bring in money throughout the year to pay and replace all these remittances. Cotton provides an annual return flow of money. Throughout the year we have also a return flow from the manufacture of certain cotton goods in the southern area, but, excluding those two items, we find very few other things in the Cotton Belt bringing money to that section to help support the national economy of this country.

When our cotton brings a reasonable price, and our farmers spend all the money that comes in, it goes into the stores and moves on until it goes out of the Cotton Belt. Trains operate bringing large quantities of commodities to fill the stores and supply the needs of the Cotton Belt. Industries in other sections of the country operate and give employment with more regularity and to a larger number of employees when the purchasing power of cotton is fair and approaches anything like the parity price. Our cotton farmers buy from the West hundreds of thousands of carloads of hay and oats and wheat and meat and lard, thus giving business to the West.

I have submitted these thoughts to indicate that the problem is not a sectional one. We hope that those who do not live in the cotton-producing area will realize the situation, and will cooperate with us when we get into trouble, as we are now.

Mr. President, we are now in the worst statistical position with respect to cotton that we have been in for a period as far back as I can recollect. We were moving upward until 1936. In common with people all over the country, particularly the farmers, we had desperate conditions in 1931 and 1932. The surplus of cotton, the largest up to that time in the history of the United States, was 13,000,000 bales, and the price was around 6 cents a pound. The annual income for cotton was reduced from a 14-year average of $1,400,000,000 to less than $400,000,000. With a billion dollars wiped out of that 14-year average of $1,400,000,000 received from the sale of raw cotton Senators can well understand the deplorable plight in which the people of the Cotton Belt, not only the farmers, but the people in the agricultural towns all over that belt, found themselves. But we proceeded to reduce that surplus. I will not go into the details. Most Senators are familiar with what happened. We reduced the surplus from 13,000,000 bales down to 6,000,000 bales. In doing so we increased the price from 6 cents a pound to 13 cents a pound. We were getting along nicely until the Supreme Court annulled the Agricultural Adjustment Act, and Congress, following that, in 1936, repealed the Bankhead Cotton Control Act.

Then came the deplorable year of 1937. With a good price, nearly 14 cents, in September of 1937, with better credit established for the farmers as the result of 2 or 3 years of rising prices, with better information about agricultural programs and processes to increase the yield per acre, our farmers in 1937, with control removed, increased their acreage between seven and eight million acres. They ran the production up to the highest in all the history of the United States. When the gins completed ginning for the season it developed that 19,000,000 bales of cotton had been produced.

In the meantime, unfortunately, consumption was decreasing. Exports were growing less. So that on August 1, 1938, following that great crop in 1937, we found on hand the largest carry-over in all the history of the United States, amounting to thirteen and a half million bales of cotton; and no one knows where the price of cotton would have gone but for the influence, the price-pegging effect of the cotton-loan program.

Without going into too many details, there we stood, with the greatest surplus in the history of the country. Was it decreased last year? No, it was not. Although we had a control program, although our farmers throughout the entire Cotton Belt voted by a majority of 84 percent for the control program, the acreage allotment permitted the production of a 12,000,000-bale crop, and later developments showed that the consumption of American cotton throughout the world for that year was only eleven and one-quarter million bales. So, on the 1st of August this year our surplus will again be increased, and will amount to 14,000,000 bales of cotton, against a present consumption of approximately 11,000,000 bales.

Senators, what are we going to do about it? That is our problem.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BANKHEAD. Gladly.

Mr. HATCH. The Senator just said that last year the acreage allotment permitted production of 12,000,000 bales of cotton. I quite agree with the Senator; but I think he should explain that under the 1938 act passed by the Congress, the prohibitions contained in the act itself were not simply with respect to allotment of acreage.

Mr. BANKHEAD. I do not quite understand the point. I know the Senator knows the facts, because I have worked with him.

Mr. HATCH. The 1938 act included a provision which prohibited the reduction of acreage to a less number than would normally produce 12,000,000 bales of cotton, and with the exceptions contained in the bill provision was made for the production of approximately eleven or twelve million bales of cotton.

Mr. BANKHEAD. I desire the Senator to understand that I do not wish to criticize anyone for the result, unless we criticize ourselves.

Mr. HATCH. I merely wanted to make it clear that such a prohibition was within the act itself, and it was not merely an act providing an allotment of acreage.

Mr. BANKHEAD. Oh, yes; a 12,000,000-bale crop was authorized by law; and the result was the largest surplus in the history of the world.

What are we going to do about it? We have a decreasing export trade. Where does the decrease lie, and what is responsible for it to begin with? Three countries account for practically all of it, nearly 3,000,000 bales—Germany, Japan, and this year Great Britain. This year in each of those countries the purchase of our cotton amounted to about 1,000,000 bales less than in preceding years. This is the first year that Great Britain has decreased its purchase of cotton from us.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BARKLEY. Does that decrease of practically a million bales each for Germany, Japan, and Great Britain, represent a decreased consumption of cotton in those countries, or have they purchased it from other countries, other producers?

Mr. BANKHEAD. Mr. President, in part it represents a decrease in consumption of cotton. In part it represents a switching of their purchases to other countries. I do not know the motive of the Senator in asking the question, but regardless of his motive he has put his finger upon one of the most difficult problems of the American cotton producers. Consumption of cotton has been very greatly decreased by the development of a substitute in the form of fixed fibers, rayon and others.

Mr. BARKLEY. My motive, I will say to the Senator, is simply to get the facts.

Mr. BANKHEAD. I shall be glad to give them to the Senator if I can.

Mr. BARKLEY. My next question is, To the extent they have decreased their consumption of cotton, to what extent has it been made up by substitution of other materials which they use in lieu of cotton?

Mr. BANKHEAD. I will give the Senator a specific illustration. In 1925 the world production of rayon, synthetic fibers, amounted to 500,000 bales of cotton in weight. Last year the world production of synthetic fibers, chiefly rayon, displaced in weight 4,000,000 bales of cotton.

Mr. BARKLEY. Was that abroad?

Mr. BANKHEAD. In the world.

Mr. BARKLEY. Including this country?

Mr. BANKHEAD. We had lost a great deal of cotton to rayon. So did other countries. Within that period there

has been developed a substitute for cotton which has removed markets for three and one-half million bales of cotton.

Mr. BARKLEY. Let me ask the Senator if he is going into a discussion of what the bill will accomplish and the process by which the cotton will be distributed? If so, I do not wish to question him about it now.

Mr. BANKHEAD. Yes; of course I am going into it, and I am going to hurry along.

Mr. BARKLEY. I do not want to try to hurry the Senator. The problem is an important one. There is no more important problem before the people than the one under discussion. Those of us who do not come from the heart of the cotton region want to know the situation as it is. We are all interested in trying to help solve the problem. We may not know what the solution is. I have sometimes remarked that I do not believe anybody has the last word as to what ought to be done about cotton. I think it would be desirable to have a consensus of view on the subject among those who understand it. Senators who are not immediately concerned with the problem so far as their States are concerned are anxious to help Senators from the Cotton Belt work out the problem in a wise and constructive way.

Mr. BANKHEAD. I think the Senator is correct in that statement. It is the desire of Members of this body to help, if they know what to do.

Mr. KING. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. KING. If it will not divert the Senator from his line of argument, I should like to have him explain whether or not his investigation shows that the Smoot-Hawley Tariff Act and our tariff measures generally have been in part responsible for the loss of our markets abroad, both in manufactured goods and in raw materials.

Mr. BANKHEAD. In the discussion of this specific problem I am reluctant to enter upon so broad a field. However, I will say frankly and in specific terms that, in my judgment, the whole problem started with the passage of the Smoot-Hawley Act; and that is our difficulty today.

Everybody knows that we have about three-fourths or two-thirds of all the gold in the world. In the old days, up to a few years ago, gold was distributed throughout the world; and when the people of France, England, Japan, China, and elsewhere wanted to buy American cotton they had gold with which to pay the balance of trade. That situation has gone along until we own nearly all the gold. Other countries have so little left to back their currencies that they are reluctant to send any of it to America or to any other country in the world. That situation, among other things, has built up a spirit of nationalism. It has driven other countries to endeavor to produce within their own borders everything that will make them self-sustaining. So, without going into that question further, we have that situation. We have a change in world marketing conditions for cotton. For many long years 60 percent of our entire production found an outlet across the sea year in and year out.

I shall not undertake to say why Germany is not buying as much cotton from us as she formerly did. Other Senators know as much as I do about the reasons for that condition. I do not undertake to say why Japan, since she entered the war with China, has almost entirely stopped buying cotton from us. Whereas formerly she bought one and a half million bales a year, her purchases are now down to half a million bales. I shall not enter into a discussion of why China, formerly a good customer for cotton, is practically out of the world market for cotton. The only reason I know of why Great Britain this year has reduced her purchases from the former level of 1,500,000 bales a year down to half a million is the fact that, according to my information, Great Britain now is engaged in some of the trade practices which Germany and Italy have been engaged in for some years, that is, exchanging goods, especially with her own colonies, India and Egypt.

Someone may inquire about the quantity of cotton in foreign countries. I have heard it said that we needed to adopt an export subsidy plan because there is a shortage of American cotton in Europe. I have the figures, Mr. President, secured from the Department of Agriculture and from the Bureau of Foreign and Domestic Commerce of the Department of Commerce.

On the 1st of February of this year, outside the cotton embraced within the loan, there were in the United States 6,250,000 bales of free cotton moving in the channels of commerce, subject to being bought and used in the United States, or bought and exported abroad.

What cotton was in foreign countries on the same date? On January 31, at mills in foreign countries, there were 597,000 bales of American cotton. In warehouses in Europe and afloat en route to Europe there were 1,148,000 bales. In the Orient there were 258,000 bales, making a total of stocks outside the United States of 2,003,000 bales of cotton.

In this country, as I have just pointed out, there are 6,250,000 bales, making a total in this country and abroad, not in the Government loan, of 8,253,000 bales of cotton, sufficient to continue the operation of mills desiring to use American cotton for two-thirds of the year, when we have only 4 months to go.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. McCARRAN. The Senator has given this information before. Would the Senator mind stating how much cotton is embraced within the loan?

Mr. BANKHEAD. Eleven and a quarter million bales.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. MINTON. How much is used in this country and throughout the world each year?

Mr. BANKHEAD. Last year the total world consumption of American cotton was 11,000,000 bales. The year before that it was eleven and a quarter million bales. At the present rate of consumption it will be less than 11,000,000 bales, because exports and foreign consumption have been considerably decreased as compared with the same months last year.

Mr. MINTON. If I understand the Senator correctly, the free American cotton in the world is about 8,000,000 bales, as against the year's consumption of 11,000,000 bales.

Mr. BANKHEAD. That is correct; and we have another crop coming. Under normal weather conditions there will be a crop of 12,000,000 bales more; and on top of that, eleven and a quarter million bales rest in warehouses under the Government loan.

Mr. MINTON. How much so-called free cotton in the world market is produced by other countries?

Mr. BANKHEAD. I do not have those figures before me, but I have them available. Other countries do not have quite so much as we have, but almost as much. They have a large supply.

I wish to discuss what can be done about the situation. I am sorry the Senator from Kentucky [Mr. BARKLEY] is not in the Chamber at the moment. He asked about the details of the bill.

The bill proposes to offer to cotton producers at 3 cents a pound cotton now in the Government loan to the extent of not to exceed 2,000,000 bales.

What will be the effect of that action? In the first place, I will say with frankness that Mr. Duggan, the regional director, stated to me yesterday that he doubted if more than 1,000,000 bales of cotton would be taken by the farmers under the program at this late date. For that reason, I have made the reduction from 3,000,000 to 2,000,000 bales. I wish to have as much cotton available to the producers under this program as they are reasonably likely to take.

Some may think that such a program represents a considerable subsidy to the farmers. What does the farmer pay? That is a fair question. That is something everyone wishes to know. He pays 3 cents a pound for cotton under the bill.

Most of our cotton is produced by what are known as family size farms. No great quantity is produced by day labor or by machinery. It is produced either by the individual owner of the farm or by a sharecropper or tenant, who has control of the farm and who receives a part of the crop. In some instances he is required to furnish half the expense. He has to

furnish the team and stock, half the fertilizer, and things of that sort. There are different arrangements. However, on family-size farms, which, in my judgment, produce at least four-fifths of the cotton, so far as I have knowledge of it, the family does the work. No labor is hired. The farmer has the work stock, which he would use in producing his regular allotted acreage on his farm if he did not take out any cotton under the program. So he has his expenses. He has his labor and stock. The only thing he saves is the fertilizer and the cost of the seed. On the other hand, he loses the income from the sale of the cottonseed, which is taken out. So when we balance the thing we find the farmer ready with a 12-acre allotment, we will say, with one one-sixth, or 2 acres, taken out, with his labor and that of his family; and we find him naturally inclined not to take out cotton under the program.

He will go along and get the price of his cottonseed. He has nothing else to do with his labor and his teams and land. Under this bill he cannot plant any competing cotton, but he must plant soil-conserving crops. So the farmers cannot make any money on the acreage taken out; the only thing they can possibly do is to help improve the land by planting legumes or something of that sort, and, in my judgment, and the judgment of the Department officials, an overwhelming proportion of these farmers will prefer to proceed with their normal planting of the 12 acres rather than take the two out, which would be about the proportion under this bill as it now stands.

Twelve million bales is the allotted crop. If 2,000,000 bales come out one-sixth of the acreage will not be used for cotton production. There will be no profit for the farmer in doing that. The loan cotton stands the Government about 9 cents a pound; the Government will recover 3 cents, leaving 6 cents on a 500-pound bale, or $30 a bale, that the Government must mark off the books of the R. F. C. This bill does not carry any appropriation or any authority for an appropriation; it simply provides for the elimination of that asset, in effect, upon the books of the R. F. C. because the farmer has already borrowed on it. We are dealing entirely with cotton under loan.

Mr. BARKLEY. Mr. President, will the Senator yield, unless to do so will interfere with his argument?

Mr. BANKHEAD. It will not interfere at all.

Mr. BARKLEY. I was called out, and perhaps during my absence the Senator covered the point I am about to bring out. However, under the Senator's bill not over 3,000,000 bales——

Mr. BANKHEAD. The amount is 2,000,000 bales now; I have modified the bill in regard to the amount.

Mr. BARKLEY. Very well. Two million bales of the impounded cotton is turned back to those who produced it by the payment of 3 cents a pound. I do not gather from the bill whether the identical cotton produced by any grower is to be turned back to him. I presume it will be difficult to have him identify his crop.

Mr. BANKHEAD. There are two methods provided of securing the cotton. One is to draw back out of the loan the specific cotton that the farmer put in. He has his certificate; the cotton is in the warehouse in his own county; it has not been moved.

Mr. BARKLEY. Then, it can be identified?

Mr. BANKHEAD. The farmer can identify his own cotton.

Mr. BARKLEY. But, otherwise, it is put in a pool originally, and the farmer gets a certificate representing the amount he may draw back, if he wants to draw back, or the difference between what he actually draws back and what he could draw back?

Mr. BANKHEAD. That is correct.

Mr. BARKLEY. That is, 2,000,000 bales are drawn back by the producer at 3 cents a pound. He has already gotten, we will say, 9 cents; so that the Government, we will say, loses 6 cents a pound on it, and the farmer buys it back at 3 cents. That 2,000,000 bales, I assume, would be added to the 6,000,000 bales of what we call free cotton now that is not under loan?

Mr. BANKHEAD. No; that 2,000,000 bales takes the place of the 2,000,000 bales that, but for this plan, would be produced and go on the market at the next marketing season.

Mr. BARKLEY. That is true, but, for the time being, it does add——

Mr. BANKHEAD. No; that cotton is not released. The loan cotton stands under loan; it stays in the warehouse under the lien until the farmer has proven his compliance with the agreement to reduce his acreage.

Mr. BARKLEY. He cannot take it out?

Mr. BANKHEAD. He cannot take it out; it does not increase the free cotton.

Mr. BARKLEY. Let me ask the Senator another question. He may observe from my questions, I suppose, how ignorant I am on the subject of cotton and the machinery by which his bill will operate. The 2,000,000 bales are free cotton. Can the farmer sell it until after he has proven that he has complied by not producing an equivalent amount?

Mr. BANKHEAD. He could not get it.

Mr. BARKLEY. He could not sell it.

Mr. BANKHEAD. He has to prove his compliance.

Mr. BARKLEY. That, probably, destroys the necessity for my next question, that, having paid only 3 cents a pound for it, he could sell it, if he could sell it at all, at much less than the present market price and thereby affect the price of the 6,000,000 bales or the crop that is coming on this year? The Senator's theory is, instead of producing what might be regarded as a normal crop of 12,000,000 bales, that the return of the 2,000,000 bales will reduce the total to 10,000,000 bales? Is that the theory of the Senator?

Mr. BANKHEAD. No; for the farmers will merely produce 10,000,000 bales, and the 2,000,000 bales after the marketing season is opened will be added to the 10,000,000 bales. So we will have as much cotton this year as we did before, but there will be 2,000,000 bales less of surplus cotton.

Mr. BARKLEY. The same idea may be expressed in a different way by saying that if the 2,000,000 bales are not turned back under these conditions the farmers will produce, say, 12,000,000 bales of cotton this year. Is that right?

Mr. BANKHEAD. Yes; assuming normal weather.

Mr. BARKLEY. So that by turning back the 2,000,000 bales, under the circumstances provided in the bill, the farmers will produce only 10,000,000 bales; but when added to the 2,000,000 bales, it will make the 12,000,000 bales which would have been produced without this measure. That is correct, is it not?

Mr. BANKHEAD. That is exactly right.

Mr. BARKLEY. The Senator has very correctly, I think, stated one of our difficulties in regard to the cotton situation, namely, the falling off of our exports of cotton, following the decision of the Supreme Court in the Agricultural Adjustment Act case originally, and the production of 18,000,000 bales——

Mr. BANKHEAD. Nineteen million bales.

Mr. BARKLEY. Well, practically 19,000,000 bales in 1937. Those conditions have added to a surplus which is thus far unsalable; otherwise there would not be any cotton problem at all, if I understand the situation.

Mr. BANKHEAD. We had no real cotton problem in 1936.

Mr. BARKLEY. What is going to happen to the 12,000,000 bales made up of the ten million that will be grown this year and the two million provided for in the Senator's bill, with reference to the world market and with reference to the increase of our exports in order to get rid of the surplus? And unless we get rid of it by exporting it, we cannot get rid of it at all, except by burning it up or finding some other uses for it or by quitting the production of cotton. We all understand that that is not only true with respect to cotton but is also true with reference to tobacco, in which my State is very greatly interested. We cannot continue to pile up these unsalable surpluses. If we cannot use the product in the United States and cannot sell it abroad, we cannot continue to produce it and expect the Government to loan money on it, merely to hold it forever, no matter how long the unfavorable condition may last. What I am trying to get at—what worries me—is what is going to happen to cotton that

is produced this year, which will be in addition to the nine and a half million bales that will be left in the loan? If this bill results in the withdrawal of 2,000,000 bales, then nine and a half million bales and 12,000,000 bales will amount to twenty-one and a half million bales at the end of this year. We sold abroad last year only 3,500,000 bales.

Mr. BANKHEAD. That is, this year up to date.

Mr. BARKLEY. Yes, three million five hundred thousand; and we used in the United States six and a half million bales. Unless we materially increase our domestic consumption and our exports of cotton, what will happen with regard to this 21,500,000 bales that we will have at the end of this year?

Mr. BANKHEAD. The only difference in the situation, whether we pass the bill or whether we do not pass the bill, will be the reduction in the carry-over that the farmers take out under this program. This is not a subsidy program; it is not so intended; that it is not so is verified by the judgment of the Department that very little cotton is going to be taken out because there will be very little profit in taking it out. The chief reason for taking it out will be in order to cooperate in some way in reducing the surplus. Our farmers understand the situation. The reason they voted so overwhelmingly for the control program is that they understand the situation and are willing to do their part.

Mr. BARKLEY. Let me ask the Senator another question. It may not be so material in view of the reduction of the amount of cotton from three to two million bales under the bill, but the suggestion has been discussed informally and I think it may be entitled to some consideration. What effect will the withdrawal of the 2,000,000 bales of cotton from production, and the consequent reduction from twelve to ten million bales for this year's quota, have upon those who are dependent upon the cotton-production industry for labor—the cotton pickers, the cotton hoers, and others?

Mr. BANKHEAD. In just a minute I will be very glad to go into that. Two questions have been presented; I will take them one at a time, and if I forget to get back to the last one in regard to the displacement of labor, I will ask the Senator to recall it to my mind.

The Senator asked what is going to happen to the large supply of cotton with 2,000,000 bales taken out. There will be left 9,000,000 bales in the loan. There is a considerable quantity of free cotton, and there will also be another crop of 10,000,000 bales coming on this year. What is going to become of it?

Mr. BARKLEY. I was mistaken in my figures. I did not, in my figures, include the 6,000,000 bales outside the loan cotton that is now in existence.

Mr. BANKHEAD. I am including that.

Mr. BARKLEY. Yes; I understand the Senator is.

Mr. BANKHEAD. The answer is this——

Mr. McNARY. Mr. President——

Mr. BANKHEAD. Will the Senator from Oregon indulge me a moment until I answer the Senator from Kentucky?

Mr. McNARY. Certainly.

Mr. BANKHEAD. The answer is that we shall have all of that cotton on our hands whether or not this bill is passed, and we shall have the same status with regard to each portion of that cotton whether or not the bill is passed, and that is our terrible problem. That is what is depressing us, and giving us such great annoyance and worry—having all of that cotton around. There is a great deal of free cotton, a great deal in the loan, and a great deal coming on again from this year's farming operations. As I have stated, we shall have 14,000,000 bales on the 1st of August, and under normal conditions we shall produce 12,000,000 bales again next year, which makes 26,000,000 bales of supply of American cotton, with a probable consumption, based upon the last 2 years, of 11,000,000 bales. Therefore, instead of a carry-over of 14,000,000 bales this year and thirteen and a half million bales last year, we shall have next year 15,000,000 bales of cotton in the carry-over. So I submit that it is absolutely necessary to do something to bring about a reduction in the carry-over.

The cotton keeps piling up. We cannot keep on putting it in the loan. We are just as anxious to avoid that as are the people outside the Cotton Belt. That is where it will go under present conditions unless the loan law is repealed, and if that is done we shall receive 1 or 2 cents a pound for cotton, and bankruptcy will ensue all over the South. We could not get any sort of a decent price for cotton with fourteen or fifteen million bales in the warehouse, added to a normal crop of 12,000,000 bales, which itself is more than the world is consuming for a whole year, without considering the great accumulation of cotton. Whether or not we had a loan, that cotton would have been in the warehouses or on the farms or somewhere else. It was produced; but there it is. We are not seeking a subsidy. It is too trifling. It is too small. We are seeking, in the best way we can, an assured plan for some reduction in the amount of cotton under the loan and in the carry-over. That is our problem. That is what we are working for. I am sorry the time has passed so that we cannot hope to get more, because unless we reduce the surplus in some way, unless we reduce the carry-over in some way, the time is coming when disaster will face us all over the Cotton Belt.

Mr. McNARY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STEWART in the chair). Does the Senator from Alabama yield to the Senator from Oregon?

Mr. BANKHEAD. I gladly yield.

Mr. McNARY. I want to intrude just for an observation, if I may.

Mr. BANKHEAD. I welcome any contribution the Senator may care to make; but I hope he will not take too long, as I wish to finish.

Mr. McNARY. Oh, no; I shall not take any longer than the distinguished majority leader, the Senator from Kentucky [Mr. BARKLEY]. I shall deal with the same subject matter.

I am somewhat amused by the attempt of the Senator from Kentucky, the able Senator from Alabama, and even the President of the United States to lay upon the Supreme Court of the United States the responsibility for the cotton surplus. I am not here to defend that Court, even though it may, as I sometimes think, need a defender. But the Supreme Court was not at all responsible for the surplus, irrespective of its decision in the Butler case.

Let me give the Senator some interesting figures.

From 1928 to 1932, which the Senator is pleased to call the golden period in the production of crops, when the average price of cotton was 15 cents, forty-one and a half million acres were planted to cotton. The average annual production of cotton in those years was something like 12,000,000 bales.

In 1937, when the Supreme Court rendered the opinion in the Butler case, declaring the A. A. A. Act unconstitutional with respect to processing taxes, the acreage had been reduced from forty-one and a half million to thirty-four and a half million, or 7,000,000 acres; and that year the bumper crop of 19,000,000 bales of cotton was raised. Now it is claimed that that was the fault of the Supreme Court. I contend in the best of spirit that it was the fault of the weather man; that after the acreage had been reduced 7,000,000 acres over a 5-year period, and benefit payments had been made upon the basis of $500,000,000 for soil conservation, there still was produced on thirty-four and a half million acres a tremendously larger crop than the crop of the year about which complaint is now made. So if the Supreme Court had not decided the Butler case or if it had upheld the processing taxes, we still would have had the surplus, because, on account of favorable weather conditions, the Cotton Belt produced the largest crop of years, 19,000,000 bales, from which it is now suffering.

So I say it is not fair to blame the Supreme Court for the surplus when, after all, the weather conditions should be blamed.

Mr. BANKHEAD. I have had no purpose to drag the Supreme Court into this discussion.

Mr. McNARY. No; I appreciate that fact. Let me add that it is well known to those who observe conditions that acreage always yields to weather conditions. Acreage may be reduced or increased, but what happens in the way of yield depends upon weather conditions.

Mr. BANKHEAD. Mr. President, of course, nobody disputes that statement; but the Senator from Oregon considers only one factor and declines to recognize the major factor. The two factors are yield per acre and weather conditions. Weather conditions, to which the Senator refers, affect yield directly; and in that year the weather conditions were ideal. Nobody seeks to conceal that fact. The Senator overlooks the fact, however, that with a high yield per acre the number of acres planted to cotton is the chief factor after all; and with a seven or eight million acre increase in the amount of land planted to cotton, of course, the higher yield was destructive, and destructive in the main because of the number of acres to which the yield was applied.

Mr. GILLETTE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Iowa?

Mr. BANKHEAD. I yield.

Mr. GILLETTE. I have been trying to visualize the situation of the individual cotton producer. Under the alternative provision of subsection (a), if I, as a producer of cotton, have, say, 10 bales in the loan, will abide by the rules of the Soil Conservation Act and in addition will make a further reduction, I may withdraw a certain percentage of my 10 bales under the limitations of this bill at 3 cents a pound, free of all lien.

Mr. BANKHEAD. Yes.

Mr. GILLETTE. What is going to be the status of my loan? The rest of my cotton is there as security. The obligation still exists. I have taken part of it out of security at the price of 3 cents per pound, but what provision is there in the bill as to the status of the money I have borrowed, and for which the remainder of the cotton is security?

Mr. BANKHEAD. It does not affect the producer in any way. In the first place, as the Senator doubtless knows, the producer's loan is a nonrecourse loan. In the second place, I state here, with perfect frankness—the Senator may not have heard me—that that amount is charged off on the books of the R. F. C. It is a Government loss.

Mr. GILLETTE. The Senator means the 3 cents?

Mr. BANKHEAD. No; 6 cents. It is charged off. The Government now has a loss. It has a continuing loss of $4 a bale for each bale of cotton under the loan, including insurance, storage, and interest.

Mr. GILLETTE. If the Senator will bear with me for just one more question, I presume the theory is that the producer would be willing to reduce his crop acreage, in adition to the allotment, because he could get cotton at 3 cents a pound, and it would cost him more than that to produce it.

Mr. BANKHEAD. Very little more, as I have been trying to point out.

Mr. GILLETTE. But, as against that, he could not get a loan on that cotton.

Mr. BANKHEAD. No; he could not put that cotton back in the loan. That is one of the big advantages.

Mr. GILLETTE. So that would lessen the incentive for him to take the cotton out of the loan. If he raised the cotton, under the loan provision he could borrow money on it; but if he should elect to take the cotton out of the present loan, he would forfeit any right to borrow money on it. Am I correct?

Mr. BANKHEAD. There is a possibility of a difference in the market price and the loan price, but at present—the Senator may know it or may not know it—the price of spot cotton is above the loan price. It is above it right now because of the market situation, I assume, but, anyway, spot cotton now is about 8.50, a little above 8 cents, though there is not much margin there either way, if the situation remains as it is.

Mr. MINTON. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Indiana?

Mr. BANKHEAD. Yes.

Mr. MINTON. Was 1936 the year of the bumper cotton crop?

Mr. BANKHEAD. No.

Mr. MINTON. What year was it?

Mr. BANKHEAD. 1937.

Mr. MINTON. Of course, the control ceased in 1936, under the opinion in the Butler case?

Mr. BANKHEAD. That is correct.

Mr. MINTON. And the Bankhead Act was repealed?

Mr. BANKHEAD. Yes; it was repealed in the spring of 1936.

Mr. MINTON. So the first year in which we had no control was 1937, and we had splendid weather?

Mr. BANKHEAD. We had no control in 1936. The decision was rendered, and Congress acted after the farmers had practically made their plans; but that year there was an increase of 3,000,000 acres in the land planted to cotton.

Mr. MINTON. In the next year there was a large increase in acreage and a large yield per acre.

Mr. BANKHEAD. Yes; my recollection is that there was an increase of 8,000,000 acres.

Mr. MINTON. Then the opinion handed down by the Supreme Court did have something to do with the situation.

Mr. BANKHEAD. Of course; it did away with control. Under the control program, for 3 years—1933, 1934, and 1935—we reduced the carry-over, the surplus, from 13,000,000 bales to 6,000,000, and by doing that we increase the price from 6 to 13 cents. That was the effect of the operation of the control program. It was merely the working of an economic law. We held production down. Everyone knows the effect of that. Whether one agrees with that as a principle of government or not, the economic effect is not disputable.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BARKLEY. I do not wish to drag the Supreme Court decision into the situation, as the decision was not rendered with the intention of having any effect on cotton; but it so happens that it was handed down on January 6, 1936, so that it took off control, so far as a decision could take it off at any time. Every farmer was free to produce as much as he desired to produce; the farmers did increase their acreage in 1936, and there was practically no control in 1937.

Mr. BANKHEAD. There was no control.

Mr. BARKLEY. There was no control at all in 1937.

Mr. BANKHEAD. No.

Mr. BARKLEY. It was in the year 1937 that the producers increased the production from 12,399,000 bales, the crop of 1936, to 19,000,000 bales, an increase of almost 6,000,000 bales in 1 year. So the decision and the date of the decision undoubtedly had something to do with the increased production in 1937.

Mr. BANKHEAD. In the spring of 1937, after 3 years of control and the reduction of the surplus from thirteen million to six million bales, the price of cotton went to 14 cents a pound, and with that attractive price and no control law, the farmers, responding to the impulses of human nature, increased their acreage planted to cotton, wanting a little more cotton to sell at that attractive price. That was the situation.

Mr. McNARY. Mr. President, will the Senator from Alabama yield?

Mr. BANKHEAD. I yield.

Mr. McNARY. I do not desire to repeat my statement about the decision of the Supreme Court; I shall refer to that in my own time. However, I wish to ask the Senator about another matter. What does he claim the average charge per pound against the impounded cotton to be? In determining the loss the Government sustained on the 2,000,000 bales, which he now desires to give the farmers the right to repossess, what figure does the Senator use as the amount of

investment per pound the Government has in the cotton at this time?

Mr. BANKHEAD. The investment was shown by the representative of the Commodity Credit Corporation who testified a few days ago before the Banking and Currency Committee, of which I am a member, on the subject of extending the time of the commodity loans.

The average figure for the 1938 crop of cotton which they may draw out was 9.45 cents, just above 9 cents. That covered all the carrying charges up to that time. The Senator will recall that the loan price was only 8.3 cents.

Mr. McNARY. Of course, my figures are different, and for the purpose of permitting me to submit them for the RECORD at this time, I assume the Senator will be happy to yield to me.

Mr. BANKHEAD. Certainly; I will cooperate with the Senator.

Mr. McNARY. I have a letter, dated Friday last, from the Commodity Credit Corporation, which loaned the money, and I assume their records to be accurate. They state that the estimate of the price per pound against loans on cotton, including all advances, accruals of interest, and storage charges, to March 1, 1939, on the 1934–35 crop of 1,666,350 bales, amounts to 15.25 per pound.

Mr. BANKHEAD. That evidence was before our committee.

Mr. McNARY. For 1937–38 the figure was 9.088 cents, for 1938–39 the figure was 9.098 cents. The total on the 11,000,000 bales averages 10.046 cents.

Mr. BANKHEAD. That does not conflict in any way with what I have stated.

Mr. McNARY. I do not wish to be put in the attitude of criticizing what the Senator says. We are all interested in having the figures accurate, however.

Mr. BANKHEAD. Certainly. Did not the Senator read that for the crop of 1938 the figure was nine with a fraction?

Mr. McNARY. Yes.

Mr. BANKHEAD. Did I not say it was that?

Mr. McNARY. Yes.

Mr. BANKHEAD. Then, what is the difference?

Mr. McNARY. I am stating that upon the impounded cotton, which is in excess of 11,000,000 bales, the Government to date has advanced, including carrying charges, insurance, and interest, a little in excess of 10 cents per pound. So when we measure our loss by permitting the cotton farmers to repossess cotton for the purpose of retiring acreage we must figure from 10 cents rather than 9.

Mr. BANKHEAD. I do not agree with the Senator's conclusion in that regard. The cotton of 1934–35 was a different lot. The loan on that went from the 10-cent basis to the 12-cent basis, but on cotton which is recoverable specifically under the proposed act the loan was made at 8.3 cents last fall.

Mr. McNARY. But is there anything in the bill which limits the 2,000,000 bales to the crop of 1937–38? It applies to all the crops now held as security by the Commodity Credit Corporation, so it must include the 1,666,000 bales upon which 15.25 cents per pound was loaned. I am speaking of the general average according to the records of the Commodity Credit Corporation, which is in excess of 10 cents a pound as of March 1 of this year.

Mr. BANKHEAD. I recognize the general average; but the farmer is allowed to withdraw his cotton out of the 1938 loan cotton; I assume he can do that.

The Senator from Kentucky asked me about the effect of this program upon labor on the farms, and that is a fair and proper question. I regret that the Senator was out of the Chamber when I made the statement that probably four-fifths of the cotton is produced on family-size farms, and is raised by the farmer's own family, no labor being hired. Of course, upon farms of that kind there would be no disturbance of labor of any kind.

In the first place, one-sixth of the small acreage that is allotted is not sufficient to require any additional labor. Let us assume a 12,000,000-bale crop, and allotments to farmers of 2,300,000 bales, and the average production, which is approximately 5 bales to the farm. The result is that the acreage allotted is small. So one-sixth of it is retired, after the farmer has made all his arrangements to plant 12 acres instead of 10, and therefore it cannot result in any labor displacement.

I call the Senator's attention to the further fact that there is no financial reason for displacement of labor upon the farm. Some people ask, How is the tenant, or laborer, or whatever position he occupies, to get his return, to get his income, as he would if the entire amount of cotton were produced? Such a query simply overlooks the fact that the farmer gets the same amount of money out if his crop whether he plants the entire allotment or only five-sixths of it. So he has the same income from his farm with which to pay his labor whether he plants 10 acres or plants 12 acres.

Mr. BARKLEY. Has the Senator any figures as to the proportion of cotton produced by sharecroppers?

Mr. BANKHEAD. No; I am sorry I have not; I do not know whether or not the Department has such figures; but I take it the proportion is around half of the cotton produced or more. I refer to tenants. There are different kinds of tenants, of course, as the Senator doubtless knows; some are cash renters and some pay so much cotton as rent.

Mr. BARKLEY. I am familiar with that. Suppose a man owning a cotton farm intended to have 12 acres in cultivation, and he raised the cotton by the sharecropper method, and had two tenants, we will say. I do not know whether or not that is a fair average, but we will say he had two tenants.

Mr. BANKHEAD. I think a fair average is about one-fourth of one. Most of the production is on family-size farms.

Mr. BARKLEY. Suppose that instead of planting 12 acres, he plants 10 acres. Will the reduction in the production on the farm for this year have any effect upon the income of the tenants, assuming that the landlord gets the benefit of the impounded cotton, which he buys back at 3 cents a pound?

Mr. BANKHEAD. Let me call the Senator's attention to section 2 of the bill, on page 8, which reads:

> SEC. 2. At the end of section 1 of the bill insert the following paragraph:
>
> "Conformity to section 8 (f) of the Soil Conservation and Domestic Allotment Act, wherever there is any reduction in the number of share tenants and sharecroppers below the average number on the farm during the 3 years 1936 to 1938 and the result of such reduction would be to increase the payment under this act to the landlord of the farm the payment to him shall be calculated by omitting such increase if the county committee disapproves such reduction as being not justified in view of all the circumstances."

Mr. BARKLEY. The concrete answer to my former question with respect to labor is that the Senator's view is that the bill, if enacted, would not materially affect the volume of labor or the compensation of those who are hired either for cash or for part of the crop to produce the cotton crop of 1939.

Mr. BANKHEAD. I do not think it would affect it at all, because I believe that a man who already has labor hired will not avail himself of the provision, but will put in his full acreage.

Mr. BARKLEY. It might be an inducement to him not to hire labor and produce cotton if he could get the same amount of cotton, at 3 cents a pound.

Mr. BANKHEAD. The Senator recognizes that those who are going to produce cotton have what labor they need on their farms now.

Mr. BARKLEY. That is true.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. MILLER. I am in hearty sympathy with the objectives of the bill; but I wish to ask the Senator concerning the two provisions for the disposition of cotton after it is withdrawn. For instance, subsection (a) on page 6 sets up one method. As I understand that method, the farmer himself would withdraw the cotton, and he could assign the warehouse receipts to anyone.

Mr. BANKHEAD. After he got the cotton.

Mr. MILLER. Yes; after he got the cotton.

Mr. BANKHEAD. By proving that he had reduced his production.

Mr. MILLER. Yes; after proving that he had conformed to the requirements set forth. Then subsection (b) on page 7 provides another method of obtaining and selling the cotton. I am a little bit worried about subsection (a) being in the bill. It appears to me it would be much better if the cotton were disposed of under subsection (b), because we must face the fact that the average amount loaned against the cotton is approximately 10 cents a pound. That is above the present market value.

Mr. BANKHEAD. No; the loan on the cotton covered by section (a) does not exceed 9 cents.

Mr. MILLER. Even that is above the present market value.

Mr. BANKHEAD. Yes; by about one-half cent.

Mr. MILLER. In other words, the farmer would not have any equity in the cotton if he should withdraw it at 3 cents. I should like a measure to be enacted which would prevent the farmer from putting such cotton on the market at, say, as low as 5 cents a pound. There would not be any reason why he could not put it on the market at 5 cents a pound after it was withdrawn under subsection (a), whereas I think under subsection (b) a better method is provided.

Mr. BANKHEAD. There are two answers to the Senator's question. In the first place, I have no interest in retaining that section in the bill if anyone objects to it. The farmers themselves put it in the bill. But I am surprised to hear the Senator say that he thinks any farmer would sell the cotton below the market price.

Mr. MILLER. I do not think the farmer would.

Mr. BANKHEAD. The Senator knows that the farmer would not sell it below the market price. Farmers all over the country receive the same price. The price is published and is available everywhere.

Mr. MILLER. That is true; but I am afraid there would be an incentive to reduce the price.

Mr. BANKHEAD. If the farmer did that he would be the loser. Why should he take less than he could get for the cotton, and he could get the regular market price for the cotton?

Mr. MILLER. I agree that he would lose, but at the same time he would be gaining something by the release of the cotton. However, I believe there would be a more orderly disposition of the cotton if the sale were conducted as in 1933 under subsection (b).

Mr. BANKHEAD. I will make a further statement which, I think, Members of the Senate should have in connection with this subject. Personally I do not care so much about the method to be used. We had a meeting in Washington of farmers from 18 cotton-producing States. That statement may seem a strange one, but a little cotton is produced in a number of States such as the State represented in part by the Senator from Illinois [Mr. LUCAS]. Early in January a farmers' meeting was held in Washington, to which came delegates from every cotton-producing State in the United States. They were not Government officials as we were told. They were farm organization representatives. They were leaders in agricultural production. They came here to consider, counsel together, about the horrible situation that was confronting us as we entered upon a new year's production with considerably more cotton in the warehouses than would be needed to supply the consumption of American cotton in the world if not a single bale of cotton were raised this year. So they came here confronted with that situation. They stayed here 3 days, and I understand they were invited by Secretary Wallace. During those 3 days they deliberated upon a program. After they had worked it all out together, after they had counseled together and endeavored to meet objections or to accept as valid the objections that were raised, that group unanimously agreed upon the provision and plan contained in the pending bill. They came to the Senate Committee on Agriculture and Forestry, 20 or 25 representatives from the farm group of nearly a hundred, to report the result of their efforts and the conclusion reached by them.

A large number of Senators were present at the meeting. All the Senators from the cotton-producing States and members of the House Committee on Agriculture from the cotton-producing States were invited. We had a room full of Members of Congress and representatives of the delegations representing farmers. The farmers' representatives came before us in person and reported the results of their deliberations, and recommended the pending program as the best they could suggest. They thought, even in January, that if we gave this cotton away—that is what they recommended—and made no charge, that not more than 3,000,000 bales would be taken by the farmers, because they would rather work all their acreage than to retire 2 or 3 acres. They would rather have the cottonseed and get the money for that. They would rather conduct their normal farm operations.

One of the spokesmen, a man from Mississippi, the president of the Farm Bureau in Mississippi, a man of very high intelligence and of considerable farm interests, said under the plan he would not take any cotton out.

I wanted to point out to the Senator from Arkansas [Mr. MILLER] and to other Senators who are interested, that this is really a farmers' plan, voted upon favorably in Washington and recommended to Congress, and sponsored by me. I put the plan in the bill some time ago.

They presented the reasons why a farmer should be allowed to take out his own cotton; and they put in the section to which the Senator from Arkansas objects, or about which he seems to be doubtful. They gave their reason. They said a good many farmers had loans on cotton above seven-eighths inch Middling in grade. They had their certificates upon that cotton. Why not let them draw their own cotton out at their own home town; let them get their own cotton out of the warehouse? So they had the bill prepared at the Department of Agriculture, and they brought it to me, and it was introduced in that form.

I wanted the Senate to know that the measure is really the result of the meetings of the farmers, and their efforts and deliberations, rather than my own production, although I did favor that provision.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LUCAS. The distinguished Senator from Alabama was kind enough a few moments ago to refer to certain of my constituents who came from Illinois to meet other farm representatives in Washington and discuss this very important problem. Of course, I presume the statement that Illinois raises some cotton in the extreme southern part is news to a great many Senators.

Mr. BANKHEAD. We became liberal with Illinois the last time.

Mr. LUCAS. And I am very happy to make another observation or two with respect to the productivity and the versatility of the great State of Illinois. Let us begin with the first city of America—Chicago, on the north. Leaving that great metropolitan center and going south, there is found one of the most famous dairy sections in the United States of America. Then farther south there is found the heart of the Corn Belt itself. Travel with me on to the south and we find oil and coal. In that locality are probably the greatest oil fields in this country, or at least they will be when developed to a final stage. And one of the largest coal mines in all the world is located in Franklin County.

Then in the extreme southern part of Illinois cotton, of which the Senator from Alabama has spoken, is produced.

However, I did not rise for the purpose of discussing the wonders of my State. I rose primarily for the purpose of speaking upon what I believe to be a very practical question in connection with the difficult problem which the Senator is attempting to solve. I wish to say to the Senator from Alabama and to all the Senators from the cotton-producing States of the South that I am extremely sympathetic with the position they are taking with respect to the difficulties they are attempting to meet by the pending measure. I have a tremendous amount of interest in

doing something, not only for the cotton farmer, Mr. President, but for all agriculture throughout America.

Therefore, I wish to ask one practical question in line with what the Senator from Kentucky [Mr. BARKLEY] was discussing with the Senator from Alabama a few moments ago with respect to the labor problem. If I correctly understood the distinguished Senator from Alabama in his answer to the question asked by the Senator from Kentucky, he said that the proposed legislation would not affect the labor in the South and in the cotton fields, practically all of which is employed at the present time to plant or to prepare the ground for the cotton crop of 1939.

Mr. BANKHEAD. I think that is correct.

Mr. LUCAS. If that be true, I should like to ask one further question. What is the latest date at which cotton can be planted in the Senator's State with good prospects for a successful crop?

Mr. BANKHEAD. I think it could be planted as late as the first of May.

Mr. LUCAS. What percentage of the acreage would the Senator say is now planted to cotton in the State of Alabama?

Mr. BANKHEAD. A very little. I should say 10 percent, if that much, on the lower border of the Gulf.

Mr. LUCAS. What part is being prepared?

Mr. BANKHEAD. It is all being prepared. However, the preparation is not up-to-date. Work is going on.

Mr. LUCAS. If the bill should be enacted, would the fact that a certain portion of the crop has already been planted, and the soil in other parts of the State is now being prepared for the cotton crop of 1939, interfere with the efficacy of the measure?

Mr. BANKHEAD. It would mean that those who have planted would not have the privilege of obtaining any of the cotton.

Mr. LUCAS. Those who have planted would not have the right to obtain any of the benefits under this bill; and the longer we delay passage of the bill, the greater the acreage which will be planted, and the less effective the measure will become.

Mr. BANKHEAD. That is true. I think if we do not have speedy action on the bill, it will be worthless. I have no illusions about that question. I think speed is of the essence of the program.

Mr. LUCAS. How long a time would have to elapse before the bill would become practically worthless?

Mr. BANKHEAD. Does the Senator mean how much notice it would be necessary to give the farmers?

Mr. LUCAS. No. If we kept the bill in Congress, how long would it be before it would become ineffective?

Mr. BANKHEAD. It becomes weaker every day. There is no doubt about that. However, I think if we could pass the bill in 2 or 3 weeks 1,000,000 bales might be taken out. Every bale of cotton removed from the loan and from the surplus is that much more help.

Mr. LUCAS. I wish to say in conclusion, Mr. President, as I said in the beginning, that I have every sympathy with Senators from the Southern States in connection with the cotton problem in part because I have a little of it in my State of Illinois. I honestly believe that if we pass the bill at the present time, and the bill goes to the House, we will again have the same chaos and confusion over agricultural legislation that existed in the House last week. I am interested in corn; I am interested in the dairy products of this country; I am interested in the wheat farmer; in fact, I am interested in what I conceive to be an all-American program whereby every farmer in America will be benefited in some way by legislation that the Congress can enact, and will enact before it adjourns. I have a sincere and deep interest in the cotton problem, because it is a serious one. I know that something must be done about it in one form or another, from the standpoint of legislation, during this session of Congress. However, I witnessed what transpired in the House. When the question arose of parity payments of $250,000,000 for certain special commodities, namely: Cotton, wheat, corn, rice, and tobacco, we know exactly what happened. Why did it happen? Simply because the dairy farmers, the fruit and vegetable farmers, and many other farmers who are just as much entitled to benefits as the corn, cotton, and wheat farmers, would have received no benefits under the legislation which was passed by the House of Representatives. If we pass the cotton bill in the Senate today and send it over to the House of Representatives for action, the same situation will be produced in the House of Representatives which existed only a week ago, when parity payments were defeated and the farmers of the country received nothing from the standpoint of benefits insofar as farm legislation is concerned. Confusion and chaos will be added to our already muddled agriculture situation.

We will soon have the question of parity payments before the Senate. It will come along in the form of an amendment to an appropriation bill. Mr. President, parity-payment legislation affects the five basic commodities, including cotton, on which we are working today. I undertake to say that it is for the best interests of the cotton farmers to defeat this bill in order that ultimately a plan may be worked out in the United States Senate, in cooperation with certain Members in the House of Representatives who are vitally interested in all agriculture, to the end that a unified program may be presented affecting all agriculture so vital and so necessary to a prosperous life for this great country of ours.

I wish to move on a united front. I do not wish to go at the problem piecemeal. In order to obtain the kind of program which American agriculture deserves—not for cotton alone, not for wheat alone, or for corn, vegetables, fruit, or dairy products alone, but for them all—we must sit down and try to work out a definite, concrete program which will affect American agriculture as a whole. That is what a group of Senators are trying to do at the present time.

Mr. President, I am not standing on my feet today because I am interested in making a speech. I am standing here deeply concerned about a great fundamental problem, which affects the economic and social life of the Nation. I want it to succeed. However, I can foresee danger in the bill when it goes over to the House. It will be said, "Here is something more for cotton. Where do we come in?"

Mr. President, it is to the interest of the cotton farmers of the South that the bill be defeated in order that we may ultimately come before the Senate with a strong, united program in which every United States Senator will be interested. If we legislate for the dairy farmers, the fruit and vegetable farmers, the wheat, cotton, and corn farmers, the Republican Members on this side of the aisle will at least give the bill serious consideration from the standpoint of our national economy, which is so necessary to the future of agriculture. There is no Senator, regardless of politics, but who is interested in some phase of agriculture.

I am sorry to take so much time from my distinguished friend. I thank him very much for permitting me to use his time.

Mr. BANKHEAD. Mr. President, I am always glad to hear the distinguished Senator from Illinois. I am not so sure that he is as much interested in cotton as I am; I am not so sure that many other Senators are. However, the Senator certainly knows that a broad program has been suggested. Of all the crops produced, cotton occupies the worst statistical position. Some weeks ago I went to the Senator and asked him if he had any program along these lines in which he wanted to join us. He was not prepared to do so. I have not moved solely for cotton. I have always been willing to cooperate with dairy farmers, corn farmers, wheat farmers, fruit and vegetable producers, and anyone else who makes his living on the farm.

I am sorry that the Senator has raised the flag against cotton legislation. Probably he will win. I know what it means when a flag of that sort is raised. When the issue on cotton is raised, I know what the result will be. I have no illusions about that. I am sorry he did it. I would rather someone else had done it.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LUCAS. I hope the Senator does not construe my remarks as raising the flag against cotton. If there is anyone who is sympathetic toward cotton producers, it is the Senator from Illinois. If the Senator construes what I said as raising the flag against cotton, of course I regret it. My approach to the solution is different, and I have a notion that what I have said here, has perhaps helped the cotton farmer rather than injured him. That I assure my able friend is the spirit in which the remarks were made.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. WILEY. I should like to ask a few questions. Suppose a coordinated plan such as the Senator from Illinois suggests were brought forward. Is there any reason why the plan of the Senator from Alabama could not fit into such a coordinated plan?

Mr. BANKHEAD. I will say to the Senator that the most important factor is that of time. The Senator from Illinois, who has just spoken, leaves the impression, with me at least, and doubtless with other Senators, that if this one piece of proposed legislation designed to reduce the supply of cotton, a bill applying solely to cotton and to nothing else, is passed, the representatives of the cotton section will quit, walk out, and lose their interest in other agricultural legislation. That would not be the effect on our interest. We have always voted, and will continue to vote, for agriculture. Nearly every Senator from the cotton-producing States has his heart in agricultural legislation. So the pending bill does not dispose of our interest in agricultural legislation. It simply accelerates it, if anything. Those who represent other sections, which have other problems, should not say to us: "You stand aside; nobody else has a situation such as you have, but you cannot get yours, although time is moving against you, until we get our share."

Mr. WILEY. What is the average cost per pound of producing cotton?

Mr. BANKHEAD. That is a difficult question to answer. The cost varies a great deal. It depends upon the parts of the Cotton Belt, and it depends a good deal upon what elements of cost are considered. It is generally asserted by everybody who knows anything about it that it costs more to produce cotton than the farmers have been getting for it for some time.

Mr. WILEY. Would the Senator say that the average cost of producing cotton is 6 cents or 7 cents per pound?

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BANKHEAD. It costs probably 10 cents per pound.

Mr. McNARY. On that point, I think the best records indicate that the cost is about 10 cents per pound.

Mr. WILEY. And the present market is about 8 cents?

Mr. BANKHEAD. Yes.

Mr. WILEY. If 2,000,000 bales were taken, that would mean a subsidy, would it not, of the difference between 3 cents and 8 cents, or about $70,000,000 of loss to the Government?

Mr. BANKHEAD. The bill limits the amount to 2,000,000 bales, and it would mean a loss of $60,000,000.

Mr. WILEY. On that basis the loss would be $60,000,000?

Mr. BANKHEAD. Yes; assuming, of course, that the Government is going to get back all of its loan and all of its carrying charges hereafter, which I think is a rather violent assumption unless the Government does something like this and helps put up the price.

Mr. WILEY. I will say to the Senator that I was in the committee when the discussion arose, and the Senator from South Carolina [Mr. SMITH] said he thought the farmers would take the cotton as quickly at 6 cents as they would at 3 cents. Does the Senator from Alabama think that is is true?

Mr. BANKHEAD. No. The Senator from South Carolina and I have differed about that matter all the way through. We have had a friendly but open difference of opinion on the subject.

Mr. WILEY. There was some discussion as to labor. Suppose the price for the small farmer, as he is called, were placed at 3 cents, would it be advisable to give the large farmer the same opportunity to buy at 3 cents?

Mr. BANKHEAD. The Senator misunderstood what was said. There is no difference as between farmers. There is a uniform price.

Mr. WILEY. Would it not be advisable to change the provision or fix a limit so that one farmer could not take, say, over 100, 500, or a thousand bales?

Mr. BANKHEAD. The bill authorizes the Secretary, when the bids are all in, just as the Treasury would do in the case of bonds, to apportion the amount if it is in excess of 2,000,000 bales.

Mr. WILEY. The problem I have in mind is this: Suppose a large farmer formerly had produced a thousand bales. If he did not have to do anything, he could afford to pay 3 cents a pound, which would be in the neighborhood of $15 a bale; and if he should sell that cotton at a price of 8 cents a pound, he would make a big clean-up, would he not?

Mr. BANKHEAD. I did not catch the Senator's question.

Mr. WILEY. Assume that a large farmer who ordinarily produces a thousand bales of cotton could go to the Government and buy 1,000 bales at 3 cents a pound instead of producing it: He would make a good deal of money.

Mr. BANKHEAD. The answer to that question is that under this program he cannot do it if there is any demand at all for the cotton, because it has to be apportioned; so the question is a speculative one.

Mr. WILEY. The Senator said about one-fourth or one-fifth of the farmers live on large farms, as I understand, and the other four-fifths live on small farms.

Mr. BANKHEAD. Most of the large farms are made up of a number of small farms.

Mr. WILEY. I thank the Senator very much.

Mr. HATCH. Mr. President, will the Senator yield to me?

Mr. BANKHEAD. Yes; I yield to the Senator from New Mexico.

Mr. HATCH. I observe that the Senator from Illinois [Mr. LUCAS] has left the Chamber. I wanted to ask him a question, and I am sorry he is not now present. I came in just as he was concluding his remarks. Did I correctly understand him to say that a coordinated and unified bill is in process of preparation?

Mr. BANKHEAD. Yes; that is the way I understood the Senator.

Mr. McNARY. Mr. President, will the Senator yield at that point?

Mr. BANKHEAD. Yes.

Mr. McNARY. I think there is a good deal to commend in what the Senator from Illinois said.

Mr. BANKHEAD. I regret that the Senator from Illinois did not let the Senator from Oregon say it.

Mr. McNARY. I have always regretted that in the Soil Conservation Act we have dealt with only a few crops. I think that act should apply generally and without discrimination to all crops; but I disagree with the Senator from Illinois in one respect. He was speaking of the 1939 crops raised on the farms of the country. This measure deals with cotton which is now impounded with the Commodity Credit Corporation for loans, cotton which we are trying to dispose of and get back in the channels of trade, and at the same time decrease production.

I think we are dealing with a little different problem than that mentioned by the Senator from Illinois. I want to make my contribution to getting rid as quickly as we can of the cotton upon which the Government has loaned practically $500,000,000. I want to see it sold. I want to see the surplus disposed of. I have no particular quarrel with the able Senator from Alabama.

Mr. BANKHEAD. Will the Senator from Oregon let me ask him a question?

Mr. McNARY. Yes; I shall be happy to have the Senator do so.

Mr. BANKHEAD. Does not the Senator realize that the best way for the Government to get its money back out of

its loan on cotton would be to reduce the surplus and thus increase the price?

Mr. McNARY. Exactly.

Mr. BANKHEAD. That is what I am trying to accomplish.

Mr. McNARY. I say, I agree with the objectives of the bill, and I think we are treating one particular phase of the problem in the bill. If the Senator would accept an amendment from me, I should cordially and warmly support this provision. I am glad he proposes to reduce the acreage.

Mr. BANKHEAD. I think the Senator should be fair enough to state what his amendment is before he asks me to accept it.

Mr. McNARY. I was about to do so. If the Senator would increase from 3 cents to 5 or 6 cents per pound the amount which the farmer should pay in order to repossess himself of cotton, I should be glad to support the measure.

Mr. BANKHEAD. I should be glad to make the suggestion; but I think we might just as well indefinitely postpone the bill, because I do not think the Senator would get any of the cotton out at that figure.

Mr. McNARY. For instance, I have in mind the act of 1933—I think it is called the Smith Act—in which the same proposition was expressed, and in which it was provided that the cotton grower, in order to repossess himself of his cotton and thereby decrease his acreage, should pay 6 cents per pound upon a price level similar to that which obtains today. In all fairness, it seems to me that the farmer who had received on his loan more money than he would receive if he sold in the market should be willing to pay enough for the cotton to justify the Government in releasing it to him in order that he might sell it in the open market. If he paid 5 or 6 cents per pound he would then net a very good profit; and before the discussion ends I shall offer an amendment to the effect that the grower, in order to recover his cotton, shall pay 6 cents per pound, in conformity with the act of 1933.

Mr. BANKHEAD. Will the Senator support the bill at 4 cents per pound?

Mr. McNARY. No; I do not think that is quite fair.

Mr. BANKHEAD. I am just trying to take some cotton out of production and help the Government save as much as possible of the money it has loaned.

Mr. McNARY. I will support the bill, reduced as the acreage is to 2,000,000 bales, if it is provided that the cotton grower shall pay 5 cents instead of 3 cents.

Mr. HATCH. Mr. President, while the Senator from Alabama is considering the proposition of the Senator from Oregon, I desire to make an observation similar to that which the Senator from Oregon has already very ably made in connection with the remarks of the Senator from Illinois [Mr. LUCAS]. The Senator from Illinois is sponsoring, I presume, some mysterious bill that is to deal with agriculture as a whole. In his desire and wish I join him heartily. I should like to deal with a complete agricultural bill, and treat the entire subject as a whole, and I think we should do it; but, as the Senator from Oregon has pointed out, the bill of the Senator from Alabama, which is before us today, deals only with one phase of a question which must be acted upon immediately. It cannot wait until committees meet, and bills are introduced and considered, when planting time is right on us now; and, as the Senator from Oregon pointed out, I think the Senator from Illinois must understand the purpose and effect of this measure.

I am speaking in the time of the Senator from Alabama; but I desire to say that I have served on the committee with the Senator from Alabama since I have been in the Senate. The statement I am about to make applies also to the chairman of the committee, who is likewise interested in cotton. Both these Senators have at all times been perfectly willing to treat with other crops, giving them the same generous and kindly type of treatment that they have asked for cotton.

I think the Senator from Alabama is entitled to have that statement made.

Mr. BANKHEAD. I appreciate the statement.

Mr. SMITH. Mr. President, may I ask the Senator one question?

Mr. BANKHEAD. Certainly.

Mr. SMITH. Does the Senator think 2,000,000 bales is enough to allocate for the purpose of repossession?

Mr. BANKHEAD. No; but I saw that I could not get any more. Mr. Duggan, director of the southern division, Department of Agriculture, says that we cannot get more than a million bales out at this late date anyway; so I was actuated by those two motives.

Mr. SMITH. I do not want to interfere with this debate; but I am perfectly convinced of certain things after the experience of 1934–35, when Mr. Hoover failed to sign the bill, and the incoming President did not take advantage of the time limit that still remained for him to sign it, waiting for a general bill. The same principle involved in this bill was part 1 of that bill. I knew farmers who plowed up their cotton at 6 cents a pound because they knew that if they went on with the production of cotton they could not make it for less than 12 cents a pound. Therefore, so far as I am concerned, in order to get the bill passed and get something done, I am perfectly willing to put the price at 5 cents, if necessary, in order to get it through.

I desire to make a suggestion in this connection, and then I do not think I shall have anything more to say about the bill.

There is another bill on the calendar which I am going to seek to have considered and let it meet its fate. I think it would be very well if the Senator were to propose in this bill that the eleven and a half million bales of cotton should be used next year and the year following for the purpose of supplementing production. I am satisfied that the minute the trade is convinced that we have a fixed, definite policy regarding cotton, we shall see exports go right back to normal.

Members of the Liverpool delegation that represented the Manchester spinners were in my office 2 weeks ago. I asked them what was the cause of the decrease in exports. They said, "Why, it is because we do not know what you are going to do with your cotton." They said, "Do you think we would go in the market and buy cotton to the extent of eleven and a half or thirteen million bales, when some people say you are going to export your cotton at 2 cents under the market and others say you are going to hold it? We are not going to buy."

There is one point with reference to figures that I want to have go in the RECORD, so that those who are interested in this question may understand the facts.

Exports have decreased almost 50 percent this year, while the amount of American cotton consumed abroad is exactly equal to the amount so consumed last year. Why? Because the holders of American stocks in Europe are exhausting their ordinary carry-over supply, waiting for us to settle the question as to price. I invite any Senators who doubt that statement to go to the Bureau of Statistics in the Department of Commerce and get the figures from our Commissioner who has charge of the exchanges. It will be found that the amount of American cotton consumed in Europe during the first 6 months of this year is exactly equal to the corresponding amount last year. They are consuming their stocks, waiting for us to determine what we are going to do with the impounded cotton. There has been much loose talk about American cotton being out of all parity with the price of foreign cotton. American cotton sets the price for world cotton. If anyone has any doubt about that, let him investigate it.

When the pending bill was reported to the Senate with the other part unanimously, cotton went up more than $2 a bale, and Worth Street sold 60,000,000 yards of cotton cloth. The dealers thought the bill would pass and that the question of the disposition of the cotton would be settled. The minute there was talk about this export subsidy, immediately the market broke more than it had gained, and Worth Street is not selling a thing.

It seems to me that every Member of the Senate ought to know that until we fix upon some definite plan no one

is going to buy cotton. When the other part of the bill comes before us, as I shall ask to have it considered, I want to go into this question. There is no "hocus" about it. We make 46 percent of all the cotton made in the world, and, therefore, we dominate the price.

I should like to see this surplus cotton held for 3 years, with the understanding that we will give the farmers the opportunity in 1939, 1940, and 1941 of substituting this cotton, or a percentage of it, in lieu of production, they to become the beneficiaries of the rising price which will certainly come about, and, if necessary, when the price shall rise, provide that the Government be the beneficiary of the extra price. In other words, suppose that as a result of substituting this cotton the price should go to 12 cents. That is the parity for which we are striving. If it went to 13, we would remit the extra cent to the Government.

The first thing for us to determine is, What is our policy; what are we going to do? I think the corn producers, the wheat producers, and those who produce other agricultural commodities might give us credit for good faith in trying to solve the problem. I thought I had some figures here in my desk which I wanted to present, but I do not find them. Suffice it to say that from 1917 to 1929 the actual value of American lint cotton averaged, for the 12 years, $1,480,000,000 a year, $800,000,000 of which was foreign money sent here for the purchase of American cotton. From 1932 to 1939 the average total income per year from the sale of American lint cotton was $489,000,000, showing a loss per year of a billion dollars, distributed amongst 6,000,000 producers. Those producers buy cheese and meat and flour from the West. Think of the shrinkage in the purchasing power when a billion dollars of income is lost.

Mr. President, this question should not be viewed as a local or sectional one. It is a national question, and we are trying to solve it, and I do not think we will ever solve it satisfactorily until we modify some of the laws which are already on the statute books.

I am willing to accept the 5-cent figure. In my original bill I placed the figure at 6 cents. I wish to call the attention of the Senate to the fact that when we put it at 6 cents a pound cotton was then down to 5 cents. Now it is at 8 cents.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). Does the Senator from South Carolina yield to the Senator from Oregon?

Mr. SMITH. I yield.

Mr. McNARY. I think the Senator's statement is very fair, and I entertain a very high opinion of the judgment of those engaged in the cotton industry. It was in 1933 when there was provision for the cotton option contract, which was offered by the distinguished Senator from South Carolina. At that time 6 cents was agreed upon as the amount the farmer should pay to recapture, to repossess, the cotton which he had under a loan.

Mr. SMITH. That is correct.

Mr. McNARY. I am suggesting now that with cotton at 8 cents it is not fair to agriculture generally, to the producers of other crops, to permit the cotton to be repossessed at 3 cents. I am willing to cooperate, so far as I am concerned, one lone Senator, if the figure should be changed. I should like to propose an increase from 3 cents to 5 cents and a reduction of the 3,000,000 bales to 2,000,000, and with those changes I think the bill should pass.

Mr. BANKHEAD. How much cotton?

Mr. McNARY. Two million bales.

Mr. BANKHEAD. Let us raise the amount a little, if we are to raise the price so high. Would the Senator agree to 4,000,000 bales? I do not know that we could get an agreement on that, but it would help if the Senator would make that agreement.

Mr. McNARY. What is the use doing an idle thing which may bring opposition which should not be aroused? I am assuming that the Senator stated a fact when he said that a million bales of loan cotton is probably all that can be taken out this year. Why make it 4,000,000 and scare someone when only 1,000,000 can be taken out?

Mr. BANKHEAD. I state frankly that there is a difference of opinion. Some around me differ from me.

If the Senator is not willing to make it 4,000,000, I will agree to his proposal and make it 3,000,000.

Mr. McNARY. The Senator will agree to make it 3,000,000?

Mr. BANKHEAD. Yes; instead of 5,000,000.

Mr. McNARY. If the Senator will modify his proposal, I will offer the 5-cent proposal.

Mr. BANKHEAD. I will withdraw my amendment. It has not been adopted, and I will leave the figure at 3 cents.

Mr. McNARY. Will the Senator yield, that I may offer an amendment?

Mr. BANKHEAD. Yes; if the Senator from South Carolina will permit.

Mr. SMITH. I yield.

Mr. McNARY. I move that on page 7, line 3, the figure "3" be deleted and "5" be inserted in lieu thereof, so that it will read "at a price of 5 cents a pound." That phrase may occur at some other place in the bill; and if so, the amendment may be carried out by virtue of an understanding.

Mr. SMITH. Wherever in the bill the figure is "3" let us substitute "5."

Mr. BANKHEAD. Let us have the amendment agreed to.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. McNARY] to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. BANKHEAD. Mr. President, when we took the bill up, I gave notice that I had two amendments which would be offered at the proper time, one reducing the quantity of cotton from 3,000,000 to 2,000,000 bales. That amendment has not been acted on; and on the advice of numerous associates on the floor of the Senate, I am agreeing to the amendment offered by the Senator from Oregon; and I will not offer the amendment I gave notice I would present.

The PRESIDING OFFICER. The amendment is withdrawn. The question is on agreeing to the committee amendment as amended.

Mr. McNARY. Mr. President, inasmuch as I have offered an amendment changing the price and it has been accepted, an amendment satisfactory to me, I should like to have a quorum called before the bill is finally passed.

The PRESIDING OFFICER. In order that there may not be any misunderstanding, the Chair calls to the attention of the Senator from Alabama the fact that he offered two amendments.

Mr. BANKHEAD. One is to correct a clerical error.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The CHIEF CLERK. On page 9, line 9, it is proposed to strike out the word "abolish" and insert in lieu thereof the word "apportion."

Mr. BANKHEAD. It is merely to correct a clerical error.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. Perhaps the Chair ought to state for the information of the Senate that when the committee amendment as amended shall have been agreed to, the bill will not be open to further amendment. The question is on agreeing to the committee amendment as amended.

Mr. McNARY. Mr. President, the ruling of the Chair is that if the amendment shall be agreed to the bill will not be subject to further amendment?

The PRESIDING OFFICER. That is the understanding of the Chair, in the parliamentary situation.

Mr. McNARY. Then I think that in all fairness I should suggest the absence of a quorum, and I do so.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Barbour	Brown	Chavez
Andrews	Barkley	Bulow	Clark, Mo.
Ashurst	Bilbo	Burke	Connally
Austin	Bone	Byrnes	Danaher
Bankhead	Borah	Caraway	Davis

Donahey	Holman	Mead	Sheppard
Downey	Hughes	Miller	Shipstead
Ellender	Johnson, Calif.	Minton	Smathers
Frazier	Johnson, Colo.	Murray	Smith
George	King	Neely	Stewart
Gerry	La Follette	Norris	Taft
Gillette	Lee	Nye	Thomas, Okla.
Glass	Lewis	O'Mahoney	Thomas, Utah
Green	Lodge	Overton	Townsend
Guffey	Logan	Pepper	Tydings
Gurney	Lucas	Pittman	Vandenberg
Harrison	Lundeen	Radcliffe	Wagner
Hatch	McCarran	Reed	Wheeler
Hayden	McKellar	Russell	White
Herring	McNary	Schwartz	Wiley
Hill	Maloney	Schwellenbach	

The PRESIDING OFFICER. Eighty-three Senators have answered to their names. A quorum is present.

The question is on agreeing to the committee amendment as amended.

Mr. FRAZIER. Mr. President, may the amendment to the amendment be stated?

The PRESIDING OFFICER. The amendment is in the nature of a substitute, the Chair may say to the Senator from North Dakota.

Mr. FRAZIER. I understood there was an amendment to the substitute.

The PRESIDING OFFICER. Certain amendments have been agreed to. But the question now recurs on the committee amendment as amended, which is in the nature of a substitute for the original bill.

Without objection, the committee amendment as amended is agreed to.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and read the third time.

The PRESIDING OFFICER. The bill having been read a third time, the question is, Shall the bill pass? [Putting the question.] The Chair is in doubt.

On a division the bill (S. 1514) was passed.

ORDER OF BUSINESS

Mr. SMITH obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BARKLEY. I wish to ask the Senator a question. It was understood that following action upon the Bankhead bill, the Brown reciprocal tax bill would be taken up. What is it the Senator from South Carolina desires to have considered?

Mr. SMITH. I should like to have the Senate consider part 2 of the bill reported by the Senate Committee on Agriculture and Forestry. That is Senate bill 1303. Part 1 of the bill has already been passed.

Mr. President, I ask that the bill be made the unfinished business. I do not care to discuss it this afternoon, because there are some necessary amendments to part 2 which must be made, and as it is an important bill I should like to have it made the unfinished business, and then to lie on the table until the amendments may be prepared.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BARKLEY. The Senator can get recognition at any time to move to take up his bill. I think it is bad legislative practice to make a bill the unfinished business and then leave it suspended here while other business is considered. I suppose I misunderstood the situation, but it was my understanding that if the Senator from Alabama got his bill up and action was taken on it, the Senator from South Carolina for the time being would not insist on taking up his bill.

I do not know how long it will take to dispose of the reciprocal tax bill, but it has been on the calendar for some time, and it was agreed last week that we would consider it today. However, the Bankhead bill was taken up for consideration, and everyone agreed that it might take precedence. The Senator from South Carolina will not lose any rights, as I understand, by not having his bill made the unfinished business. I do not think the Senate ought to adjourn at 2:30 p. m. simply by making the bill the unfinished business and then laying it aside temporarily. If the Senator from Michigan [Mr. BROWN] is ready to proceed with his reciprocal tax bill it might be disposed of this afternoon. I am not certain about that, but I wonder whether it would not be better legislative order to take up a measure and finish it and then take up some other measure. Unless there is some urgency about taking up part 2 of the bill, which might have been considered in one bill, as it was originally introduced, I think it should not be taken up at this time.

Mr. SMITH. The reason why I consented to the division was because of the necessity of getting early action if the farmers were going to substitute cotton in lieu of production. The other part of the bill is an attempt to get rid of the unfortunate loan feature. We have worked to try to bring about a condition so that the farmers would sell their cotton as it matured and receive whatever pay they were going to get—whatever the Senate agrees upon—at the time of the sale rather than putting it in a loan and pile up cotton. That is part 2.

I wanted the Senate to discuss what could be done in the way of parity payments. We started out with farm legislation 5 years ago, declaring that the farmer was entitled to parity. Cotton has never been within $20 a bale of parity. Corn has been around parity, and wheat has been around parity, but in all these years cotton has not been within 70 percent of parity.

With respect to the loan feature, lending the farmer so much, he would rather take that than to see the market go down. The result is that we are holding it there, hoping for a better price.

Mr. BARKLEY. I do not want to get into a discussion of the merits of the bill. My mind is now dwelling upon the orderly legislative procedure. The Senator's bill originally contained practically the provisions which have been considered today in the Bankhead bill.

Mr. SMITH. Yes.

Mr. BARKLEY. And, in addition to that, part 2.

Mr. SMITH. Yes.

Mr. BARKLEY. What advantage is derived by splitting them up and passing them one at a time, when the Senator's original bill contained both provisions?

Mr. SMITH. The only advantage we thought was that perhaps there might be more difficulty with respect to part 2 than part 1.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. McNARY. I was interested in the bill that has been passed, particularly after the adoption of my amendment increasing the price from 3 cents to 5 cents in order to dispose of the accumulated cotton. But the bill of the Senator from South Carolina deals with the cotton program for 1939, and the marketing year does not begin until September 1. So I can see no hurry.

Mr. SMITH. The reason I am trying to get some action is that a number of Senators, I understand, are meeting together—and I suppose they should know more about cotton than I do—in an effort to get some kind of an export-subsidy plan.

Mr. McNARY. I do not know about that. I am interested only in the growers of cotton, and not those who attempt to legislate for them. I say to the Senator that I hope he will not move to make his bill the unfinished business. I have not had time to study his bill. There is no immediate hurry about it. Let us go forward with the suggestion made by the Senator from Kentucky, the Senator's able leader, and take up the bill of the Senator from South Carolina a little later in the week. That is my suggestion to the Senator.

Mr. SMITH. Of course, Mr. President, I have got to do what the Senator says to do. For certain reasons any proposition advanced by me would not be very popular, I assume. However, let that pass. I shall attempt to have the bill considered immediately upon the passage of the bill referred to by the Senator from Kentucky.

Mr. BARKLEY. That is the tax bill.

Mr. SMITH. Yes.

Mr. BARKLEY. Very well.

Mr. McNARY. I thank the Senator from South Carolina.

Mr. SMITH. I know the Senator wants me to—well, I will not say it. I have said too much already, perhaps. Now, however, it is understood that when the reciprocal tax measure shall have been disposed of, my bill will be taken up. The reciprocal tax bill, I presume, is the one which provides for giving State governments the right to tax Federal employees and gives the Federal Government the right to tax all State employees, taking the instrumentalities of a sovereign and all that. That is a fine bill. Yes; we are making progress. [Laughter.] With one or more grants we can do away with the States and legislate entirely from this august body and the one at the other end of the Capitol. I yield, Mr. President; but I serve notice that, with all the power I have, I am going to resist and vote against this palpable intrusion upon the fixed policy of our Government for 150 years.

I shall ask that my bill be taken up as soon as action is taken on the reciprocal tax measure.

Mr. BORAH. Mr. President, has the Senator from South Carolina completed his statement?

Mr. SMITH. I have.

Mr. BORAH. I want to ask the able Senator from Michigan [Mr. BROWN], who has charge of the bill, a question before the bill is taken up.

The PRESIDING OFFICER. The Chair will state the parliamentary situation. There is no motion or bill pending before the Senate at this time. Under the rule, there is nothing now before the Senate for debate.

RECIPROCAL TAXATION OF FEDERAL AND STATE OFFICERS AND EMPLOYEES

Mr. BROWN. I move that the Senate proceed to the consideration of House bill 3790, relating to the taxation of the compensation of public officers and employees.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees.

The PRESIDING OFFICER. The question is on the motion made by the Senator from Michigan.

Mr. BORAH. Mr. President, I wish to ask a question of the Senator in charge of the bill [Mr. BROWN]. As I read the bill, it deals with the question of salaries of the two sovereigns alone.

Mr. BROWN. Exactly. It does not go any further than that.

Mr. BORAH. Is it the intention of the Senator in charge of the bill, or of the committee, to offer amendments to include securities, and so forth?

Mr. BROWN. I will say to the Senator from Idaho that the committee did not authorize an amendment of that kind. The Senator from Missouri [Mr. CLARK] has prepared an amendment covering taxation of State and Federal funds. As to whether or not he will offer that amendment, he can speak for himself. I do not know. I shall be very glad to yield to him for that purpose.

Mr. CLARK of Missouri. Mr. President——

The PRESIDING OFFICER. The Senator from Idaho [Mr. BORAH] has the floor.

Mr. BORAH. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. I will say to the Senator from Idaho that it has been my intention to offer an amendment providing for the mutual taxation of State securities by the Federal Government and, if necessary—and I do not believe it is and never have so believed—granting permission to the States to tax Federal securities, so long as the taxation is not discriminatory. I propose to offer such an amendment to the bill, not because I do not realize that to consider a subject of such vast magnitude by way of amendment to another bill has many undesirable features, but because I have been for many years, at least ever since I have been a Member of the Senate, very anxious to bring about a consideration of that question, and because I am not willing to have the consideration of that very important question indefinitely postponed. Therefore, if that were the only way in which the matter could be brought before the Congress, I was perfectly willing and determined to offer the amendment to which I have referred, which I have had printed for the information of the Senate and also printed in the RECORD as an amendment to the bill.

I was not willing to wait until the closing days of the session, when another measure may be brought in, under whip and spur, to provide for the extension of the so-called nuisance taxes, at a time when it would be suggested that to precipitate any discussion on another question in connection with that bill might result in depriving the Government of hundreds of millions of dollars of necessary revenue for the extension of the nuisance taxes. However, Mr. President, since the matter has been under discusion, and since I presented my amendment for the purpose of having it printed and inserted in the RECORD, the Senator from Mississippi [Mr. HARRISON], the chairman of the Finance Committee, and I have conferred with members of the House Ways and Means Committee, and have been informed by them that the Ways and Means Committee has already decided to proceed immediately with the consideration of the matter of reciprocal taxation of incomes from securities. I should like to have the Senator from Mississippi listen to this statement. We received assurances that the matter would receive from the Ways and Means Committee the earliest consideration compatible with the importance of the question.

Mr. President, I recognize, as does everyone else, that the matter is one which should preferably originate in the House of Representatives. I recognize the desirability of having the matter considered by the Ways and Means Committee of the House of Representatives, and having them undertake such hearings as they may consider desirable upon the subject. I realize further, of course, as does everyone else, that even if the amendment which I intended to propose were adopted, and the bill were sent back to the House, it would be inevitable that the Ways and Means Committee of the House would desire to have hearings on the subject.

Therefore, Mr. President, in view of the assurances which the chairman of the Finance Committee and I have received that the matter will be the subject of immediate consideration, and that the Congress in all probability will have the opportunity of passing on the subject at this session of Congress, and in view of the desirability of having the portion of the whole question covered by this measure cleared up at the earliest possible moment to avoid confusion in levying taxes, I have determined not to press the amendment I have had printed. However, I now give notice that unless the matter shall receive the attention and action of Congress in an independent bill, when any other tax bill comes before this body at the present session of Congress I shall offer my amendment.

Mr. BORAH. Mr. President, that is satisfactory to me; but, so far as we know, the sole question to be dealt with by taking up the bill is the question of salaries.

Mr. HARRISON. Mr. President, I concur in what the Senator from Missouri [Mr. CLARK] has said. When the proposed legislation was being considered in the Finance Committee, the Senator served notice that he intended to offer his amendment at this time. For that reason, in common with other members of the committee, I felt that the question was so important that it should have full consideration in a manner separate and distinct from the salary-tax bill.

The Senator from Missouri and I discussed the matter with the gentleman from North Carolina [Mr. DOUGHTON], chairman of the House Ways and Means Committee. The gentleman from North Carolina [Mr. DOUGHTON] is very much interested in bringing the matter up in an orderly way, and he gave us every assurance that it would be considered by his committee. He felt that it should be. The administration feels that it should be; and I have no doubt that the Ways and Means Committee will consider the proposal in an orderly manner. When it comes to the Senate, the Finance Committee will consider it and make its recommendations to the Senate. Personally I do not know whether we have the right to tax the interest or income from the future securities

issued by States and municipalities by straight statute or whether it should be done by the passage and submission of a constitutional amendment. I imagine there are many Senators whose minds are not fully made up on this question.

The Senator will recall that at the previous session of Congress a resolution was adopted providing for a special committee of the Senate to study the question of the reciprocal taxation of governmental securities and salaries. That committee has been studying the securities tax question for several months. Except for a preliminary statement of its chairman [Mr. BROWN], it has made no report to the Finance Committee or to the Senate. I understand from the Senator from Michigan [Mr. BROWN] that the committee which was appointed is divided about 3 to 3. That fact indicates the strong difference of opinion existing as to the question of taxing the income from future State and municipal securities.

Mr. BROWN. Mr. President, our report to the Finance Committee dealt entirely with the public salary side of the controversy. It did not relate to the bond question at all. We did not attempt to give our views on the bond question. The Senator is correct in stating that we are divided approximately 3 to 3, as closely as I can estimate it, on the constitutionality of the proposal to tax State and municipal bonds through the income tax.

Mr. HARRISON. That is what I understood from the preliminary statement which the Senator made. However, as to the reciprocal salary tax bill, there was unanimity. All agree that it should be passed. So I am delighted to hear the Senator from Missouri say that he will not at this time press his amendment. I hope we can pass promptly the measure relating to the taxation of the salaries of Federal, State, and local employees under the reciprocal arrangement provided in the bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from Michigan [Mr. BROWN].

Mr. VANDENBERG. Mr. President, I wish to bring another matter to the attention particularly of the Senator from Mississippi [Mr. HARRISON] because it involves another possible amendment which might be offered to the bill which it is now proposed to consider.

The Senator is familiar with the fact that for some time I have been urging a change in the pay-roll tax schedule under title II of the Social Security Act. On March 13 I offered an amendment to the pending bill under which pay-roll taxes would be frozen at 2 percent, instead of increasing by 50 percent next year and 200 percent in the subsequent 6 years. I offered it as an amendment to this bill because it seemed to be the only opportunity I would have to bring the subject to an issue.

Since then the Treasury Department has yielded in respect to this phase of social security, and has indicated before the House Ways and Means Committee a willingness to accept a new program of social-security taxes, under which the pay-roll taxes may be frozen where they are. That is the precise objective to which the amendment 3 weeks previously was addressed.

Since the Treasury has changed its attitude subsequent to the offering of the amendment, and since the whole subject matter has been opened before the House Ways and Means Committee, I concede that the orderly process would be for me not to press my amendment to the pending bill, but to await the action of the House upon a change in the social-security taxes, provided we are to have a subsequent opportunity to consider the matter. I submit to the Senator from Mississippi this question: Is it his understanding that the House intends to act upon social-security taxation, and that the Senate subsequently will have a similar opportunity to act?

Mr. HARRISON. Most assuredly so. The Committee on Ways and Means will without doubt report a bill carrying substantially the suggestion which the Senator from Michigan [Mr. VANDENBERG] has made, and in which he has been so persistent. When that bill comes to the Senate, with other amendments affecting the Social Security Act, the Committee on Finance will take it up and report it to the Senate with its recommendations. So, the Senate will have an opportunity to vote on the question. I doubt if there will be very much division on the question. I might say, while I have the floor, that I hope other Senators will not offer amendments which will bring about lengthy discussion or which might delay the salary tax bill so that we may pass this very important legislation with speed in order that our friend from South Carolina may obtain consideration for his cotton bill.

Mr. VANDENBERG. Mr. President, in view of the statement of the Senator from Mississippi, I think the orderly process is not to press the amendment which I have offered and which has been printed. Therefore I shall not do so. However, I wish to reassert my belief that the most important single tax encouragement that Congress can give to business is to freeze pay-roll taxes under title II of the Social Security Act where they are for the present, and thus at least save the business structure of the country a 50-percent tax increase in this particular item next January.

The PRESIDING OFFICER. The question is on the motion of the Senator from Michigan [Mr. BROWN] that the Senate proceed to the consideration of House bill 3790.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, which had been reported from the Committee on Finance, with amendments.

The first amendment of the Committee on Finance was, under title I, in section 1, page 1, line 6, after "section 1", to strike out "(a) section 22 (a) of the Revenue Act of 1938" and insert in lieu thereof "section 22 (a) of the Internal Revenue Code", and on page 2, line 3, to strike out "(b) The amendment made by this section shall apply only to taxable years beginning after December 31, 1938", so as to make the section read:

SECTION 1. Section 22 (a) of the Internal Revenue Code (relating to the definition of "gross income") is amended by inserting after the words "compensation for personal service" the following: "(including personal service as an officer or employee of a State, or any political subdivision thereof, or any agency or instrumentality of any one or more of the foregoing)."

The amendment was agreed to.

The next amendment was, under title I, in section 2, page 2, line 5, after "Sec. 2", to strike out "Section 116 (b) of the Revenue Act of 1938 (exempting compensation of teachers in Alaska and Hawaii from income tax) shall not apply to any taxable year beginning after December 31, 1938", and insert in lieu thereof "Section 116 (b) of the Internal Revenue Code (exempting compensation of teachers in Alaska and Hawaii from income tax) is repealed", so as to make the section read:

SEC. 2. Section 116 (b) of the Internal Revenue Code (exempting compensation of teachers in Alaska and Hawaii from income tax) is repealed.

Mr. BARKLEY. Mr. President, I wish to ask the Senator from Michigan [Mr. BROWN] whether or not he desires to proceed with the consideration of the bill at the present time. My inquiry is prompted by the fact that for several days we have been postponing holding an executive session for the consideration of nominations on the Executive Calendar, one of which is the nomination of Mr. Douglas to be a member of the Supreme Court. I do not know how much debate there will be on that nomination, or whether there will be any debate. However, if there is to be lengthy debate, we ought to begin the consideration of the nomination at an hour sufficiently early to dispose of it today, if possible.

Unless the Senator is anxious to proceed now with the consideration of the bill, I suggest to him that we go into executive session and consider nominations on the Executive Calendar, including the nomination referred to, with the understanding that if there is no debate upon it, and it is confirmed as a matter of routine, we can then resume legislative session and proceed with the consideration of the bill.

Mr. BROWN. I am agreeable to whatever the majority leader wishes to do in that respect.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HARRISON. If no amendments that will provoke great discussion are to be offered to the bill, why would it not be better to dispose of it this afternoon?

Mr. BARKLEY. It would be, except that in my judgment we ought not to go beyond today in the consideration of the Executive Calendar. If we are to have a couple of hours' debate on any nomination, we ought to be able to go into executive session early enough to dispose of it. If there is to be no debate on the bill, and no controversy about it, I have no objection to disposing of it. However, we cannot assume that there is no controversy.

Mr. BROWN. Suppose we proceed for half an hour, and if we have not passed the bill by that time we can go into executive session.

Mr. BARKLEY. That is satisfactory.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 2, line 5.

Mr. McNARY. Mr. President, I am not familiar with the amendment, but that is not of any particular importance. The able Senator from Vermont [Mr. AUSTIN] is interested in the bill and the amendments. Because of his absence, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Downey	Lee	Radcliffe
Andrews	Ellender	Lewis	Reed
Ashurst	Frazier	Lodge	Russell
Austin	George	Logan	Schwartz
Bankhead	Gerry	Lucas	Schwellenbach
Barbour	Gillette	Lundeen	Sheppard
Barkley	Glass	McCarran	Shipstead
Bilbo	Green	McKellar	Smathers
Bone	Guffey	McNary	Smith
Borah	Gurney	Maloney	Stewart
Brown	Harrison	Mead	Taft
Bulow	Hatch	Miller	Thomas, Okla.
Burke	Hayden	Minton	Thomas, Utah
Byrnes	Herring	Murray	Townsend
Caraway	Hill	Neely	Tydings
Chavez	Holman	Norris	Vandenberg
Clark, Mo.	Hughes	Nye	Wagner
Connally	Johnson, Calif.	O'Mahoney	Wheeler
Danaher	Johnson, Colo.	Overton	White
Davis	King	Pepper	Wiley
Donahey	La Follette	Pittman	

The PRESIDING OFFICER. Eighty-three Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, in section 206, on page 5, line 23, after the word "in", to strike out "title I of the Revenue Act of 1938" and insert "chapter I of the Internal Revenue Code", so as to make the section read:

SEC. 206. The terms used in this act shall have the same meaning as when used in chapter I of the Internal Revenue Code.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. BROWN. Mr. President, there is at the clerk's desk a committee amendment which I ask to have stated. I have a copy of it here.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 6, after line 3, it is proposed to insert:

SEC. 208. No collection of any tax (including interest, additions to tax, and penalties) imposed by any State or local taxing authority on the compensation, received before January 1, 1939, for personal service as an officer or employee of the United States or any agency or instrumentality thereof (except a corporate agency or instrumentality the majority of the stock of which is not owned by or on behalf of the United States) shall be made after the date of the enactment of this act.

SEC. 209. This title shall not apply with respect to any officer or employee of a State, or any political subdivision thereof, or any agency or instrumentality of any one or more of the foregoing, after the Secretary of the Treasury has determined and proclaimed that it is the policy of such State to collect from any individual any tax, interest, additions to tax, or penalties, on account of compensation received by such individual prior to January 1, 1939, for personal service as an officer or employee of the United States or any agency or instrumentality thereof. In making such determination the Secretary of the Treasury shall disregard the taxation of officers and employees of any corporate agency or instrumentality the majority of the stock of which is not owned by or on behalf of the United States.

Mr. BROWN. Mr. President, I think I should make a brief explanation of the amendment. It is a committee amendment which has been approved by the Finance Committee. It came about because of the recent decision in the O'Keefe case by the Supreme Court a week ago today. It provides, in substance, that Federal officials shall be immune from State income taxation prior to January 1, 1939.

In the O'Keefe case the constitutionality of a provision of that kind was left as the Court said to another day. In order to make certain that the reciprocal tax arrangements we are endeavoring to establish by the bill between State taxation of Federal officials and Federal taxation of State officials shall be effective, we have added a second section, 209, which provides, in substance, that all State officials shall be immune from Federal taxation prior to January 1, 1939, and that all Federal officials shall be immune from State taxation prior to January 1 of this year. It further provides that if any State attempts to impose a tax upon the salary income derived from Government by Federal officials and Federal employees prior to January 1, 1939, then the Federal Government does not consent to the elimination of Federal taxation on officials of such a State prior to that date.

If I have not made that matter clear, I shall be glad to have any Senator ask me about it. The amendment carries out the reciprocal exemption and applies it to all taxes levied before January 1, 1939. As to all taxes, State and Federal, after January 1, 1939, there is no such immunity. All such officials and employees are subject to the taxing authority.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Idaho?

Mr. BROWN. I yield to the Senator from Idaho.

Mr. BORAH. Am I to understand that the committee was unanimous on this matter?

Mr. BROWN. Yes; there was no dissenting vote.

Mr. KING. With respect to the amendment.

Mr. BROWN. Yes; with respect to the amendment submitted. The committee was not unanimous in reporting the original bill. The vote on reporting it was 14 to 3, as I recall.

Mr. BORAH. Mr. President, in this long amendment we are dealing with a rather delicate subject. Would it be out of order to ask, under the circumstances, that the bill go over until tomorrow?

Mr. BROWN. No; I have no objection whatever to that.

Mr. BORAH. I am frank to say that I do not know the exact purport of the amendment. The Senator has explained it as carrying out the reciprocal feature embodied in the bill.

Mr. BROWN. I may say to the Senator, very briefly, that the purpose of the original bill was to enable the States to tax Federal officials and employees after January 1, 1939, and to permit the Federal Government to tax State officials and employees after January 1, 1939. The decision in the O'Keefe case came last Monday. This amendment is necessary to clear up the situation which arose by reason of that case, and to make it certain—and that is all it does—that no retroactive taxes shall be imposed by either taxing authority, by the Federal Government against State officials and employees or by the State governments against Federal officials and employees. This amendment is necessary to make that condition certain.

Mr. BORAH. The sole effect of the amendment, as I understand, is to do away with retroactive taxes.

Mr. BROWN. That is correct.

Mr. SHIPSTEAD. Mr. President——

Mr. BROWN. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. If I correctly understand the Senator, there is a further provision; namely, that if any State does

impose retroactive taxes on Federal officials, then, in return, the officials of that State will not be immune from retroactive Federal taxes.

Mr. BROWN. That is correct.

Mr. ANDREWS. Mr. President, I should like to ask the Senator a question.

Mr. BROWN. I yield to the Senator from Florida.

Mr. ANDREWS. The Constitution, in section 1 of article III, provides that—

> The judges, both of the Supreme and inferior courts, shall hold their offices during good behavior, and shall, at stated times, receive for their services a compensation which shall not be diminished during their continuance in office.

Does this bill affect the salaries of Justices of the Supreme Court?

Mr. BROWN. The pending amendment does not affect the salaries of judges. However, I have offered an amendment which imposes the income tax on the salaries of all Federal judges. I should prefer to have the Senator wait until that amendment is pending before asking his question.

Mr. ANDREWS. Certainly.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from Texas.

Mr. CONNALLY. The Senator's amendment relating to the salaries of judges, however, applies only to the Federal tax. At the proper time I propose to offer an amendment to section 3 providing that the States may tax the salaries of Federal judges just as they tax the salaries of other Federal officers. If it is sound for the Federal Government to tax the salaries of judges, and if it is sound for the States also to tax the salaries of all other Federal officials, why should not the States tax the salaries of Federal judges?

Mr. BROWN. I agree with the Senator that they should be taxed. I will say, however, that both propositions raise legal and constitutional questions which are not present in the pending amendment. It is our intention to permit State taxation of the salary of Federal judges by this bill.

Mr. CONNALLY. To be sure.

Mr. BROWN. I wish we could dispose of the pending amendment, to which I think there is no material objection, and then take up the judgeship amendment tomorrow, when we shall have disposed of the nominations on the Executive Calendar.

Mr. CONNALLY. I will say to the Senator that I have never agreed to the doctrine announced by the Court, which held that a nondiscriminatory tax on a judge's salary was a diminution of the salary within the meaning of the Constitution. Since the Supreme Court now has come around to that theory as to everybody else, I see no reason why it should not be included, because if a nondiscriminatory tax is not a burden on a State official, it ought not to be a burden on a Federal judge.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was agreed to.

Mr. BROWN. Mr. President, I send to the desk another perfecting amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, lines 10 and 11, after the words "doctrines in", it is proposed to strike out "the case of Helvering against Gerhardt (304 U. S. 405)" and insert "the cases of Helvering against Therrell (303 U. S. 218), Helvering against Gerhardt (304 U. S. 405), and Graves et al. against New York ex rel. O'Keefe, decided March 27, 1939."

Mr. KING. Mr. President, what is the purpose of inserting the names of cases in the Supreme Court?

Mr. BROWN. If the Senator will take his copy of the bill and look at page 5, lines 10, 11, and 12, I think he will better understand what I am about to say. Under the decisions in the cases there named, certain State employees under the practice have been heretofore taxed, such as employees of State liquor stores and employees of the New York State Port Authority; and the drafting service knew of no better way to cover that situation than by referring to the doctrines in those cases. We merely add the names of the two recent cases which were decided last week, so that they may be brought under the general provisions of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was agreed to.

Mr. BROWN. Mr. President, I now offer the amendment relating to the salaries of Federal judges; and, in view of the attitude of some Members of the Senate, perhaps it would be just as well to lay the bill aside now, and take it up tomorrow, after the completion of the routine morning business.

Mr. BARKLEY. Mr. President, the Senator might have his amendment read.

Mr. BROWN. I ask to have the amendment read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, after line 10, it is proposed to insert the following:

> SEC. 3. Section 22 (a) of the Internal Revenue Code is amended by adding at the end thereof a new sentence to read as follows: "In the case of judges of courts of the United States who took office on or before June 6, 1932, the compensation received as such shall be included in gross income."

On page 6, after line 3, it is proposed to insert the following:

> SEC. 210. In the case of the judges of the Supreme Court and of the inferior courts of the United States created under article 3 of the Constitution, who took office on or before June 6, 1932, the compensation received as such shall not be subject to income tax under the Revenue Act of 1938 or any prior revenue act.

Mr. BROWN. Mr. President, I should like to amend the numbering of the second section so that it would be section 210 instead of section 208, because of the inclusion of a section 208 heretofore.

Mr. CONNALLY. Mr. President, I desire to offer an amendment to the pending bill, which I ask to have printed and to lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

CONSOLIDATION OF BANK EXAMINING AGENCIES

Mr. BROWN. Mr. President, earlier this afternoon I introduced Senate bill 2045, to consolidate the bank examining agencies of the United States by placing the examining division of the Federal Reserve Board and the office of the Comptroller of the Currency under the control of the Federal Deposit Insurance Corporation. That is a reorganization which cannot be undertaken by the President under the reorganization measure we recently passed, because the Federal Reserve Board was included in the excepted agencies of the Government.

For many years I have thought that this was a desirable reform, and, after consultation with the chairman of the committee having charge of reorganization legislation, I decided to introduce the bill to which I have referred. It will not in any way or manner interfere with the President's reorganizing authority; it goes into a field which he cannot touch under the exceptions provided in the bill we passed last week.

I have prepared a brief summary of the provisions of the bill, and ask that it be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the summary presented by Mr. BROWN was ordered to be printed in the RECORD, as follows:

> The general purpose of the bill is to consolidate the bank examining departments of the Government into one agency. The subject matter has been discussed generally for many years and particularly in the Senate and House Banking Committees. Extensive discussion of the subject appears in the House hearings on the Banking Act of 1935, particularly at pages 107, 389, 690, et seq. The views of Mr. Crowley, of the F. D. I. C., of Mr. Eccles, of the Federal Reserve Board, and of Mr. O'Connor, the then Comptroller of the Currency, are there set forth. It is fair to say that there was quite general agreement that a consolidation of the banking agencies was desirable. Which agency would perform the function

was a question of considerable debate, and the gentlemen who testified were, naturally, averse to expressing an opinion because of the effect on their respective organizations. At the present time the Federal Deposit Insurance Corporation is the only all-inclusive banking agency of the Federal Government. It is concerned with national banks, member banks of the Federal Reserve System, and State nonmember banks of the Federal Reserve System. Its principal function is to guarantee the deposits in all of these banks. This, necessarily, requires examination by the Corporation and supervision of all banks. For this reason the Federal Deposit Insurance Corporation is deemed to be the logical organization in which to vest the examining power.

The Comptroller's Office has had the longest experience, it has the largest personnel, and probably is the best equipped agency to handle examinations. Therefore, the bill attempts to hold its personnel intact and transfer it to the Federal Deposit Insurance Corporation, making it the foundation upon which will be built, it is hoped, a unified examining agency which will at once eliminate duplication of organization and in time result in reduction of personnel and should result immediately in considerable reduction of expense.

The bill transfers the bank examining function of the Federal Reserve Board and banks and the bank examining function of the Comptroller's Office to the Federal Deposit Insurance Corporation. Inasmuch as this leaves the Comptroller with very little to do in connection with banks, the question of the transfer of his other functions with respect to closed banks and the chartering power is also disposed of by transfer to the Federal Deposit Insurance Corporation.

Section (1) sets out the title of the act, which is an amendment of section (12) (b) of the Federal Reserve Act which we have designated as section (12) (c).

Section (a) sets forth certain definitions.

Section (b) transfers the examining functions of the Federal Reserve System and the Comptroller of the Currency to the F. D. I. C. It also makes it the duty of the Corporation to cooperate with State bank examiners for the purpose of eliminating duplication of examinations so far as practicable.

Section (c) transfers all other functions exercised by the Comptroller with respect to open and closed banks of the Corporation.

Sections (d), (e), (f), and (g) are technical. They relate to the application of existing provisions of law, orders, rules, and regulations of the Board; the commencement of suits, the substitution of parties, and the making of regulations.

Section (h) transfers the personnel of the examining divisions of the bureau and of the Federal Reserve Board to the Corporation and preserves the pension and annuity rights that have arisen thereunder to the individuals concerned.

Section (i) transfers the funds which have been assessed and collected for the purpose of paying for examinations and for the pension system.

Section (j) directs the Corporation to consolidate the various branch offices from which examinations are conducted.

Section (k) transfers the power of the Comptroller to assess for expenses of examinations to the Corporation.

Section (l) provides for the furnishing of reports by the Corporation to the Comptroller and the Federal Reserve Board.

Sections (m) and (n) are technical. They preserve the existing status of duties to be performed by the Comptroller and Board of Governors, but require the performance thereof by the Corporation.

Section (o) continues the Comptroller as a Director of the F. D. I. C. until the expiration of his term of office.

Sections (p) and (q) are technical provisions relative to the transfer of appropriations and of functions.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. HUGHES, from the Committee on the Judiciary, reported favorably the nomination of Wiley Blount Rutledge, Jr., of Iowa, to be an associate justice of the United States Court of Appeals for the District of Columbia, to fill a position created by the act of Congress of May 31, 1938.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there are no further reports of committee, the nomination passed over will be stated.

ASSOCIATE JUSTICE, SUPREME COURT OF THE UNITED STATES

The legislative clerk read the nomination of William O. Douglas, of Connecticut, to be Associate Justice of the Supreme Court of the United States.

Mr. BARKLEY. Mr. President, if there is to be any debate on this nomination, I suggest that it be passed over until we conclude the calendar, and that we then take it up separately.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nomination will be passed over.

CUSTOMS SERVICE

The legislative clerk proceeded to read sundry nominations in the Customs Service.

The PRESIDING OFFICER. Without objection, the nominations in the Customs Service are confirmed en bloc.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of Filip C. Forsbeck to be surgeon.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COMPTROLLER GENERAL OF THE UNITED STATES

The legislative clerk read the nomination of Fred H. Brown, of New Hampshire, to be Comptroller General for a term of 15 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the post-office nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the post-office nominations are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

Mr. LODGE. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination of Francis Vincent Logan to be brigadier general, National Guard of the United States.

The PRESIDING OFFICER. Without objection, the President will be notified.

FLORENCE CLARKE LYNCH

Mr. KING. Mr. President, I inquire whether the nomination of Florence Clarke Lynch, of New York, to be appraiser of merchandise in customs collection district No. 10, with headquarters at New York, N. Y., has been considered.

The PRESIDING OFFICER. The nomination has been confirmed.

Mr. KING. I received some information this morning which justifies me in asking that this nomination go over until I can ascertain the correctness of the information. I ask unanimous consent that the vote by which the nomination was confirmed be reconsidered.

Mr. HARRISON. Mr. President, I should like to have the motion go over until the Senators from New York can be on the floor.

Mr. BARKLEY. The junior Senator from New York [Mr. MEAD] is on the floor at the present time.

Mr. KING. I may say to the Senator from New York that I have asked that the vote by which the nomination of Florence Clarke Lynch was confirmed be reconsidered, in view of information which came to my office this morning, and that the nomination go over until tomorrow, in order that I may make inquiry as to the validity of the statements which have been made.

The PRESIDING OFFICER. Without objection, the vote whereby the nomination was confirmed is reconsidered, and the nomination will remain on the Executive Calendar.

The clerk will now state the nomination passed over.

ASSOCIATE JUSTICE, SUPREME COURT OF THE UNITED STATES

The legislative clerk read the nomination of William O. Douglas, of Connecticut, to be Associate Justice, Supreme Court of the United States.

Mr. NYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Downey	Lee	Radcliffe
Andrews	Ellender	Lewis	Reed
Ashurst	Frazier	Lodge	Russell
Austin	George	Logan	Schwartz
Bankhead	Gerry	Lucas	Schwellenbach
Barbour	Gillette	Lundeen	Sheppard
Barkley	Glass	McCarran	Shipstead
Bilbo	Green	McKellar	Smathers
Bone	Guffey	McNary	Smith
Borah	Gurney	Maloney	Stewart
Brown	Harrison	Mead	Taft
Bulow	Hatch	Miller	Thomas, Okla.
Burke	Hayden	Minton	Thomas, Utah
Byrnes	Herring	Murray	Townsend
Caraway	Hill	Neely	Tydings
Chavez	Holman	Norris	Vandenberg
Clark, Mo.	Hughes	Nye	Wagner
Connally	Johnson, Calif.	O'Mahoney	Wheeler
Danaher	Johnson, Colo.	Overton	White
Davis	King	Pepper	Wiley
Donahey	La Follette	Pittman	

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present.

The question is, Will the Senate advise and consent to the nomination of William O. Douglas to be Associate Justice of the Supreme Court of the United States?

Mr. FRAZIER. Mr. President, a few days ago some communications came to me calling attention to various newspaper articles in regard to the nomination of Mr. Douglas to be an Associate Justice of the Supreme Court. I took occasion to look into the matter and sent to the Library for the newspapers referred to, and have found that the charges made seem to be substantiated in the newspaper reports.

It seems that during the past several months—in fact, since Mr. Martin became president of the New York Stock Exchange—Mr. Douglas has been very intimate with him; that they have held conferences and have collaborated a great deal.

It seems also that after Mr. Douglas was being considered as a probable appointee to the Supreme Court, on the 15th of March, Mr. Douglas took occasion to give out an interview which severely criticized the New York Stock Exchange. Then his name was sent to the Senate for confirmation as an Associate Justice on the Supreme Court.

A little later on, after the committee had reported the nomination favorably for the Executive Calendar, an interview appeared, on the 28th of March, which was printed in the New York Times on the 29th of March, in which Mr. Douglas seems to have practically repudiated what he stated about the New York Stock Exchange on the 15th of March. In fact, he seems to have changed his mind entirely and turned about face and complimented the exchange and agreed to work with it, and stated that the Security and Exchange Act needed no amendment at the present time. I have the newspapers here and will refer to the statements later on.

Some questions naturally arise as to why Mr. Douglas was so deluded by the New York Stock Echange for 10 months that he praised it to the country as a reform organization until March 15, 1939, when he publicly denounced it as attempting to put over on the country what he termed "phony" amendments to the stock exchange regulatory act.

There seems to have been a sudden about face by Mr. Douglas, after his friends had been pushing his name for the Supreme Court for several weeks, and this had led to sharp criticism that Douglas, instead of being a reformer in finance, was naively sacrificing the public interest by his dealings with the stock exchange. Was Mr. Douglas' terrific attack on the exchange of March 15, 1939, a mere coincidence, or did it have any relation to the effort to get him nominated to the Court and to the criticism of Douglas for his fraternization with the New York Stock Exchange?

Mr. McKELLAR. Mr. President, what did he say about the New York Stock Exchange on March 15? I should like to hear what he had to say.

Mr. FRAZIER. I shall be glad to refer to the article during the course of my remarks. I am having the papers sent to the Senate from my office.

In May 1938 Mr. William Martin was elected chairman of the board of the New York Stock Exchange, and in July 1938 he was selected as the first paid president of that exchange.

Mr. BARKLEY. Mr. President, what was the date? I did not catch the date.

Mr. FRAZIER. He was made president in May 1938 and in July 1938 was elected as the first paid president of the exchange. An article in the New York Times intimates that Mr. Martin was really Mr. Douglas' creation or selection.

From the time Martin became head of the exchange, Douglas issued one public statement after another and one public interview after another giving full support to Martin, praising him as a reformer, and offering the fullest cooperation of the Securities and Exchange Commission with the stock exchange under Martin's administration.

What would be thought of the chairman of a State or Federal board which regulates railroads or power companies if, on the election of a president of a railroad or of a public-utility company, the head of the Government regulating body gave his public benediction to the new executive as a reformer and pledged support to that new executive?

This program continued for 10 months. In fact, in November 1938, when the Securities and Exchange Commission published a report severely condemning the stock exchange for what had been shown up in the investigation of Richard Whitney, a paragraph was added at the end to absolve the stock exchange under Martin's administration and to make it clear that with the coming of Martin's administration a new day had dawned on the stock exchange and a new spirit of reform had come into its affairs. In December 1938 President Hutchins, of the University of Chicago, a friend of Mr. Douglas who had gone on the governing body of the New York Stock Exchange as a so-called representative of the public, resigned because the governing body refused to take any action as a result of disclosures made in the investigation of the Richard Whitney matter. What happened was that after the disclosure of the disgraceful goings on in the New York Stock Exchange, Hutchins thought something ought to be done by this "reform" administration. But every member of the reform administration of the stock exchange, except Hutchins, voted Hutchins' motion down.

Mr. Douglas was promptly interviewed. He said that the Washington-New York "axis"—and I may say that Mr. Douglas in several instances in newspaper reports makes reference to an axis being formed between the Securities and Exchange Commission in Washington and the New York Stock Exchange. I do not know just what he meant by the term "axis," but it has been used a great deal and was used again in this case. Mr. Douglas, as I said, was promptly interviewed. He said that the Washington-New York "axis" between the Securities and Exchange Commission and the New York Stock Exchange would continue untouched. The following is a statement by Arthur Krock as published in the New York Times, December 27, 1938:

> "Instead of going off its gears", said Mr. Douglas, "the axis has withstood its first shock perfectly. For the S. E. C. as for the exchange the Whitney case is closed. From it we both have learned something."

Mr. Douglas does not say what they had learned. Perhaps it was that it does not pay for officials of the New York Stock Exchange to embezzle a great deal of money that had been entrusted to them and then get caught. Senators remember that Mr. Whitney was sentenced to the Federal penitentiary for 5 years for embezzling several hundred thousand dollars which had been entrusted to him.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. MALONEY. The Senator, of course, understands that it was wholly as the result of the activities of Mr. Douglas and

the Securities and Exchange Commission that Mr. Whitney was prosecuted and sent to prison.

Mr. FRAZIER. Mr. Whitney was not prosecuted until these embezzlements had been going on for months, and until officials knew about it, until his brother was called in and put up money for him, as did others, and then they tried to quiet it up, and in the meantime Richard Whitney embezzled more money.

Mr. MALONEY. Yes; but it was entirely under the direction and jurisdiction of Mr. Douglas that the prosecution took place.

Mr. FRAZIER. Yes, certainly.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. HATCH. The Senator says the officials knew about these embezzlements having gone on over a period of years.

Mr. FRAZIER. No, Mr. President; for months.

Mr. MALONEY. To what officials does the Senator refer?

Mr. FRAZIER. The officials of the New York Stock Exchange.

Mr. MALONEY. The officials of the New York Stock Exchange. That is what I wanted to make clear.

Mr. FRAZIER. Yes.

Mr. MALONEY. The Senator does not charge that the officials of the Securities and Exchange Commission knew about the situation?

Mr. FRAZIER. No. I do not know how long the officials of the S. E. C. knew about it, but it was known for a long time in New York. At any rate, President Hutchins, who was put on the board as a representative of the public, thought there should be some further investigation, because, according to reports, some members and officials of the New York Stock Exchange knew what this man Whitney was doing, and apparently had something to do with it. He offered a motion before the board to have a further investigation made, but the motion was rejected. He was the only man who voted in favor of that motion, and because it was not adopted he gave notice that he would resign. I shall read his letter later.

Mr. MALONEY. Of course, the Senator is not trying to make a point that there was any connection between the Securities and Exchange Commission or Mr. Douglas and Wall Street, is he?

Mr. FRAZIER. I will read the statement of Commissioner Douglas again. It was made after Dr. Hutchins had resigned. I first repeat my previous statement. Mr. Douglas was promptly interviewed. He said that the Washington-New York axis between the Securities and Exchange Commission and the New York Stock Exchange would continue untouched. The following is a statement by Arthur Krock as published in the New York Times December 27, 1938. This is what Mr. Krock said, and, according to all newspaper reports, Mr. Krock was apparently a very close friend of Mr. Douglas and likewise of the president of the University of Chicago:

"Instead of going off its gears," said Mr. Douglas, "the axis has withstood its first shock perfectly. For the S. E. C. as for the exchange the Whitney case is closed. From it we both have learned something."

In other words, Mr. Douglas was not interested in Dr. Hutchins' theory that there should be further investigation made, and Dr. Hutchins resigned because they would not take any further action. Mr. Douglas apparently was not interested. So Dr. Hutchins resigned.

Mr. MALONEY. That is not what I gathered from the article. The Senator, of course, nas complete liberty to read into it or get from it what he chooses, but that is not my interpretation.

Mr. FRAZIER. I will read the letter of Dr. Hutchins later. The Senator can draw his own conclusion from that, of course.

The second paragraph of the article by Mr. Krock in the New York Times of December 27, is as follows:

When these statements were repeated to Mr. Martin on the long-distance telephone—

He was in St. Louis—

He said to this correspondent they represented his own views entirely and accurately. On this inspection record it seems proper to chalk up on the axis an emphatic O. K.

That was the statement by the New York Times reporter, Mr. Krock.

Justice Brandeis retired from the Supreme Court early in February. Immediately efforts were begun to have Douglas nominated to the Supreme Court. Two or three weeks thereafter, Douglas' so-called liberalism was severely attacked in various quarters as not being of the kind that would stand scrutiny. It was not claimed that Douglas was dishonest, it was merely claimed that he was the kind of man who can be misled. His liberalism, for example, was questioned in The Nation, a liberal periodical, and principally on the ground of his relation to the New York Stock Exchange.

At the close of the day on March 14, 1939, representatives of the New York Stock Exchange and of smaller exchanges throughout the country submitted to Douglas proposals for amendments of the Stock Exchange Act of 1934. The following day, less than 24 hours after these proposals were submitted to him, Douglas issued a public statement on behalf of the Securities and Exchange Commission castigating these proposals in the most severe terms and warning the country that these proposals would carry us back to the evil days of the past, and ringing the alarm against the detestable efforts made by the exchanges. He added an oral interview in which he called the proposals submitted by the exchanges "phony."

The very least that must be said in the light of these incidents is that Douglas had for 10 months been backing the stock exchange, fraternizing with it, praising it publicly, and at the end of the 10 months delivered a verbal diatribe against proposals submitted by the exchanges. Implicit in this diatribe is a confession by Douglas that he was wrong, dead wrong, for 10 months in selling to the country at large the idea that the New York Stock Exchange was a reform administration, and in implying in consequence that this reform stock exchange was a safe place to which the country should bring its money again, in spite of the hard-earned lessons of the past.

Douglas' vigorous attack was on Wednesday, March 15, 5 days before his name was sent to the Senate for the Supreme Court. How did Douglas come to learn of the evil proposals of the exchanges so late in the day?

In November 1938 the New York Stock Exchange called the smaller exchanges of the country to conferences on various matters. At that time, or perhaps earlier, was developed the idea of seeking amendments to the Stock Exchange Act. Douglas and Martin had repeatedly said in previous months, and stated in subsequent months, that they were in constant communication with each other and were solving all problems possible around the conference table. Is it possible that for 5 months the efforts of the New York Stock Exchange and all these conferences with the smaller exchanges of the United States were kept secret by Martin, and especially secret from Douglas, with whom Martin was supposed to be in almost daily communication?

It was announced in the newspapers, at least 2 weeks before the stock exchanges submitted their proposals to Douglas on March 14, that they were going to make such proposals and, in particular, were going to propose an amendment on the point on which Douglas' public statement of March 15 was most severe, and to which Douglas in that statement gave the greatest space. All that Douglas and the Securities and Exchange Commission had to do was to read the newspapers, even if Martin had tried to keep these items secret.

Is it conceivable that Douglas, engaged in close and intimate communication with Martin and the New York Stock Exchange, passed no word to the exchanges that he thought that the proposals on which they were working were "phony" and subject to the most severe castigation? If the stock exchanges were warned by Douglas, is it conceivable that they would have come to Washington for a 2-day conference on

March 13 and 14, 1939, would have stuck out their necks so far, knowing that those necks would immediately be cut off by the blade of Douglas' moral indignation?

Mr. BARKLEY. Does the Senator know what operations were referred to in the newspaper article in which Mr. Douglas was quoted as having said they were "phony"?

Mr. FRAZIER. Yes; I have that article.

Mr. BARKLEY. I say, Does the Senator know what operations were conducted by the stock exchange which Mr. Douglas was quoted as having referred to as "phony"?

Mr. FRAZIER. Yes; I have those, too. Some changes had been proposed in the regulations or in the law in regard to short selling, and so forth. I do not remember just what they were, but, at any rate, the stock exchange seemed to be in favor of the changes.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. MALONEY. I remember very clearly that Mr. Douglas' answer to the suggestions was quite contrary to the wishes of the stock exchange. Does the Senator recall that?

Mr. FRAZIER. That was on March 15.

Mr. MALONEY. Yes.

Mr. FRAZIER. Yes; that is true. What seemed strange to me, however, was that he did not make any objection in the 5 months prior to that time, when the stock exchange was considering the changes.

Mr. MALONEY. Until the proposed changes were submitted it was hardly appropriate for him to make objections.

Mr. FRAZIER. Of course, but still the intimation had gone out that he was very close to Mr. Martin all those months and that they were working together.

It seems very plain that there must be some indication in the communications between the New York Stock Exchange and the smaller exchanges in the period from November 1938 to March 1939, and there must be something in the way of memoranda recording conversations between various of the men active in the negotiations leading up to the proposals made on March 14, 1939, that would show whether any assurances were given to the stock exchanges, or any sympathetic utterances—utterances that run 100 percent contrary to the violent attack on the stock exchange proposals made by Douglas on March 15, 1939.

Mr. BARKLEY. Mr. President——

Mr. FRAZIER. I yield.

Mr. BARKLEY. Does the Senator know whether or not one of the proposals which was put up to the Commission for its approval or rejection was that the margin requirements on the New York Stock Exchange should be reduced from 40 percent to 25 percent?

Mr. FRAZIER. I do not remember that particular proposal; but there were some suggested changes along that line.

How is it that various financial writers in the New York press and elsewhere carried intimations for days before the stock exchange conference of March 13 that it was understood their proposals were going to have a sympathetic hearing from the Securities and Exchange Commission and from Douglas? In none of the many news reports in the New York financial press which preceded the conferences and which reported what was going on at the conferences was there the slightest intimation that the Securities and Exchange Commission or Douglas would give the exchanges the severest tongue lashing any responsible Government official has directed at them in years.

That, Mr. President, seems to be the strange situation of the case. Mr. Douglas and Mr. Martin had been getting along very nicely for about 10 months; and during the last 4 or 5 months, up to their meeting in Washington on the 13th or 14th of March, the exchange had been considering these changes. Mr. Douglas must have known what they were. Being such a close friend of Mr. Martin—as the newspapers indicated, he was Mr. Martin's preference for president of the stock exchange of New York—it would naturally seem that Mr. Douglas would give Mr. Martin some advice on the matter if he was so bitterly opposed to the changes suggested. However, nothing was said, apparently, until the 15th of March.

Some further questions naturally arise.

Why was it that Mr. Douglas did not much earlier call to the attention of the public the attempts of the New York Stock Exchange to amend the Stock Exchange Act, waiting instead until March 15, 1939, to denounce those attempts?

Why has there been no investigation by the Securities and Exchange Commission into the efforts of the New York Stock Exchange to bring about statutory changes which Mr. Douglas on March 15 attacked as grossly dangerous to the country?

Was it appropriate for Mr. Douglas, as head of the Government regulating agency, to set up an "axis" or partnership with the management of the New York Stock Exchange?

Why did Mr. Douglas grant an interview in the nature of appeasement of the Wall Street group, the substance of the interview appearing in print on March 29, 1939, the day after it was expected his confirmation would be obtained at the hands of the Senate? In other words, the interview was to appear after it was too late to criticize Mr. Douglas for renewing his policy of kindness and favor toward the Wall Street interests.

On the 15th of March Mr. Douglas issued a statement in which he very severely criticized the New York Stock Exchange for the action it had taken; but on the 28th of March, the day on which the Washington morning newspapers stated that Mr. Douglas would undoubtedly be unanimously confirmed by the Senate on that date, an interview was given to his friend Krock, of the New York Times, which was published on the morning of the 29th. I have the article before me. It is quite a long article. I wish to read some of it later. The article which was published by Mr. Krock on March 29, and the one which was published in criticism of the Stock Exchange on the 15th of March, are just the opposite. In one, Mr. Douglas is very much opposed to the Stock Exchange. In the other, he pats them on the back and says they are good fellows, and he is going to cooperate with them.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. McKELLAR. Awhile ago I asked the Senator to read those articles first. It seems to me, in fairness to other Senators who are listening, that we should be able to know what those articles are. Will not the Senator read the articles of which he complains, those of March 14 and 15, and the other one of March 29?

Mr. FRAZIER. Mr. President, I would rather proceed with my manuscript and then read the articles when I come to them a little later, if that is satisfactory.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. HATCH. I was a little confused about the article of March 29. I confused it, perhaps, with what the Senator had said before about the same article. As I understood the Senator, in the interview of March 29, Mr. Douglas said that the securities and exchange law did not need amendment. Perhaps I am mistaken.

Mr. FRAZIER. The statement was along that line. I shall read from that article a little later. It was to the effect that the law did not need any amendment at the present time.

Mr. HATCH. That is, the securities and exchange law did not need any amendment?

Mr. FRAZIER. Yes. He said also that the stock-exchange law did need some amendment.

Mr. HATCH. I am still confused. However, if I correctly understand the Senator, I see no inconsistency between the statements of March 15 and March 29.

Mr. FRAZIER. I think the Senator will see my viewpoint a little later, if he will be patient.

The amendment proposal which Mr. Douglas most severely attacked was one which related to one of the numerous present prohibitions of the statute intended to eliminate manipulation. The stock exchange claimed that the particular provision it desired to amend was so broad as to

cover innocent market activities. It proposed that the particular provision should be changed so as to give the Securities and Exchange Commission the power to clear the innocent activities, and to proscribe manipulative activities.

Ten days before this proposal was submitted to Mr. Douglas the New York Times carried an article making it clear that the stock exchanges were going to propose amendment of this very provision of the statute, either mitigating the effect of the present statutory provision or eliminating it altogether. Even if the whole scheme had been kept secret from Mr. Douglas by the New York Stock Exchange up to that date, Mr. Douglas must have known it no later than March 4, 1939, when the New York Times carried a story about it. Why did not Mr. Douglas warn the public?

It must be borne in mind that Mr. Douglas' statement of March 15, 1939, did not treat the stock-exchange proposals, and in particular this one, as a mere passing incident or a mere trivial error of judgment. His statement of March 15 viewed this particular attempt of the New York Stock Exchange as virtually nefarious. Mr. Douglas sent for the newspaper reporters and begged them to carry the warning to the country. He said that the exchange's proposal would "legalize manipulation" and—

> Would redound only to the benefit • • • of the insider and the market rigger.

He warned the country that this was an attempt by Wall Street to have "another party" at the expense of the public. He called the stock-exchange proposals "phony." I think he was right in opposing them, but his opposition should have been voiced at an earlier date.

If this attempt of the stock exchange was so dangerous, why did not Mr. Douglas get out on the firing line as soon as he got wind of it? It was not necessary for him to withhold his hand and to withhold his warning to the public until the stock exchange had formally submitted what it had in mind. A true guardian of the peace would not keep from the officers of a bank the news of a conspiracy to rob it until the conspirators were breaking the lock of the bank.

Furthermore, a man who claimed, as Mr. Douglas did for 10 months, that he was in close and intimate cooperation with the New York Stock Exchange, would not let that exchange and all the other exchanges in the country put their heads in the noose so that he could then pull the string and catch them in a trap, and expose them to the public and the entire country as men engaged in an evil attempt which struck, as he put it, "at the very heart of stock-market regulation."

The Securities and Exchange Commission had power to investigate what the stock exchanges were up to. It had the power to do so before they submitted their proposal as well as afterward. Why did Mr. Douglas make no attempt to get at the facts by an investigation? Why did Mr. Douglas make no attempt to get into the files of the New York Stock Exchange and of the other exchanges, as the Securities and Exchange Commission has full power to do, to see who was fomenting this plot against the public interest? The Securities and Exchange Commission has in the past frequently gotten at the files of the New York Stock Exchange and other exchanges. Why not in this instance?

An examination of all the files, whether so-called personal files or not, would undoubtedly show correspondence between the exchanges, memoranda recording conferences, and phone talks, and so forth.

Is it possible that in the 5 months in which the New York Stock Exchange was communicating with the smaller exchanges of the country on the general subject of possible changes in the law no one in any of the exchanges ever said, "What does the S. E. C. think about it? What does Mr. Douglas think about it?" Is it possible that no one ever volunteered some indication of how the S. E. C. or Mr. Douglas felt about it? If Mr. Douglas was never consulted, and if no question as to his attitude was ever raised by any of the stock-exchange men, and if no indication was ever given by any of them or their associates as to how Mr. Douglas felt about it, this would run counter to the elaborately built theory, widely advertised in preceding months by both Mr. Douglas, and Mr. Martin, of the New York Stock Exchange, that they were in the closest collaboration with each other on all matters relating to Government regulation of the stock markets.

What would a thorough inquiry by S. E. C. or a congressional committee disclose?

Why did Mr. Douglas build up what he called the axis with the New York Stock Exchange? Whether it be called the Washington-New York axis or the Douglas-Martin axis or the S. E. C.-Wall Street axis, it is all the same thing. This is a new note in the theory of Government regulation. We have heard before the charges that an occasional State commission or Federal regulating body has been too close to the industry it was regulating; but we have rarely, if ever, heard that the regulating authority set up an axis with the industry it was regulating.

The New York Times on March 19 stated that Mr. Martin, the so-called reform president of the stock exchange, was Mr. Douglas' own creation. During the period when an effort was made to have Mr. Douglas nominated to the Supreme Court, laudatory articles attributed to him the so-called reorganization of the stock exchange last year and the bringing in of the present reform administration. Is it possible that the Government regulating agency tried to do more than regulate, and made the mistake, however innocent and well-intentioned, of dictating to the principal exchange that it was regulating who should be its officers? When President Hutchins, of the University of Chicago, became a so-called public member of the governing board of the New York Stock Exchange, it was widely commented that he has for years been one of the closest friends, and indeed sponsors, of Mr. Douglas. Is it possible that Mr. Douglas had the remotest hand in selecting any member of the governing board of the New York Stock Exchange?

What would the files of the stock exchanges and of their leading committees and officials show on these various points? Although such files would be very valuable, it is not necessary to await their production. Mr. Douglas has himself made clear the policy which he has pursued. He has done so by repeated statements backing Mr. Martin, of the so-called reform administration, and praising him, and referring to the axis built up by him between himself and the New York Stock Exchange.

It should be assumed that Mr. Douglas meant well by what he was doing and had no intention of selling the public down the river. But if Government functions are performed in juvenile fashion, it is quite possible innocently to sell the public interest down the river; and the danger to the public that can be done through innocent mishandling of a situation of this kind can be about as great as the danger from intentional wrongdoing.

Mr. Douglas' policy subsequent to his March 15, 1939, attack on the stock exchanges seems like a return to his preceding policy of maintaining an "axis" with the New York Stock Exchange. For 10 months he had been praising the so-called reform management of the New York Stock Exchange. On March 15, 1939, in the midst of the campaign to have him nominated to the Supreme Court, and after he had been attacked for his dangerously close relations with the New York Stock Exchange, he issued a statement which, as reported in the New York Times on March 19, 1939, was "more bitter on the Wall Street new deal than ever on the old guard." Wall Street was greatly shocked by this statement, because it was in such complete contrast to Mr. Douglas' previous policy of embracing the management of the stock exchange responsible for the very proposals which Mr. Douglas so severely attacked.

The New York Times, which had for months been praising Mr. Douglas for his friendly sympathy with the New York Stock Exchange, published the following:

LIBERALISM

If the tone of comment means anything, the manner of the Douglas reply has wrecked the painfully built structure of cooperation between S. E. C. and stock exchange. Perhaps that looks like a

gain to the Commission's chairman, for it was that cooperation which had produced hints that he had lost his liberalism. That ghost, at least, is laid.

Mr. Douglas' nomination to the Supreme Court was sent to the Senate on March 20, 1939. During that week the subcommittee of the Senate Judiciary Committee reported favorably on the nomination. Thereafter, on Sunday, March 26, 1939, the New York Times published an article saying that word had been received from the S. E. C. by the financial community that Mr. Douglas' "denunciation of proposals made by a group of representatives of the securities exchanges of the country need not be taken too seriously."

Meantime, the axis between the S. E. C. and the New York Stock Exchange was being reestablished. But Mr. Douglas himself had not been quoted publicly, so that the financial interests could not see for themselves what his feelings toward the exchange really were.

This brings us down to March 28, 1939. This was Tuesday, the day on which, according to press reports, Mr. Douglas' nomination was going to be confirmed overwhelmingly, if not unanimously, by the Senate.

After such confirmation and even before taking the oath it might have been deemed quite improper for Mr. Douglas to discuss stock exchange and S. E. C. matters in a public interview. Thus, it would appear that the latest time for an interview on the subject was March 28, even though the published report of the interview might not appear until March 29, after he had been confirmed. On the other hand, if such an interview held out olive branches to Wall Street, this could not become the basis for any attack on Mr. Douglas' liberalism affecting his confirmation in any way whatsoever; for the public would not learn of the interview until after the Senate had confirmed the nomination and it was too late to point to his interview as unduly kind to Wall Street.

Mr. Douglas, in fact, gave an interview on March 28 to Mr. Krock, of the New York Times. This interview, in fact, appeared in the New York Times on March 29. Thus, his interview was still in time, and its publication would have followed the date of his probable confirmation had it not been for the unexpected adjournment of the Senate on March 28 without acting on the nomination.

Two of the lines taken by Mr. Douglas in this interview are significant. One relates to the subject of amendments to the New York Stock Exchange act. Mr. Douglas, in his farewell interview, described as the summing up of the results of his experience on the subject, stated that he favored amendments to the Stock Exchange regulatory act. He went further. In 1933 he even stated that he favored amendments to the Securities Act. To be sure, this interview with Mr. Krock was only 2 weeks after his vigorous attack on certain statutory changes which had been proposed; only, however, to one of the two statutes. In his interview he said that the statutory amendments should not be made at this particular time. But the fact that he favored amendments not only to one act but to both was an important olive branch, whether intended as such or not.

In his interview he also stated that for the time being the S. E. C. had about all the jurisdiction or functions it ought to have, had reached the peak of regulating power it should have, and should not take on more work. This is in strange contrast with some of the bills which Mr. Douglas has been urging on Congress, such as the bill for S. E. C. regulation of big banks and trust companies in certain of their important activities in the field of high finance, specifically the so-called corporate-trust activities. It is well known that the big, powerful financial institutions in Wall Street have been vigorously opposed to proposals of this sort. The S. E. C. bills on this subject have been fought by the big Wall Street interests for 2 years. The Investment Bankers' Association joined in the fight against such proposals that would have added to the jurisdiction and functions of the S. E. C. In what seemed to be his final public interview with respect to S. E. C. affairs, he was definitely stating that for some considerable time to come no more jurisdiction should be conferred on the S. E. C. Whether so intended or not, this was a very large favor to the big interests in Wall Street.

Mr. President, there are other reasons why I feel that Mr. Douglas is not the proper nominee for the Supreme Court. I have tried to find when, if ever, Mr. Douglas has made any statements regarding his interest in agriculture, his interest in labor, and other matters of that kind.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. FRAZIER. I am glad to yield.

Mr. MALONEY. Of course, the Senator knows that Mr. Douglas is not in the Labor Department, and he is not connected with the Department of Agriculture. He is chairman of the Securities and Exchange Commission.

Mr. FRAZIER. The Senator knows that if Mr. Douglas becomes a member of the Supreme Court he will have to deal with labor problems and agricultural problems.

Mr. MALONEY. That is correct; and then he will be concerned with agricultural and labor problems.

Mr. FRAZIER. Yes; but after a man gets to be middle-aged and has never seemed to take any interest in labor problems or agricultural problems or other problems affecting the masses of the people, it seems to me a little strange that he should be considered a proper nominee for the Supreme Court.

Mr. MALONEY. If the Senator will yield again, I am sure if he will review Mr. Douglas' life he will find an expressed interest in all those problems. I had assumed that the Senator was talking about what Mr. Douglas had been dealing with up to this time, namely, his position since he became a member of the Securities and Exchange Commission. During that period of time I think the Senator will agree that he has not been trespassing upon the rights of other governmental agencies, and perhaps of Congress, by interfering with their functions.

Mr. FRAZIER. That may be true; but I have not been able to find any utterances by him favoring labor, or agriculture, or anything of the kind.

The Supreme Court of the United States is, and has been for many decades, the most important tribunal affecting the civil liberties of the people and the rights of labor. In consequence, it has for a long time been deemed essential to ascertain the record of a prospective Supreme Court Justice in the field of civil liberties and of labor. The Supreme Court must also pass upon important and vital agricultural questions.

It is, of course, possible for men to have no record in these fields, but it seems to me that such men should not be aspirants for elevation to the Supreme Court. A place on that court calls for statesmanship and an understanding of the problems of the day, in particular the problems with which the court deals; and thus, in particular and above all, the civil liberties of the people and the problems of labor and of agriculture. If a man has reached middle age, and has no discernible record on these most vital of present-day issues, one of several conclusions is almost unavoidable. Perhaps the man was too busy in some specialty; but the Supreme Court is not made up of technical specialists. Specialists would be unable to understand and grasp and deal properly with great general issues. Perhaps the man had no interest in the subject. It certainly cannot be said of him that he had no opportunity to take part in labor disputes, in agricultural questions, and in civil liberties matters, either in protest against unsound court decisions or in protesting against improper police or militia action in strikes, or in seeking to uphold movements for proper amendments, such as the child-labor amendment, or in the mediation or arbitration of strikes, or in getting out, in any one of the numberless aspects of these problems, either on the firing line or on some other line.

Mr. ASHURST. Mr. President, I do not wish to interrupt the train of the Senator's thought; but will he yield to me?

Mr. FRAZIER. I am glad to yield to the Senator from Arizona.

Mr. ASHURST. The able Senator stated that he feared that the nominee had no familiarity with the problems of the

labor world. I recognize that as a legitimate argument when we are considering the confirmation of a man to an office. Of course, he should not be oblivious to these great things; but let me say that, in my opinion, this nominee is familiar with the toils and privations of those who have had unadventitious circumstances in their early youth.

For example, this young man worked in the fields as a boy; he worked in apple orchards gathering apples for his daily bread; he worked gathering cherries in order to obtain sufficient money to subsist himself. He worked in a restaurant as a waiter.

These activities brought him into sharp and daily contact with the adversities of life. Many persons, including many eminent Senators, have risen from the ranks of toil, and it cannot be said that they forget the duties and obligations of life. They never drift away from sympathy with those who toil. I am quite certain that if the experiences of early life are to count at all, this man, without adventitious aids of family, wealth, fame, or fortune, has acquitted himself well. It is not in human nature to forget the experiences of early life.

I thank the Senator for permitting this interruption.

Mr. FRAZIER. Mr. President, I am glad to have the Senator's contribution. We often read of men who have become great or wealthy. Even some of the members of the New York Stock Exchange who have become exceedingly wealthy were farm boys, and worked hard on the farm in their early days, and they perhaps remember their experiences. But they do not seem to be interested in having farm legislation enacted to aid those who are still producing the food they eat.

Mr. ASHURST. It may be true that if Mr. Douglas becomes an Associate Justice of the Supreme Court, as I certainly hope he will, he will properly dissociate himself from any idea of originating or securing legislation. He will do very well if he will content himself with passing judicially upon the legislation we formulate or originate. He may be, and I think he ought to be, concerned with judicial interpretation of what we do rather than himself undertaking to originate any farm legislation. I hope he will not enter the field of originating legislation.

Mr. FRAZIER. Mr. President, if a man has had no interest in any of these subjects, if he has not been moved by injustices in the general area of modern life to take any action whatsoever, it is very significant on the point as to whether he is qualified or fitted to become a member of the Supreme Court of the United States. At the very least, it is necessary to say that he did not care about these injustices, he was not moved by these injustices, or he did not have the courage to speak out. Worse still, a man who comes to the court with no substantial record in these fields does not have a sufficient grip on the practical facts and the practical problems to make it possible for him to decide cases in the light of the true situation, rather than in the light of some fancied conceptions such as might easily mislead him. Of course, it might be possible for a young man who has never taken any interest in these important questions to understand and weigh them properly when he by chance becomes a member of the United States Supreme Court, but this is too big a risk for the country at large, and especially for labor and agriculture, to take.

It is fair to ask whether Mr. Douglas has any substantial record on the subject of civil liberties, or on labor issues or on agricultural problems. Such a question does not challenge his good faith, his honesty, his ability, or his desire to perform public service.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. MALONEY. The Senator has referred to specialists. I wonder if the Senator would be willing to recall to us some member of the Supreme Court, down through its history, who was other than a specialist?

Mr. FRAZIER. I do not recall any who have specialized as much as Mr. Douglas has, at least. He was a law professor for some years at Yale University, and specialized in a particular branch of the law, as I understand. Perhaps the last Justice appointed before Mr. Douglas was also a specialist in law, but he seemed to have a very broad understanding of general conditions. Whether or not Mr. Douglas has I do not know, but I have not been able to find any articles at least to show that he has.

Mr. McKELLAR. Mr. President, Mr. Justice Brandeis was very much of a specialist, as I recall, and he made one of the greatest Justices ever to sit on the Supreme Court.

Mr. FRAZIER. There can be no question that he did make an excellent judge.

I may be all wrong, but I have been unable to find anything to demonstrate that he has any interest in these important subjects or to show what his attitude is likely to be.

It is significant that on these important subjects his record seems to be blank. It is indeed significant that in the many articles written about Mr. Douglas little, if anything, has been mentioned to indicate that he has taken any interest in these important questions. There have been articles about Mr. Douglas in recent years in such magazines as the Literary Digest, Time, News Week, Collier's, Fortune, Nation's Business, Review of Reviews, and The Nation. Why is it that we have not heard about Mr. Douglas in connection with labor matters or on other subjects in which the common people are interested? One can search far and wide and find nothing that he has ever done about labor, civil liberties, or agriculture, or similar matters.

A true liberal, who is called upon to deal with such matters in the highest tribunal in our land, would have some real experience with these subjects, would have some real knowledge on these subjects, would have taken an active part in the achievement of justice in these fields. Mr. Douglas, no matter how fine his intentions, no matter how desirous of serving the public, has demonstrated during his life that he has no deep interest in these matters; that he did not care about them sufficiently even to lift a finger for the redress of wrongs and for the promotion of the general good in these branches of our national life.

Mr. MALONEY. Mr. President will the Senator yield further?

Mr. FRAZIER. I yield.

Mr. MALONEY. I promise I shall not interrupt the Senator again, and I am sorry I have interrupted so many times, but I cannot let go unchallenged the particular statement he has just made.

The Senator stated a few moments ago that he may be all wrong, and I think that is a generous thing for him to say, and I hope it will be noted. He said, however, if I understood him correctly, that Mr. Douglas has demonstrated throughout his life that he is not interested in the matter of civil liberties, in labor, and in agriculture. That is not fair.

Mr. FRAZIER. From his writings, at least.

Mr. MALONEY. No; the Senator said he had demonstrated that. It would have been more nearly fair if the Senator had stated Mr. Douglas had failed to demonstrate his interest, but the Senator's language was that Mr. Douglas had demonstrated that he had no interest in those things, and I know the Senator does not mean that.

Mr. FRAZIER. I have been unable to find any demonstration at all or any writings which indicate that he has taken any interest in labor or labor troubles or in civil liberties or even in agriculture.

Mr. MALONEY. Would the Senator be willing to say whether or not in all the history of his life he has ever known of a man named for the Supreme Court or mentioned in connection with any other office, excepting the Presidency of the United States, who has been so widely praised in a period of weeks as this particular nominee has been?

Mr. FRAZIER. It made me rather suspicious when some of the big interests in Wall Street started to praise him.

Mr. MALONEY. I failed to see that. I am talking about the press of the country.

Mr. FRAZIER. I, too, refer to the press.

Mr. MALONEY. I am talking about the New York Tribune and other conservative newspapers. I fail to find praise there.

Mr. FRAZIER. There has been plenty of it, apparently.

Mr. MALONEY. I did not see it.

Mr. FRAZIER. If Mr. Douglas is the real liberal and real progressive he is supposed to be, it seems very strange that he has no outstanding record on important questions so vital to the welfare of the common people.

Now, Mr. President, I propose to refer to some of the statements again, and to give the quotations from the newspapers and magazines to which I have referred.

Mr. Douglas established an "axis" with the New York Stock Exchange in May 1938, praised its management, and repeatedly reaffirmed his intention of working in close collaboration with the New York Stock Exchange, which he was supposed to regulate rather than establish an "axis" with it. For example, when Chairman Martin, of the New York Stock Exchange, was elected as its first paid president, Mr. Douglas took occasion publicly to congratulate him, and offered his support to Mr. Martin.

I have already referred to how it would look for a State or Federal body regulating public utilities to congratulate the duly elected president of a stock exchange on being a progressive, and as being willing to cooperate with him. That was what Mr. Douglas did in the case of the selection of Mr. Martin.

A portion of Mr. Douglas' letter quoted in the New York Times of July 1, 1938, is as follows:

> Your actions as chairman of the board give clear evidence of your determination to render conscientious public service and of your courage and ability to bring about expeditious action toward the objectives which must be jointly ours and yours. At this time I want to pledge to you our fullest cooperation and our unqualified support in working out the solutions to the items of unfinished business which are before us.
>
> I personally wish you every success.

That was a letter by Mr. Douglas to Mr. Martin upon the latter's selection as president. Then, after they had considered for 4 or 5 months changes in the law governing the stock exchange, apparently he did not know anything about what the duties were to be until they were put up to him on the 14th of March.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. FRAZIER. I am glad to yield.

Mr. BARKLEY. I do not think either law or custom requires the Chairman of the Securities and Exchange Commission to keep currently, day by day, officially informed as to proposals which may be confidential or executive of the New York Stock Exchange with respect to changes in their methods of doing business. He would not have any official knowledge of them until they were presented to the Commission for their consideration, either for their approval or rejection. Is the Senator drawing any inference from the fact that Mr. Martin happened to be a friend of Mr. Douglas that he wrote him a letter congratulating him on his selection as head of the New York Stock Exchange and wishing him success, and that for 4 or 5 months he did not know officially about any proposed changes until they were presented to him or presented to the Commission? I myself do not see anything unusual about that.

Mr. FRAZIER. He referred in this letter to the "objectives which must be jointly ours and yours," referring to the Securities and Exchange Commission and to the New York Stock Exchange.

Mr. BARKLEY. That is true. The objectives of the Interstate Commerce Commission and the railroads are jointly theirs. Whatever is done by way of regulation of the railroads is a joint objective of the railroads and of the Interstate Commerce Commission. The same thing might be said of the Federal Reserve Board and the banks. What they are looking forward to is cooperation in the operation of banks and railroads and other institutions which are subject to regulation. The mere fact that the Chairman of the Commission wishes the head of some organization success in the conduct of its business seems to me to be a far-fetched reason why he should be disqualified to be appointed to the Supreme Court, or to any other office.

Mr. FRAZIER. Mr. President, I present another example. In November 1938 the S. E. C. published its report on the embezzlement by Richard Whitney, former president of the New York Stock Exchange, and on the long-continued concealment of the truth by leading exchange figures who had learned of those embezzlements. The report severely criticized all of them but concluded with a paragraph stating that conditions in the exchange were quite different under the Martin management and making it clear that the New York Stock Exchange under the Martin management was a very different market place from the exchange in previous years. The S. E. C. report made public by Mr. Douglas states:

> Happily, a new management has assumed control of the New York Stock Exchange.

That is found in the New York Times of November 2, 1938.

Mr. Douglas' report referred to "the cooperative efforts of that management with the Commission," to the creation of a reform program as the result of such cooperation, to the chief cornerstone of that program, "the erecting of higher standards," and to "other significant results of this new attitude" of the New York Stock Exchange. Mr. Douglas' report concluded with this reassuring sentence:

> These several steps taken together constitute a major advance toward reconstruction, along sound and progressive lines, of our national securities exchanges.

This can be found on page 184 of volume 1 of the report on this case issued by the S. E. C.

The next example shows, however, that the "reform" management of the New York Stock Exchange ran out on Mr. Douglas and still Mr. Douglas continued to support him. In December 1938 Mr. Douglas' friend, Robert Hutchins, a so-called public member of the governing board of the New York Stock Exchange, resigned because of the refusal of Mr. Martin and the "reform" management of the exchange to take any further action in the Richard Whitney case. Mr. Douglas backed up the Stock Exchange and did not back up Mr. Hutchins.

The letter of resignation from the exchange is as follows:

> DECEMBER 15, 1938.
>
> DEAR MR. MARTIN: As I intimated at the board meeting yesterday, I must resign as a representative of the public on the board of governors of the New York Stock Exchange.
>
> In the hearings before the Securities and Exchange Commission there was evidence tending to show that members of the exchange or their partners knew of Richard Whitney's criminal conduct or of the condition of his firm some months before its failure. The public interest, the good name of the exchange, and the good name of the members referred to all require the board of governors to institute proceedings in which the question of the responsibility of these members may finally be disposed of. The decision of the board yesterday to take no action compels me to present my resignation.
>
> Very truly yours,
>
> ROBERT M. HUTCHINS.

Promptly after the publication of Mr. Hutchins' letter of resignation Mr. Douglas was interviewed by his friend, Arthur Krock, of the New York Times, and made it clear to him that the relationship between Mr. Douglas and the New York Stock Exchange had not been affected by this incident or by its disclosure as to what might be expected from the New York Stock Exchange.

The following is quoted from Mr. Krock's column in the New York Times of December 27, 1938:

> "Wall Street fervently hopes," wrote Mr. Elliott V. Bell in Sunday's Times, "that harmonious relations which the exchange and the S. E. C. have enjoyed in the past 9 months are not to be thus ruptured." At this end of the axis, so far as Mr. Douglas is concerned, there isn't a sign of it. In giving his views to this correspondent he said:
>
> "Mr. Martin and I have worked closely together and we are going to continue to do so."
>
> The chairman of the S. E. C. then expanded his views a bit. He said the Washington-New York axis was new; the system is young; "both Bill Martin and I are young." He said difficulties which may arise will not be permitted by either of them to disrupt the system.
>
> "Instead of going off its gears," said Mr. Douglas, "the axis has withstood its first shock perfectly. For the S. E. C. as for the exchange the Whitney case is closed. From it we both have learned something."

Even after the president of the University of Chicago thought it of sufficient importance to cause him to resign his

position on that board, Mr. Douglas said the case was closed. I continue to quote from Mr. Krock's article:

When these statements were repeated to Mr. Martin on the long-distance telephone (he was in St. Louis) he said to this correspondent they represented his own views entirely and accurately. On this inspection record it seems proper to chalk up on the axis an emphatic "O. K."

Still another sort of example can be given with respect to the attitude of the public utility holding companies which are under the jurisdiction of the S. E. C. It will be remembered that Mr. Douglas' name for the Supreme Court vacancy was sent to the Senate on March 20, 1939. On Sunday, March 26, 1939, the New York Herald Tribune, in its financial section, carried an article speculating on the effect on the utility companies of Mr. Douglas' departure from the S. E. C. and the substitution of someone in his place. The article contains the following paragraph:

As Chairman of the Securities and Exchange Commission, Mr. Douglas was regarded by the power group as having a friendly understanding of their difficulties under New Deal legislation, and some fear that his removal from the Commission may mean a change in policy of administering the Public Utility Holding Act. Should the chairmanship be conferred upon Commissioner Jerome Frank and a subordinate S. E. C. officer be moved up, utility men say their relations with the Commission might remain unchanged, whereas the appointment of an outsider might be disturbing.

Consider what some of the liberal publications thought of Mr. Douglas' closeness to Wall Street, not after he was nominated to the Supreme Court, when objection might be useless, but at the time of Mr. Douglas' activities in dealing with Wall Street. In the issue of The Nation of March 11, 1939, some days before he was nominated to the Court, appears the following editorial comment:

Chairman Douglas is an expert on corporation law and reorganizations. In an article in the Yale Law Review for December 1933 dealing with the Federal Securities Act he advanced much the same arguments for revision and amendment as those put forward at the time by Wall Street. An article on Protective Committees in Railroad Reorganizations in the Harvard Law Review of February 1934 evinces a faith in the readiness of insurance companies and savings banks to fight the influence of railroad bankers in defense of the investor that has been completely exploded by the testimony brought out in the Wheeler investigation. His unexpected failure, of more recent date, to support President Hutchins, of Chicago, when he resigned as a public trustee of the stock exchange because of the way the present "reform" management handled the Whitney case is also disturbing. We wonder how hardy Mr. Douglas' liberalism would prove to be in the cold isolation of the Supreme Court.

In The Nation of January 14, 1939, appears a lengthy article on the Richard Whitney case. The article referred to the fact that Mr. Gay had been president of the exchange until Mr. Martin took over the management of the exchange in May 1938. Press accounts indicated that Mr. Douglas was back of Mr. Martin, and apparently he did not care for Mr. Gay. The article contains the following comments:

The reader who compares Mr. Gay's refusal to postpone action and his expulsion of Richard Whitney with the conditions revealed by Dr. Hutchins' letter may wonder which is the "reform" administration of the exchange—the present Martin administration or Mr. Gay's, bad as it may otherwise have been?

The ghost of the Whitney case still walks. * * * The "reformed" management of the exchange has done its best to write finis to the story. Chairman Douglas now says, "For the S. E. C., as for the exchange, the Whitney case is closed." Must there be a congressional investigation to answer questions which still remain unanswered?

In the same issue of The Nation, at page 49, appears the following editorial:

The questions raised by I. F. Stone in an article in this issue on the challenge of the Whitney case merit the attention of Congress. The failure of the attorney general of New York and the nationally famous "racket busting" district attorney of Manhattan, Mr. Dewey, to go as deeply into this case as they might cannot be corrected by Congress. But the readiness of Chairman Douglas of the S. E. C. to declare the Whitney case closed, even after the resignation of Dr. Hutchins as a public representative on the board of governors of the exchange, warrants inquiry at Washington. Is the S. E. C. so anxious to fraternize with President "Bill" Martin of the exchange that it is willing to shut its eyes to facts which disturb the carefully built-up picture of a "reformed" stock exchange? Are the results of past New Deal investigations to evaporate in the warm but treacherous atmosphere of an era of good feeling between the exchange and the S. E. C.? Is our most important market, the market in which the value of the savings of the American people is in large part established, to be left in the hands of a sham "reform" administration? The unwillingness of the exchange to inquire into the circumstances that enabled an embezzler to serve so long as its officer is apparent. Chairman Douglas's statement to Arthur Krock, "For the S. E. C., as for the exchange, the Whitney case is closed," will be comforting at Broad and Wall Streets, but it should raise the alarm on Capitol Hill.

That is from the article in The Nation.

There are other records showing the closeness of the relationship between Mr. Douglas and the New York Stock Exchange, and some of them will be mentioned hereafter.

It will be well now to take up the next subject, which relates to Mr. Douglas' very liberal anti-Wall Street statement of March 15, 1939.

From November 1938 to March 1939 the stock exchanges of the country were engaged in conferences and correspondence to develop amendments to the Stock Exchange Regulatory Act. During the entire period Mr. Douglas made no public statement indicating any objection to the line being followed by the exchanges. Later on March 14, 1939, they submitted their proposals in writing; and on the following afternoon Mr. Douglas delivered a most severe, bitter attack on the proposals. As the Wall Street Journal of March 16, 1939, states:

S. E. C. Chairman William O. Douglas vehemently denounced the report as a "phony" so far as business recovery is concerned. Chairman Douglas' discussion of the matter yesterday was entirely and vigorously critical.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. BARKLEY. May I inquire of the Senator whether or not he will be able to conclude his remarks on this matter this afternoon?

Mr. FRAZIER. I shall require three-quarters of an hour more.

Mr. BARKLEY. I had not contemplated that the session would go beyond 5 o'clock. If the Senator cannot finish by 5 o'clock, we may as well suspend at this time.

Mr. FRAZIER. That is perfectly satisfactory to me.

Mr. BROWN. Mr. President, is it the intention of the majority leader to take up the public salary bill tomorrow?

Mr. BARKLEY. Yes; it is planned to take up that bill, and have another executive session later in the day.

Mr. BROWN. I thank the Senator.

LEGISLATIVE SESSION

Mr. BARKLEY. I move that the Senator resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed legislative session.

MAINTENANCE OF NATIONAL GALLERY OF ART

Mr. BARKLEY. Mr. President, I ask unanimous consent for the present consideration of Senate Joint Resolution 108, Calendar No. 252.

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 108) amending the joint resolution providing for the construction and maintenance of a National Gallery of Art, approved March 24, 1937.

Mr. BARKLEY. Mr. President, the joint resolution merely authorizes the necessary appropriation to maintain the National Gallery of Art, which is now under construction on Constitution Avenue. There is no opposition to it, and it is desired that the authorization be enacted so that the proper appropriations may be provided during the present session.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That section 4 (a) of the joint resolution approved March 24, 1937, providing for the construction and maintenance of a National Gallery of Art, is hereby amended so that the last sentence thereof shall read as follows: "For these purposes, and to provide, prior to the completion of the National Gallery of Art, for the protection and care of the works of art in said gallery and for administrative and operating expenses and equipment preparatory to the opening of the gallery to the public, there are hereby authorized to be appropriated such sums as may be necessary."

NATIONAL ECONOMY AND BANKING SYSTEM OF THE UNITED STATES

Mr. HAYDEN. Mr. President, from the Committee on Printing I report back favorably, without amendment, Senate Resolution 113, and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 113) submitted by Mr. LOGAN on March 30, 1939, was considered and agreed to, as follows:

Resolved, That 6,000 additional copies of Senate Document No. 23, current session, entitled "National Economy and the Banking System of the United States," be printed for the use of the Senate document room.

RECESS

Mr. BARKLEY. If there is no further business, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 48 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, April 4, 1939, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 3, 1939

UNITED STATES PUBLIC HEALTH SERVICE

The following-named senior surgeons to be medical directors in the United States Public Health Service, to rank as such from the dates set opposite their names:

Alvin R. Sweeney, March 7, 1939.
Harry F. White, March 12, 1939.
Francis A. Carmelia, May 19, 1939.
Lionel E. Hooper, May 14, 1939.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Maj. Ernest Clifton Adkins, Infantry, with rank from August 1, 1935.

Capt. Stanley Noble Partridge, Infantry, with rank from October 1, 1934.

First Lt. Jack Griffin Pitcher, Infantry, with rank from August 1, 1935.

TO ORDNANCE DEPARTMENT

First Lt. William Alden Call, Coast Artillery Corps, with rank from August 1, 1935.

APPOINTMENTS TO TEMPORARY RANK IN THE AIR CORPS IN THE REGULAR ARMY

TO BE LIEUTENANT COLONEL

Maj. Otto Gresham Trunk, Air Corps, from April 1, 1939.

TO BE MAJORS

Capt. Park Holland, Air Corps, from April 2, 1939.

Capt. Donald Frank Stace, Air Corps, vice Maj. Otto G. Trunk, Air Corps, nominated for appointment as temporary lieutenant colonel, Air Corps.

PROMOTIONS IN THE REGULAR ARMY

TO BE CAPTAIN WITH RANK FROM MAY 1, 1939

First Lt. Robert Edward Lee Choate, Air Corps.

TO BE CAPTAINS WITH RANK FROM MAY 2, 1939

First Lt. Edwin Roland French, Air Corps.
First Lt. John Williams Persons, Air Corps.
First Lt. William Chamberlayne Bentley, Jr., Air Corps.
First Lt. Sam Williamson Cheyney, Air Corps.
First Lt. Max Harrelson Warren, Air Corps.
First Lt. Edwin Lee Tucker, Air Corps.
First Lt. Ralph Rhudy, Air Corps.
First Lt. Isaac William Ott, Air Corps.
First Lt. Edward Holmes Underhill, Air Corps.
First Lt. Trenholm Jones Meyer, Air Corps.
First Lt. John Joseph Keough, Air Corps.
First Lt. William Houston Maverick, Air Corps.
First Lt. William Pryor Sloan, Air Corps.
First Lt. George Frost Kinzie, Air Corps.
First Lt. Albert Boyd, Air Corps.
First Lt. James Wayne McCauley, Air Corps.
First Lt. Thomas Robert Starratt, Cavalry.
First Lt. Edward Harrison Alexander, Air Corps.
First Lt. Frank Alton Armstrong, Jr., Air Corps.
First Lt. William Albert Matheny, Air Corps.
First Lt. John Patrick Kenny, Air Corps.
First Lt. Lambert Spencer Callaway, Air Corps.
First Lt. Reginald Franklin Conroy Vance, Air Corps.
First Lt. William Lecel Lee, Air Corps.
First Lt. Davis Dunbar Graves, Air Corps.
First Lt. Haywood Shepherd Hansell, Jr., Air Corps.
First Lt. William Truman Colman, Air Corps.
First Lt. Paul Mueller Jacobs, Air Corps.
First Lt. Dudley Durward Hale, Air Corps.
First Lt. Herbert Leonard Grills, Air Corps.
First Lt. Benjamin Scovill Kelsey, Air Corps.
First Lt. Thomas Lee Mosley, Air Corps.
First Lt. Raymond Lloyd Winn, Air Corps.
First Lt. Leonard Franklin Harman, Air Corps.
First Lt. Kingston Eric Tibbetts, Air Corps.
First Lt. Richard Henry Lee, Air Corps.
First Lt. Robert Wilson Stewart, Air Corps.
First Lt. Lewis R. Parker, Air Corps.
First Lt. William Maurice Morgan, Air Corps.
First Lt. Richard Irvine Dugan, Air Corps.
First Lt. Edwin Minor Day, Air Corps.
First Lt. Jack Weston Wood, Air Corps.
First Lt. James Herbert Wallace, Air Corps.

TO BE CAPTAINS WITH RANK FROM JUNE 13, 1939

First Lt. Horace Fennell Sykes, Jr., Corps of Engineers.
First Lt. Raymond Leslie Hill, Corps of Engineers.
First Lt. Frank Lee Blue, Jr., Corps of Engineers.
First Lt. George Arthur Lincoln, Corps of Engineers.
First Lt. Kenneth David Nichols, Corps of Engineers.
First Lt. Don Zabriskie Zimmerman, Air Corps.
First Lt. Ernest Ward Carr, Corps of Engineers.
First Lt. James Adolph Ostrand, Jr., Corps of Engineers.
First Lt. Charles Theodore Tench, Corps of Engineers.
First Lt. Frank Hartman Forney, Corps of Engineers.
First Lt. Frederick Rodgers Dent, Jr., Air Corps.
First Lt. Harold Huntley Bassett, Air Corps.
First Lt. Paul Williams Thompson, Corps of Engineers.
First Lt. Howard Moore, Air Corps.
First Lt. John Floyd McCartney, Corps of Engineers.
First Lt. Carl Roemer Jones, Corps of Engineers.
First Lt. Alvin Galt Viney, Corps of Engineers.
First Lt. Walter King Wilson, Jr., Corps of Engineers.
First Lt. Bruce Douglas Rindlaub, Corps of Engineers.
First Lt. Herbert Milwit, Corps of Engineers.
First Lt. Ward Terry Abbott, Corps of Engineers.
First Lt. Benjamin Richard Wimer, Corps of Engineers.
First Lt. John Lloyd Person, Corps of Engineers, subject to examination required by law.
First Lt. Harry Gage Montgomery, Jr., Air Corps.
First Lt. Frank Eugene Fries, Corps of Engineers.
First Lt. Thomas Atkins Adcock, Corps of Engineers.
First Lt. Thomas Jahn Sands, Field Artillery.
First Lt. John Stein Walker, Ordnance Department.
First Lt. James Burt Evans, Field Artillery.
First Lt. Frederic Henry Chaffee, Field Artillery.
First Lt. Roger James Browne, Air Corps.
First Lt. Joseph Jennings Ladd, Air Corps.
First Lt. Richard David Wentworth, Field Artillery.
First Lt. Robert George Henry Meyer, Signal Corps.
First Lt. William Jonathan Thompson, Field Artillery.
First Lt. James Percy Hannigan, Field Artillery.
First Lt. John Gresham Minniece, Jr., Cavalry.
First Lt. DeVere Parker Armstrong, Field Artillery.
First Lt. Merle Russell Thompson, Coast Artillery Corps.
First Lt. Douglas Golding Dwyre, Field Artillery.
First Lt. Clayton Earl Hughes, Air Corps.
First Lt. Paul Singer Thompson, Field Artillery.
First Lt. Franklin Pierce Miller, Field Artillery.
First Lt. Dominick Joseph Calidonna, Signal Corps.
First Lt. David Ferdinand Brown, Field Artillery.
First Lt. Thomas Ludwell Bryan, Jr., Air Corps.
First Lt. Philip Henry Draper, Jr., Field Artillery.
First Lt. Richard Lee Scott, Infantry.
First Lt. Paul Elias, Coast Artillery Corps.
First Lt. Paul William Shumate, Cavalry.
First Lt. Harold Quiskie Huglin, Air Corps.
First Lt. William Lewis Bell, Jr., Ordnance Department.
First Lt. James Theodore Barber, Coast Artillery Corps.
First Lt. Andrew Samuels, Jr., Coast Artillery Corps.

First Lt. Lawrence McIlroy Guyer, Coast Artillery Corps.
First Lt. Harold George Hayes, Signal Corps.
First Lt. Joseph Horridge, Coast Artillery Corps.
First Lt. Carl Henry Jark, Field Artillery.
First Lt. Donald Philip Graul, Signal Corps.
First Lt. Charles Blake McClelland, Jr., Cavalry.
First Lt. Robert Emzy Chandler, Field Artillery.
First Lt. Edwin Hugh John Carns, Cavalry.
First Lt. Charles Sommers, Air Corps.
First Lt. Joseph Milton Colby, Ordnance Department.
First Lt. Roy Eugene Hattan, Field Artillery.
First Lt. John James Lapage, Cavalry.
First Lt. Wayland Henry Parr, Coast Artillery Corps.
First Lt. John Elliot Theimer, Field Artillery.
First Lt. William Price Connally, Jr., Field Artillery.
First Lt. John Coleman Horton, Air Corps.
First Lt. Dale Raymond French, Field Artillery.
First Lt. Walter Elmer Kraus, Field Artillery.
First Lt. Marshall Stanley Roth, Air Corps.
First Lt. David Mural Perkins, Field Artillery.
First Lt. Rudolph Fink, Air Corps.
First Lt. Oliver Hardin Gilbert, Coast Artillery Corps.
First Lt. Ralph Robert Mace, Field Artillery.
First Lt. Edwin George Griffith, Coast Artillery Corps.
First Lt. William Lewis McCulla, Ordnance Department.
First Lt. Norman Edwin Poiner, Field Artillery.
First Lt. Laurance Hilliard Brownlee, Coast Artillery Corps.
First Lt. John David Francis Phillips, Field Artillery.
First Lt. Sidney Andrew Ofsthun, Air Corps.
First Lt. George Richard Carey, Coast Artillery Corps.
First Lt. William Evens Hall, Air Corps.
First Lt. Frederic Harrison Smith, Jr., Air Corps.
First Lt. William James Latimer, Jr., Ordnance Department.
First Lt. Donald John Keirn, Air Corps.
First Lt. Luster Azil Vickrey, Field Artillery.
First Lt. Airel Burr Cooper, Signal Corps.
First Lt. William Miller Vestal, Coast Artillery Corps.
First Lt. Myles Wilkenson Brewster, Field Artillery.
First Lt. Dwight Bahney Schannep, Air Corps.
First Lt. George Waite Coolidge, Cavalry.
First Lt. James Franklin Brooke, Jr., Signal Corps.
First Lt. Kenneth Johnson Woodbury, Coast Artillery Corps.
First Lt. Norman Alverton Congdon, Coast Artillery Corps.
First Lt. Robert Moffat Losey, Air Corps.
First Lt. Daniel Norman Sundt, Field Artillery.
First Lt. James Lee Beynon, Field Artillery.
First Lt. William Tremlett Kirn, Field Artillery.
First Lt. William Hopkins Greear, Cavalry.
First Lt. Harold Stevens Whiteley, Field Artillery.
First Lt. John Jackson O'Hara, Jr., Air Corps.
First Lt. James Gordon Harding, Field Artillery.
First Lt. Chandler Prather Robbins, Jr., Cavalry.
First Lt. Emery Scott Wetzel, Air Corps.
First Lt. Frank M. Steadman, Quartermaster Corps.
First Lt. William Lafayette Fagg, Infantry.
First Lt. Jacob George Reynolds, Finance Department.
First Lt. William Darwin Hamlin, Signal Corps.
First Lt. Francis Emmons Fellows, Field Artillery.
First Lt. John Myron Underwood, Infantry.
First Lt. Thomas West Hammond, Jr., Infantry.
First Lt. Henry Ray McKenzie, Quartermaster Corps.
First Lt. Edmund Chauncey Rockefeller Lasher, Quartermaster Corps.
First Lt. Paul Donal Harkins, Cavalry.
First Lt. Thomas Fowler Taylor, Cavalry.
First Lt. Edward Jamet McNally, Cavalry, subject to examination required by law.
First Lt. Eric Hilmer Frithiof Svensson, Jr., Cavalry, subject to examination required by law.
First Lt. Donald Alexander Poorman, Infantry.
First Lt. William Milstead Talbot, Signal Corps.
First Lt. George Elial Bush, Infantry.
First Lt. William Carson Bullock, Field Artillery.
First Lt. Calvin Luther Partin, Coast Artillery Corps.
First Lt. Robert William Ward, Infantry.
First Lt. Frank Dow Merrill, Cavalry, subject to examination required by law.
First Lt. Louis Mortimer deLisle deRiemer, Field Artillery.
First Lt. George Eldridge Keeler, Jr., Coast Artillery Corps.
First Lt. Hugh Warner Stevenson, Cavalry.
First Lt. Robert Loomis Anderson, Coast Artillery Corps.
First Lt. James Leitch Grier, Infantry.
First Lt. Joseph Reisner Ranck, Cavalry.
First Lt. Joseph Marcellus Lovell, Infantry.
First Lt. Edward Blackburn Hempstead, Coast Artillery Corps.
First Lt. William Ernest Karnes, Air Corps.
First Lt. George Rich Barnes, Infantry.
First Lt. Robert Gordon Crandall, Field Artillery.
First Lt. Kai Eduard Rasmussen, Coast Artillery Corps, subject to examination required by law.
First Lt. John Wesley Hammond, Infantry.
First Lt. Laurence Neville Buck, Infantry.
First Lt. Paul Wyatt Caraway, Infantry.
First Lt. William Fulton McKee, Coast Artillery Corps.
First Lt. Elmer Elsworth Kirkpatrick, Jr., Quartermaster Corps.
First Lt. Wayne James Dunn, Cavalry.
First Lt. William Gilmer Bowyer, Air Corps.
First Lt. Eugene Louis Moseley, Infantry.
First Lt. Edgar Thomas Conley, Jr., Infantry.
First Lt. Kenneth Milton Briggs, Coast Artillery Corps, subject to examination required by law.
First Lt. Ezekiel Wimberly Napier, Air Corps.
First Lt. Richard Claire Carpenter, Field Artillery.
First Lt. Paul William Steinbeck, Field Artillery.
First Lt. Charles Clarke White Allan, Cavalry.
First Lt. Harlan Robinson Statham, Infantry.
First Lt. James Bernard Quill, Cavalry.
First Lt. William Kerr Ghormley, Quartermaster Corps.
First Lt. Robert Little Cook, Infantry.
First Lt. James Maurice Gavin, Infantry.
First Lt. Fred Winchester Sladen, Jr., Infantry.
First Lt. Ralph Nisley Woods, Infantry.
First Lt. Russell Lowell Vittrup, Infantry.
First Lt. Dale Joel Kinnee, Infantry.
First Lt. John Drury Cone, Infantry.
First Lt. Lester Skene Bork, Infantry.
First Lt. Ralph Bishop Strader, Chemical Warfare Service.
First Lt. Ernest Fred Heidland, Coast Artillery Corps.
First Lt. Ralph Van Strauss, Infantry.
First Lt. Charles Greene Calloway, Quartermaster Corps.
First Lt. George Robert Evans, Infantry.
First Lt. William Hastings Francis, Coast Artillery Corps.
First Lt. Thomas Benton McDonald, Air Corps.
First Lt. Charles Theodore Arnett, Air Corps.
First Lt. Louis Anderson Hammack, Infantry.
First Lt. Daniel William Quinn, 3d, Infantry.
First Lt. John Russell Seward, Coast Artillery Corps.
First Lt. Melie John Coutlee, Air Corps.
First Lt. Thomas Jefferson DuBose, Air Corps.
First Lt. Daniel Campbell Doubleday, Air Corps.
First Lt. Harlan Clyde Parks, Coast Artillery Corps.
First Lt. Paul Lamar Freeman, Jr., Infantry.
First Lt. James Joseph Mathews, Infantry.
First Lt. Marshall Stubbs, Chemical Warfare Service.
First Lt. Joseph Allen McNerney, Infantry.
First Lt. Clarence Renshaw, Quartermaster Corps.
First Lt. Charles Newton Hunter, Infantry.
First Lt. Jerald Worden McCoy, Air Corps.
First Lt. Logan Clarke, Field Artillery.
First Lt. Randolph Bolling Hubard, Field Artillery.
First Lt. George Edward Lynch, Field Artillery.
First Lt. Hugh Mackintosh, Infantry.
First Lt. David Xavier Angluin, Infantry.
First Lt. William Erwin Maulsby, Jr., Infantry.
First Lt. Carl Bascombe Herndon, Infantry.
First Lt. Charles Guthrie Rau, Infantry.
First Lt. Pearl Harvey Robey, Air Corps.

First Lt. Charles Glendon Williamson, Air Corps.
First Lt. James Julius Winn, Field Artillery.
First Lt. Wesley Carlton Wilson, Infantry.
First Lt. John Lyford Hornor, Jr., Quartermaster Corps.
First Lt. Daniel Fulbright Walker, Field Artillery.
First Lt. John Kauffman Bryan, Field Artillery.
First Lt. George Putnam Moody, Air Corps.
First Lt. Nelson Marquis Lynde, Jr., Infantry.
First Lt. Charles Dudley Wiegand, Infantry.
First Lt. Charles Howard Treat, Infantry.
First Lt. Thomas Bolyn Smothers, Jr., Infantry.
First Lt. John Francis Regis Seitz, Infantry.
First Lt. Bruce Easley, Jr., Infantry.
First Lt. Edgar Wright, Jr., Infantry.
First Lt. William Lester Nave, Infantry.
First Lt. Edward Edgecombe Cruise, Infantry.
First Lt. Brendan McKay Greeley, Cavalry.
First Lt. Ralph Copeland Cooper, Field Artillery.
First Lt. John Ambrose Geary, Infantry.
First Lt. John Warren Joyes, Jr., Infantry.
First Lt. Everett Clifton Hayden, Quartermaster Corps.
First Lt. William Henry Shimonek, Infantry.
First Lt. David Haytor Buchanan, Infantry.
First Lt. Stanley Walker Jones, Infantry.
First Lt. Ronald John Pierce, Infantry.
First Lt. James Joseph Fitzgibbons, Infantry.
First Lt. Robert Henry Chard, Infantry.
First Lt. Herbert John Vander Heide, Infantry.
First Lt. Luke Bruce Graham, Infantry.
First Lt. Rexford Wellington Andrews, Infantry.
First Lt. James Oliver Stephenson, Infantry.
First Lt. George Mulick Reilly, Infantry.
First Lt. Cornelius Zane Byrd, Infantry.
First Lt. Charles Randolph Kutz, Infantry.
First Lt. Normando Antonio Costello, Infantry.
First Lt. John Nicholas Stone, Air Corps.
First Lt. Phineas Kimball Morrill, Jr., Air Corps.
First Lt. Philip William Merrill, Infantry.
First Lt. Thomas Richard Lynch, Air Corps.
First Lt. Allan Gullick Fadness, Infantry.
First Lt. Samuel Fayette Silver, Infantry.
First Lt. Charles Freeman Kearney, Quartermaster Corps.
First Lt. Julian Broster Lindsey, Infantry.
First Lt. Robert Lawrence Love, Infantry.
First Lt. Thomas Norfleet Griffin, Infantry.
First Lt. George Frederick Conner, Quartermaster Corps.
First Lt. Clebert Leon Hail, Infantry.
First Lt. Arthur Knight Noble, Infantry.
First Lt. Samuel Edwin Mays, Infantry.
First Lt. Robert Campbell Johnson, Infantry.
First Lt. George Van Millett, Jr., Infantry.
First Lt. Edwin Michael Van Bibber, Infantry.
First Lt. Whitside Miller, Cavalry.

TO BE FIRST LIEUTENANTS, WITH RANK FROM JUNE 12, 1939

Second Lt. Oliver Garfield Haywood, Jr., Corps of Engineers.
Second Lt. Charles Henry Waters, Corps of Engineers.
Second Lt. Ralph Dickson King, Corps of Engineers.
Second Lt. Raymond John Harvey, Corps of Engineers.
Second Lt. Bruce Palmer, Jr., Cavalry.
Second Lt. William Reeves Shuler, Corps of Engineers.
Second Lt. Roy Dean McCarty, Corps of Engineers.
Second Lt. John Herbert Kerkering, Corps of Engineers.
Second Lt. Cecil Edward Combs, Air Corps.
Second Lt. Pierre Victor Kieffer, Jr., Corps of Engineers.
Second Lt. Karl Theodore Klock, Jr., Corps of Engineers.
Second Lt. Richard Rawlins Waugh, Corps of Engineers.
Second Lt. Arthur Milton Jacoby, Corps of Engineers.
Second Lt. Charles Barnard Stewart, Air Corps.
Second Lt. Dwight Oliver Monteith, Air Corps.
Second Lt. Robert Warren Davis, Signal Corps.
Second Lt. Walter Alexander Falks, Corps of Engineers.
Second Lt. George Ervan White, Jr., Corps of Engineers.
Second Lt. Carroll Keleher Bagby, Corps of Engineers.
Second Lt. Gilbert Meding Dorland, Corps of Engineers.
Second Lt. Thomas Jay Hayes, 3d, Corps of Engineers.
Second Lt. Gordon Henry Holterman, Coast Artillery Corps.
Second Lt. George Alexander Finley, Corps of Engineers.
Second Lt. William Mellard Connor, Jr., Field Artillery, subject to examination required by law.
Second Lt. Henry Jacob Katz, Coast Artillery Corps.
Second Lt. Wright Hiatt, Corps of Engineers.
Second Lt. Arthur Kramer, Coast Artillery Corps.
Second Lt. Howard Allen Morris, Corps of Engineers.
Second Lt. Stephen Elliott Smith, Corps of Engineers.
Second Lt. Edgar Hall Thompson, Jr., Coast Artillery Corps.
Second Lt. William David Milne, Corps of Engineers.
Second Lt. John Keeler Neff, Field Artillery.
Second Lt. Benjamin Oliver Davis, Jr., Infantry.
Second Lt. James Benjamin Lampert, Corps of Engineers.
Second Lt. Gerald Herman Duin, Field Artillery.
Second Lt. Reginald Joseph Beauregard Page, Corps of Engineers.
Second Lt. Lawrence Edward Laurion, Corps of Engineers.
Second Lt. Walter Bernard Bess, Signal Corps.
Second Lt. Clarence Albert Cozart, Coast Artillery Corps.
Second Lt. Andrew Davis Chaffin, Jr., Corps of Engineers.
Second Lt. William Nott Beard, Corps of Engineers.
Second Lt. John Edward Kelly, Infantry.
Second Lt. Stephen Walsh Holderness, Cavalry.
Second Lt. James Emmett Goodwin, Field Artillery.
Second Lt. Paul Francis Oswald, Field Artillery.
Second Lt. Gordon Harrison Austin, Air Corps.
Second Lt. Cecil Eldon Spann, Jr., Coast Artillery Corps.
Second Lt. Foster LeRoy Furphy, Coast Artillery Corps.
Second Lt. Jay Dean Rutledge, Jr., Air Corps.
Second Lt. Warren Smith Blair, Coast Artillery Corps.
Second Lt. Robert Frederick Frost, Signal Corps.
Second Lt. Howard Pinkney Persons, Jr., Coast Artillery Corps.
Second Lt. Clement Wirt Crockett, Field Artillery.
Second Lt. Adam Stephen Buynoski, Coast Artillery Corps.
Second Lt. John Daniel McElheny, Corps of Engineers.
Second Lt. Kenneth Einar Madsen, Corps of Engineers.
Second Lt. Eugene Roberts Patterson, Signal Corps.
Second Lt. Edwin Van Valkenburg Sutherland, Infantry.
Second Lt. Thea Lewis Lipscomb, Field Artillery.
Second Lt. Robert Dean Gapen, Air Corps.
Second Lt. Oren Swain, Coast Artillery Corps.
Second Lt. David McCoach 3d, Corps of Engineers.
Second Lt. Robert Henry Kessler, Coast Artillery Corps.
Second Lt. Harry Edgar Mikkelsen, Field Artillery.
Second Lt. William Henry Kinard, Jr., Coast Artillery Corps.
Second Lt. Eugene Everett Lockhart, Coast Artillery Corps.
Second Lt. Maxwell Morrison Kallman, Coast Artillery Corps.
Second Lt. Howell Marion Estes, Jr., Cavalry.
Second Lt. Ralph Richard Ganns, Field Artillery.
Second Lt. Everett George Hahney, Field Artillery.
Second Lt. Clifford Frederick Cordes, Jr., Coast Artillery Corps.
Second Lt. Robert Matthew Burnett, Field Artillery.
Second Lt. John Knox Arnold, Jr., Air Corps.
Second Lt. Clinton Dermott Vincent, Air Corps.
Second Lt. Richard Henry Mattern, Coast Artillery Corps.
Second Lt. David Woodrow Hiester, Field Artillery.
Second Lt. Charles Dudley Hartman, Jr., Field Artillery.
Second Lt. John James Phelan, Infantry.
Second Lt. Selwyn Dyson Smith, Jr., Field Artillery.
Second Lt. Raymond Lemuel Cato, Field Artillery.
Second Lt. John Walter Romlein, Coast Artillery Corps.
Second Lt. William Aldrich Davis, Field Artillery.
Second Lt. William Charles Hay, Infantry.
Second Lt. Edward Alexander Grove, Field Artillery.
Second Lt. Joseph Barry Yost, Coast Artillery Corps.
Second Lt. Seward William Hulse, Jr., Air Corps.
Second Lt. Richard Henry Carmichael, Air Corps, subject to examination required by law.
Second Lt. Robert Bruce Partridge, Field Artillery.
Second Lt. Edward Worthington Williams, Cavalry.

Second Lt. Frank Walter Gillespie, Air Corps.
Second Lt. James Rutland Gunn, Jr., Air Corps.
Second Lt. Wilmer Charles Landry, Quartermaster Corps.
Second Lt. Hervey Bennett Whipple, Coast Artillery Corps.
Second Lt. Nicholas Tate Perkins, Coast Artillery Corps.
Second Lt. Eldred George Robbins, Jr., Field Artillery.
Second Lt. Napoleon Robertson Duell, Field Artillery.
Second Lt. Howard McCrum Snyder, Jr., Infantry.
Second Lt. Carl Kenneth Bowen, Jr., Air Corps.
Second Lt. Orville Newton Stokes, Field Artillery.
Second Lt. James Edward Landrum, Jr., Infantry.
Second Lt. John Davis Torrey, Jr., Field Artillery, subject to examination required by law.
Second Lt. Albert Patton Clark, Jr., Air Corps.
Second Lt. Willam Raymond Prince, Cavalry.
Second Lt. Donald Gilbert Grothaus, Field Artillery.
Second Lt. Ned Taylor Norris, Cavalry.
Second Lt. William Childs Westmoreland, Field Artillery.
Second Lt. John Earl Barlow, Field Artillery.
Second Lt. John Richard Kelly, Air Corps.
Second Lt. Kenneth Francis Dawalt, Field Artillery.
Second Lt. Norman Calvert Spencer, Jr., Air Corps.
Second Lt. Benjamin Merritt Warfield, Coast Artillery Corps.
Second Lt. Frederick Reynolds Terrell, Air Corps.
Second Lt. Leonard Copeland Shea, Cavalry.
Second Lt. Charles Bernard Tyler, Jr., Field Artillery.
Second Lt. Fredrick Bell, Air Corps.
Second Lt. Harold Roy Low, Quartermaster Corps.
Second Lt. Frederick Charles Bothwell, Jr., Field Artillery.
Second Lt. Beverley Evans Powell, Field Artillery.
Second Lt. Donald Read Bodine, Field Artillery.
Second Lt. Charles Milton McCorkle, Air Corps.
Second Lt. Earl Franklin Holton, Infantry.
Second Lt. Leland Rodman Drake, Coast Artillery Corps.
Second Lt. Ridgway Pancoast Smith, Jr., Infantry.
Second Lt. Robert Hall Safford, Field Artillery.
Second Lt. Edward Clare Dunn, Cavalry.
Second Lt. Chester Victor Clifton, Jr., Field Artillery.
Second Lt. William Denton Cairnes, Field Artillery.
Second Lt. John Godfrey Brimmer, Field Artillery.
Second Lt. William Hamilton Jordan, Coast Artillery Corps.
Second Lt. Wilbur Maben Griffith, Field Artillery.
Second Lt. Langdon Andrew Jackson, Jr., Infantry.
Second Lt. Wilfred Henry Tetley, Cavalry.
Second Lt. Joshua Asher Finkel, Infantry.
Second Lt. James Walter Twaddell, Jr., Air Corps.
Second Lt. William Russell Grohs, Air Corps.
Second Lt. Henry David Lind, Coast Artillery Corps.
Second Lt. Donald Paul Christensen, Cavalry.
Second Lt. Clarence Edward Gooding, Infantry.
Second Lt. Carl LaVerne Rickenbaugh, Cavalry.
Second Lt. William Swinton Steele, Infantry.
Second Lt. John Milton Bartella, Air Corps.
Second Lt. Loyd Kenneth Pepple, Infantry.
Second Lt. William Charles Haneke, Infantry.
Second Lt. James Tillman Willis, Infantry.
Second Lt. Karl William Schwering, Infantry.
Second Lt. Claude Lee Crawford, Infantry.
Second Lt. Robert George Fergusson, Cavalry.
Second Lt. Francis McDonald Oliver, Jr., Cavalry.
Second Lt. Robert Edward McCabe, Cavalry.
Second Lt. John Joseph Jakle, Infantry.
Second Lt. Clinton Utterback True, Air Corps.
Second Lt. Turner Clifton Rogers, Air Corps.
Second Lt. Robert Walter Breaks, Infantry.
Second Lt. William Loud Longley, Infantry.
Second Lt. Louis Frederick de Lesdernier, Infantry.
Second Lt. Frederick Harold Gaston, Jr., Cavalry (nomination submitted for transfer to Cavalry from Infantry, March 27, 1939).
Second Lt. Roy Wheaton Cole, Jr., Cavalry.
Second Lt. James Rainier Weaver, Infantry.
Second Lt. George Paul Champion, Air Corps.
Second Lt. Carl Baehr, Jr., Field Artillery.
Second Lt. John Arnold Heintges, Infantry.
Second Lt. Harry Ripley Melton, Jr., Air Corps.
Second Lt. John Harold Daly, Field Artillery.
Second Lt. Robert James Quinn, Jr., Cavalry.
Second Lt. Edward Daniel Mohlere, Cavalry.
Second Lt. William Francis Meany, Infantry.
Second Lt. Peter Woods Garland, Jr., Infantry.
Second Lt. Ned Butler Broyles, Infantry.
Second Lt. Randolph Charles Dickens, Infantry.
Second Lt. Elmer Willford Grubbs, Infantry.
Second Lt. Lawrence Frederick Prichard, Infantry.
Second Lt. Fred Livingood Walker, Jr., Infantry.
Second Lt. George Weldon Childs, Infantry.
Second Lt. John Henry Chiles, Infantry.
Second Lt. Creighton Williams Abrams, Jr., Cavalry.
Second Lt. Samuel Edwin Beggs, Jr., Infantry.
Second Lt. William Thomas Ryder, Infantry.
Second Lt. William Edward Sievers, Infantry.
Second Lt. Hilwert Schuyler Streeter, Cavalry.
Second Lt. William John Priestley, Infantry.
Second Lt. Russel Victor Dolmar Janzan, Cavalry.
Second Lt. Alfred William Hess, Infantry.
Second Lt. Karol Anthony Bauer, Infantry.
Second Lt. James Latham Crandell, Jr., Infantry.
Second Lt. Thomas Worthington Cooke, Infantry.
Second Lt. William Garnett Lee, Jr., Air Corps.
Second Lt. McPherson LeMoyne, Cavalry.
Second Lt. Louis Stewart Chappelear, Jr., Infantry.
Second Lt. Laurence John Ellert, Coast Artillery Corps.
Second Lt. Richard Wilkins Ripple, Infantry.
Second Lt. Robert Emmett O'Brien, Jr., Cavalry.
Second Lt. Philip Sheffield Greene, Infantry.
Second Lt. Thurman Wesley Morris, Infantry.
Second Lt. Albert Burnton Turner, Jr., Cavalry.
Second Lt. Clyde Lafayette Layne, Infantry.
Second Lt. Jesse Cyrus Drain, Jr., Infantry.
Second Lt. John Marvin Williams, Infantry.
Second Lt. David Henry Brown, Infantry.
Second Lt. Carl Theodor Goldenberg, Air Corps.
Second Lt. Jackson Holt Gray, Air Corps.
Second Lt. Warren Newcomb Wildrick, Infantry.
Second Lt. Austin Glenwood Fisher, Infantry.
Second Lt. Charles Lee Simpson, Infantry.
Second Lt. Robert Thomas Crowder, Infantry.
Second Lt. Allen Leeds Peck, Infantry.
Second Lt. John Hersey Michaelis, Infantry.
Second Lt. Franklin Rogers Sibert, Infantry.
Second Lt. James Michael Illig, Infantry.
Second Lt. Henry Kreitzer Benson, Jr., Infantry.
Second Lt. Augustus Herbert Bode, Jr., Infantry.
Second Lt. John Proctor Stone, Infantry.
Second Lt. Duncan Buist Dowling, Jr., Infantry.
Second Lt. Von Roy Shores, Jr., Air Corps.
Second Lt. William Ellerbe Covington, Jr., Air Corps.
Second Lt. Philip Stearns Gage, Jr., Infantry.
Second Lt. Robert Francis Curran, Infantry.
Second Lt. Thomas Edgar Clifford, Jr., Infantry.
Second Lt. Charles Burnham Milliken, Infantry.
Second Lt. Peter McGoldrick, Infantry.
Second Lt. Allen Clinton Miller, 2d, Infantry.
Second Lt. Thomas Reuben Conner, Corps of Engineers.
Second Lt. James Renwick Hughes, Infantry.
Second Lt. Leonard Clement Godfray, Infantry.
Second Lt. William Hartman Hendrickson, Infantry.
Second Lt. Howard Franklin McManus, Infantry.
Second Lt. Robert John Trout, Infantry.
Second Lt. Raymond Horace Tiffany, Infantry.
Second Lt. John Clarke Goldtrap, Infantry.
Second Lt. John Rigden Van Dickson, Infantry.
Second Lt. John Roland Singletary, Jr., Infantry.
Second Lt. William Barret Sullivan, Infantry.
Second Lt. Glenn Austin Sikes, Infantry.
Second Lt. Godfrey Arthur Fowler, Infantry.
Second Lt. Clark Lewis Hosmer, Air Corps.
Second Lt. Donald Wallace Noake, Infantry.
Second Lt. William Wesley Jones, Air Corps.
Second Lt. David Lincoln Edwards, Infantry.

Second Lt. Benjamin Otto Turnage, Jr., Infantry.
Second Lt. Thomas James Lawlor, Infantry.
Second Lt. William Pelham Yarborough, Infantry.
Second Lt. Aloysius Elliott McCormick, Jr., Infantry.
Second Lt. Joseph James Nazzaro, Air Corps.
Second Lt. Frank Edward Shea, Infantry.
Second Lt. Charles Billingslea, Infantry.
Second Lt. Benjamin Franklin Evans, Jr., Infantry.
Second Lt. James Billy Leer, Infantry.
Second Lt. Edmund Whritner Miles, Infantry.
Second Lt. William Levere Kimball, Air Corps.
Second Lt. Robert Sears Blodgett, Infantry.
Second Lt. Henry Andrew Mucci, Infantry.
Second Lt. Thomas Walker Chandler, Cavalry.
Second Lt. Frederick Caesar Augustus Kellam, Infantry.
Second Lt. John Matthew Lynch, Infantry.
Second Lt. Charles Manly Pack, Infantry.
Second Lt. Ernest Samuel Holmes, Jr., Air Corps.
Second Lt. Thomas Ryall Davis, Infantry.
Second Lt. Wallace Conrad Barrett, Air Corps.
Second Lt. Theodore Janof, Quartermaster Corps.
Second Lt. Frank Pattillo Norman, Jr., Infantry.
Second Lt. Conrad Francis Necrason, Air Corps.
Second Lt. Victor Hermann Wagner, Signal Corps.
Second Lt. William Arthur Joyce, Signal Corps.

POSTMASTERS

ARKANSAS

Harry T. Colvert to be postmaster at Cullendale, Ark., in place of W. L. Ellis, resigned.

Moses Preston Muse to be postmaster at Junction City, Ark., in place of N. F. Brown, removed.

Evelyn B. Gowen to be postmaster at Knobel, Ark., in place of L. E. Wilkerson, removed.

Carl A. Lovell to be postmaster at Mountainburg, Ark., in place of I. N. Anglen, Jr., resigned.

CALIFORNIA

William E. Dixon, Jr., to be postmaster at Elk Grove, Calif., in place of H. S. Markofer. Incumbent's commission expired March 6, 1938.

Clota Boykin Bowen to be postmaster at Midland, Calif. Office became Presidential July 1, 1938.

IDAHO

Lynn S. Kearsley to be postmaster at Victor, Idaho, in place of E. N. Kearsley, resigned.

INDIANA

Herbert I. McEndarfer to be postmaster at North Liberty, Ind., in place of C. L. Worster, transferred.

LOUISIANA

Golden D. Mizell to be postmaster at Forest Hill, La. Office became Presidential July 1, 1937.

MAINE

Alberta A. Cheney to be postmaster at Wells, Maine, in place of Grover Cheney, deceased.

MARYLAND

George W. Bryant to be postmaster at Greenbelt, Md. Office became Presidential July 1, 1938.

MASSACHUSETTS

Raymond V. McNamara to be postmaster at Haverhill, Mass., in place of G. F. McNamara, deceased.

MISSOURI

Pleas M. Malcolm to be postmaster at Sikeston, Mo., in place of C. F. Bruton, deceased.

NEBRASKA

Hubert B. Bowley to be postmaster at Taylor, Nebr., in place of L. E. Bowley, resigned.

NEW JERSEY

Marguerite Fox Sando to be postmaster at Hewitt, N. J. Office became Presidential July 1, 1938.

NEW YORK

Daniel A. Driscoll to be postmaster at Buffalo, N. Y., in place of D. A. Driscoll. Incumbent's commission expired January 16, 1939.

Gilbert W. Rosenquest to be postmaster at Jamaica, N. Y., in place of G. W. Rosenquest. Incumbent's commission expired January 22, 1939.

Thomas J. O'Brien to be postmaster at Sauquoit, N. Y., in place of A. J. Radell, removed.

PENNSYLVANIA

Leo A. Werner to be postmaster at Harrisburg, Pa., in place of R. S. Black, resigned.

Albert W. Watts to be postmaster at McVeytown, Pa., in place of A. W. Watts. Incumbent's commission expired February 5, 1936.

TEXAS

Clarence B. Haynes to be postmaster at Chillicothe, Tex., in place of M. T. Jones, resigned.

VERMONT

Laurence E. McShane to be postmaster at Bristol, Vt., in place of R. S. Smith, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 3, 1939

COMPTROLLER GENERAL OF THE UNITED STATES

Fred H. Brown to be Comptroller General of the United States for a term of 15 years.

COLLECTORS OF CUSTOMS

Fannie Dixon Welch to be collector of customs for customs collection district No. 6, with headquarters at Bridgeport, Conn.

Charles E. Kemper to be collector of customs for customs collection district No. 40, with headquarters at Indianapolis, Ind.

Abe D. Waldauer to be collector of customs for customs district No. 43, with headquarters at Memphis, Tenn.

UNITED STATES PUBLIC HEALTH SERVICE

Filip C. Forsbeck to be a surgeon in the United States Public Health Service.

APPOINTMENT IN THE REGULAR ARMY

First Lt. Don Lee Mace to be first lieutenant, Veterinary Corps.

APPOINTMENTS BY TRANSFER, IN THE REGULAR ARMY

First Lt. Melville Brown Coburn to Field Artillery.
First Lt. Shelby Francis Williams to Cavalry.
Second Lt. Frederick Harold Gaston, Jr., to Cavalry.

PROMOTIONS IN THE REGULAR ARMY

Burton Oliver Lewis to be colonel, Ordnance Department.

Withers Alexander Burress to be lieutenant colonel, Infantry.

Paul Thomas Hogge to be major, Infantry.

APPOINTMENT TO TEMPORARY RANK IN THE AIR CORPS, IN THE REGULAR ARMY

Cornelius Emmett O'Connor to be major, temporary rank, in the Air Corps.

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES

Francis Vincent Logan to be brigadier general, National Guard of the United States.

POSTMASTERS

CALIFORNIA

Louis C. De Armond, Blairsden.
Margaret S. Dewhurst, Brisbane.
Ruth E. Palmer, Calwa City.
Mary B. Buswell, Delhi.
Irene Crane Jones, Nubieber.
George A. Chapman, Seaside.

COLORADO

William D. McIntyre, Oak Creek.

INDIANA

Albert Rea Petscher, Aurora.
Sue E. Reese, Greens Fork.
Adolph Hannie, Monroe.
Simon C. Hilsmier, Ossian.
Mary Dugan, Pittsboro.
Alton L. Metzger, Rossville.

LOUISIANA

James F. Ellis, Sulphur.

MISSISSIPPI

William E. Mitchell, Stewart.

MONTANA

Edward F. O'Neil, Glendive.

NEW MEXICO

George T. Meyers, Hillsboro.
Eugene Montague, Lordsburg.

NEW JERSEY

Edward J. Gleason, New Brunswick.

NEW YORK

Samuel B. Cline, East Hampton.
John F. Gleason, Le Roy.
Katherine M. Nortz, Lowville.
Donald S. Ryan, McGraw.
Kathryn R. Fuselehr, Malverne.
Robert C. McCarthy, Palmyra.
Mabel B. Williams, Westhampton Beach.

NORTH CAROLINA

James M. Hall, Roseboro.

PENNSYLVANIA

Frank J. Studeny, Johnstown.
W. Fred Williams, Shippenville.

TEXAS

Tom Calhoon, Liberty.

WISCONSIN

James F. Trainer, Lyndon Station.
Dan F. Vicker, Park Falls.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 3, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou Saviour of the world, bid us enter the secret place that we may commune with Thee. We rejoice that the heart of the infinite God will never cease to bless until the sun goes empty of light, the stars forget to shine, and the universe itself is lost. He is over all and blessed for evermore. O speak Thy benediction to us: "Thou shalt speak peace to the nations; and Thy dominion shall be from sea to sea and from the river even to the ends of the earth. Thy throne, O God, is forever and ever. The scepter of Thy kingdom is the scepter of righteousness." O lead Thy white battalions against the hosts of rebellion which are error against truth, oppression against justice, and frightfulness against humanity. Inscribe in letters of living light across the skies: "King of kings and Lord of lords." May a chivalrous faith discern the coming of the peace of God. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, March 31, 1939, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 11. Concurrent resolution continuing the special Joint Committee on Forestry.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 572. An act to provide for the common defense by acquiring stocks of strategic and critical materials essential to the needs of industry for the manufacture of supplies for the armed forces and the civilian population in time of a national emergency, and to encourage, as far as possible, the further development of strategic and critical materials within the United States for common defense.

PERMISSION TO ADDRESS THE HOUSE

Mr. FADDIS. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the reading of the Journal and the disposition of matters on the Speaker's desk, and following the legislative program of the day, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. DEMPSEY. Mr. Speaker, I desire to call to the attention of the Members of this House the conditions existing in the Post Office Department with particular reference to third- and fourth-class post offices.

It undoubtedly is common knowledge with every Member of this body that criticism frequently is made because of the appointment of incompetent persons as postmasters, particularly in these two classes of offices. It has been my personal experience that these appointments constitute one of the chief problems which confronts a Member of the Congress when he is asked to make a recommendation as to the proper appointee.

Recently in my State of New Mexico considerable criticism resulted from a case wherein a woman appointed as postmistress in a fourth-class office was found guilty of a violation of the postal laws. She was charged with a shortage in her accounts. Criticism of this woman's appointment was made, despite the fact that she was listed by the Post Office Department as the only available eligible, meeting the civil-service requirements of the Department. There was no choice in regard to this particular appointment, and virtually every patron of the office petitioned for this appointee.

To me it is not at all strange that there should be but one eligible applicant for such an appointment because the remuneration in this particular office was shown to be but $249 a year—a compensation of approximately $20 a month. There are many post offices where the remuneration is even lower. What manner of public servant can we expect for such compensation?

In this day when we are talking about one-third of the Nation being ill-fed, ill-clothed, and ill-housed, and are appropriating billions of dollars for relief of unemployed who are given a minimum of about $40 a month income, it appears to me shameful and disgraceful in the extreme that persons in the employ of the Government, serving in one of the most important branches of our governmental activity, which is in direct contact with nearly every citizen, should receive a mere pittance. Most certainly we cannot expect to obtain the highest type of governmental employee under these conditions.

It is difficult, indeed, for me to reconcile the toleration of such a condition by the executive and legislative branches of this Government, in view of the fact that we are insisting that private employers shall pay not less than 25 cents an hour to any person engaged in occupations that have to do with interstate business.

Most certainly we cannot continue to proceed on the premise that competent postmasters can be obtained under conditions such as these and for the compensation they are to be paid. In most every business or profession compensation is gaged largely on the competency of the employee and the duties to be performed. Under our present requirements it would appear that postmasters in the third- and fourth-class post offices must be prompted either by civic pride or a deep sense of patriotism to virtually donate their services; otherwise, I do not see how, in view of the meager compensation paid them, we could expect them to assume the duties and the responsibilities of such a position.

It is hard for me to find consistency in our attitude in appropriating billions for the various agencies of the Government, with full knowledge that travel and telephone expense for one relief agency alone approximates the staggering total of $600,000 a month, and then put our stamp of approval legislatively on post-office regulations which require that a governmental employee in an important position of public trust shall be remunerated so poorly that there is an ever-present temptation to misappropriate a few dimes to buy bread.

It is a poor commentary, indeed, on our sagacity and fitness as lawmakers that we continue to countenance such conditions and I for one shall insist that provisions shall be included in any further Post Office Department appropriation requests so that these third- and fourth-class postmasters shall receive at least a living wage. It is my contention that a letter handled by a third- or fourth-class post office is just as vitally important to the recipient and the sender as is a letter handled by the metropolitan offices in New York or Chicago, and the trust and responsibility involved are as great. The only difference in the service rendered is in the volume of business handled.

I believe that this Congress is fully justified in insisting that these underpaid public employees shall be included within the provisions of the existing minimum-wage law and I propose to offer legislation to that end.

Until we take action of that kind it is my firm conviction that the criticisms directed toward the Post Office Department and the Congress, itself, growing out of the incompetency and unfitness of many of the appointees to third- and fourth-class post offices are fully justified and will continue. We are unfair with both the public and the appointees themselves.

There may be the contention that the establishment of a proper minimum-wage level for this class of employees would work financial hardship on the Post Office Department and on the Government. I for one do not feel that such a contention is well founded. The time has arrived when this justly criticized condition must be corrected by paying the employees in this Government service a living wage. The full responsibility rests upon this Congress.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, on the front page of the Washington Post this morning there appears an article to the effect that Germany is asking for negotiations with the United States for reopening or readjusting trade relations between the two countries.

In that article it is stated that when the Secretary of the Treasury imposed a 25-percent countervailing duty on German imports he killed a deal that would have involved the sale to Germany of 500,000 bales of cotton, 500,000 tons of wheat, 30,000 tons of dried plums, and 110,000,000 pounds of lard over and above Germany's purchase from this country during the year 1938.

In other words, it is killing our trade with a country that is one of the greatest consumers of American cotton, as well as American wheat and other American farm products.

This cutting off of our portion of the foreign trade places a terrible burden on the American farmer by leaving upon his hands an additional surplus which drives the market down further below the cost of production.

It looks as if everything that is done now reacts to the detriment of the American farmer. The tariff robs him without compensation. He is discriminated against in transportation rates and pays the highest utility rates, as well as the highest interest rates, of any man under the American flag.

Every interference with our foreign trade penalizes him by closing the markets for his surplus products.

While this injures the wheat, corn, cattle, and dairy farmers, its greatest burden falls upon the cotton growers of the South, who are already handicapped with an enormous surplus, which means they will be driven to the growing of other crops or else forced to engage in other activities which will bring them in direct competition with other farmers or with Americans engaged in other pursuits.

Instead of further interrupting our foreign trade to the detriment of the farmers of the Nation, we should do everything possible to stimulate that trade. I know there is an international element throughout this country that is doing everything possible to drag us or shove us into a European war.

Europe does not want any war with us, and America does not want a war with Europe; yet these influences are busy day and night trying to make a war for us. Their propaganda rings on the radio every hour and screams from the headlines of the subsidized press every day. They are not only willing to punish the American farmer and drive him further toward bankruptcy, but they are willing to jeopardize the peace of mankind and run the risk of plunging America into war, the cost and consequences of which no man can foresee.

We went into a European war 20 years ago and won it, although our allies, for whom our young men sacrificed their lives and for whom America fought and financed the war, have never given us credit for what we accomplished. On the other hand, they have repudiated their debts and instilled into their children a contempt for America and American institutions.

Uncle Sam of 1918, when we were aiding, and paying, and our boys were doing the bleeding, became "Uncle Shylock" a few years later, in the European vernacular, when all that we asked was that they pay their honest debts.

Now they are in trouble again; the age-old jealousies and competitions are at work, and these same nations that repudiated their debts and branded Uncle Sam as "Uncle Shylock" are using their influences to try to drag America into the broils and hatreds of European affairs.

The international bankers, munitions manufacturers, and others who grew rich out of the war, coining their money from the blood and tears of the suffering men, women, and children of the world, are again busy trying to stir up trouble in order that they may again profit at our expense.

I hold no brief for any dictator, but it is not our duty to attempt to run the internal affairs of other countries, and I for one am unalterably opposed to plunging this country into a war that would probably mean the wreck and ruin of what civilization we have left.

I make the prediction now that if we will let Europe alone and give them to understand that we are not going to get mixed up in their broils there will not be any war in Europe.

I also want to warn the Members of Congress that you are going to have trouble in this country whenever you attempt to reach out and drag the youth of this land to the colors and send them to die on foreign soil.

If war were to break out in Europe tomorrow, the large cities of every country involved would lie in ruins within 60 days. Thousands, if not millions, of innocent men, women, and children would be killed, blown to pieces, or burned to death in their own homes.

If America should be drawn into it, it would mean that every city along our Atlantic seaboard, and probably along the Pacific and Gulf coast, would be visited with a rain of terror from the air, the like of which our people have never known. Such a war would probably last for years and years. It would probably send millions of our young men down to nameless graves and leave a crepe on every doorknob, broken hearts and widow's weeds and vacant chairs in every home. It would leave our country economically and financially exhausted, our institutions swept away, and probably chaos and anarchy in its wake.

The same condition would prevail on the other side, with the result that this great civilization that it has taken mankind 2,000 years of toil, struggle, and sacrifice to build, would be destroyed.

Therefore, Mr. Speaker, I say that instead of agitating international ill will and aiding and abetting this element throughout the world that would gloat over the downfall of our civilization, it is our duty as responsible representatives

of the American people to do everything in our power to keep this country out of war, and in that way help to maintain the peace of the world.

I deplore the action of Secretary Morgenthau in arbitrarily raising the impost duty on German goods. We are at peace with Germany and I hope we may always be at peace with the German people. It seems to me that under these conditions wisdom would dictate a different course from that of attempting to apply economic restrictions against a friendly people, especially when by so doing we are penalizing our own farmers and making it impossible for them to find a market for those products upon the sale of which they must depend for any appreciable measure of prosperity.

European nations are trading with Germany. England and France are trading with Germany, and neither one of them have even contemplated imposing such restrictions. Of course, they do not object to the United States imposing such restrictions, because it gives them advantages in the German markets as well as in the American markets.

They care nothing about destroying the American market for cotton, wheat, corn, hogs, or dairy products. They are looking out for their own selfish interests.

We can never recover from this depression until agriculture leads the way, and every obstacle we throw in the way of that recovery by interfering with our foreign trade simply tends to postpone the day when we can hope to enjoy Nation-wide prosperity.

I hope that this request for the readjustment of our trade relations will be granted and that, instead of further penalizing the farmers of the South and West, plans may develop that will materially extend their foreign markets in such a way as to raise the prices of those products they are now selling below the cost of production, and in that way help to maintain the peace of the world, or at least keep America from becoming embroiled in another foreign war. [Applause.]

Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and quote therein from the article in the Washington Post to which I have referred.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Speaker, I wish to speak on the same general subject as that to which the gentleman from Mississippi has just referred, namely, the possible negotiation of a trade treaty with Germany. However, my position is directly contrary to that which he has taken. The gentleman is looking at the proposal from the standpoint of his cotton producers, who stand to benefit by the proposed treaty at the expense of the rest of the country. I am looking at the matter from the standpoint of the country as a whole.

The reason the German officials now in this country are asking the same rights and privileges that other nations have is that they realize that trade treaties are beneficial to those countries by giving them a larger share of our rich home market. They are not concerned with the fact that the tariff reductions they desire are detrimental to the people of this country.

If there is one country today with which we ought not to have trade relations, it is Germany. Therefore, I protest against our people negotiating a treaty at this time with Germany, as it will be detrimental to our interests here at home. I am against the present trade treaty program, whether it involves making a treaty with Germany or any other country.

For some time I have been contending that the trade-treaty program is inimical to American interests. No better proof of this fact can be found than in the great anxiety of foreign countries to enter into these trade treaties with us.

The twenty-first treaty—that with Turkey—has just been signed. In this morning's press we are informed that now Germany is seeking a trade treaty with this country.

Among the items which Germany is anxious to ship into our market in competition with our own products are farm and industrial machinery, chemicals, and numerous manufactured products. I recently called the attention of the Treasury Department to the fact that Germany was dumping these very products on our market by means of a complicated barter system, under which American concerns shipping certain products to Germany had to take these articles in exchange, which were then sold in the American market at sacrifice prices. Shortly thereafter, the Treasury Department imposed countervailing duties on these subsidized imports as required by the tariff law of 1930.

The imposition of these duties has temporarily forced the abandonment of this dumping of German goods on the American market. Now Germany is anxious to have these countervailing duties removed, and at the same time receive a substantial reduction in the regular duties of her imports into the United States. In other words, she wants to gain access to our market under a trade treaty so as to accomplish the same purpose she has been accomplishing by barter and by dumping.

Let me repeat at this time what I have said many times, namely, that the only valid purpose of foreign trade is to exchange our surpluses for the things we need and do not produce ourselves.

There can be no justification for opening our markets to the products of Germany, the like of which we already produce. Nor is there any net advantage to this country by trading off our surpluses for products that compete with other lines of industry.

I cannot emphasize too strongly that if our trade treaty program was not of such great benefit to foreign countries at the expense of our own people, these foreign countries would not be so anxious to enter into them.

At the present time we have no Ambassador in Germany, nor does Germany have an Ambassador here. It is extremely nervy, in my opinion, for the German Chargé d'Affaires, Herr Thomsen, to suggest how we should regulate our tariffs on German imports. Of course he wants for his own country the same advantages in our markets which other foreign countries now have under the trade-treaty program. He is jealous of these other countries which are now getting benefits which are denied to Germany. It is to be expected that Germany would want to get its nose under the tent also.

If we open the door to German imports by drastic tariff reductions such as have been granted to other countries, our manufacturers might just as well close down and throw up the sponge, because we cannot possibly compete on equal terms with the cheap products of Germany. This administration should not ask the American workingman, who, thank God, is still a free citizen, to compete with the regimented labor of the Nazi regime of Adolf Hitler. [Applause.]

[Here the gavel fell.]

Mr. GUYER of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GUYER of Kansas. Mr. Speaker, there are about 8,000,000 aliens within the United States who have neither become citizens nor even declared their desire and intention to become citizens, and of assuming the duties and responsibilities of citizens.

This to my mind is gross ingratitude for our hospitality and the generosity of this Nation which has made them welcome and extended its incomparable opportunities and domicile to them. Not only have millions of these aliens taken advantage of our generosity by failing and neglecting to assume the duties of citizenship but many have so far abused their privilege to reside in this country as to engage in subversive propaganda, communistic, Nazi, and Fascist.

The presence and bold activities of so many of these aliens in radical labor trouble in which they fomented and encouraged violent action, was largely responsible for the severe rebuke and censure administered to the Secretary of Labor,

Miss Perkins, by the 10 minority members of the Committee on the Judiciary for laxness and want of energy in the enforcement of the immigration laws in the proposed impeachment proceedings brought against the Secretary of Labor and members of her staff. While no one on the committee believed that the evidence adduced justified the extreme constitutional remedy of impeachment provided in the Constitution, yet the bold and persistent subversive and violent activities of so many aliens did not produce an enviable record for the Department of Labor in the energetic enforcement of our immigration statutes.

There are said to be one and one-half millions of unnaturalized aliens on our relief rolls which cost the taxpayer many millions. In the event of war with their mother country they would be subject to call to fight against the country whose generosity fed them and which necessarily denied that much to our own unemployed citizens.

It is said upon good authority that there are 6,000,000 unnaturalized aliens holding jobs in American industry and agriculture. Their employment means that our own citizens are deprived of that number of jobs, so that the employment of unnaturalized aliens accounts for nearly half of our unemployment. They should be forced to choose between naturalization and deportation. If they want to become citizens let them so declare and proceed to become citizens. That they are of alien birth does not at all discredit them, for some of the best and most useful citizens we have are of alien birth. It is to those who fail to take advantage of the privilege to become citizens after long residence in our country, and particularly those who engage in subversive propaganda, that I direct my disapproval.

It is estimated that there are in this country 500,000 aliens who are within our gates illegally; who have stolen into the country in one way or another contrary to law. They have no right of residence in this country and should be immediately deported. Many thousands of these unnaturalized persons are reservists in foreign armies subject to being called to the colors of their mother country in the event of war that might be a war against the United States.

The Legislature of the State of Kansas, recently in session, has passed senate concurrent resolution No. 28 memorializing the Congress to enact laws providing for the deportation of all aliens who do not within a reasonable time signify their intention to become citizens of the United States. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include this resolution.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GUYER of Kansas. Mr. Speaker, the resolution to which I have referred is as follows:

Senate Concurrent Resolution 28

Resolution memorializing the Federal Congress to enact adequate legislation providing for speedy deportation of all alien residents who do not signify their willingness, desire, and intention to become citizens of the United States within a reasonable time after entry into the United States of America

Whereas it is estimated that there are approximately 8,000,000 residents within the boundaries of the United States of America who have neither become naturalized nor filed any declaration of intention to become citizens of this Nation; and

Whereas this large group of alien residents provides a fertile field for agitators and organizations who are not in sympathy with the American form of government; and

Whereas it is the sense of the Legislature of the State of Kansas, that this large group of alien residents should not be permitted to enjoy the freedom and privileges of this Nation without assuming the corresponding duties and obligations of citizenship: Now, therefore, be it

Resolved by the Senate of the State of Kansas (the house of representatives concurring therein), That the Federal Congress be, and it is hereby, requested to direct its attention to this condition and to enact adequate legislation which will provide for speedy deportation of all alien residents of this country who do not within a reasonable time signify their willingness, desire, and intention, and qualify, to assume the obligations of citizens of the United States of America; be it further

Resolved, That the secretary of state be, and he is hereby, directed to transmit properly authenticated copies of this resolution to each branch of the Congress, to each member of the Kansas congressional delegation, and to each of the United States Senators from Kansas; be it further

Resolved, That the secretary of state forthwith transmit properly authenticated copies of this resolution to each of the legislatures of the several States of the Union which are now in session, same for their consideration and action, if they so desire.

Mr. RICH. Mr. Speaker, I ask unanimous consent that on Tuesday, April 11, after the disposition of the business on the Speaker's desk and following the legislative program of the day, I may be permitted to address the House for 15 minutes in regard to Government waste in the scissors brigade, an organization set up by the New Deal for clipping newspaper articles and filing them.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. THOMAS F. FORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article from the Chicago Evening American.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of Government subsidies and to include therein a statement made by T. B. Robertson, international president of the Brotherhood of Locomotive Firemen and Enginemen.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the W. P. A. appropriation.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to address the House for 25 minutes on Tuesday next, April 11, after the disposition of the legislative program of the day and any previous special orders.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

EXTENSION OF REMARKS

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial written by Mr. William J. McHale, of Chilton, Wis.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MILLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter from a constituent.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

HAWLEY-SMOOTISM VERSUS RECIPROCAL-TRADE TREATIES

Mr. KITCHENS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. KITCHENS. Mr. Speaker, the gentleman from Massachusetts [Mr. TREADWAY], who has just spoken, condemns any trade treaty with Germany. We are not surprised because such opposition is merely carrying out the suggestion of his great leader, Hon. Herbert Hoover.

I presume the gentleman's opposition to trade treaties in general is what Mr. Hoover calls the "oxygen" of representative government. The national weekly news magazine Time, in its issue of February 20, 1939, gives an account of a gathering on February 13, 1939, of Republican leaders assembled in the grand ballroom of the Waldorf-Astoria Hotel, New

York City, under the pretext of celebrating the birthday of Abraham Lincoln. There they wined, dined, danced, perspired, and became inspired. There was conviviality and congeniality within the cloistered walls of that exclusive hotel surrounded by walled streets where trade is walled in for a few. Mind you, my colleagues, those gentlemen were celebrating the birthday of Abraham Lincoln. Nothing happened there that in the least would meet the approval of Abe Lincoln. From all that took place there honest old Abe would not have known he ever had a birthday. [Applause.]

Mr. Speaker, reverting to that grand ballroom celebration of Lincoln's birthday, the Time magazine further states that Hon. Herbert Hoover was present and took occasion to give advice and direction to Republican leaders, old and young, whether in Congress or out of Congress. Time states in its issue of last February 20 that Mr. Hoover appeared in the ballroom "hands in pockets, stomach to the fore," and gave warning to the coming generation. In his warning he offered a remedy to save the people, as he said, "from their rendezvous with debt." His remedy was a little late forthcoming, as the people know from experience. But what was that remedy the great leader of the Republican Party offered to the people? The magazine Time states that Mr. Hoover, to that great audience and Republican leaders in general, recommended the "oxygen of opposition." [Applause.]

Mr. Speaker, we thought Mr. Hoover was famous only as a great engineer and promoter. We did not know he was also learned in physics. It is true we knew him as a clairvoyant, a man able to see around the corners, but no one ever proclaimed him to be a doctor, but rather a doctrinaire. [Applause.]

Time says he recommended "oxygen" as a sure remedy for the evils of the day and for future generations. One would judge that Mr. Hoover desired his followers, in Congress and out, to pour out and administer "oxygen" in both large and small doses. From time to time on the floor of this House I note strained efforts to administer this panacea of all ills. [Applause.]

Mr. Speaker, Webster's unabridged dictionary defines "oxygen" as a "colorless, tasteless, odorless, active gas element in the atmosphere." I appreciate that the gas element may be for the purpose of lulling, soothing, and putting the people to sleep. Webster further says, in defining "oxygen," "It forms in combination eight-ninths by weight of water and nearly one-half by weight of the rocks composing the earth's crust." I can see the quenching virtues of the water, and the held-out hope for a "crust," but am unable to see any virtue in the rock. Webster further says "oxygen" is a constituent of all but a very few acids. A simpleton ought to be able to understand the simplicity of this remedy suggested by the leader of the Republican Party and adopted by his followers. [Applause.]

In other words, Mr. Speaker, Mr. Hoover, after due consultation and deliberation, seriously seeking a remedy or program, ponderously recommends air, water, and gas. [Applause.] That is the only constructive remedy the Republican Party has so far been able to suggest or devise. I find here on the floor of the House, over here on my left, that Mr. Hoover's advice is taken seriously by members of his party because from day to day pure "oxygen" is being poured and dosed out generously in opposition to all the policies of this administration. The Time magazine quotes Mr. Hoover as saying "give them the 'oxygen of opposition,' give them air, gas, and water." If Mr. Hoover were not serious, then he seems to be misunderstood here on the floor of the House because his Republican coadjutors come every day well equipped with kits and bags of this airy, gaseous, and watery solution, and are doing their level best to fill the prescription and administer the dose as recommended. [Applause.]

History tells us that once when the people of France were crying for bread the French queen suggested they eat cake when there was no cake. Our ex-President, ably aided, abetted, and encouraged by his followers, says that the people should be given air, water, and gas, "oxygen" if you please, and these atmospheric elements are plentiful. The only difference between these recommendations is that one recommended for the people an unprocurable article, while the other recommended an abundant invisible substance.

Mr. Speaker, those leaders of the Republican Party in that "Walledoff" hotel in New York City, freely imbibing inspiration from their immediate surroundings, were not able to appreciate the beneficent results to flow from the remedy suggested at that great meeting.

Only a few days ago the farmers of America were given by the Republicans in this House a good and generous dose of "oxygen." A diagnosis of troubles of farmers of America brought forth the recommendation that they be given the air mixed with a little soothing gas and diluted with water, a concoction believed to be a most satisfying cure, and that was what Republican leadership here administered to the farmers on the farm parity income proposal a few days ago.

Sometimes I am inclined to believe that the new Republican Governor of Vermont, Mr. Aiken, was about right last year when he suggested one of the best things for the Republican Party to do was to change its name. That suggestion very quietly so far has been disregarded. This hushed proposal is awaiting, no doubt, the effect of the immense possibilities of air, water, and gas when administered in proper doses, and there is a disposition to wait hoping to convince the American people once more that it has discovered a new remedy for the solution of all our problems.

True to form, true to the dictators of their party, the Republican leadership in this House is attacking the trade treaties negotiated and now in process of negotiation with other nations with nothing really more substantial than air and gas. The American people must not be misled by all these opposition platitudes and generalities, half truths and misstatements, which are nothing more than the "oxygen of opposition."

I have been studying the trade treaties negotiated since 1934, under the direction of that great statesman and Christian gentleman, our great Secretary of State, Hon. Cordell Hull, and have reached the opinion that these trade treaties are opening up the most wonderful possibilities, capable of being invisioned, for universal peace, the progress and prosperity of America and all the nations. These treaties represent the true spirit of Christianity, and I hope to see them negotiated with all friendly and, if any, unfriendly nations.

Mr. Speaker, March 22, 1939, as appears in the CONGRESSIONAL RECORD of that date, I made some observations on the viciousness of State barriers to trade in this country. Among other things, I stated that I am interested in facilitating the development of trade, not only among the States but between our Nation and all other countries. I wish to see demolished, consistent with the best interest of our people as a whole, every barrier that causes friction and obstruction in the exchange of goods and commodities.

The score of reciprocal-trade agreements concluded under the authority of the Trade Agreements Act, which Congress passed in 1934 and extended in 1937, have been effective instruments in promoting such exchange of goods. The American producers on farms and in factories and American workmen on railroads and ships and in offices will reap the undoubted benefits which come to a nation with a healthy foreign trade.

PARTISAN ATTACKS CANNOT DEFY FACTS

Blind partisan attacks, such as have been made recently on this floor and elsewhere, against the reciprocal trade agreements program cannot controvert this fact. Such attacks cannot destroy facts or obvious truth.

I repeat my stand for the demolition of trade barriers consistent with the best interest of the people of the United States as a whole. Too much of the opposition to these agreements has been based upon narrow views as to their effect upon a few specific lines of activity. That opposition has closed its mind to the very real benefits conferred upon these very industries and their laborers through the expansion of our foreign trade. The opponents of the program like to hunt for a single tree against which they can batter their foreheads until the vision of the forest as a whole is entirely

lost. They have the facts, but still quibble, deny, and pour out oxygen.

FOREIGN TRADE VITAL IN AMERICAN ECONOMY

The whole agricultural and industrial economy of the United States has been built upon the basis of advantageous trade with foreign countries. This building started back in colonial days before this Government was established. The Colonies, and later the United States, exported the products of their agriculture to the old countries and exchanged them there for manufactured goods which the new nation was ill-prepared to produce for itself. It later sent its products abroad in exchange for the capital that was essential to develop the vast natural resources of the United States and establish the industries to which we point with pride.

The exchange of goods and products between men and between groups constitute the most important economic step mankind has yet taken in advancing from a rude and primitive civilization. No individual unit can depend wholly upon itself for every need, no matter whether it be qualified and so situated as to be able to satisfy that need or not.

Those who obstruct an exchange of goods and services push us back toward the primitive, force humanity back to a lower subsistence level, deprive the individual of all the benefits he he is not able to produce for himself within his own little circle, and thereby generate a spirit of hate, retaliation, reprisal, and the causes of war.

FOREIGN-TRADE FIGURES AN INDEX TO PROSPERITY

Foreign trade and commerce are vital factors in the economic welfare of our Nation. The figures on foreign trade and commerce are accurate indexes to the degree of that economic welfare. We remember the period from 1925 to 1929 as a period of prosperity, and it was, in some aspects. The foreign trade of the United States in those years averaged about nine and one-fourth billion dollars a year. We recall the years from 1930 to 1933 as depression years. In those years the foreign trade of the United States averaged about four and one-third billion dollars a year, dropping to less than $3,000,000,000 in 1932.

It is easy to say there was a world-wide depression in the latter period and that the depression was the cause of the drop in foreign trade. Thinking people know that the deliberate obstruction of foreign trade by high tariffs instigated by this country and followed in self-defense by almost every other country in the world was, no doubt, the major factor in bringing on a world-wide depression and in making it deeper, wider, longer, and more severe than it otherwise would have been.

TRADE BARRIERS STRANGLED WORLD COMMERCE

In 1930 the Smoot-Hawley Tariff Act set United States tariffs at practically embargo levels on every possible foreign commodity, and the United States thus led the world in erection of barriers against the exchange of goods among nations. This destruction of trade was remarkably successful. United States imports in 1929 amounted to nearly four and two-fifths billion dollars and by 1932 they had dropped to one and one-third billions.

If preventing imports were the key to prosperity, what a boom under the Smoot-Hawley Tariff Act we should have enjoyed in 1932 and 1933. As it was, we went upon the rocks. If the United States can live within itself, if we are better off without foreign trade, as was actually asserted by the gentleman from Wisconsin [Mr. GRISWOLD] on this floor last week, and as virtually contended for by the gentleman from New York [Mr. REED] and the gentleman from Massachusetts [Mr. TREADWAY] then the cutting off of those imports should have made us prosperous. If such an argument be sound or logical, what a depression we should have been having in 1929, when our imports reached the highest figure in our history.

TRADE BARRIERS INTENSIFIED DEPRESSION

Ordinary Arkansas and Wisconsin horse sense and experience show the contrary to be the fact. When our imports went down, so did our exports. When our exports went down, so did our volume of production and our prices, on the farm and in the markets. When our volume of production went down, so did our employment; men walked the streets without jobs, and our dairy, cotton, corn, wheat, and other farmers became distressed because others could not buy. Jobless Americans are no customers for American goods, as the dairy industry particularly should be well aware by this time.

TRADE AGREEMENTS ACT AN ATTACK ON DEPRESSION

The reciprocal trade agreements program, based upon the Trade Agreement Act of 1934, was a plain, common-sense, and necessary attack on that depression factor, the trade barriers. Its whole purpose and effect have been to gradually remove such barriers by the most sensible and effective method, restore once more the opportunity of the American producer to exchange his product for those of other nations, give him a job producing something he can sell at a remunerative price, and make him, because he has that job, once more a customer for the products of other Americans.

The United States in 1934 took the lead in a movement, that has since become world-wide, toward removing trade barriers and reestablishing world commerce. Twenty other countries have followed that lead, and the commerce that goes on among the 21 countries accounts for more than half of all the commerce of the world at the present time.

Opponents of the program are in the habit of pointing with a good deal of cynicism at the fact that there is still unemployment in the United States. From that fact alone they announce the prompt conclusion that the trade-agreements program has been a failure. It is not an effective retort to them to say merely that things would have been worse than they are if there had been no trade agreements, true as that retort would be, unless the retort be based upon some concrete facts.

EXPORTS MADE JOBS IN 1938

Here are those concrete facts: The United States, in the year 1938, exported goods to the value of more than $3,000,000,000, of which nearly three-fourths were industrial. American manufacturers and workmen, therefore, did have business and did have jobs producing nearly two and one-fourth billion dollars' worth of manufactured products that found foreign markets in 1938. The rest of the exports were agricultural and amounted to nearly a billion dollars. American farmers and American farm land produced that—nearly a billion dollars' worth of exported farm goods.

If we had had no foreign markets, one of two things would have had to happen—either the workmen would have been unemployed and the farm land idle, or the goods would have piled up further in this country and forced the prices down to more ruinous levels. American industrialists are not in the habit of keeping men in jobs when there is no sale for the products those men are making.

No one has ever claimed that trade agreements are the only reason for the increases in American foreign trade and exports since 1933. Such a claim would be as absurd as the assertion that increases in foreign trade have not been stimulated by removing, on both sides, the tariff and other artificial barriers which have been obstructing that trade. No one claims that trade agreements alone, regardless of other factors, valuable as they are, can cause a steady, progressive increase, year after year, in foreign trade.

TRADE GROWS UNDER TRADE AGREEMENTS

But the statistics do show that American foreign trade, and especially American exports, with countries with which we have trade agreements, has mounted more rapidly, and has decreased less in 1938 as compared with 1937, than has American foreign trade with non-trade-agreement countries.

Start with the yearly average for the 2 years 1934–35, the years when the Trade Agreements Act was passed and the program was just getting under way. United States exports in those years to all countries averaged a little less than two and one-fourth billion dollars, and United States imports averaged one and three-fourths billion dollars, making a total foreign trade averaging slightly better than $4,000,000,000.

In that 2-year period the total foreign trade of the United States with countries which, in 1938, had concluded trade agreements, averaged $760,000,000 a year in exports and $794,000,000 in imports, a total of more than a billion and a

half dollars. Trade with countries which have not signed trade agreements or which, like the United Kingdom, did not sign the agreements until too late for the results to show up in 1938, amounted in 1934–35 to a yearly average of less than a billion and a half dollars in exports and a little over a billion in imports, a total foreign trade averaging about two and one-half billion dollars a year.

FOREIGN COMMERCE UP ONE-FOURTH IN 1938

Now, compare those figures with 1938, when our total foreign trade with all countries had risen by nearly 25 percent to over $5,000,000,000, of which exports accounted for more than three billion. In 1938 our exports to trade-agreement countries were well over a billion dollars, showing a gain of 55 percent over exports to the same countries in 1934–35 before the trade-agreements program was in operation, while our imports from these trade-agreement countries amounted to $892,000,000, an increase of about 12½ percent. Total foreign trade with these countries was more than $2,000,000,000, a gain of 33 percent over 1934–35.

In the same year, 1938, total foreign trade of the United States with non-trade-agreement countries amounted to slightly less than $3,000,000,000, a gain of less than 19 percent compared with 1934–35. United States imports from non-trade-agreement countries amounted to slightly over a billion dollars, a gain of about 1 percent, and United States exports to non-trade-agreement countries amounted to slightly less than $2,000,000,000, showing a gain of 32 percent as compared with 1934–35, whereas the exports to trade-agreement countries, as I said a moment ago, had gained 55 percent.

A BIGGER SHARE OF A BIGGER MARKET

Put it another way: In 1934–35 United States trade with the 17 countries with which trade agreements were in effect during the greater part of 1938 amounted to 38 percent of all our foreign trade. In 1938 trade with those same countries amounted to more than 41 percent of a foreign trade nearly one-fourth larger.

It should not need all the figures and statistics that I have given you to demonstrate the perfectly simple proposition that if water in a stream is being dammed up by obstructions the water will flow more freely if the obstructions are removed. That proposition represents exactly what happens to world trade when obstructions in the form of trade barriers are removed, as many hundreds of them have been removed through the effects of the trade-agreements program.

It should not be forgotten that in all these figures the United Kingdom and Turkey have been listed with the non-trade-agreement figures because the agreement which covers the United Kingdom and more than 50 British colonies did not become effective until January 1, 1939, and the one with Turkey until last Saturday, April 1, 1939. The United Kingdom and these colonies in 1937 and 1938 have accounted for more than one-fifth of American exports and have been the source of more than one-sixth of American imports. When the hundreds of concessions on American products have been obtained through the agreement with the United Kingdom begin to show results in the 1939 trade figures, the comparison with 1934–35 will be even more striking and convincing than it is at the present time.

ABNORMAL FACTS OPERATED IN 1937

Likewise, it should not be forgotten that the figures for 1938, which have been quoted, are considerably less impressive than the figures for 1937, when, because of unusual and even abnormal conditions, United States foreign trade was greater than it has been during 1938. It is a favorite device of the opponents of this program to point to this fact, ignore the abnormal influences, and assert that foreign trade and exports are decreasing from a normal level. They conveniently disregard the facts of the drought of 1936 which reduced domestic production of many crops and, for the first time in years, brought about the net imports of these crops until the bumper crops of 1937 were available. They conveniently ignore the fact that industrial activity in this country was at a level higher than it had been since the boom times of 1928 and 1929, with the result that American workers with jobs and wages were in the market for more goods, both domestic and imported, than they had been buying in previous years.

They conveniently ignore the fact that a great proportion of the imports that were coming into this country were such things as rubber, tin, silk, and the like, not produced in this country but essential to the very manufactures that were enjoying the boom.

In 1938, on the other hand, American agriculture had harvested the biggest crops in its history and was no longer on an import basis for drought-reduced crops. And there had been a recession in business activity, a recession which the trade-agreements program was not sufficient to eliminate, but which it did alleviate by helping to provide foreign markets for over $3,000,000,000 worth of American manufactures and American farm products.

AGREEMENTS CREATED JOBS IN PRODUCTION AND TRANSPORTATION

The reciprocal-trade agreements have helped not only to promote this market for American goods, and thus give employment to American workers and farmers, but export business has made employment for workers in every line of industry. Especially is this true about the transportation industry. Every ton of American goods exported and every ton of foreign goods imported make jobs for the men on ships, in ports, and on railroads handling those goods. Goods in foreign trade make business for bankers and insurance companies and a thousand and one other lines of activity, as well as for the workmen who do the actual producing.

The United States Department of Commerce has made some estimates of the number of workers engaged in producing and distributing export goods. These estimates indicate that in 1937 the labor of approximately 2,400,000 wage earners went into the production of export goods. Actually a far greater number of persons owed at least a part of their work to exports. Even these figures, which are admittedly an understatement, show, however, that more than 5 percent of the total employment in the United States and nearly 10 percent of the total employment in agriculture, manufactures, mining, and transportation are dependent upon export trade for their livelihood. Manufactured products that were exported called for the labor of some 673,000 persons, and exports from mines for the labor of some 75,000 persons. Agricultural exports represented the output of some 1,432,000 workers, and distribution industries, such as railroads, trucks, pipe lines, shipping, and longshoremen, and exporters and export agents utilized the labor of some 204,000 workers in handling export products.

The home market for American products that is offered by these workers and their families, because they have jobs and pay that depend on foreign trade, is a market well worth the attention of American producers. Yet opponents of foreign trade would destroy practically every one of them.

GIVE AMERICAN FARMERS A BETTER MARKET

When that well-worn wail about "giving the American farmer the American market" is raised the American farmer and all other American producers should give some serious thought as to how an American market is made, its size, and profitableness. The American farmer must remember that 100,000,000 of Americans cannot farm, do not farm, and they must have paying jobs if there be a paying market.

They should recall their situation in 1932 when they had as nearly 100 percent of the American market—what there was of it—as the Republican Party with its Smoot-Hawley embargo tariffs could give them. In that year farm cash income in the United States was $4,328,000,000, and imports into the United States amounted to less than one and a third billion dollars. Imports of agricultural products, such as are produced in the United States, were practically nonexistent in 1932. Yet you could then sell, if at all, corn, wheat, butter, meat, cotton, and so forth, only at the lowest price level in history.

Then they should recall—and the spokesmen for farmers who have been particularly vocal about "the American market for American farmers" should recall that in 1937, when imports were considerably more than double what they had been in 1932 and when those imports included an unusually

large proportion of things such as are produced on American farms—they should recall that in 1937 the American market was good enough to return a cash farm income of over $10,000,000,000.

DAIRY INDUSTRY DEPENDS ON HOME MARKET

These truths have particular force for dairymen, because no agricultural industry depends more than the dairy industry upon general national prosperity and less upon exports and imports of its products. The income of dairy farmers goes up and down in direct relation to the amount of employment and the amount of wages that American workmen earn. Dairy products, unfortunately for the health and proper nutrition of the Nation, are regarded by the bulk of the working population as luxuries, to be enjoyed when the wage earner has a job and curtailed when he does not. One of the first economies made when jobs become insecure is in the amount of milk and butter bought for the family. If cold statistics are needed to demonstrate this well-known fact, they are available.

DAIRY INCOME MOVES WITH INDUSTRIAL INCOME

In 1929, when the income of industrial workers in the United States was eleven and one-half billion dollars, United States dairy producers drew a cash income of well over one and three-quarters billion dollars—$1,844,000,000. In 1932, when industrial workers' income was down to less than $5,000,000,000—$4,900,000,000—cash income from the sale of dairy products was down to less than a billion dollars—$991,000,000. In 1937, when industrial workers' income was again up to nearly ten and one-half billion dollars—$10,400,000,000—cash income from the sale of dairy products was more than one and one-half billion dollars—$1,530,000,000.

In 1929 the value of imports of dairy products was equal to 1.6 percent of cash income for dairying. In 1932 the value of imports was 1.3 percent of dairy cash income. In 1937 the value of imports was 1.03 percent of the dairy cash income. So dairy farmers should no longer be misled at their expense by political jobseekers, and political jobholders.

SOME DISPROVED ASSERTIONS ARE HEARD AGAIN

It should be abundantly clear, even to the most partisan mind, that United States dairymen benefit by a good domestic market and that the trade-agreements program contributes to the size and the profitableness of that market. The talk of a flood of imports which, to quote statements made on this floor "has practically ruined the American dairy industry" has no foundation in any fact. It is not new talk. It was heard when the first agreement with Canada went into effect in 1936, and the Republican candidate for President raised the terrifying threat of a babassu-nut invasion of the dairy industry. The threat of a baboon invasion of the country would have been equally as feasible, if not so plausible. The subsequent increases in the income of American dairy farmers have entirely disproved that talk, just as further developments under the new agreement will disprove it again.

OPPONENTS DO NOT WANT THIS AMERICAN MARKET

The gentleman from Wisconsin [Mr. GRISWOLD] has held that because the agreement with Canada contains concessions on industrial products such as engines, typewriters, automobiles, and machinery, and because—I quote his words as given in the RECORD:

> I find that almost none of them are products of my district and very few of them are products of the State of Wisconsin.

He has held—I quote again from the RECORD:

> It becomes very apparent from a study of the agreement that the great dairy industry in the State of Wisconsin was traded off for the benefit of the industrial cities in other sections of the United States. The Canadian trade treaty is destroying the market of the dairy farmer.

The gentleman from Wisconsin seems to be indifferent and unconcerned as to whether the dairymen of his district sell milk and cream and butter and cheese to the American workmen and the families of American workmen across his boundary line and in the States of Michigan, and Iowa, and Illinois, and Indiana, and Ohio, and Arkansas, and in many other States. Workmen there will have jobs and be able to buy the products of his district because of the Canadian concessions on the engines and typewriters and machinery and other products which they manufacture and sell in Canada. Neither Wisconsin nor any other State can buy more than a small portion.

The gentleman from Wisconsin also quotes from a report by the State Department to the effect that by opening up markets for export crops, grown by farmers not engaged in dairying, the trade-agreements program is helping to make it unnecessary for these farmers to go into the dairy business and compete with established dairymen, such as those in the gentleman's own district. And he applies to this report the peculiar interpretation—not warranted even when he takes a single sentence, as he has done, from its context—that to improve export markets for corn, tobacco, pork, cotton, and cottonseed oil and meal is to keep down the prices of dairy products. Such distortion and illogical reasoning is doing no service to dairymen. The people of Arkansas will buy more of butter and cheese if they can be helped to sell their products.

"FLOOD OF IMPORTS" IS PURE MYTH

The gentleman has made a good deal of the fact that under the new agreement with Canada the quota of imports of dairy cattle at the reduced rates, which was 20,000 head in the 1936 agreement, has been removed. But he avoids and does not divulge the fact that in 1938 such imports amounted to less than 37 percent of the quota and that in January of 1939 imports of dairy cattle into the United States numbered only 626 head.

He has made a good deal of the fact that under the new agreement with Canada the duty on cream has been further reduced on a quota of one and one-half million gallons of cream a year, but he has said nothing about the fact that actual imports of cream in 1938 totaled one-third of 1 percent of the quota and that up to the end of February 1939 imports of cream totaled 95 gallons, of which exactly 29 gallons came in from Canada. He prefers to leave the impression that the trade agreement has permitted the importation of cream equal to the importation of 6,000,000 pounds of butter at a 7-cent tariff. The gentleman's reason for talking about a 7-cent tariff on butter when he admits there has been no reduction in the 14-cent tariff is too much even for the credulous.

The reason why prices of dairy products are not higher than they are is not hard to find. The alleged flood of dairy imports from Canada is mystical and hard to find, and it is only by hiding and ignoring the facts that even the possibility of such a flood of imports can be conjured up. Conjured facts are a poor foundation for permanent political prestige and glory.

DOMESTIC DAIRY PRODUCTION HIGH

Dairy production in this country is at record high levels. Consumption in this country is no more than keeping up with production. That, in simple fact, is the explanation of present dairy price levels. And it points clearly enough to the necessity of taking every possible measure to make increased domestic consumption possible. The trade-agreements program, as I have pointed out, is a definite and effective factor in increasing that very domestic consumption of dairy products.

The United States Department of Agriculture, on March 24, in its regular monthly report on domestic production of butter and American cheese, made this statement:

> The output of creamery butter in February 1939 is estimated by the Bureau of Agricultural Economics at 121,065,000 pounds. This is an increase of 8 percent over that of February 1938, and 10 percent larger than the February average for the 8 years, 1930–37. It is the third largest output of creamery butter for February on record, being exceeded in 1932 and 1933.

Similarly, the same report says of American cheese:

> The February output of American cheese is estimated by the Bureau of Agricultural Economics at 27,175,000 pounds. This is the third largest February production in the 21 years of record, being exceeded only in 1937 and 1938.

DOMESTIC CONSUMPTION ONLY AVERAGE

As for the demand side of the market, the monthly dairy-situation report issued by the Department of Agriculture on March 17, said:

Milk production continues high, and with no marked change in consumption of fluid milk and cream, the production of manufactured dairy products has continued at a record high level with the biggest increase occurring in production of butter * * *. For the 4 months from October through January, apparent consumption of the principal manufactured dairy products was the highest on record for the period. Consumption in January was up 13 percent from a year earlier and about equaled the preceding peak for the month in 1934. A considerable part of the increase in consumption was due to the distribution of butter for relief. Even with the increase, however, consumption has only been about average in relation to production, and storage stocks continue large.

UNITED STATES ON A BUTTER-EXPORTING BASIS

When the facts are brought out of hiding, the alleged flood of dairy imports that is supposed to be ruining the American dairy industry completely disappears. Here are some more facts that have been ignored. In the first 7 months of the fiscal year beginning July 1938 the United States shifted to an export basis on butter, and the figures include January, ordinarily the month of heaviest butter importation. In that 7-month period the United States exported more than twice as much butter as it imported. In that same period, as compared with the same months of the preceding fiscal year, United States imports of all agricultural products decreased by more than one-fourth, while exports of American farm products—excluding cotton which is not grown in the district represented by the gentleman from Wisconsin, but is grown in my district—increased by one-fifth. I have discussed Wisconsin probably more than I should, but Wisconsin is putting a wall around itself, and wants the remainder of the country as merely its province.

Now where are these floods of farm imports we hear so much about? They are nowhere except in the partisan and biased minds of people who pound their desks and shout for the American market for the American farmer and, at the same time, do their best to obstruct the soundest measure yet taken to build and make the American market a better market. They want to give him the American market, all right, as they did in 1932, but their program will make it a dwindling market resulting in the smallest possible market with the lowest possible price before they give it to him. Nothing could be more self-evident.

TARIFF CONCESSIONS ECONOMICALLY SOUND

The tariff concessions that have been granted by the United States in the Canadian agreement and in the 19 other agreements have been carefully and soundly considered, and designed to benefit the whole economy of this Nation without jeopardizing the welfare of any group. They have been worked out, as the Trade Agreements Act requires them to be, through the joint efforts of Government experts of long experience, high technical training, and nonpartisan viewpoints. These experts represent all the Government departments and agencies that are concerned with national commercial policy—the Departments of Agriculture, Commerce, State, and the Treasury, and the bipartisan Tariff Commission.

NOT BASED ON POLITICAL LOGROLLING

The provisions of these agreements are founded on sound economic principles and facts, in sharp contrast to the provisions of past tariff legislation that have been arrived at through logrolling, discrimination, political expediency, and complete disregard of the economic facts affecting the welfare of the people of the United States.

The agreements have worked and are working to provide more jobs and more pay for Americans and bigger and more profitable markets both at home and abroad, for American products. To attack them as they have been attacked on this floor and elsewhere with half-truths and misleading statements, with "oxygen," is to attack the welfare of the people of the United States. Political expediency, truckling to special interests with powerful lobbies, willful blindness to plain facts, must be behind such attacks. Mr. Speaker, the people are becoming tired of demagogic and partisan attacks, and they will not be deceived very long.

W. P. A. APPROPRIATIONS

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, when the W. P. A. appropriation was under consideration last week I stated that in spite of a steady upturn in employment that we were having a build-up in the W. P. A. I have in my hands a clipping from the Cleveland Plain Dealer, an administration supporter, indicating that the number of jobs filled in March were 2,447 as against 1,345 in the previous month, and that the index of employment of 100 key firms in that city had gone up about 1 percent over the previous month.

I just want to call this to the attention of the House and to say that notwithstanding this increase in private employment there still continues a large increase of expenditures along the W. P. A. line.

Probably there is a larger percentage of funds spent in the State of Ohio for a unit of population for W. P. A. than any other State in the Union. Local responsibility and local management of the relief problem with a requirement that they must pay themselves a definite percentage of the cost would cure this situation.

The demoralizing effect of the continued operation of the W. P. A. means that business cannot recover and cannot put people to work. Its continuance means that we are taking bread out of the mouths of the poor by postponing and preventing recovery.

[Here the gavel fell.]

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

AMENDMENT OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

The Clerk called the first bill on the Consent Calendar, H. R. 3800, to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. GILCHRIST. Mr. Speaker, reserving the right to object, I may say that a bill of this sort in some form is necessary. It has been held up time after time. It is the poor tenant that this bill helps. It does not help the big man. I have letters and telegrams in my pocket showing that they are charging tenants 35 cents an acre extra in some places, because the big corporations cannot go into the farm program, and therefore they make the tenant and sharecropper pay for this loss. The bill is for the purpose of providing that the tenants who live on family sized farms, or who rent their lands under the usual terms in the community, can go into the program. It will be too late in another 2 weeks. We ought to do something to help these folks. Something ought to be done now. I do not care what the limitation is—write your own ticket on that—but let us fix it so that the poor tenant or the sharecropper can be helped and not be charged extra by the big folks or by the corporations who have a hundred or 200 farms in one State, as they are now charging them. Why not help the poor man, the poor tenant, or the poor sharecropper?

The SPEAKER. Is there objection to the request of the gentleman from Michigan that the bill be passed over without prejudice?

There was no objection.

T. V. A.

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to proceed out of order for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMASON. Mr. Speaker, I do this to call to the attention of the Members of the House that the joint committee appointed at the last session of Congress to investigate the Tennessee Valley Authority is today filing its report. In fact, I have just filed it with the Clerk of the House. The printed report, with two appendixes, has been approved by the chairmen, Senator DONAHEY, of Ohio, and Senators FRAZIER, MEAD, and SCHWARTZ, and Representatives THOMASON and BARDEN. I am reliably advised that a minority report will be submitted and filed by Senator DAVIS and Representatives JENKINS of Ohio and WOLVERTON of New Jersey.

Under the resolution that was passed extending the time, we were supposed to file this report last Saturday, the 1st day of April. That was the day before yesterday. Unfortunately neither House of Congress was in session at that time. I call attention of the House to this fact so that the membership may be informed why the report was not filed on Saturday.

CONSENT CALENDAR

CONSTRUCTION OF CERTAIN VESSELS, COAST AND GEODETIC SURVEY

The Clerk called the bill (H. R. 138) to authorize the construction of certain vessels for the Coast and Geodetic Survey, Department of Commerce, and for other purposes.

On the request of Mr. WOLCOTT, the bill was passed over without prejudice.

PAYMENT OF BURIAL EXPENSES OF NATIVE EMPLOYEES IN GOVERNMENT SERVICE ABROAD

The Clerk called the bill (S. 1523) to authorize the payment of burial expenses and expenses in connection with last illness and death of native employees who die while serving in offices abroad of executive departments of the United States Government.

On request of Mr. WOLCOTT, the bill was passed over without prejudice.

REPAIRS TO CERTAIN NAVAL VESSELS

The Clerk called the bill (S. 829) to authorize alterations and repairs to certain naval vessels, and for other purposes.

On request of Mr. WOLCOTT, the bill was passed over without prejudice.

CONVERSION OF CERTAIN AUXILIARY VESSELS FOR THE NAVY

The Clerk called the bill (S. 828) to permit the President to acquire and convert, as well as to construct, certain auxiliary vessels for the Navy.

On request of Mr. CHURCH, the bill was passed over without prejudice.

AMENDING AGRICULTURAL ADJUSTMENT ACT, 1938

The Clerk called the bill (H. R. 3955) to amend section 335 (d) of the Agricultural Adjustment Act of 1938.

On request of Mr. WOLCOTT, the bill was passed over without prejudice.

CANCELING REIMBURSABLE FEATURES OF ACT OF JUNE 16, 1933

The Clerk called the bill (H. R. 4679) to amend title II, section 208, of the act approved June 16, 1933 (48 Stat. 205-206), to authorize the Secretary of the Interior to adjust or cancel reimbursable features of said act insofar as they apply to Indians, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PIERCE of Oregon. Mr. Speaker, I object.

REPEALING SUBSECTION (4) OF AGRICULTURAL ADJUSTMENT ACT OF 1938

The Clerk called the bill (S. 1363) to repeal subsection (4) of subsection (c) of section 101 of the Agricultural Adjustment Act of 1938.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (4) of subsection (c) of section 101 of the Agricultural Adjustment Act of 1938, which reads as follows:

"(4) Notwithstanding any other provision of this subsection, if, for any reason other than flood or drought, the acreage of wheat, cotton, corn, or rice planted on the farm is less than 80 percent of the farm acreage allotment for such commodity for the purpose of payment, such farm acreage allotment shall be 25 percent in excess of such planted acreage";

is hereby repealed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TWELFTH OLYMPIC GAMES

The Clerk called the next bill, H. R. 3126, to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Twelfth Olympic Games.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that the bill S. 1019 may be substituted for the House bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to direct the training and attendance of personnel and animals of the Regular Army as participants in the Twelfth Olympic Games: *Provided*, That all expenses incident to training, attendance, and participation in the Twelfth Olympic Games, including the use of such supplies, material, and equipment as in the opinion of the Secretary of War may be necessary, may be charged to the appropriations for the support of the Army: *Provided further*, That applicable allowances which are or may be fixed by law or regulations for participation in other military activities shall not be exceeded.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 3126) was laid on the table.

SALE OF AVIATION SUPPLIES AND SERVICES TO AIRCRAFT OPERATED BY FOREIGN MILITARY ATTACHÉS

The Clerk called the next bill, H. R. 3221, to authorize the Secretary of War to provide for the sale of aviation supplies and services to aircraft operated by foreign military and air attachés accredited to the United States, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the the Secretary of War, under such regulations as he may prescribe, may provide for the sale to any aircraft operated by any foreign military or air attaché accredited to the United States of fuel, oil, equipment, and supplies, and for the furnishing to such aircraft of mechanical service, shelter, and other assistance. Except for shelter for which no charge shall be made, all such articles shall be sold and such mechanical service and other assistance furnished at the cost thereof to the United States. All amounts received shall be credited to the appropriation from which such cost was paid.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RETIREMENT PRIVILEGES OF COMMANDING GENERAL, HEADQUARTERS AIR FORCE

The Clerk called the next bill, H. R. 4087, to amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended by the act of June 4, 1920, so as to confer on the commanding general, General Headquarters Air Force, the same retirement privileges now enjoyed by chiefs of branches.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended by the act of June 4, 1920 (41 Stat. 762), be, and the same is hereby, amended by inserting immediately after the word "branch", in line 27 of section 4c of that act, as amended, the words "or as commanding general of the General Headquarters Air Force", and by inserting in line 29 of said section, immediately preceding the word "grade", the word "highest", and immediately after the word "chief", the words "or commanding general of the General Headquarters Air Force."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAPERS OF CHARLES COTESWORTH PINCKNEY AND THOMAS PINCKNEY

The Clerk called the next bill, S. 917, authorizing the Library of Congress to acquire by purchase, or otherwise, the whole, or any part, of the papers of Charles Cotesworth Pinckney and Thomas Pinckney, including therewith a group of documents relating to the Constitutional Convention of 1787, now in the possession of Harry Stone, of New York City.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Library of Congress is hereby authorized and empowered to acquire by purchase, or otherwise, the whole, or any part, of the papers of Charles Cotesworth Pinckney and Thomas Pinckney, including therewith a group of documents relating to the Constitutional Convention of 1787, now in the possession of Harry Stone, of 24 East Fifty-eighth Street, New York, N. Y., and there is hereby authorized to be appropriated to the Library of Congress for that purpose not to exceed the sum of $37,500.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAVY AND MARINE MEMORIAL

The Clerk called the next bill, H. R. 3234, to provide for the completion of the Navy and Marine Memorial.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. JENKS of New Hampshire. Mr. Speaker, reserving the right to object, this bill has to do with the uncompleted memorial to our brave men of the sea service who have gone down to the sea in ships. This memorial has been standing in an uncompleted condition for 5 years on Columbia Island, near the Memorial Highway. Those of you who have seen it will agree that it is a fine, artistic piece of work.

In 1924 the late Representative Bacon, of New York, introduced a bill in Congress, which was passed, to provide for acquisition of the land on which to erect this memorial. In 1934 the Congress passed a bill authorizing an appropriation of $13,000 for the purpose of bringing this memorial from Cleveland, Ohio, to Washington. There it stands on Columbia Island in an unfinished condition, lacking only the steps the design calls for as a base. Briefly, the history of this memorial is that the marine and naval men of this country, school children, and other citizens, numbering more than 2,000,000, contributed money for the erection of this memorial, but due to economic conditions sufficient money could not be raised to complete it. So they are asking Congress to appropriate $100,000 for its completion.

In the last session of Congress I introduced a resolution providing for the completion of this memorial, calling for $189,634, which was reported favorably by the Committee on the Library to the House. In the closing days of Congress it was passed over, with the result that the Congress expired without having accomplished anything toward the completion of the memorial.

I wonder if the Members of this Congress want to kill this project entirely? I wonder if the Members of Congress do not feel that the courageous men who lost their lives at sea in the service of this country should be remembered by a fitting memorial in Washington in the same manner that the services of others have been recognized.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. JENKS of New Hampshire. I will, gladly.

Mr. McCORMACK. The House Committee on the Library has gone into this matter very exhaustively. I understand this is a unanimous report, and the House Committee on the Library has reduced the amount requested, about $89,000.

Mr. JENKS of New Hampshire. The gentleman is right.

Mr. TABER. Mr. Speaker, will the gentleman yield for a question?

Mr. JENKS of New Hampshire. I will be very glad to.

Mr. TABER. When this bill was considered in the House in 1934 it was represented to the Congress that the amount carried in the bill would be sufficient to complete the proposition and that it would complete it. Then after it was set up a statement was made that more money was to be required on a large scale. Frankly, I do not understand that there has been any explanation of the failure of the Representative who had charge of this proposition to keep within the limitation that was promised at the time the other bill was passed.

The SPEAKER. Is there objection to the request of the gentleman from California that the bill be passed over without prejudice?

There was no objection.

AMENDING STATUTES PROVIDING PUNISHMENT FOR TRANSMITTING THREATENING COMMUNICATIONS

The Clerk called the next bill, H. R. 3230, to amend the statutes providing punishment for transmitting threatening communications.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 1 and 2 of the act of July 8, 1932 (47 Stat. 649), as amended (U. S. C., title 18, secs. 338a and 338b), be, and the same are hereby, further amended to read as follows:

"SECTION 1. (a) Whoever shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter, to be sent or delivered by the Post Office Establishment of the United States, or shall knowingly cause to be delivered by the Post Office Establishment of the United States according to the direction thereon, any written or printed letter or other communication, with or without a name or designating mark subscribed thereto, addressed to any other person, and containing any demand or request for ransom or reward for the release of any kidnaped person; or whoever, with intent to extort from any person any money or other thing of value, shall deposit, cause to be deposited, or cause to be delivered, as aforesaid, any letter or other communication containing any threat to kidnap any person or any threat to injure the person of the addressee or of another, shall be fined not more than $5,000 or imprisoned not more than 20 years, or both.

"(b) Whoever shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter, to be sent or delivered by the Post Office Establishment of the United States, or shall knowingly cause to be delivered by the Post Office establishment of the United States according to the direction thereon, any written or printed letter or other communication with or without a name or designating mark subscribed thereto, addressed to any other person and containing any threat to kidnap any person or any threat to injure the person of the addressee or of another shall be fined not more than $1,000, or imprisoned not more than 5 years, or both.

"(c) Whoever, with intent to extort from any person any money or other thing of value, shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter, to be sent or delivered by the Post Office Establishment of the United States, or shall knowingly cause to be delivered by the Post Office Establishment of the United States according to the direction thereon, any written or printed letter or other communication, with or without a name or designating mark subscribed thereto, addressed to any other person and containing any threat to injure the property or reputation of the addressee or of another, or the reputation of a deceased person, or any threat to accuse the addressee or any other person of a crime shall be fined not more than $500, or imprisoned not more than 2 years, or both.

"(d) Any person violating this section may be prosecuted in the judicial district in which such letter or other communication is deposited in such post office, station, or authorized depository for mail matter, or in the judicial district into which such letter or other communication was carried by the United States mail for delivery according to the direction thereon.

"SEC. 2. (a) Whoever shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter, of any foreign country any written or printed letter or other communication addressed to any person within the United States, for the purpose of having such communication delivered by the Post Office Establishment of such foreign country to the Post Office Establishment of the United States and by it delivered to such addressee in the United States, and as a result thereof such communication is delivered by the Post Office Establishment of such foreign country to the Post Office Establishment of the United States and by it delivered to the address to which it is directed in the United States, and containing any demand or request for ransom or reward for the release of any kidnaped person; or whoever, with intent to extort from any person any money or other thing of value, shall deposit or cause to be deposited, as aforesaid, any letter or other communication for the purpose aforesaid, containing any threat to kidnap any person or any threat to injure the person of the addressee or of another,

shall be fined not more than $5,000 or imprisoned not more than 20 years, or both.

"(b) Whoever shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter, of any foreign country any written or printed letter or other communication addressed to any person within the United States, for the purpose of having such communication delivered by the Post Office Establishment of such foreign country to the Post Office Establishment of the United States and by it delivered to such addressee in the United States, and as a result thereof such communication is delivered by the Post Office Establishment of such foreign country to the Post Office Establishment of the United States and by it delivered to the address to which it is directed in the United States, and containing any threat to kidnap any person or any threat to injure the person of the addressee or of another, shall be fined not more than $1,000 or imprisoned not more than 5 years, or both.

"(c) Whoever, with intent to extort from any person any money or other thing of value, shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter, of any foreign country, any written or printed letter or other communication, addressed to any person within the United States for the purpose of having such communication delivered by the post-office establishment of such foreign country to the Post Office Establishment of the United States and by it delivered to such addressee in the United States, and as a result thereof such communication is delivered by the post-office establishment of such foreign country to the Post Office Establishment of the United States and by it delivered to the address to which it is directed in the United States, and containing any threat to injury the property or reputation of the addressee or of another, or the reputation of a deceased person, or any threat to accuse the addressee or any other person of a crime, shall be fined not more than $500 or imprisoned not more than 2 years, or both.

"(d) Any person violating this section may be prosecuted either in the district into which such letter or other communication was carried by the United States mail for delivery according to the direction thereon, or in which it was caused to be delivered by the United States mail to the person to whom it was addressed."

SEC. 2. That the act of May 18, 1934 (48 Stat. 781; U. S. C., title 18, sec. 408d), be, and the same is hereby, amended to read as follows:

"(a) Whoever shall transmit in interstate commerce, by any means whatsoever, any communication containing any demand or request for a ransom or reward for the release of any kidnaped person; or whoever, with intent to extort from any person, firm, association, or corporation, any money or other thing of value, shall transmit, as aforesaid, any communication containing any threat to kidnap any person or any threat to injure the person of another shall be fined not more than $5,000 or imprisoned not more than 20 years, or both.

"(b) Whoever shall transmit in interstate commerce by any means whatsoever any communication containing any threat to kidnap any person or any threat to injure the person of another shall be fined not more than $1,000 or imprisoned not more than 5 years, or both.

"(c) Whoever, with intent to extort from any person, firm, association, or corporation, any money or other thing of value, shall transmit in interstate commerce by any means whatsoever any communication containing any threat to injure the property or reputation of the addressee or of another or the reputation of a deceased person or any threat to accuse the addressee or any other person of a crime shall be fined not more than $500 or imprisoned not more than 2 years, or both.

"(d) Any person violating the provision of this section may be prosecuted in the judicial district from or into which such threat is transmitted, as aforesaid. The term 'interstate commerce,' as used in this section, shall include communication from one State, Territory, or the District of Columbia, to another State, Territory, or the District of Columbia."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PNEUMATIC MAIL TUBE SYSTEMS IN NEW YORK AND BOSTON

The Clerk called the next bill, H. R. 3811, to provide for the appraisal of the pneumatic mail tube systems in New York and Boston.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Postmaster General is authorized and directed to provide for an appraisal by competent engineers of the properties comprising the pneumatic mail tube systems in New York and Boston and the franchises enjoyed and patent rights utilized in connection therewith.

SEC. 2. There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sum as may be necessary to carry out this act, but not to exceed $25,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATURALIZATION PETITIONS

The Clerk called the next bill, H. R. 2200, to dispense with particular allegations as to renunciation of allegiance in petitions for naturalization and in the oath of renunciation of foreign allegiance by omitting the name of "the prince, potentate, state, or sovereignty" of which the petitioner for naturalization is a subject or citizen.

Mr. BYRNS of Tennessee. Mr. Speaker, reserving the right to object, will the gentleman from Massachusetts explain the bill?

Mr. McCORMACK. Mr. Speaker, being the author of the bill, and the inquiry of the gentleman from Tennessee being a proper one, I want to make a brief explanation of the bill. Under present law, anyone who applies for naturalization must in his application state not only the country in which he was born but who is the particular king, prince, potentate, or government in control. When he is naturalized, he must not only make a general renunciation of allegiance to all foreign princes, potentates, states, or sovereignties but he must make a specific renunciation. This bill in no way changes existing law with reference to naturalization. The requirements of the existing law are in no way disturbed or affected by this bill, except that it dispenses with particular allegations to renunciation of allegiance.

Mr. BYRNS of Tennessee. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the second paragraph of the second subdivision of section 4 of the act of June 29, 1906 (34 Stat. 597; U. S. C., title 8, sec. 379), is amended to read as follows: "The petition shall set forth that he is not a disbeliever in or opposed to organized government or a member of or affiliated with any organization or body or persons teaching disbelief in or opposed to organized government, a polygamist or believer in the practice of polygamy, and that it is his intention to become a citizen of the United States and to renounce absolutely and forever all allegiance and fidelity to any foreign prince, potentate, state, or sovereignty, and that it is his intention to reside permanently within the United States, whether or not he has been denied admission as a citizen of the United States, and if denied, the ground or grounds of such denial, the court or courts in which such decision was rendered, and that the cause for such denial has been since cured or removed and every fact material to his naturalization and required to be proved upon the final hearing of his application."

SEC. 2. The third subdivision of section 4 of said act of June 29, 1906 (34 Stat. 597–598; U. S. C., title 8, sec. 381), is amended to read as follows: "He shall, before he is admitted to citizenship, declare on oath in open court that he will support the Constitution of the United States, and that he absolutely and entirely renounces and abjures all allegiance and fidelity to any foreign prince, potentate, state, or sovereignty of which he was before a citizen or subject; and he will support and defend the Constitution and laws of the United States against all enemies, foreign and domestic, and bear true faith and allegiance to the same."

With the following committee amendments:

Insert after the enacting clause the following language:

"That the first subdivision of section 4 of the act of June 29, 1906, as amended (45 Stat. 1545; U. S. C., title 8, sec. 373), is amended to read as follows:

"'First. He shall declare on oath before the clerk of any court authorized by this act to naturalize aliens, or his authorized deputy, in the district in which such alien resides, 2 years at least prior to his admission, and after he has reached the age of 18 years, that it is his bona fide intention to become a citizen of the United States and to reside permanently therein, and that he will, before being admitted to citizenship, renounce forever all allegiance and fidelity to any foreign prince, potentate, state, or sovereignty. Such declaration shall set forth the name, age, occupation, personal description, place of birth, last foreign residence, the date of arrival, the name of the vessel, if any, in which he came to the United States, and the present place of residence in the United States of said alien. No declaration of intention or petition for naturalization shall be made outside of the office of the clerk of court.'"

Page 1, in line 3, strike out the first word "That" and insert in lieu thereof "Sec. 2."

Page 2, line 13, strike out the figure "2" and insert in lieu thereof the figure "3," so that it will read: "Sec. 3."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALIEN VETERANS OF WORLD WAR

The Clerk called the next bill, H. R. 805, to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with

the United States during the World War, and for other purposes.

Mr. GORE. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

Mr. CELLER. Mr. Speaker, will the gentleman withhold his request to permit me to make a statement?

Mr. GORE. I withhold the request for the present, Mr. Speaker.

Mr. CELLER. Mr. Speaker, in the absence of the author of the bill, the gentleman from Michigan [Mr. LESINSKI], and at his request, I shall be very happy to explain the purpose of the bill.

The purpose of this bill is to extend from May 25, 1938, until May 25, 1940, the privilege we have heretofore granted those aliens who fought in the allied armies during the World War to become citizens of this country without going through the long and tedious procedure usually required in citizenship proceedings. This bill originally has been endorsed by the Disabled American Veterans of the World War and various other patriotic and veterans' organizations. It is approved by the Department.

It seems that during the World War about 30,000 aliens, who were not subject to the Draft Act and, under the encouragement of the Government, particularly the committee presided over by George Creel, appointed by President Wilson, went abroad, fought in the allied armies shoulder to shoulder with the American troops. They were under the supervision of our Army Industrial College of our War Department. Of the 30,000, about 16,000 returned. The rest were killed or lost in action or remained abroad. Of these 16,000, only 10,000 availed themselves of the privileges we accorded them under the statute as passed originally. We allowed them to become citizens without the filing of the certificate of registration, certificate of arrival, and, most important, without having to file first papers. We thus accorded such alien veterans, as well as our own veterans, the right to have their application for citizenship expedited. The time limit fixed by the original act has expired, but there still remain between 5,000 and 6,000 of these veterans who have not availed themselves of their rights under that act. Many of them did not know what their privileges were. These were and are uninformed. They are not necessarily members of the American Legion, and knowledge of their rights under this bill did not come to many of them, for the bill was not advertised. Many of them are yearning to become American citizens. It is particularly disastrous not to be citizens now, especially in view of the W. P. A., the P. W. A., and other governmental policies. Since these men were willing to go through the valley of the shadow in the interest of our country, and since we have accorded these rights to so many others of these aliens, there seems to be no reason to withhold the privilege from those remaining. There will be, however, no further application to extend the time.

Mr. GORE. Can the gentleman tell me what the vote in the committee was?

Mr. SCHULTE. If the gentleman will yield, Mr. Speaker, I, as a member of the committee, may say that the vote was unanimous.

Mr. GORE. Mr. Speaker, I withdraw my request and my objection.

Mr. PATMAN. Mr. Speaker, reserving the right to object, I notice the bill contains the words "or with countries allied with the United States in the World War." What countries would that include?

Mr. SCHULTE. It would include Poland, for instance.

Mr. PATMAN. Name the countries.

Mr. CELLER. Great Britain, France, Poland, Italy, Czechoslovakia—all the allied countries. I cannot recall them all.

Mr. PATMAN. In other words, any veteran who was in the service of a government allied with the United States during the World War?

Mr. CELLER. That is right.

Mr. PATMAN. This privilege is extended to them?

Mr. CELLER. That is right.

Mr. PATMAN. I do not see why you should let it go so far. If it were limited to the United States Government that would be all right, but the gentleman embraces Poland, Italy, and Russia was our ally part of the time. Would Russia be included in this?

Mr. CELLER. Yes. The aliens primarily affected are the Polish aliens. For example, they were actually encouraged to leave the country and proceed to Europe and fight; so the Poles are the principal ones involved. I do not believe any Russians are involved. I am sure they are not.

Mr. SCHULTE. It is not only the Poles. It is every other.

Mr. CELLER. Remember this is not an immigration bill. It is a naturalization matter. All those to be benefited are already here. They must comply with all provisions of the naturalization laws, must be here for permanent residence, must show 5 years' good moral character immediately preceding the filing of the petition. He must show actual service in the American or allied armies and honorable discharge, legal admission into the United States, and so forth.

The regular order was demanded.

The SPEAKER. The regular order is, Is there objection to the request that the bill be passed over without prejudice?

Mr. GORE. Mr. Speaker, I withdraw my request.

Mr. PACE. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. PACE]?

There was no objection.

GENERAL PULASKI'S MEMORIAL DAY

The Clerk called the joint resolution (H. J. Res. 133) authorizing the President of the United States of America to proclaim October 11, 1939, General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

There being no objection, the Clerk read the House joint resolution, as follows:

Resolved, etc., That the President of the United States of America is authorized to issue a proclamation calling upon officials of the Government to display the flag of the United States on all governmental buildings on October 11, 1939, and inviting the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies in commemoration of the death of Gen. Casimir Pulaski.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTERNATIONAL BOUNDARY COMMISSION, UNITED STATES AND MEXICO, AMERICAN SECTION—LEASE OF LAND ACQUIRED TO CITIZENS OF THE UNITED STATES

The Clerk called the next bill, H. R. 3065, to amend Public Law No. 370, Seventy-fourth Congress, approved August 27, 1935 (49 Stat. 906).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LEWIS of Colorado. Mr. Speaker, reserving the right to object, I would like to ask for an explanation of this bill.

Mr. THOMASON. Mr. Speaker, when the treaty with Mexico for the rectification of the channel of the Rio Grande was agreed upon and the work got under way, certain claims for damages arose. That undertaking is nearing completion and a fine job was done. But during the course of that work certain small claims arose in connection with the matter. The State Department, together with the International Boundary Commissioner for the United States, Mr. Lawson, have requested authority to settle these small claims of less than $1,000 from appropriations that have been allocated to them for this particular work, and, as I understand it, there are only a few of them less than $1,000. There may be a few larger claims, but they will have to take the regular course by way of the Claims Committee.

Mr. LEWIS of Colorado. I thank the gentleman for his explanation.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Public Law No. 370, Seventy-fourth Congress, approved August 27, 1935, is amended by adding a paragraph to the said act reading as follows:

"The Secretary of State, acting through such officers as he may designate, is further authorized to consider, adjust, and pay from any appropriated funds any claim for damages accruing after March 31, 1937, caused to owners of lands or other private property of any kind by reason of the operations of the United States, its officers or employees, in the survey, construction, operation, or maintenance of any project constructed or administered through the American Commissioner, International Boundary Commission, United States and Mexico, if such claim for damages does not exceed $1,000 and has been filed with the American Commissioner within 1 year after the damage is alleged to have occurred, and when in the opinion of the American Commissioner such claim is substantiated by a report of a board appointed by the said Commissioner."

With the following committee amendment:

Page 1, line 8, strike out "any appropriated funds" and insert "funds appropriated for the project the construction of which resulted in damages."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF NATURALIZATION LAWS

The Clerk called the next bill, H. R. 4100, to amend the naturalization laws in relation to any alien previously lawfully admitted into the United States for permanent residence and who is temporarily absent from the United States solely in his or her capacity as a regularly ordained clergyman or representative of a recognized religious denomination or organization existing in the United States.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNS of Tennessee. Mr. Speaker, reserving the right to object, may I have the distinguished gentleman from Massachusetts explain this bill?

Mr. McCORMACK. Mr. Speaker, I am very glad the gentleman asked me to explain the bill, because this illustrates very interesting experiences which each and every member of a legislative body, particularly of Congress, meets. I think a brief story would be the best way of explaining the bill.

I was in my office in Boston last December when a young Catholic priest called to see me. It seemed he was born in Lithuania in 1913. He came over to this country with his mother when he was about 3 months old. His father came over shortly thereafter. The young man was 26 or 27 years old, I should judge. He had been recently ordained into the priesthood and was a member of a missionary order. He was ordered to Burma for missionary work. Just about that time he found out he was not a naturalized citizen. He always assumed he had been naturalized, in the belief that his father had become naturalized. The young man, just prior to leaving, with these mixed conditions existing, faced the loss of his right of naturalization and whatever rights he had by going abroad and doing his duty as a missionary, being away for several years performing his duty. Naturally, he responded to his duty.

He came to me to find out what, if anything, could be done. I made inquiry and found that the law had to be amended. I found that under existing law anyone similarly situated going abroad for business reasons could stay abroad, provided they were engaged in American business abroad, which is a very good thing. Instead of introducing a bill for this young man I introduced a general bill to cover all religions and also relating to representatives of any religious organization assigned to duty in the missionary field. All religions have not only their clergymen, but some of them have teachers, some have nuns, and some may have others in other capacities. This also would cover the Y. M. C. A. I introduced a bill to cover all such cases.

About 10 days or 2 weeks ago I had the pleasure of having a representative of the Christian and Missionary Alliance of New York City, Mr. A. C. Snead, who was a foreign secretary, call to see me. He told me they had a few similar cases which this bill, in its retroactive effect, will cover. I asked him to send me a letter, and under date of March 27 he sent me a letter, as follows:

THE CHRISTIAN AND MISSIONARY ALLIANCE,
New York, N. Y., March 27, 1939.

The Honorable JOHN W. McCORMACK,
House of Representatives, Washington, D. C.

DEAR SIR: We are much interested in your bill, H. R. 4100. I am sure it will be of help to us in the case of a number of our missionaries who would be glad to become American citizens but feel they cannot, in justice to the great need for continued missionary work in their fields, spend the required 5 years in the United States at any one time.

At present we have the case of the Rev. Paul H. Bartel, whose parents are missionaries in China and who has no citizenship. He had planned to remain in this country 5 years when he and his family came home on their present furlough because of his desire to become a citizen, but the need in China is so great and the opportunities for loving service are so abundant that he felt he could not remain longer here and has gone back to his field in the Kweichow-Szechuan Provinces. Mrs. Bartel is an American citizen. Mr. Bartel spent about 2 years here, took out his first papers and desires to complete his citizenship but cannot afford to return once a year to this country.

We trust that you will be prospered in regard to this bill and that it will be passed both by the House of Representatives and a similar one by the Senate.

Our organization has a total of 549 missionaries, 470 of them being in active service in 20 mission fields around the world.

Again expressing our appreciation for the fine step you have taken in the introduction of your bill and wishing you every success, I am

Very sincerely,

A. C. SNEAD, *Foreign Secretary.*

Mr. Speaker, I ask unanimous consent to include the entire letter at this point in my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from North Carolina.

Mr. BARDEN. I certainly do not want to retard church work either in this country or in any other country, but I am interested to know just how this bill would operate with relation to people coming from another country into this country for 6 months or 1 month. Could they preserve their right to become citizens and then go back and exercise this right if they saw fit?

Mr. McCORMACK. If they come in temporarily, of course, they do not come within the purview of this bill.

Mr. BARDEN. What would be the requirements under the gentleman's bill?

Mr. McCORMACK. Under this bill the present naturalization law is in no way changed except when a person is regularly in the United States on a permanent visa, coming in under the quota and complying with all the provisions of our law.

Mr. BARDEN. I believe the gentleman has answered the question when he says that person must come in under a permanent visa.

Mr. McCORMACK. Exactly. This bill relates only to those who are here under a permanent visa.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. How will this bill apply to this kind of a case? I have a case in mind where a man has been in the ministry in this country for 20 years but has never yet thought enough of this country to take out his first papers. This man is here lawfully, and he wants to go back and forth to the country of his nativity. Is there not some way under the gentleman's bill whereby we can be protected against such a situation? I appreciate the situation in the case referred to by the gentleman from Massachusetts, where a young man has come to this country not of his own volition but with his parents; but the case to which I refer is the case of a man who came in of his own volition—in fact, I know of two such cases, where men came in of their own volition and have been here 20 years, yet have not thought enough of this country to take out their first citizenship papers. I do not want to give that sort of fellow any more privileges.

We cannot send him out, and I have no desire to invoke any activity that might result in his being sent out.

Mr. McCORMACK. That man would not come within the purview of this bill unless he left the country, and it must be for missionary work. He cannot leave for anything else, because the bill is linked definitely to missionary work, and that fact must be established. He cannot leave the country and engage in any business activities, and no one can under this bill.

Mr. JENKINS of Ohio. The gentleman says his leaving has to be for missionary work. The bill does not state that. It states "in his or her capacity as a regularly ordained clergyman."

Mr. McCORMACK. The bill reads as follows:

In his or her capacity as a regularly ordained clergyman or representative of a recognized religious denomination or religious organization existing in the United States, shall be considered as residing in the United States for the purpose of naturalization notwithstanding any such absence from the United States, but he or she shall in all other respects comply with the requirements of the naturalization laws. Such alien shall prove to the satisfaction of the Secretary of Labor at the naturalization court that his or her absence from the United States has been solely in the capacity hereinbefore described.

Mr. JENKINS of Ohio. I am entirely in sympathy with the situation as outlined by the gentleman in his opening statement. I have no objection at all to the gentleman's bill as it applies to the case in which the gentleman is individually interested. However, this bill goes much further. It is so broad that in section 2 it states:

The Commissioner of Immigration and Naturalization, with the approval of the Secretary of Labor, shall prescribe such rules and regulations as may be necessary for the enforcement of this act.

Mr. McCORMACK. Of course, that is necessary to carry out the purposes of the bill. This provision was recommended by the Department of Labor itself, and it is necessary.

Mr. JENKINS of Ohio. Will the gentleman ask that this bill be passed over without prejudice, so we can look into the question and perhaps modify the bill? I may say to the gentleman that I am not opposed to his proposition or any similar proposition. It is one thing when a man who is engaged in the ministry or is a missionary came into this country without his volition because he came with his parents, but when a man sneaks across the border——

Mr. McCORMACK. This has nothing to do with that question.

Mr. JENKINS of Ohio. I withdraw the words "sneaks across the border."

Mr. McCORMACK. This bill applies only to persons regularly in this country.

Mr. JENKINS of Ohio. Very well. I bear no ill will toward anyone who has come into this country regularly or who has been here so long he cannot be deported, whether he came in regularly or not, but I say that anyone who stands up before the people, let him be a minister or a priest or anyone—and I have in mind only two ministers—and is an exponent of certain views, yet has not seen fit even to take out his first papers, should not be given any preference or any privileges whatever.

Mr. McCORMACK. We are not giving such men any preference, I assure the gentleman. Of course, if the gentleman wishes to submit a unanimous-consent request that the bill be passed over without prejudice I shall not object, but I hope the gentleman will not let the cases of the two men to whom he referred influence him to make such a request. If they are the men the gentleman says they are they will not go into the missionary field as do men and women of all creeds who face the hard work that is involved, and sacrifice their lives, if necessary in the work of God, and take the vows of charity, as they all do, if not expressly then by implication. Furthermore, I submit to the gentleman, assuming the men to whom the gentleman refers did enter the missionary field, why stop the passage of such a deserving piece of legislation just because there are one or two men of the type to which the gentleman has referred?

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JENKINS of Ohio. I object, Mr. Speaker; but I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CEREMONIES IN ROTUNDA—PRESENTATION OF STATUE OF LATE WILL ROGERS

The Clerk called the concurrent resolution (S. Con. Res. 1) authorizing the holding of ceremonies in the rotunda in connection with the presentation of a statue of the late Will Rogers.

The SPEAKER. Is there objection to the present consideration of the concurrent resolution?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, and, of course, I shall not object, but I wish we might have some interpretation of the word "temporarily" in line 3, of page 1; otherwise, we might establish a precedent with respect to the placing of memorials in the rotunda. Under the law as it now exists each State has authority to put two statues in the Capitol, presumably in Statuary Hall, but because of the condition of foundation, I understand they have found it necessary to spread the statues throughout the Capitol Building. We give specific authority for these ceremonies in the rotunda, which is all right, and it is also all right that during these ceremonies and for a reasonable time thereafter the memorial remain in the rotunda, but I am wondering who is going to be the judge of how long the memorial remains in the rotunda.

Mr. KELLER. I believe the gentleman will recall that last session we passed a resolution here authorizing and directing the Architect of the Capitol to replace these statues. You know this hall of horrors was entirely full and even running over with statues and there was finally passed a resolution at the last session providing a limitation of one statue to each State in the hall that was used for that purpose, the old House of Representatives Hall.

This concurrent resolution is simply to provide for the ceremony in the Rotunda and then to let the Architect of the Capitol and the committee place it wherever they may find it necessary. If Oklahoma has somebody else they prefer to Will Rogers, they can place that statue there, and if not they can place this one in Statuary Hall.

Mr. WOLCOTT. So far as I am concerned, a statue of Will Rogers could remain in the rotunda permanently, but we are establishing a precedent in this bill and I am wondering if the gentleman had in mind who would have authority for placing such a memorial permanently.

Mr. KELLER. That has been done heretofore entirely upon the request of the States. For instance, when Illinois voted on what statue should be left there, they naturally voted for one and we took the other one out and put it at some other place.

Mr. WOLCOTT. Those are not now in the rotunda.

Mr. KELLER. There is no provision for placing anything in the rotunda except what was already there.

Mr. WOLCOTT. What would the gentleman consider, in order that we may establish legislative intent, a reasonable length of time to modify the word "temporarily," in line 3?

Mr. KELLER. I think the Architect of the Capitol and the Representatives from Oklahoma would be the best ones to decide that. I would not like to undertake that, but, undoubtedly, Oklahoma will hold a proper ceremony there at the right time, subject to determination by the people of Oklahoma and the representatives here in the Government.

Mr. WOLCOTT. Do I understand the Architect of the Capitol has jurisdiction over that?

Mr. KELLER. Yes. Certainly.

Mr. WOLCOTT. And after the ceremonies he may move it to some other location, either within the rotunda or outside of the rotunda, as he wishes?

Mr. KELLER. Yes.

Mr. ROGERS of Oklahoma. Reserving the right to object, there is nothing in this bill that would preclude this statue from being in Statuary Hall proper?

Mr. KELLER. Oh, certainly not.

There being no objection, the Clerk read the Senate concurrent resolution, as follows:

Senate Concurrent Resolution 1

Resolved by the Senate (the House of Representatives concurring), That the Will Rogers Memorial Commission be, and it is hereby, authorized to place temporarily in the rotunda of the Capitol a statute of the late Will Rogers, of Oklahoma, and to hold ceremonies in the rotunda on said occasion; and that the Architect of the Capitol be, and he is hereby, authorized to make the necessary arrangements therefor.

The Senate concurrent resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PNEUMATIC-TUBE-SYSTEM EMPLOYEES

The Clerk called the next bill, H. R. 4771, limiting working hours of pneumatic-tube-system employees to 8 in 10 hours a day.

Mr. BARDEN. Mr. Speaker, reserving the right to object, may I ask the author of this bill, the gentleman from Tennessee [Mr. BYRNS] to explain the necessity for the bill?

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. Yes.

Mr. WOLCOTT. Mr. Speaker, when Calendar No. 63 was called, I expected that someone would ask for an explanation of the bill. No one did so, and the bill was passed; and Calendar Nos. 70, 71, 72, and 73 are all in respect of this same question of these pneumatic postal tubes in Boston and New York.

Mr. BARDEN. If the gentleman will permit me, I was unable to see why he should read five bills and pass them all at the same time with the possibility of overlapping in each bill.

Mr. WOLCOTT. My question is whether these employees of this contract system are now Federal employees?

Mr. BYRNS of Tennessee. These bills were prepared and introduced at the request of the Post Office Department. Until recently the employees of these tube companies have been private employees. They now, however, are Federal employees, and these bills were designed to give them the same rights and benefits that other Federal employees have, since they are now on the Federal pay roll. They have been taken into the civil service.

Mr. WOLCOTT. I read the report on H. R. 3811. That has to do with the purchase of this system. There is no reference in there to the status of the employees. I considered that formerly the employees of these tube companies under this contract were civilian employees and I wondered if they had been just blanketed into the civil service.

Mr. ROMJUE. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. ROMJUE. We have only two tube systems, one in New York and one in Boston. Formerly the Government let these contracts out for handling the mails through the tubes.

Mr. WOLCOTT. The gentleman says "formerly."

Mr. ROMJUE. Yes.

Mr. WOLCOTT. H. R. 3811 is the authority for the Postal Department or the United States Government to appraise the system with a view to purchasing it.

Mr. ROMJUE. That bill provides for an investigation to be made; and the purpose of that investigation——

Mr. WOLCOTT. Is to determine the amount or to appraise the amount the Government would pay? If the Government should purchase this system, as indicated by H. R. 3811, which authorizes this appraisal, then by what authority are those employees of this company now in the civil service?

Mr. ROMJUE. I shall explain that to the gentleman.

Mr. WOLCOTT. Are they in the civil service?

Mr. ROMJUE. They are in the classified civil service now because they have changed their status. Formerly when the Government made the contract with these tube owners, the tube owners employed their own people, but since the first of last July the Government has had its own employees in there.

Mr. WOLCOTT. Are they the same employees who were formerly there?

Mr. ROMJUE. Some are and some are not.

Mr. WOLCOTT. Have they been blanketed into the civil service?

Mr. ROMJUE. They have been put under the civil service.

Mr. WOLCOTT. Under what authority?

Mr. ROMJUE. The Civil Service Commission; and in making the new contract the Government furnished men, but at that time they did not have a classification under the civil service. They have had now since the 1st of July last.

Mr. WOLCOTT. And the Government is now leasing these tubes?

Mr. ROMJUE. That is right.

Mr. WOLCOTT. And handling them itself?

Mr. ROMJUE. Yes; and the purpose of this bill just passed is to make an inspection of these tubes; not necessarily for the purchase of them, but also to determine whether we are paying a fair rental value and also whether it will be feasible for the Government to purchase them.

Mr. WOLCOTT. And they are now being leased by the Government?

Mr. ROMJUE. That is correct.

Mr. WOLCOTT. And the employees are under the classified civil service, blanketed in by Executive order?

Mr. ROMJUE. That is correct.

Mr. WOLCOTT. So that these four bills, which might better have been put in one—70, 71, 72, and 73 on the calendar—are merely to put these employees on the same basis as other postal employees?

Mr. ROMJUE. Yes.

Mr. BYRNS of Tennessee. The Department thought it would be more expeditious to have the employees who are handling the Government mail, some of which is valuable, under the control of the Government. Formerly these men handled the mail for the company, valuable mail, which went through these tubes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the fifth paragraph of section 116, title 39, United States Code, is amended to read as follows:

"Special mechanics, general mechanics, mechanics' helpers, driver-mechanics, and garagemen-drivers in the motor-vehicle service, and employees of the pneumatic-tube system, shall be required to work not more than 8 hours a day. The 8 hours of service shall not extend over a longer period than 10 consecutive hours, and the schedules of duties of the employees shall be regulated accordingly. In cases of emergency, or if the needs of the service require, special clerks, clerks, special mechanics, general mechanics, mechanics' helpers, driver-mechanics, and garagemen-drivers in the motor-vehicle service, and employees of the pneumatic-tube system, can be required to work in excess of 8 hours per day, and for such overtime service they shall be paid on the basis of the annual pay received by such employees. In computing the compensation for such overtime the annual salary or compensation for such employees shall be divided by 306 (5?), the number of working days in the year less all Sundays and legal holidays enumerated in section 119 of this title; the quotient thus obtained will be the daily compensation which divided by 8 will give the hourly compensation for such overtime service. When the needs of the service require the employment on Sundays and holidays of route supervisors, special clerks, clerks, dispatchers, mechanics in charge, special mechanics, general mechanics, mechanics' helpers, driver-mechanics, and garagemen-drivers in the motor-vehicle service, and employees of the pneumatic-tube system, they shall be allowed compensatory time on one day within 6 days next succeeding the Sunday, except the last 3 Sundays in the calendar year, and on one day within 30 days next succeeding the holiday and the last 3 Sundays in the year on which service is performed: *Provided, however*, That the Postmaster General may, if the exigencies of the service require it, authorize the payment of overtime in lieu of compensatory time for service on Sundays and holidays."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

T. V. A. INVESTIGATION

Mr. JENKINS of Ohio. Mr. Speaker, I understand that this morning the gentleman from Texas [Mr. THOMASON], a member of the T. V. A. investigating committee, presented a majority report of that committee and filed it with the Clerk. In the Senate, Senator DONAHEY presented a ma-

jority and also a minority report signed by Senator DAVIS and Representative WOLVERTON and myself, together with a special minority report presented by myself. It is apparent that the House is about to adjourn shortly, and we are not quite ready to present the report on this side, because it will need some stenographic changes. I ask unanimous consent to be permitted to file the minority report signed by Senator DAVIS, Mr. WOLVERTON, and myself, and the special minority report filed by myself, some time before midnight tonight.

The SPEAKER. Is there objection?

There was no objection.

CONSENT CALENDAR

TIME CREDITS FOR SUBSTITUTES IN THE PNEUMATIC-TUBE SERVICE

The Clerk called the next bill, H. R. 4772, to provide time credits for substitutes in the pneumatic-tube service.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the last paragraph of section 11 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925, as amended, is amended to read as follows:

"Substitute clerks, substitute garagemen-drivers, substitute driver-mechanics, and substitute general mechanics, when appointed regular clerks, garagemen-drivers, driver-mechanics, or general mechanics in the motor-vehicle service, and substitutes in the pneumatic-tube service when appointed as regular employees in the pneumatic-tube service, shall be given credit for the actual time served as a substitute on the basis of 1 year for each 306 days of 8 hours, and shall be appointed to the grade to which such clerk, garageman-driver, driver-mechanic, general mechanic, or employee in the pneumatic-tube service, would have progressed had his original appointment as a substitute been made to grade 1. Substitute service shall be computed from the date of original appointment as a regular classified substitute, and the salaries of the employees shall be fixed accordingly upon the date of their advancement to a regular position under section 116 of this title. Any fractional part of a year's substitute service, rendered after the enactment of this sentence, shall be included with his service as a regular clerk, garageman-driver, driver-mechanic, or general mechanic in the motor-vehicle service or employee in the pneumatic-tube service, in determining eligibility for promotion to the next higher grade following appointment to a regular position."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DIFFERENTIAL IN PAY FOR NIGHT WORK TO PNEUMATIC-TUBE-SYSTEM EMPLOYEES

The Clerk called the next bill, H. R. 4785, to provide a differential in pay for night work to pneumatic-tube-system employees in the Postal Service.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to provide a differential in pay for night work in the Postal Service," enacted May 24, 1928 (U. S. C., 1934 edition, title 39, sec. 828), is amended by striking out the words "motor-vehicle service" and inserting in lieu thereof the following: "motor-vehicle and pneumatic-tube services."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENDING PROVISIONS OF 40-HOUR LAW TO PNEUMATIC-TUBE-SYSTEM EMPLOYEES

The Clerk called the next bill, H. R. 4786, to extend the provisions of the 40-hour law to pneumatic-tube-system employees in the Postal Service.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first section of the act entitled "An act to fix the hours of duty of postal employees, and for other purposes," approved August 14, 1935, as amended, is further amended by striking out the words "motor-vehicle service" and inserting in lieu thereof the following: "motor-vehicle and pneumatic-tube services."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ATTENDANCE OF MARINE BAND AT UNITED CONFEDERATE VETERANS' REUNION

The Clerk called the next bill, H. R. 3946, to authorize the attendance of the Marine Band at the United Confederate Veterans' 1939 reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to permit the band of the United States Marine Corps to attend and give concerts at the United Confederate Veterans' reunion to be held at Trinidad, Colo., on August 22, 23, 24, and 25, 1939.

SEC. 2. For the purpose of defraying the expenses of such band in attending and giving concerts at such reunion there is authorized to be appropriated the sum of $10,500, or so much thereof as may be necessary, to carry out the provisions of this act: *Provided*, That in addition to transportation and Pullman accommodations the leaders and members of the Marine Band be allowed not to exceed $5 per day each for actual living expenses while on this duty, and that the payment of such expenses shall be in addition to the pay and allowances to which they would be entitled while serving at their permanent station.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSTRUCTION AND MAINTENANCE OF A NATIONAL GALLERY OF ART

The Clerk called the next business, House Joint Resolution 225, amending the joint resolution entitled "Joint resolution providing for the construction and maintenance of a National Gallery of Art," approved March 24, 1937.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, can the gentleman give us some estimate as to this cost? In line 3, on page 2, and I quote from the resolution, it reads, "there are hereby authorized to be appropriated such sums as may be necessary."

I have always taken a very decided stand against these blanket authorizations, without some indication as to how much money is involved.

Mr. KELLER. Of course, the gentleman will permit me to suggest that it is safe to assume the Appropriations Committee will never appropriate too much. If the gentleman will look on page 4 of the report, in the third paragraph, he will find there set out the items mentioned making up the total of $184,200. When we went over it we found there were two items there that are permanent and will not be repeated. About $2,000 for printing and $123,000 for office furniture. Of course, when that is bought, it is bought for a long time to come. If you will take $125,000 away from $184,000, you have $59,200. In other words, that represents the light, heat, keeping the gallery clean, and so forth. As you will remember, the original act provides that there is an endowment fund to pay all the high officials and to look after the art gallery, but the Government assumes the responsibility of keeping it clean, keeping a watchman there at night, and keeping it lighted.

The object of having it done at the present time is to permit the opening of the gallery a year sooner than otherwise would be possible. The gallery will be finished during 1940. They are getting ready to make the proper arrangements.

Mr. WOLCOTT. What does the gentleman say will be the maximum which this Commission will ask from the Appropriations Committee under the authorization of this act?

Mr. KELLER. About $118,400 a year is the calculation of it. Those two items, printing and office furniture, are paid for a long time to come.

Mr. WOLCOTT. Then why does not the gentleman authorize annual appropriations?

Mr. KELLER. We went over that very carefully in the committee and studied it with a great deal of care. We found great difficulty in writing a bill that would meet all the considerations that the gentleman is now raising. I think if the gentleman had sat with us he would agree that we have done the wise thing. Our Committee on Appropriations is not a committee that will raise appropriations beyond reason. While somebody suggested to me it would be well for the Library Committee to keep some control of it, I said

we had no desire to do that. We are perfectly willing to leave that in the hands of the Committee on Appropriations.

I certainly can see nothing against it.

The SPEAKER. Is there objection to the present consideration of the resolution?

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That the last sentence of section 4 (a) of the joint resolution entitled "Joint resolution providing for the construction and maintenance of a National Gallery of Art", approved March 24, 1937, is hereby amended to read as follows: "For these purposes, and to provide, prior to the completion of the National Gallery of Art, for the protection and care of the works of art in said gallery and for administrative and operating expenses and equipment preparatory to the opening of the gallery to the public, there are hereby authorized to be appropriated such sums as may be necessary."

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COOPERATION WITH PUBLIC SCHOOL DISTRICT, WOLF POINT, MONT.

The Clerk called the next bill, S. 961, for expenditure of funds for cooperation with the public-school board at Wolf Point, Mont., for completing the construction, extension, equipment, and improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SPANISH WAR PENSIONS

The Clerk called the next bill, H. R. 2301, to amend section 2 of the act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the War with Spain, the Philippine Insurrection, or the China Relief Expedition, to certain maimed soldiers, to certain widows, minor children, and helpless children of such soldiers and sailors, and for other purposes," approved May 1, 1926.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COSTELLO. Mr. Speaker, I object.

EXTENSION OF REMARKS

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I desire to place in the RECORD a brief explanation of H. R. 2301, which will be called up for consideration as soon as the Committee on Pensions has the call on Calendar Wednesday.

PURPOSE OF H. R. 2301

The purpose of this bill is to advance the restricting date of marriage for Spanish War widows incorporated in section 2 of the act of May 1, 1926, from September 1, 1922, to January 1, 1938.

POLICY OF COMMITTEE

It is and has been the policy of the Committee on Pensions to accord the same rights and benefits to Spanish-American War veterans and their dependents as has been granted to veterans and dependents of the Civil War. This policy has the unanimous approval of the United Spanish War Veterans. Their representatives, when appearing before the committee, urgently requested the committee to perpetuate this policy. The Congress established a precedent whereby the Civil War widows were permitted to marry a veteran 40 years after the war, and, applying this precedent to the widows of the Spanish War, this bill will permit the widow of a Spanish War veteran to marry 40 years after the war.

RIGHTS OF WIDOWS UNDER EXISTING LAW

A short résumé of the act of May 1, 1926, granting pensions to widows of the Spanish-American War, provides pensions to widows, remarried widows, children, and helpless children. Ninety days' service and an honorable discharge is required or, regardless of length of service, if the veteran was discharged for, or died in service of, a disability incurred in service in line of duty. This act provides that the widow must have married the soldier prior to September 1, 1922. Thirty dollars per month is paid to the widow or the remarried widow during widowhood. Six dollars per month additional is paid to each minor child under 16 years of age. A remarried widow, if divorced from a subsequent husband, has title if divorced on any ground except adultery on the part of the wife. In the event of the death or remarriage of the widow, or a forfeiture of the widow's title for any reason, the pension shall continue from the date of such death, remarriage, or forfeiture to the minor child or children, if there be any, until the age of 16 years. The child takes the $30 pension in addition to the $6 pension in this event.

COST OF BILL

The Veterans' Administration, reporting on this bill, estimated that approximately 2,000 widows would be paid a pension at a cost of approximately $739,000 for the fiscal year of 1940, increasing gradually to affect a maximum of 8,300 widows, at a possible ultimate cost of $3,067,000. The increased cost is questioned by the representatives of the United Spanish War Veterans. It is the contention of that organization that it could not possibly affect more than 3,500 persons, at a maximum additional cost of $1,000,000. The bill was reported unanimously by the Committee on Pensions.

CONSENT CALENDAR

THE PAINTING OF THE SIGNING OF THE CONSTITUTION

The Clerk called House Joint Resolution 224, to authorize the painting of the signing of the Constitution for placement in the Capitol Building.

Mr. KEAN. Mr. Speaker, reserving the right to object, until we have our finances in better shape, I shall have to object to these little extravagances. I object.

Mr. KELLER. Mr. Speaker, will the gentleman withhold his objection for the moment?

Mr. KEAN. Mr. Speaker, I withdraw my objection to permit the gentleman from Illinois to make a statement, but reserve the right to object.

Mr. KELLER. Mr. Speaker, I may say to the gentleman from New Jersey that we are now celebrating the one hundred and fiftieth anniversary of the signing of the Constitution. We have in the rotunda of the Capitol a great painting of the signing of the Declaration of Independence. A great many people feel that the signing of the Constitution was a greater event than the signing of the Declaration of Independence. I do not necessarily agree with that, but that the signing of the Constitution was one of the great events of our history there can be no doubt.

After going over this carefully last year and again this year the committee arrived at a unanimous report. We cut the price from $35,000 to $30,000, which is as low as any first-class painter would do the job for; and we did something else, instead of naming some one man to make the selection we appointed a commission composed of the Vice President, the Speaker of the House, and the Architect of the Capitol to pass on the matter, and we instruct them to consult with the Fine Arts Commission in the selection of the man who shall do the painting.

It does seem to me that where the amount is so small and where the occasion is so important that we ought not to let our idea of economy become one of parsimony.

I am sure the gentleman will not object when I suggest to him that among the most permanent works in the world are the paintings of the world. When the National Gallery of Art is opened down here we shall see paintings 700 years old in as fresh and beautiful condition today as they were the day the artist finished them. The event of the signing of the Constitution certainly ought to be painted at the present time while we still hold these portraits together. We have portraits of all but two signers of the Constitution, I understand. They have been gathered with a great deal of

care from families here, there, and yonder, and unless we go through with this proposition at this time we will probably lose this benefit. I may say to the gentleman further that I have no possible interest in it aside from feeling that it ought to be done.

Mr. KEAN. Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Resolved etc., That a commission consisting of the Vice President of the United States, the Speaker of the House of Representatives, and the Architect of the Capitol be, and is hereby, created and authorized and directed to employ an artist to paint upon canvas (approximately 20 feet by 30 feet in size), at a price not exceeding $35,000, a painting of the scene at the signing of the Constitution. The said painting shall be subject to the approval of the Joint Committee on the Library and, when so approved, shall be mounted in a space in the Capitol Building to be selected by the commission.

With the following committee amendment:

Page 1, line 8, strike out "$35,000" and insert "$30,000."

The committee amendment was agreed to.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PURCHASE OF COAL AND WOOD FOR PUBLIC USE IN DISTRICT OF COLUMBIA

The Clerk called the next bill, H. R. 2751, to repeal sections 3711, 3712, and 3713 of the Revised Statutes, which relate to the purchase in the District of Columbia of coal and wood for public use, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 3711, 3712, and 3713 of the Revised Statutes (U. S. C., title 40, sec. 109) are hereby repealed.

SEC. 2. Those parts of the acts making appropriations for the Treasury and Post Office Departments approved March 15, 1934 (48 Stat. 425), May 14, 1935 (49 Stat. 218), June 23, 1936 (49 Stat. 1827), May 14, 1937 (50 Stat. 137), and March 28, 1938 (Public, No. 453, 75th Cong.), which provide "That the requirements of sections 3711 and 3713 of the Revised Statutes (U. S. C., title 40, sec. 109) relative to the weighing of coal and wood and the separate certificate as to the weight, measurement, or quantity of coal and wood purchased shall not apply to purchases by the Procurement Division at free-on-board destination outside of the District of Columbia" (U. S. C., title 40 sec. 109a), are hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SIMPLIFICATION OF ACCOUNTING

The Clerk called the next bill, H. R. 4830, to amend the act approved April 27, 1937, entitled "An act to simplify accounting."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc. That the act approved April 27, 1937 (Public, No. 57), is amended to read as follows:

"Hereafter, in making payments for commodities or services the quantity of which is determined by metered readings, such as gas, electricity, water, steam, and the like, and for telephone services, where the period covered by the charge begins in one fiscal year or allotment period and ends in another, the entire amount of the payment may be regarded as a charge against the appropriation or allotment current at the end of such period."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS WABASH RIVER, PERU, IND.

The Clerk called the next bill, H. R. 4243, granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near Peru, Ind.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Indiana to construct, maintain, and operate a free highway bridge and approaches thereto across the Wabash River, at a point suitable to the interests of navigation, at or near Peru, Ind., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS MAHONING RIVER, WARREN, OHIO

The Clerk called the next bill, H. R. 4432, granting the consent of Congress to the city of Warren, Ohio, to construct, maintain, and operate a free footbridge over Mahoning River near Stiles Street NW., Warren, Ohio.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the city of Warren, Ohio, to construct, maintain, and operate a free footbridge, and approaches thereto, across the Mahoning River, at a point suitable to the interests of navigation, at or near Stiles Street NW., Warren, Trumbull County, Ohio, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges and other structures over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS MISSISSIPPI RIVER, ROCK ISLAND, ILL.

The Clerk called the next bill, H. R. 4527, to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Rock Island, Ill., to a place at or near the city of Davenport, Iowa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Mississippi River at or near Rock Island, Ill., to a place at or near the city of Davenport, Iowa, authorized to be built by the city of Rock Island, Ill., or its assigns, by an act of Congress approved March 16, 1938, are hereby extended 1 and 3 years, respectively, from the date of the approval of this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS MISSISSIPPI RIVER AT OR NEAR CHESTER, ILL.

The Clerk called the next bill, H. R. 4370, authorizing the city of Chester, Ill., to construct, maintain, and operate a toll bridge across the Mississippi River at or near Chester, Ill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve the Postal Service, and provide for military and other purposes, the city of Chester, Ill., be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River, at a point suitable to the interests of navigation, at or near Chester, Ill., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the city of Chester, Ill., all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said city of Chester, Ill., is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 30 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall

thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Page 3, line 7, after the word "tolls", strike out the remainder of line 7 and all of lines 8, 9, 10, and 11, down to and including the word "management."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARKANSAS-MISSISSIPPI BRIDGE COMMISSION

The Clerk called the next bill, S. 964, creating the Arkansas-Mississippi Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COSTELLO. Mr. Speaker, reserving the right to object, may I have the chairman of the subcommittee explain the proposed amendment on page 7, with reference to the provision to charge tolls. Is it to be presumed that in the event of an emergency or anything of that sort tolls may be charged the Army or War Department for the transportation of troops or anything of that kind over the bridge?

Mr. CHAPMAN. Mr. Speaker, the gentleman is entirely correct in presuming that there is no intention on the part of the committee to leave the way open for either the bridge commission or the States of Arkansas and Mississippi at some subsequent time to attempt to charge the Federal Government tolls for the use of the bridge by troops in times of emergency or public peril.

Mr. COSTELLO. That is satisfactory to me.

Mr. WHITTINGTON. May I ask the gentleman from Kentucky a question? I observe that the committee, in reporting this bill, has reduced the time for the maturity of the bonds originally from 25 to 20 years and the time for refunding the bonds from 50 to 30 years. I should like to ask the gentleman from Kentucky if that embodies a policy of the committee with respect to bridge bills?

Mr. CHAPMAN. I may say to the gentleman from Mississippi that it has been the policy of the committee for some time to discourage long amortization periods. The whole purpose in enacting these bills into law and authorizing the construction of these bridges on which tolls are to be collected is that as soon as possible the bridges will be free bridges.

Mr. WHITTINGTON. With the consent of the gentleman from California, is it the purpose of the committee to embrace similar amendments in all bridge bills to be reported, and similar limitations?

Mr. CHAPMAN. In these reports before the House today there were two bills that involved that question, and a similar limitation has been placed on both of them.

Mr. WHITTINGTON. That is the policy to be pursued by the gentleman's committee?

Mr. CHAPMAN. It is the policy of the committee to make the amortization period just as brief as possible.

Mr. WHITTINGTON. Personally, I wish it were that the bonds could be matured not later than 25 years and refinancing in 35 years.

Mr. CHAPMAN. The experience of the committee has been that it is much easier to secure the passage of these bills when that period is short. We have encountered objection to bills in the past because there was a long amortization period. The Members are very insistent on making these bridges free at the earliest possible time.

Mr. WHITTINGTON. I believe if maturity were provided at 25 years and the time for refinancing extended to 35 years it would be better and I trust before this legislation has been finally passed that course will be taken.

Mr. CHAPMAN. I thank the gentleman for his suggestion. If the other body fails to concur in this amendment, then that question may be taken up in conference.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, will the gentleman explain to me by what authority the Congress of the United States seeks to regulate the manner in which the bonds on a bridge will be retired?

Mr. CHAPMAN. I do not know whether I understand the gentleman's question.

Mr. WOLCOTT. In every bridge bill with which I have had anything to do, we seem to regulate the manner in which the bonds shall be retired. If tolls are to be charged, we require that they retire the bonds in a given time, which is good business, of course; but by what authority does the United States Congress or the Federal Government regulate the financial machinery by which the construction of these bridges is undertaken?

Mr. CHAPMAN. Pursuant to the general bridge legislation and the practice of the Congress, all of which is based on the constitutional power of Congress to regulate commerce between the States. The whole purpose of the committee and the whole purpose of the Congress in authorizing the construction of these bridges is to provide for the financing of them in a proper way, so that at the earliest possible date the people will have free bridges.

Mr. WOLCOTT. We know the purpose, of course, but where does the United States Government get its authority to give permission to build a bridge? It is on the assumption that we have control over the navigable streams. Now, what connection is there between the retirement of bonds on a bridge and the navigability of that stream?

Mr. CHAPMAN. That is a very vital part of the bill. The retirement of the bonds and the time in which they shall be retired determines the time when the bridge will become usable by the public without charge. The Congress has exercised that power as a part of its power to authorize the construction and maintenance of bridges across navigable waters and interstate and international boundaries. Its right in this respect has never to my knowledge been questioned.

Mr. WOLCOTT. Does it make any difference to a boat going under a bridge whether the bonds are retired in 30 or 35 years?

Mr. CHAPMAN. These bills are referred to the War Department where navigation is involved, and the War Department has jurisdiction over that feature.

Mr. WOLCOTT. What have bonds got to do with navigation?

Mr. CHAPMAN. Where the question of highways is involved, we refer the bills to the Department of Agriculture, whose Bureau of Roads advises in regard to the effect of the proposed bridge on interstate highway transportation. Certainly that is very important so far as the use of the bridges by the public is concerned.

The Secretary of War deals with the navigation problems and the Bureau of Roads deals with the highway problems. The construction of bridges and retirement of the bonds have an important bearing on the use and enjoyment by the public of our interstate roads.

Mr. WOLCOTT. I wish the gentleman and his committee would explain to me some time what obstacle to navigation a bond issue or the lack of a bond issue is. I cannot see the connection between our authority to regulate traffic on navigable streams and the issuance of bonds to construct bridges over them, and I never have been able to see it. I hope the gentleman and his committee will give some deep study to that question some day. It will be very illuminating.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the Arkansas-Mississippi Bridge Commission (hereinafter

created and hereinafter referred to as the "commission"), and its successors and assigns, be, and are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River at or near the cities of Friar Point, Miss., and Helena, Ark., at a point suitable to the interest of navigation, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the commission and its successors and assigns the right and power to enter upon such lands and to acquire, condemn, occupy, possess, and use such real estate and other property in the State of Arkansas and the State of Mississippi as may be needed for the location, construction, operation, and maintenance of any such bridge and its approaches, upon making just compensation therefor, to be ascertained and paid according to the laws of the State in which such real estate or other property is situated, and the proceedings therefor shall be the same as in the condemnation of private property for public purposes in said State, respectively. The commission, its successors, and assigns is further authorized to enter into agreements with the States of Arkansas and Mississippi, and any political subdivision thereof, for the acquisition, lease, or use of any lands or property owned by such State or political subdivision.

SEC. 3. The commission and its successors and assigns are hereby authorized to fix and charge tolls for transit over such bridge in accordance with the provisions of this act, subject to the approval of the Secretary of War, as provided by the act of Congress approved March 23, 1906.

SEC. 4. The commission and its successors and assigns are hereby authorized to provide for the payment of the cost of such bridge as may be constructed, as provided herein, and approaches (including the approach highways which, in the judgment of the commission, it is necessary or advisable to construct or cause to be constructed to provide suitable and adequate connection with existing improved highways) and the necessary lands, easements, and appurtenances thereto, by an issue or issues of negotiable bonds of the commission, bearing interest at the rate or rates of not more than 6 percent per annum, the principal and interest of which bonds, and any premium to be paid for retirement thereof before maturity, shall be payable solely from the sinking fund provided in accordance with this act, and such payments may be further secured by a mortgage of the bridge. All such bonds may be registrable as to principal alone, or both principal and interest, shall be in such form not inconsistent with this act, shall mature at such time or times not exceeding 25 years from their respective dates, shall be in such denominations, shall be executed in such manner, and shall be payable in such medium and at such place or places as the commission may determine. The commission may repurchase and may reserve the right to redeem all or any of said bonds before maturity in such manner and at such price or prices, not exceeding 105 and accrued interest, as may be fixed by the Commission prior to the issuance of the bonds. The commission, when it deems it to be to the best interest of the commission, may issue refunding bonds to repurchase and redeem any outstanding bonds before the maturity thereof: *Provided*, That the refunding bonds shall mature at such time or times, not exceeding 50 years from the date of approval of this act, as the commission may determine. The commission may enter into any agreement with any bank or trust company in the United States as trustee having the power to make such agreement, setting forth the duties of the commission in respect to the purchase, construction, maintenance, operation, repair, and insurance of the bridge, the conservation and application of all funds, the security for payment of the bonds, the safeguarding of money on hand or on deposit, and the rights and remedies of said trustee and the holders of the bonds, restricting the individual right of action of the bondholders as is customary in trust agreements respecting bonds of corporations. Such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the trustee and the bondholders as may be reasonable and proper and not inconsistent with the law.

Said bonds shall be sold in such manner and at such time or times and at such price as the commission may determine, but no such sale shall be made at a price so low as to require the payment of interest at the rate of more than 6 percent per annum on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, and the face amount thereof shall be so calculated as to produce, at the price of their sale, the cost of the bridge constructed, and approaches and the lands, easements, and appurtenances, used in connection therewith when added to any other funds made available to the commission for the use of said purposes. The cost of the bridge to be constructed as provided herein, together with approaches and approach highways, shall be deemed to include interest during construction of said bridge, and for 12 months thereafter, and all engineering, legal, architectural, traffic surveying, and other expense incident to the construction of the bridge and the acquisition of the necessary property, incident to the financing thereof, including cost of acquiring lands. If the proceeds of the bonds issued shall exceed the cost as finally determined, the excess shall be placed in the sinking fund hereinafter provided. Prior to the preparation of definite bonds the commission may, under like restrictions, issue temporary bonds or interim certificates, with or without coupons, of any denomination whatsoever, exchangeable for definite bonds when such bonds that have been executed are available for delivery.

SEC. 5. In fixing the rates of toll to be charged for the use of such bridge, in accordance with the act of Congress approved March 23, 1906, the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and approaches under economical management, and to provide a sinking fund sufficient to pay the principal and interest of such bonds as the same shall fall due, and the redemption or repurchase price of all or any thereof redeemed or repurchased before maturity as herein provided. All tolls and other revenues from said bridge are hereby pledged to such uses and to the application thereof as hereinafter in this section required. After payment or provision for payment therefrom of all such cost of maintaining, repairing, and operating, and the reservation of an amount of money estimated to be sufficient for the same purpose during an ensuing period of not more than 6 months, the remainder of tolls collected shall be placed in the sinking fund, at intervals to be determined by the commission prior to the issuance of the bonds. An accurate record of the cost of the bridge and approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested. The commission shall classify in a reasonable way all traffic over the bridge so that the tolls shall be so fixed and adjusted by it as to be uniform in the application thereof to all traffic falling within reasonable classes, regardless of the status or character of any person, firm, or corporation participating in such traffic, and shall prevent all use of such bridge for traffic except upon payment of tolls so fixed and adjusted. No toll shall be charged officials or employees of the commission, nor shall toll be charged officials of the Government of the United States while in the discharge of duties incident to their office or employment, nor shall toll be charged members of fire departments or peace officers when engaged in the performance of their official duties, nor shall toll be charged in movement of the armed forces of the United States.

Within a reasonable time after the construction of the bridge the commission shall file with the Bureau of Public Roads of the United States Department of Agriculture a sworn itemized statement, showing the cost of constructing the bridge and its approaches, the cost of acquiring any interest in real or other property necessary therefor, and the amount of bonds, debentures, or other evidence of indebtedness issued in connection with the construction of said bridge.

SEC. 6. After payment of the bonds and interest, or after a sinking fund sufficient for such payment shall have been provided and shall be held for that purpose, the commission shall deliver deeds or other suitable instruments of conveyance of the interest of the commission in and to the bridge extending between the State of Arkansas and the State of Mississippi, that part of said bridge within Arkansas to the State of Arkansas, or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereafter referred to as the "Arkansas interest") and that part of said bridge within Mississippi to the State of Mississippi, or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the "Mississippi interest"), under the condition that the bridge shall thereafter be free of tolls and be properly maintained, operated, and repaired, by the Arkansas interest and the Mississippi interest as may be agreed upon; but if the Arkansas interest or the Mississippi interest, or any other interest hereinabove mentioned, shall not be authorized to accept or shall not accept the same under such conditions, then the bridge shall continue to be owned, maintained, operated, and repaired by the commission, and the rates of tolls shall be so adjusted as to provide a fund of not to exceed the amount necessary for the maintenance, repair, and operation of the bridge and approaches under economical management, until such time as the Arkansas interest and the Mississippi interest, or any other interest hereinabove mentioned, shall be authorized to accept and shall accept such conveyance under such conditions.

Notwithstanding any restriction or limitation imposed by the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, or by the Federal Highway Act, or by an act amendatory of, or supplemental to either thereof, the Secretary of Agriculture, or any other Federal Department or agency of the United States Government may extend Federal aid under such acts for the construction of said bridge out of any money allocated to the State of Arkansas with the consent of the State highway commission of said State, and out of money allocated to the State of Mississippi with the consent of the highway department of said State.

SEC. 7. For the purpose of carrying into effect the objects stated in this act, there is hereby created the Arkansas-Mississippi Bridge Commission, and by that name, style, and title said body shall have perpetual succession, may contract, and be contracted with, sue and be sued, implead and be impleaded, complain and defend in all courts of law and equity; may make and have a common seal; may purchase or otherwise acquire and hold or dispose of real estate and other property; may accept and receive donations or gifts of money or property and apply the same to the purposes of this act; and shall have and possess all powers necessary, convenient, or proper for carrying into effect the objects stated in this act.

The commission shall consist of six members to be appointed by the Secretary of Agriculture, three of whom are to be residents and citizens of the State of Mississippi and the other three to be residents and citizens of the State of Arkansas. Such commission

shall be a public body corporate and politic. Each member of the commission shall qualify within 30 days after his appointment by filing in the office of the Secretary of Agriculture an oath that he will faithfully perform the duties imposed upon him by this act, and each person appointed to fill a vacancy shall file in like manner within 30 days after his appointment. Any vacancy occurring in said commission by reason of failure to qualify as above provided, or by reason of death or resignation, shall be filled by the Secretary of Agriculture, and in filling such vacancy the Secretary of Agriculture shall at all times make the appointment so that the respective States shall at all times have equal representation on said commission. Before the issuance of bonds, as hereinabove provided, each member of the commission shall give such bond as may be fixed by the Chief of the Bureau of Public Roads of the Department of Agriculture, conditioned upon the faithful performance of all duties required by this act. The cost of such surety prior to and during the construction of the bridge shall be paid or reimbursed from the bond proceeds and thereafter such cost shall be deemed an operating expense. The commission shall elect a chairman and vice chairman from its members and shall establish rules and regulations for the government of its own business. A majority of the members shall constitute a quorum for the transaction of business.

SEC. 8. The commission shall have no capital stock or shares of interest or participation, and all revenues and receipts thereof shall be applied to the purposes specified in this act. The members of the commission shall be entitled to a per diem compensation for their services of $10 for each day actually spent in the business of the commission, but the maximum compensation of the chairman in any year shall not exceed $1,200, and of each other member shall not exceed $600. The members of the commission shall also be entitled to receive traveling-expense allowance of 10 cents a mile for each mile actually traveled on the business of the commission. The commission may employ a secretary, treasurer, engineers, attorneys, and such other experts, assistants, and employees as they may deem necessary, who shall be entitled to receive such compensation as the commission may determine. All salaries and expenses shall be paid solely from the funds provided under the authority of this act. After all bonds and interest thereon shall have been paid and all other obligations of the commission paid or discharged, or provision for all such payment shall have been made as hereinbefore provided, and after the bridge shall have been conveyed to the Arkansas interest and the Mississippi interest, as herein provided, or otherwise disposed of, as provided herein, the commission shall be dissolved and shall cease to have further existence by an order of the Chief of the Bureau of Public Roads, made upon his own initiative or upon application of the commission or any member or members thereof, but only after a public hearing in the city of Helena, Ark., notice of time and place of which hearing and the purpose thereof shall have been published once, at least 30 days before the date thereof, in a newspaper published in the cities of Helena, Ark., and Clarksdale, Miss. At the time of such dissolution all moneys in the hands of or to the credit of the commission shall be divided and distribution made between the interests of the States as may be determined by the Chief of the Bureau of Public Roads of the United States.

SEC. 9. Notwithstanding any of the provisions of this act, the commission shall have full power and authority to negotiate and enter into a contract or contracts with the State Highway Commission of Arkansas, and the State Highway Commission of Mississippi, the cities of Helena, Ark., and Clarksdale, Miss., or any county or municipality in the State of Arkansas and State of Mississippi, whereby the commission may receive financial aid in the construction or maintenance of the bridge and approaches thereto, and said commission, in its discretion, may avail itself of all of the facilities of the State highway commissions of the State of Arkansas and the State of Mississippi with regard to the construction of said bridge, and the commission may make and enter into any contract or contracts which it deems expedient and proper with the State Highway Commissions of Arkansas and Mississippi, whereby said highway departments, or either of them, may construct, operate, and maintain, or participate with the commission in the construction, operation, and maintenance of said bridge constructed hereunder, and the approaches thereto. It is hereby declared to be the purpose of Congress to facilitate the construction of a bridge and proper approaches across the Mississippi River at or near Helena, Ark., and Friar Point, Miss., and to authorize the commission to promote said object and purpose, with full power to contract with either the State Highway Commission of Arkansas or the State Highway Commission of Mississippi, or with any agency or department of the Federal Government, or both, in relation to the construction, operation, and maintenance of said bridge and approaches.

SEC. 10. Nothing herein contained shall be construed to authorize or permit the commission or any member thereof to create or obligate or incur any liability other than such obligations and liabilities as are dischargeable solely from funds contemplated to be provided by this act. No obligation created or liability incurred pursuant to this act shall be a personal obligation or liability of any member or members of the commission but shall be chargeable solely to the funds herein provided, nor shall any indebtedness created pursuant to this act be an indebtedness of the United States.

SEC. 11. The design and construction of any bridge which may be built pursuant to this act shall be in accordance with the standard specifications for highway bridges adopted by the American Association of State Highway Officials.

SEC. 12. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendments:

Page 3, line 24, strike out "25" and insert in lieu thereof "20."
Page 4, line 13, strike out "50" and insert "30."
Page 7, strike out lines 13 to 20, inclusive.
Page 9, line 2, beginning with the word "and", strike out the remainder of line 2 and down through "management", in line 5, and insert in lieu thereof "as a free bridge."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS THE MISSISSIPPI RIVER AT OR NEAR DELTA POINT, LA., AND VICKSBURG, MISS.

The Clerk called the next bill, H. R. 3224, creating the Louisiana-Vicksburg Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to purchase, maintain, and operate a bridge across the Mississippi River at or near Delta Point, La., and Vicksburg, Miss.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. PATRICK. Reserving the right to object, Mr. Speaker, I may say this bill was reported under my name simply because I live nearer the location in question than any other member of the committee. As I understand the situation, the gentleman from Louisiana [Mr. MILLS] stated that he introduced a similar bill 2 years ago in the House and that a similar bill was introduced in the Senate, and that bill has been held up in the Senate, by Senator OVERTON, I believe, until action is taken on this bill. The gentleman from Louisiana, whose district is at one end of this bridge, introduced the bill and has knowledge of the facts concerning the matter, and would like, before the bill is passed, to present his facts to the House. The gentleman has asked that I object to the bill's being passed over, which I am only too pleased to do. I have no personal interest in the matter; it is his bill.

Mr. McGEHEE. I thought I had an agreement with the gentleman from Louisiana a moment ago that the bill be passed over without prejudice. If that is not agreeable, then I object to its present consideration.

Mr. MILLS of Louisiana. I corroborate the statement of the gentleman from Mississippi as to his agreement. The gentleman agreed to pass this bill over without prejudice and I agreed I would go on record and favor his position in the matter. However, if it is in order, I should like to make a statement to the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi that the bill be passed over without prejudice?

There was no objection.

The SPEAKER. This concludes the call of all bills eligible for call on the Consent Calendar.

EXTENSION OF REMARKS

Mr. MILLS of Louisiana asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. REED of New York asked and was given permission to extend his own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that on tomorrow after the disposition of the legislative business of the day, I may be permitted to address the House for 25 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including therein an article by Mark Sullivan.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein a memorial from the Kansas Legislature regarding any agreement concerning the importation of livestock and its products from Argentina.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The SPEAKER. Under a special order of the House heretofore entered, the gentleman from North Carolina [Mr. DOUGHTON] is recognized for 15 minutes.

Mr. DOUGHTON. Mr. Speaker, while I appreciate very much the action of the House in giving me unanimous consent to talk today, I have decided not to occupy the time. I thank the House.

The SPEAKER. Under a special order of the House heretofore entered, the gentleman from Colorado [Mr. MARTIN] is recognized for 15 minutes.

THE IMPEACHMENT OF SECRETARY PERKINS

Mr. MARTIN of Colorado. Mr. Speaker, the cloak of congressional immunity thrown about Members of Congress, relieving them of outside accountability for their utterances and acts upon the floor of Congress, is not only a very necessary but an imperative protection of the representatives of the people in the discharge of their duties. If they could be so held accountable, Congress could be destroyed by the use and abuse of the outside accountability of Members of Congress.

It is to be regretted, however, that cases arise in which the cloak of immunity thrown about Members of Congress is not accompanied by the veil of secrecy similar to that investing grand jury proceedings for the initial protection of public officials from unjust and unfounded impeachment proceedings.

It is still more to be regretted when, after months of Nation-wide publicizing of unjust and unfounded charges against a public official, the final result is heralded by no blare of trumpets and is scarcely brought to the notice of the public, which for months and months has been fed with promises that a national public official would be shown to have been guilty of high crimes and misdemeanors and of betrayal of public trust, warranting the infliction of the official death penalty.

It is to be regretted that a case which thundered so long and loudly in the index has dwindled to almost less than a whisper in the text.

I refer to the impeachment proceedings against the Secretary of Labor Frances Perkins, Commissioner of Immigration James L. Houghteling, and Solicitor Gerard D. Reilly, of the Department of Labor. I want to note at this point the final disposition of this famous case, a case in which the accused had already been tried ex parte on the charges involved in the impeachment proceedings by the Committee on un-American Activities, and the hearings before which committee furnished the material for the charges, as shown by the resolution of impeachment.

The final disposition of the case is to be found in the CONGRESSIONAL RECORD of Friday, March 24, page 3273. I quote:

> Mr. HOBBS. Mr. Speaker, by direction of the Committee on the Judiciary, I present a privileged report upon House Resolution 67, which I send to the desk.
>
> The SPEAKER. The Clerk will report the resolution.
>
> The Clerk read House Resolution 67.
>
> Mr. HOBBS. Mr. Speaker, this is a unanimous report from the Committee on the Judiciary adversing this resolution. I move to lay the resolution on the table.
>
> The SPEAKER. The question is on the motion of the gentleman from Alabama to lay the resolution on the table.
>
> The motion was agreed to.

That is all.

If any Members were present when the foregoing proceeding was had, and were sitting within earshot, they probably would not have known what House Resolution 67 was. They probably would not have known what was going on. Not that there was any irregularity about the proceeding. It was entirely regular. That is what I complain of, the entire regularity and propriety of the procedure, ending impeachment proceedings against three high officials of the Federal Government on charges of high crimes and misdemeanors, willful violation of their oaths of office, and betrayal of their official trusts.

It probably attracted about as much attention in the press as it did in the House. The acquittal of Government officials on charges of high crimes and misdemeanors is not news. Their conviction would have been front-page screamheads. Such a denouement, Mr. Speaker, I submit does not do justice to the victims of impeachment proceedings. If it were not for the rarity of such proceedings their repetition might well affect the dignity and integrity of the House of Representatives with regard to the public respect and confidence.

It is to be regretted, therefore, that there cannot be some thunder about the verdict as well as the indictment. There is, however, a report to which I wish to make some reference. It is the report referred to as the basis for laying the resolution of impeachment on the table. It is a unanimous report of the House Committee on the Judiciary.

The committee consists of 25 members, 15 Democrats and 10 Republicans. It is a conservative committee. It is a committee which can be charged with holding no brief or harboring no undue sympathy for the Secretary of Labor. No stronger proof could be adduced of the total collapse of impeachment charges than the unanimous report of such a committee.

That such action on the part of the committee was fully justified—not only that, but inescapable—is shown by an examination of the report. It will not be necessary to quote any of the charges made on the floor of the House against the impeached officials. The findings, or rather lack of findings, of the Committee on the Judiciary, sufficiently indicate what the charges were, and I shall only note these:

On page 1 of the report the committee states that it was directed to determine whether, in its opinion, the accused officials, Frances Perkins, Secretary of Labor; James L. Houghteling, Commissioner of Immigration; and Gerard D. Reilly, Solicitor, Department of Labor, "have been guilty of any high crimes or misdemeanors which, in the contemplation of the Constitution, requires the interposition of the constitutional powers of the House." And that the committee, "after consideration, unanimously report the same unfavorably, with the recommendation that the resolution do not pass."

The report then proceeds to the specific charges against the accused, that they "were and are guilty of high crimes and misdemeanors in office in manner and form as follows, to wit":

> That they did willfully, unlawfully, and feloniously conspire, confederate, and agree together, from on or about September 1, 1937, to and including the date of the filing of this resolution, to commit offenses against the United States, and to defraud the United States, by failing, and neglecting, and refusing to enforce the immigration laws of the United States—
>
> And so forth—
>
> and that each of them have committed many overt acts to effect the object of said conspiracy—

And so forth. It then appears from the report that much of the investigation centered around the Strecker and Bridges deportation cases, as evidenced by the following quotation on page 4 of the report:

> The committee heard every witness indicated by any of the records or suggested by any person, carefully examined the record in the Strecker case, the files of the Bridges case, the report of the Dies committee, considered all of the evidence therein contained, as well as the testimony of the witnesses, and proceeded to consider the resolution and all the facts and circumstances adduced.

Then follows the findings. Beginning on page 5, I quote:

> After full consideration the committee certifies:
>
> 1. That there is no competent evidence to support the charge of conspiracy.
>
> 2. That there is no competent evidence to support the charge that the accused "unlawfully conspired to defer and to defeat the

deportation of Harry Bridges," and there is no evidence to indicate that the taking of the Strecker case to the Supreme Court was for the purpose of delaying the Bridges case.

3. That there is no evidence that the accused conspired together to release Harry Bridges after his arrest on his own recognizance.

4. That there is no competent evidence to support the charge that the accused "have committed many overt acts to effect the object of said conspiracy."

Referring to an implication against the Commissioner of Immigration, growing out of certain letters, the report on page 7 states:

There is no evidence whatsoever to support this implication.

Further, on page 7, the report says:

The accused are not chargeable with any fault that may have been imputable to Mr. Cahill (then deceased), in the absence of evidence connecting them therewith. There is no such evidence.

The last paragraph on page 7, and carrying on to page 8, completely exonerates the officials handling the Bridges case of any dereliction whatever.

Further on page 8 the report says:

5. That there is no evidence that the appeal of the Strecker case to the Supreme Court of the United States was venal or not in good faith.

In my judgment, the next quotation, on page 9, is the most devastating refutation of a charge against public officials that could be condensed into so many words. They were charged with having made an insufficient showing of proof in the trial of the Strecker case. The report says:

From this (the record) it would appear that the immigration authorities in Washington sincerely attempted to do exactly what the author of the resolution now condemns them for not doing.

6. That there is no evidence from which a reasonable inference may be drawn that the accused have failed, neglected, or refused to enforce section 137, United States Code, against other aliens illegally within the United States.

The committee then states that it had investigated certain alien cases called to its attention by the author of the impeachment resolution in support of the charges, and states:

In none did the committee find any evidence of any disposition on the part of the accused to evade their responsibility to enforce the law, or of failing, neglecting, or refusing to enforce the law against any alien.

7 (and final). That, after a careful consideration of all the evidence in this case, this committee is unanimous in its opinion that sufficient facts have not been presented or adduced to warrant the interposition of the constitutional powers of impeachment by the House.

And yet, Mr. Speaker, for months the press and the air in this country were alive with charges that the Department of Labor was exerting its official powers to protect Communists and communism in this country, and was, in effect, in league with Communists and communism. Had this campaign of misrepresentation of the Secretary of Labor and the Commissioner of Immigration been deliberately designed to destroy the confidence of the country in that Department of government, it could not have been more intensively and effectively carried out.

The country had every reason to expect—it had been dinned into their ears day and night for months—that the result of these proceedings would be to convict Secretary of Labor Perkins, Commissioner of Immigration Houghteling, and Solicitor Gerard D. Reilly of charges that they were in league with subversive influences which are seeking to destroy this Government.

Justice could not be done these public officials merely by exonerating them. All fair-minded people should reprobate and condemn the campaign carried on against them, more pregnant with possibilities of danger to our institutions than even the subversive forces they were charged with being in league with. The mountain labored but did not bring forth a mouse. It is not to be wondered at that the now chief law officer of the Nation was branded with communism from the same source.

The word "finis" has been written on this abortive attempt to destroy the first woman ever to have the honor of a seat in the Cabinet. In the interest of history the report should be exhumed from the tomb of a million forgotten documents and embalmed in the imperishable pages of the CONGRESSIONAL RECORD. I deem it a privilege to perform this service. [Applause.]

Mr. STARNES of Alabama. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. STARNES of Alabama. Knowing the gentleman as I do and having a high regard for him personally, I know he does not want to leave an unjust and unfair and untrue imputation in his speech. I want to say to him, as a member of the special committee to which he referred, that at no time did the committee take any action on these impeachment proceedings, commendatory or otherwise. Other members of that committee are present and will bear me out in the statement that that matter was never discussed in our committee, and it in no wise reflects the sentiment or the attitude of that special committee.

Mr. MARTIN of Colorado. I did not say the committee did take any action on these impeachment proceedings. I may say that a large part of the charges were made up of a certain letter. I have not mentioned any names, and I am not going to. All members know what those charges were made up of, and for months the press of the country was full of testimony that was going on before the Committee on Un-American Activities and statements issued thereon, not only smearing Governor Murphy of Michigan and Secretary of Labor Perkins, but other persons of prominence in the Government. Six of the eight pages taken up in the record by the impeachment charges consist of matter from the committee's hearings. Taking the hearings out of the charges, there is nothing left. They went as far as they could, by innuendo and indirection, to smear the President, whose appointees these officials are.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include the statement made by Secretary of Labor Perkins on these impeachment proceedings.

The SPEAKER pro tempore (Mr. PACE). Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, if I may be pardoned for the stereotyped statement, I hold no brief for the Secretary of Labor, and I may add that I have never met the Secretary and have no appointee in or under the Department of Labor. A reading of the brief synopsis in the report disposing of the impeachment proceedings is insufficient to show the utter lack of bases for the impeachment charges. In order that Members or others interested in the case may have a more complete picture, I am, under leave of the House, inserting in the RECORD the Secretary's statement to the Committee on the Judiciary. The bulk of this statement is devoted to the Strecker and Bridges cases, on which the charges against her rested. The statement is factual. As high lights of the statement I shall mention only two things which are characteristic, both from the standpoint of vindicating the accused and demolishing the case of the accuser.

One of the charges against the Secretary of Labor was that she appealed the Strecker case to the Supreme Court for the purpose of delaying the Bridges case. In her statement to the committee the Secretary said:

The United States attorney in the fifth court (circuit court of appeals) recommended that the so-called Strecker case should be appealed from the Circuit Court of Appeals for the Fifth Circuit to the Supreme Court of the United States. This recommendation was transmitted to the Department of Justice. In that Department the Solicitor General, after study of the case, determined to seek review. The petition for review was filed and was granted by the Supreme Court, thus indicating that in the Court's opinion, as in the opinion of Government counsel, the issues raised by the Strecker case were difficult and important and constituted a conflict of opinion in the lower courts.

So on that charge we find that the appeal was wholly handled by the Department of Justice, outside and beyond the jurisdiction of the Secretary of Labor.

Another serious charge was that the Strecker case was deliberately weakened by the accused. On this the Secretary says:

Neither I nor the Commissioner of Immigration and Naturalization nor the Solicitor's Office had anything to do with the presentation of this case * * *. My personal attention was not brought to the case until the decision of the Fifth Circuit Court of Appeals, since it was handled in the lower courts as a purely routine matter between the district director and the local United States attorneys. The district courts which first passed on the case apparently regarded the evidence as adequate to support the deportation order, since a writ of habeas corpus was not only denied by Judge Borah in the District Court for the Eastern District of Louisiana (the order subsequently reversed), but also by Judge Martineau in the United States District Court for the Eastern District of Arkansas.

Thus, step by step, the Secretary of Labor riddled the tissue of ignorance, prejudice, and misrepresentation which constituted the charges in this case.

One more quote from the Secretary:

The impeachment resolution states that the petition for certiorari (to the Supreme Court) in the Strecker case was drafted in the office of the Secretary of Labor. This is not true. The petition for certiorari was drafted in the Department of Justice and was never submitted to me for approval or disapproval.

But why continue? It would require review of every charge in the articles of impeachment, and all in the same category. Every member of a body which holds in its hands the power of life and death over executive heads of the Government should read both the report of the Committee on the Judiciary, Report No. 311, Seventy-sixth Congress, first session, and the very explicit and temperate statement of the Secretary of Labor.

STATEMENT OF SECRETARY OF LABOR PERKINS BEFORE THE HOUSE JUDICIARY COMMITTEE WEDNESDAY, FEBRUARY 8, 1939

House Resolution 67, which is before your committee, charges that I, as Secretary of Labor; James L. Houghteling, as Commissioner of Immigration and Naturalization; and Gerard D. Reilly, as Solicitor of the Department of Labor, have entered into a conspiracy to refuse to enforce the deportation laws of the United States—more particularly the act of October 16, 1918, as amended by the act of June 5, 1920—and to defraud the United States by not deporting one Harry Bridges.

At the outset I want to make it clear that whatever action has been taken in Washington by the Department of Labor in the Bridges and in the Strecker cases there has been no "conspiracy." The action has not been pursuant to an agreement, combination, or conspiracy. The responsibility for the action of the Department of Labor rests directly upon me and cannot properly be placed upon those whom the law makes subordinate to me—that is to say, Mr. Houghteling and Mr. Reilly.

In appearing voluntarily before you today I have three objectives: First, to state to you briefly the principles in the light of which I view my duty to enforce the immigration laws with respect to persons who engage in subversive activities; secondly, to state the precise facts with respect to the case of Harry Bridges, referred to in the resolution before you; and, finally, to state the precise facts with respect to the case of Joseph George Strecker, also referred to in the resolution before you and now pending in the Supreme Court of the United States.

The first point that I want to make clear is this: I believe that the Government should take immediate and effective steps against any person or any organization which offers a clear and present danger to the Government of the United States. Treasonable conduct in subversive action can evoke no sympathy, and I am certainly in favor of the punishment or deportation of anyone who engages in such conduct. And I think this is compatible with a truly American viewpoint in regard to freedom of thought.

I also wish to emphasize that I am not in accord with the principles of the Communist Party. I do not share the economic or political views of the Communists. I regard many of their tactics as an impediment to the efficient functioning of the Government as well as of society at large. I find in their insistence on party authority and their emphasis on class struggle, their conception of a dictatorship of one class, and their oft-repeated contempt for religion the negation of that individual liberty and that development of the human personality for which this country and every democracy must stand.

I turn now from these general remarks to a consideration of the nature of my duties under the immigration laws of this country. And I begin by reminding you of the solemn character of the task that has been entrusted to me. It is not commonly realized that the power which is vested in the Secretary of Labor under the immigration law is in many respects the most serious and the most drastic administrative power vested in any executive officer in our Government. While other officers and commissions are entrusted with the power of decision in respect to matters of property, the Secretary of Labor stands virtually alone among executive officers in his right to restrict personal liberty and freedom of individual action of human beings. The Secretary of Labor has the power, in certain specific situations, not even involving a crime, to issue a warrant for the arrest of any alien in the United States; he has the power virtually to imprison that person; and he has the power to order that person to be sent back to the country of his nationality even though he recognizes that in some circumstances this is tantamount to sending an alien to his death. The Secretary is investigator, prosecutor, jury, and judge. No court tries the case or can intervene except on application for habeas corpus, and then can only review the point of law involved; not the finding of fact.

This unusual and broad authority is exercised by the Secretary of Labor upon average people, not upon people of peculiar strength, power, or malevolence. It is a power which is susceptible of exercise without adherence to those elementary standards of due process of law that are at the heart of our Constitution. Indeed, the serious abuses which have occasionally existed in immigration deportations were reviewed only 7 or 8 years ago by President Hoover's so-called Wickersham commission. The testimony collected by that commission and the report written by it bear ample witness to the necessity of proceeding with restraint and with due regard for historic safeguards against executive absolutism in all cases where this tremendous power over human liberty and human life is exercised.

It is because of the scope of the power and the extent to which it has been abused occasionally that a person charged as I am with the enforcement of the immigration laws must proceed with a sense of the importance of the judicial duty cast upon him. I have imposed restraints upon the arbitrary use of this power and I have sought to build and maintain confidence in our institutions by proceeding in all cases with scrupulous fairness.

And now one more general word before I come to the specific details of the Bridges and Strecker cases. I have sworn to uphold the Constitution of the United States. I took that oath without reservation and I have carried it out to the best of my ability. I have tried to do justice both to citizens and aliens so far as in me lay. I have spent most of my adult life in the service of the people of my country working to improve their living and laboring conditions and at some sacrifice of personal comfort. I have done what I could in time to make this great country of ours a little nearer our conception of the city of God. For 18 years I have served in public office, where my record is an open book. I have consistently favored not only enforcement of law but also a firm adherence to the basic American standards of fair play. I feel confident that whether examined minutely or at large my record as Secretary of Labor will show a consistent purpose not merely to support the ideals of democracy, of orderly government, and of freedom, but a purpose to assure all persons subject to the Government, whether citizen or alien, that those ideals are being carried forward in actual day-to-day practice. I have applied this to my administration of the immigration law and to the case in point.

I turn now to consider the Bridges case and the Strecker case.

Bridges came from Australia to the United States on April 12, 1920. So far as I am aware, no suggestion was made until 1934 that he was subject to deportation under the immigration laws. In 1934, during the longshoremen's strike, some informal requests for his deportation did reach the Department, but these requests were not buttressed by any evidence. For the most part they did no more than ask for the removal from the American scene of a person believed by them to be an undesirable labor agitator. Our investigation showed that Bridges had led up to that time an uneventful life, without a police record, either here or in Australia. He was active in the International Longshoremen's Union beginning in 1934, but he had done nothing forbidden by law. On this state of facts no step could lawfully be taken to deport Bridges.

As I need hardly say to you, as Secretary of Labor I have no general commission or power to remove an alien merely because I believe him to be "undesirable," or because he is believed to be, or is in fact, a labor agitator. I can and am required to direct deportation upon certain grounds specified by Congress, such as that the alien involved has entered the United States unlawfully, or that he has become a public charge, or that he has been sentenced for a crime involving moral turpitude, or that he himself advocates the overthrow of the United States by force or violence, or belongs to an organization which so advocates. In 1934 there was no substantial evidence indicating that Bridges fell within these or similar categories.

Indeed, it appears from page 54 of the resolution which is before you that the author of the resolution does not suggest that the conspiracy which he believes exists occurred until long after 1934, to wit, in September 1937. However, I am trying to give your committee a full report and not a mere technical answer to the charge before you. Therefore, I am giving you my complete recollection of the Bridges case. On this basis of full disclosure I shall proceed.

Between 1934 and 1937 there were a number of inquiries directed to the Department of Labor with the purpose of finding out what the facts, so far as we knew them, were respecting Bridges. In connection with these inquiries, I asked the Immigration and Naturalization Service to prepare for me a memorandum setting forth the facts in our possession. Such a memorandum was prepared and material in it was used to compile a reply which went from this Department to any person who inquired about the Bridges case. The memorandum set forth that there was at that time no evidence that Bridges was a member of the Communist Party or that he believed in or advocated the overthrow of the Government of the United States.

It is entirely likely that Bridges may have seen one of these letters at some time as they were sent to anyone who wrote making inquiry, and several hundreds of such inquiries were received. The memorandum was not in any sense confidential but was prepared for general correspondence. This is the only information with regard to the content of the case that Bridges ever had.

R. P. Bonham, district director of the Immigration and Naturalization Service at Seattle, Wash., on September 22, 1937, made application to the central office in Washington of the Immigration and Naturalization Service for a warrant for the arrest of Harry Bridges on various grounds. Supporting this application there were four depositions which had been taken in Seattle.

When this application arrived in Washington the case was referred to the Solicitor's office for an opinion. The problem it presented was in many respects unusual. It is rare indeed that in a case where an individual is alleged to be a radical who seeks the overthrow of the United States by force or violence all the testimony comes elsewhere than from the alien's own mouth or from written documents which he has prepared or circulated. In the light of the nature of the evidence and of the sources from which it emanated, Mr. Houghteling, the Commissioner of Immigration and Naturalization, felt the need of corroborative or documentry evidence. The solicitor of the Department of Labor, Mr. Gerard D. Reilly, and I after reviewing the depositions were in doubt if the deponents were trustworthy, and, if they were not, whether their testimony could be otherwise corroborated. The bitter factional fight between maritime unions on the Pacific coast had resulted in so many charges and countercharges of a derogatory nature that we thought caution indicated in the evaluation of this evidence. To determine these questions it seemed best to me to instruct Mr. Reilly to proceed to the west coast, there to interview the deponents.

Mr. Reilly did go to the west coast and there held hearings. He then returned to New York on October 18, 1937, to obtain a deposition from Bridges himself. This deposition while squarely denying some of the allegations of the depositions taken on the west coast did not put the matter at rest either in Mr. Reilly's or in my mind.

It was while the Department of Labor was reviewing the case following clues and seeking further evidence in an investigation by R. P. Bonham and others that the Senate Committee on Commerce, then considering general maritime legislation, became interested in Bridges.

On January 22, 1938, in response to an inquiry from a member of the committee, Senator ARTHUR H. VANDENBERG, of Michigan, I wrote a letter summarizing the course of the Bridges case up to that date. Then in February 1938 the solicitor, Mr. Reilly, and I testified with respect to the Bridges matter before the same Senate Committee on Commerce. I am told that at that time Mr. Reilly stated that under the decisions as they then were it appeared as though a prima facie case could be made out against Bridges.

Information as to what Mr. Reilly had testified before the Senate committee immediately became available to the public through newspaper channels. This prompted Bridges, on February 3, 1938, to ask for a specific bill of particulars of any charges we might make against him. To this letter I, of February 8, replied that it was our regular practice to set forth in the warrant the specific charges on which the proceedings in immigration matters are predicated and that we should follow our usual procedure.

On March 5, 1938, Leon R. Fouch, acting district director of the Baltimore district of the Immigration and Naturalization Service, in accordance with instructions from the central office, served upon Bridges a warrant for his arrest. Acknowledgment of that service was made by Bridges and the case was set down for hearing in San Francisco on April 25, 1938.

There is some suggestion, particularly at pages 19 and 20 of the resolution before you that Bridges threatened me and others in the Department of Labor with violence and showed us a want of respect, which led to our following a procedure out of the ordinary. As a matter of fact I have never heard of any threats of violence to myself or other officers of the Department of Labor in connection with the Bridges case, and I am quite unaware of any impertinence shown by Bridges to officials of the Department. I say this merely to indicate that neither through fear nor cowardice were any officials of the Department of Labor at any time swayed from their duty in connection with the Bridges matter.

There has been an implication that in the case of Bridges the accusations made against him not only charged membership in the Communist Party but also accused him of personally advocating the overthrow of government by force and violence. No evidence is cited in support of this, and, as a matter of fact, there is no such evidence. It is possible that the author of the resolution had in mind the same extracts from two or three affidavits which Congressman DIES drew to my attention in open letter on August 30, 1938. These consisted of certain uncorroborated remarks attributed to Bridges in private conversation by two or three of the affiants. These quotations consisted of a derogatory statement with respect to battleships, contemptuous remarks with regard to the President, threatening and intemperate remarks with respect to rival union factions, all of them falling far short of amounting to advocacy of the overthrow of the United States Government by force and violence.

Although the Department of Labor had planned to hold hearings in the Bridges case on April 25, there occurred on April 6, 1938, an event which was not foreseen when Mr. Reilly testified before the Senate Committee on Commerce. The United States Circuit Court of Appeals for the Fifth Circuit, sitting in Louisiana, delivered its opinion in the case of *Kessler* v. *Strecker*. This opinion, by one of the Nation's most distinguished jurists, Judge Hutcheson, was to the effect that an alien who was acknowledged to have been a member of the Communist Party was not on that ground deportable under the immigration laws. I was advised by competent counsel that if Judge Hutcheson's opinion in that case was sound it would be impossible to deport Bridges or other Communists on evidence of party membership. Judge Hutcheson's opinion (taken together with recent rulings of the Supreme Court of the United States in the Herndon and De Jonge cases) led to serious doubt as to whether older cases under the immigration law were still a guide and whether they applied to the Communist Party as it now functions. In view of this, the legal advisers provided for me by law, the United States attorney in the fifth court (circuit court of appeals) and solicitor, recommended that the so-called Strecker case should be appealed from the Circuit Court of Appeals for the Fifth Circuit to the Supreme Court of the United States. This recommendation was transmitted to the Department of Justice. In that Department the Solicitor General, after study of the case, determined to seek review. The petition for review was filed, and was granted by the Supreme Court, thus indicating that in the Court's opinion, as in the opinion of Government counsel, the issues raised by the Strecker case were difficult and important and constituted a conflict of opinion in the lower courts. I might also point out that the decision of the Fifth Circuit Court of Appeals was regarded by the press and public as an important opinion. Newspapers interpreted it as holding that Communists were not deportable under the immigration laws. Letters and telegrams were received from civic organizations and veterans' organizations urging an appeal in the Strecker case.

Despite the action of the Supreme Court in granting the application for certiorari the resolution before you impugns the good faith of the Government in seeking a review. The resolution makes certain insinuations which so far as I, who am not a lawyer, can, I should like to discuss:

(1) The resolution states that in the Strecker case the circuit court of appeals did not make a final determination in favor of the alien but merely directed that the case should go back to the district court with instructions to the district judge to hold a hearing de novo to determine what the nature of the Communist Party is. Therefore, the resolution implies that the case did not have to be appealed. But the truth is that the direction by the circuit court of appeals to the district court, far from being a reason for not appealing to the Supreme Court, was an additional reason for seeking Supreme Court review. The circuit court's order in effect transferred from an administrative agency to a Federal district court the duty of receiving evidence and determining the facts with respect to an alien and his deportability. District Judge Borah, to whom the order was directed, told the United States attorney his court had no jurisdiction to do this.

As the Government noted in its brief, this order seems to be contrary to the immigration statutes and seems to be a novel departure from the usual canons of administrative law. On that administrative law issue alone I am told that the case is of such moment that it should be appealed to the Supreme Court of the United States.

(2) The resolution implies that the Strecker case was not so definitely in conflict with decisions of other courts that the case should have been appealed to the Supreme Court of the United States. The Solicitor General of the United States takes a different point of view from the author of the resolution. He determined that a petition for certiorari should be filed with the Supreme Court, and it seems to me that the Supreme Court of the United States in granting the writ of certiorari has in fact agreed with the Solicitor General that there was a serious conflict between the circuits which required decision by the Supreme Court itself.

It is interesting to note that the considered opinion of the Solicitor General after his analysis of the case in determining that a petition for certiorari should be filed coincided with the views of the United States attorney at the time the circuit court of appeals handed down its decision, since he wrote to the Attorney General a few days later recommending the case be carried to the Supreme Court. In his letter he stated that while the circuit court of appeals had made an attempt to distinguish the case before it from the holdings of the seventh circuit and the ninth circuit, that a fair reading of those cases would show that the opinion of the Court was contrary to those holdings and therefore "it may be fairly said that there is a conflict between the circuits involved on the question of whether the Communist Party of America is an organization within the terms of the statute."

(3) The resolution implies that the Government of the United States, by failing to introduce certain so-called "stock exhibits" with respect to communism in this particular case, deliberately weakened the presentation of the issue to the Supreme Court. There are no "stock exhibits" used by the Department in the preparation of deportation cases where communism is an issue. This was apparently a phrase which the author of the resolution extracted from the solicitor's letter to the Attorney General but the resolution fails to quote what the solicitor went on to say, namely, that "I have analyzed the documentary evidence at some length in the foregoing cases in order to show that the proof advanced in these cases, to show that the Communist Party advocated forcible overthrow of the United States Government and circulated printed matter advising the same course of action, did not differ in any material degree from the documents which the Fifth Circuit Court of Appeals may have regarded as insufficient." I think a comparison of the documents introduced as evidence in

the Strecker case which are set out in pages 33 to 41 of the Government's brief in the Supreme Court with the documents quoted in appendix B of the brief (pp. 80 to 92 inclusive) will bear out the accuracy of this statement.

There was evidence presented before the Department in the Strecker case which showed the teachings of the Communist Party, inasmuch as that it included typical Communist documents containing language and phraseology which in the past has been regarded by the courts as an adequate basis for deportation. Even if additional evidence had been presented, it is doubtful whether it could be called other than cumulative testimony. In the end, the question is whether membership in the Communist Party is membership in an organization that teaches and advocates the overthrow of the Government by force or violence. And Judge Hutcheson's opinion in the Strecker case raises and discusses this point in such a way as to compel the attention of administrative officers determined to act lawfully.

As for the charge that the case was deliberately weakened, I should like to draw the attention of the committee to the following facts. The warrant for Strecker's arrest was issued on November 25, 1933, many years before the Bridges case began. The hearing on the warrant occurred on January 23, 1934, where evidence was presented showing that a Communist Party membership book had been issued to the alien, and that he had made certain admissions under oath to an immigration officer on October 25, 1933. The examining inspector recommended deportation. The board of review ordered the case reopened for introducing into the record exhibits or literature to show that the Communist Party advocated the overthrow by force or violence of the United States Government. At this second hearing the inspector, apparently preferring to present evidence bearing on the current teachings of the Communist Party rather than relying on historic documents which might have been challenged as obsolete, read into the record extracts from a magazine entitled "The Communist," dated April 1934, eighth convention issue, "A magazine of the theory and practice of Marxism, Leninism, published monthly by the Communist Party of the United States of America." Neither I nor the Commissioner of Immigration and Naturalization nor the solicitor's office had anything to do with the presentation of this case, and the deportation order was not brought to the Secretary's Office for signature until August 14, 1934. My personal attention was not brought to the case until the decision of the fifth circuit court of appeals, since it was handled in the lower courts as a purely routine matter between the district director and the local United States attorneys. The district courts which first passed on the case apparently regarded the evidence as adequate to support the deportation order, since a writ of habeas corpus was not only denied by Judge Borah in the District Court for the Eastern District of Louisiana (the order subsequently reversed) but also by Judge Martineau in the United States District Court for the Eastern District of Arkansas.

Whether the case was the strongest possible case which could have been presented on the issue of the significance of Communist Party membership under the immigration laws is a question upon which I, since I am not a lawyer, cannot pass judgment. I can only say that the widely reported opinion of Judge Hutcheson certainly made it clear to me as an administrative officer that the ordinary interpretation placed upon the statute by the Department had been disapproved by his court on such broad grounds that it was impossible to continue to place such construction upon the statute in the fifth circuit and made it very dubious as to whether Communist Party deportations would be sustained in other circuits until the Supreme Court had clarified the issue. An administrative officer is in no position to select an ideal test case for the highest court. He can only obtain a Supreme Court ruling on cases still actually pending which have already run the whole gamut of administrative hearing, administrative order, district court review, and circuit court of appeals decision.

(4) The resolution states that the petition for certiorari in the Strecker case was drafted in the Office of the Secretary of Labor. This is not true. The petition for certiorari was drafted in the Department of Justice and was never submitted to me for approval or disapproval. I do not mean to say that I have any criticism of the Department of Justice's procedure in this regard, for the preparation of such a document does not fall within my duties or privileges.

(5) The resolution states that there has been a failure to present to the Supreme Court of the United States an important issue in the Strecker case which was particularly raised by the warrant of deportation signed by Turner W. Battle, assistant to the Secretary of Labor. That issue is whether Strecker is subject to deportation on the ground that he personally believes in and has advocated the overthrow of the United States Government by force or violence. As a matter of fact, the issue which is alleged to have been kept from the Supreme Court of the United States is squarely presented in the brief filed by the Government in that Court, pages 50 to 55. The Solicitor General, on behalf of the United States, there argues that "there was evidence in the record before the Secretary of Labor to support the finding in the deportation warrant that respondent (i. e., Strecker) believes in and advocates the overthrow by force or violence of the Government of the United States." The issue of membership in the Communist Party was raised particularly, as it was the one raising a conflict between circuit courts.

Summarizing the foregoing, I think it fair to say that there is substantial reason to believe that the Strecker case presents fundamental issues which arise in the interpretation of the Immigration Act of October 16, 1918, as amended by the act of June 5, 1920.

The resolution implies that Bridges and other similar cases should not have been postponed pending the decision of the Supreme Court in the Strecker case, even though the decision of the circuit court held that membership in the Communist Party was not legally grounds for deporting an alien.

This action in postponement was taken on the advice of competent legal advisers and it is the usual administrative practice in order to prevent unnecessary expense and effort in conducting litigation which may turn out to be useless or inadequately developed after the Court has made a decision in a case on appeal.

Also I want to point out to you that there is no hazard to our population or institutions involved in these postponements because of the fact that if Bridges or any other alien at any time takes any action to overthrow the Government of the United States by force or by violence, or if he commits any crime, he can and will be promptly arrested, tried, and punished or deported under the terms and requirements of law.

In this statement I have tried to explain clearly the principles upon which I have acted and the details of the administrative action in the Bridges and Strecker cases. The problems which the immigration laws present are serious, intricate, and of the highest public importance. They affect principally the lives of human beings rather than property. The administration of these laws, because so few restraints on procedure are imposed by law, calls for the most scrupulous application of the principles of fairness, justice, and impartiality inherent in our constitutional democracy. Any miscarriage of justice in human affairs which cannot be corrected is unendurable to the American mind. It is of the utmost importance to see that no such suspicion of injustice is possible. The immigration laws have peculiar significance to the future of our country and it is incumbent upon those who administer them to aim at certain important goals; to preserve for this country its institutions, its ideals, and its Government safe from any foreign forces which present a clear and present danger to the continuance of our way of living; to improve rather than harm the economic and social and moral stability of our population; to promote the assimilation or Americanization of such foreign-born people as lawfully become permanent residents; and to demonstrate to such foreign-born, who together with their families are likely soon to become our fellow citizens, that our American institutions operate without fear or favor and in the spirit of fair play, to the stranger within our gates as well as to the native born.

It is out of this demonstrated capacity of our institutions that is born that confidence, that hope, that self-discipline, that admiration which has resulted in the passionate love of country and devotion to its way of life which characterize both native and foreign-born Americans. The intensity and personal character of this devotion to our country is almost unique in world history and rests upon man's voluntary and almost consecrated association of himself with the ideals of fairness and respect for human personality which he experiences in daily realistic practices of our Government and our society.

It is because I share the confidence of other Americans in the capacity of our institutions to protect me against injustice that I have satisfaction in the consideration of these charges, and my denial of them, by this committee of Congress now considering them. I recognize the right of anyone who has valid evidence of wrongdoing to attack my record or my character and particularly in public office, and I have no resentment. This is also a part of our democratic method to safeguard against administrative absolutism. But I have entire faith and confidence in the capacity and intent of those who are in charge of the operation of our institutions, not only the courts, but the Congress and its committees, to protect me and to secure my rights and my reputation if I have done no wrong. Americans are sensible—steady people and have lively faith that no excitement and no political pressures and no questions of the popularity or unpopularity of a case can interfere with the operation of justice, and that only intelligence and faithfulness will move those persons who stand sworn to be for us, by our consent, judges an office fraught with a deep sanctity. This faith exists and must be confirmed daily by those of us who hold high office so that liberty may not perish from the land.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

PRESENT ADMINISTRATION COMMENDED

Mr. PATMAN. Mr. Speaker, I desire to commend the present administration, under the leadership of President Franklin D. Roosevelt, for the many great accomplishments during the past 6 years. I expect to mention before I conclude one problem that has not been solved.

In 1935 we adopted the Social Security Act. By reason of the enactment of that law millions of people are receiving checks monthly from the Government and from the various States. We cannot say too much in praise of the social-security law.

During this administration the farmers have been helped. They are being helped through the Farm Act of 1938 and preceding acts, as well as through the Farm Security Administration, through the Emergency Feed and Seed Loan, through the Production Credit Corporation, which has its

associations all over the country; through the Federal land banks and other institutions; and, certainly we owe the administration a debt of gratitude for what it has done for the farmers.

The workers have also been benefited in many ways.

The people are being saved hundreds of millions of dollars a year on their electric charges, and eventually they will receive in benefits what will be equal to $1,000,000,000 a year of savings in electric rates by reason of the yardstick established by T. V. A.

S. E. C. ACT CONSTRUCTIVE

The S. E. C. has been very helpful. I have a neighbor who is a stockholder in an eastern concern. Just before the enactment of this law he received a notice from the company stating that this company—we will call it A—wanted to acquire the stock of company B. A beautiful picture was presented as to how it would help this company and how it would help this neighbor of mine, who was a stockholder.

He very quickly acquiesced and signed a statement that it would be satisfactory with him for company A to acquire company B. Soon after that the S. E. C. law became effective and the S. E. C. required a different statement to be sent out to these stockholders, the statement telling the truth about what would happen. This statement showed that company B was broke, and the president of company A was merely bailing out his brother, who was the owner of company B, and that it was injurious to the company and to my neighbor as a stockholder. The result was that the first questionnaire sent out to stockholders showed every stockholder voting in favor of the acquisition, while on the second questionnaire sent out every stockholder voted against the acquisition. That shows the work that the S. E. C. is doing, by compelling people to tell the truth. So the savings and investments of the people are being protected.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. GIFFORD. Before the gentleman leaves the T. V. A. will not you please put opposite the benefits received by the people just what happened to the investors in public utilities?

Mr. PATMAN. Of course I did not ask for this time to talk about the T. V. A., but I will ask the gentleman whether he can justify the billion dollars of overcharge per year to the users of electricity.

Mr. GIFFORD. I do not undertake to justify anything that happened, but what did happen to the millions of investors in public utilities?

Mr. PATMAN. I shall answer that in this way. It was in the public interest, and no one to my mind can defend the other side.

Mr. GIFFORD. And the gentleman feels that the weight of evidence is on his side?

Mr. PATMAN. Yes. Another thing we hear about is the W. P. A. Of course billions of dollars have been spent, and during the debate on the recent bill to appropriate more money for the W. P. A. you did not hear very much about the fine buildings that have been constructed in practically every county and city in America—the school buildings and the buildings of different types—for public purposes. You did not hear very much about the roads and highways and the many other good things done by W. P. A. So the W. P. A. has been worth while and has helped millions of people.

Take the C. C. C. camps. Approximately 3,000,000 young men have gone through these camps. They have come out better citizens by reason of the service that they have experienced. These young men are entitled to credit. Twenty-five dollars out of every $30 that they received each month they sent back home to take care of their loved ones. These young men are to be commended for not only taking advantage of every opportunity to become better citizens, but for helping their loved ones who were in need as well, and certainly the administration is to be commended for that great work.

Banks and insurance companies and railroad companies have been helped, but I shall not discuss them.

The home owners have been helped tremendously. Billions of dollars have been used of Government credit for the purpose of extending the time of payment for home owners and reducing the interest rates, as well as helping people build and purchase homes; and today, my friends, do you know that the average home owner who has a loan of $3,700 on his home will save $1,600 on that one mortgage from the time it was made until he has paid it—$1,600 each. One hundred and seventy-five thousand home owners have been benefited in that way on old construction, and 185,000 have been benefited that way on new construction; and that does not take into consideration the millions of home owners that have been helped indirectly by getting a lower rate of interest through the use of that yardstick which the Government has set up.

MONOPOLY NOT DEALT WITH

The problem that this administration has not dealt with is monopoly. The people in the United States have talked about monopoly for 100 years. We know of certain monopolies and monopolistic practices; we know the ones we should be after. Take, for instance, the patent monopoly. Others could be mentioned, as they are well known. Is there a doubt in anyone's mind about the patent monopoly being detrimental to the interests of the people? Not one Member of the House who would not so testify; and yet we do nothing about it. We talk about monopoly all the time. We want to investigate; we want to study. Why do that? I hope that my remarks will not be taken as critical of the Temporary National Economic Committee, because they are not so intended. That committee is doing a good work, a work assigned to it, and my remarks are not so intended.

Why continue to investigate and study this problem, when we know so many things that could be done to break up monopolies and give the average citizen a better chance?

CONCENTRATION OF MONEY

There is a tendency in this country toward concentration of money and credit. You would think the tendency would be the other way, but that is not so. The tendency is toward concentration. I have here a chart, and it is brought up to the end of 1936. I would have brought it up to the end of 1938, but it would show the same picture up to 1938 that it shows to 1936, so there was no reason why I should change it. In 1921 we had approximately 31,000 banks in this country. Those banks were scattered through the 3,072 counties, and they were able to serve all the people of the Nation; but the number of banks has been decreasing, going down and down, and down, until at the end of 1936 and at this time there are fewer than 16,000—in fact, about 15,000 banks. Most of them were forced out under the Mellon rule from 1921 to 1933. Notice the other line on the chart, which shows resources in millions. In 1920 and 1921, if you follow that line, you will see the resources per bank going up, so that the tendency has been fewer and fewer banks with greater and greater resources.

Let me tell you where that hurts this country. Fifty years ago the local banker was watching every young man in that community. When the local banker would see a young man who was taking an interest in civic affairs and church work and becoming a good citizen, building and cultivating good will, and then going into business and prospering, the banker would say to that young man, "If you need money, I will let you have it." He would start that man out in a larger business. Some of the best and wealthiest men in this country were started that way, by building character first, locally. The local banker knew those people, but with the tendency toward larger banks and fewer banks, that banker is not observing the young people in his neighborhood like he used to. He is not looking to character for loans. He is looking to the stock market. Every morning he picks up the paper and looks at the stock market to see the prices of certain stocks.

DECENTRALIZATION

So we have to get away from that. The way to get away from it is through decentralization—more banks instead of fewer banks, but safe banks. We can have them if we have

safe banking practices. I know that a few of those small businesses and small banks are going broke. Yes; they certainly will. But in the end, even though they do, the gains to the community and the Nation will be much greater than the loss.

In connection with these banks I invite your attention to another chart which shows greater concentration. There are 24 banks in this country, 13 of them in one city, that own approximately one-third of the banking resources of all the banks in this Nation. Now, get that straight. It is hard to believe. It is an astounding statement, I know, but it is true nevertheless, that 24 banks, 13 of them in one city, own more than 30 percent, and approximately one-third of the banking resources of all the 15,000 or more banks in the entire United States. Now, follow those 24 banks on this chart. They have 484 directors. Those 484 directors are also the directors of the largest industrial and manufacturing concerns, insurance, and railroad companies in America. They interlock with industrial and manufacturing concerns and utilities that own 58 percent of the corporate wealth of the entire Nation. So the conclusion is, and no one can escape it, that a few men controlling a few banks, control a majority of the corporate wealth of the entire Nation.

ENCOURAGE LOCAL BUSINESS

Now, instead of going in that direction, which we are, we should be going in the opposite direction. The way to go in the opposite direction is to encourage the local individual with character and the local community and local banks and local institutions of all kinds.

NATIONAL DEBT

By reason of all the laws to help the people the last 6 years, we have had to go into debt. When we talk about spending tax money, oftentimes people overlook what that money has been spent for.

Let us look at the situation from a national-debt standpoint for a few moments. We have $40,000,000,000 owing by this Federal Government to the bondholders. That is a large sum of money. That is equal to about 10 percent, or a little more, of the entire wealth of the Nation. This $40,000,000,000 is drawing interest.

Mr. KEAN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. KEAN. The figure is over $45,000,000,000, because the gentleman did not mention the guaranteed debt.

Mr. PATMAN. I understand the point the gentleman makes, that there are certain obligations that the Government is responsible for, that are not included in the $40,000,000,000. That is correct. There are several billion dollars. For instance, the Home Owners' Loan and the F. H. A., and many other things, but that money will be paid back with interest.

Now, in regard to this debt of $40,000,000,000. We are paying each year approximately $1,000,000,000 interest on this debt. Suppose someone opposes each of us next year in the primaries or at the general election and should base his campaign solely on the theory that it is wrong for the Government to pay interest for the use of its own credit, and Congress is wrong in permitting it or causing it to be paid, and for not changing the law that compels it, and charges you and me as Members with our part of that responsibility. How would we answer it?

No one yet has been able to convince me—and I would certainly like to be convinced if I am wrong—as to why the Government should pay for the use of its own credit. I do not believe it is right. I do not believe it is logical. I do not believe it is reasonable. I do not believe it should be done. There is a billion dollars a year that is paid out that way that should not be paid.

We passed the Gold Act. The Gold Act says that the title to all gold in this country is in the Government of the United States. There is one exception that I know of, and that is, of course, where it is used in the arts and trades. It is all right to have gold in your possession for such purposes. Another exception is where it is held by banks in this country; by the Federal Reserve bank, for instance, in New York, for foreign central banks and foreign governments, if the Secretary of the Treasury has issued licenses for that purpose.

Today we have in New York City about seven or eight hundreds of millions of dollars in gold that is held there for foreign central banks and for foreign governments that is earmarked, that is not a part of the $15,000,000,000 and more of gold the title to which is in the Government of the United States. What should we do with this gold? It is true that we have been turning it over to the Federal Reserve banks. That is a sort of gold certificate—we have been turning it over to them for use as they desire to use it; but what would be the most sensible way to use that gold?

No one has ever contended that more than 40 percent gold reserve is necessary as a base for the currency in any country in the world, and England for a hundred years remained on the gold standard with 10 percent gold, so there is no question about 40 percent gold being sufficient. A few years ago when we did not have much gold and we were talking about paying the soldiers by issuing Government credit, or Government currency, our opponents on the other side said that if we had gold enough to provide a 40-percent reserve as a basis for the issuance of that currency it would be perfectly all right to pay the soldiers that way, but that we did not have the gold that was necessary then. Since that time we have acquired this enormous amount of $15,163,040,543.03 in gold as of March 30, 1939, and the title to every dollar of it is in the Government of the United States.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. GIFFORD. The gentleman must not make a statement like that. Who holds the gold certificates? How much foreign investment is here? How much of this gold belongs to nations who sent it here for investment? The gentleman spoke of the $700,000,000, but it is billions. How much does the Treasury actually own of that gold? Only a little.

Mr. PATMAN. I did not mean for the gentleman to make a speech in my time. I like the gentleman and like to hear him talk, but not in my time.

Mr. GIFFORD. We like each other, but we differ.

Mr. PATMAN. I know we differ. Let me answer the gentleman's question now.

Mr. GIFFORD. The gentleman says the Government owns that gold.

Mr. PATMAN. I say that, and the gentleman himself says that.

Mr. GIFFORD. Oh, no.

Mr. PATMAN. Get the law and read it.

Mr. GIFFORD. Who owns those gold certificates?

Mr. PATMAN. I ask the gentleman to get the law. He has time now before I get through talking to go into the library here off the floor and get the law and satisfy himself as to what it says. The law says that title to all that gold is in the Government of the United States. If I am wrong the gentleman can get the law and read it. He can get the law in 2 minutes.

Mr. GIFFORD. The gold certificate belongs to the Federal Reserve.

Mr. PATMAN. The Federal Reserve cannot get that gold except for the purpose of adjusting balances of trade with foreign countries; and, of course, we have always had trade with foreign countries. We used to have more trade than we have now.

Mr. GIFFORD. If the gentleman will yield further, I would bother him again.

Mr. PATMAN. Just for a question, if the gentleman does not mind.

Mr. GIFFORD. He said in another campaign that he would tell the people of the country that. I want to insert in his remarks that I have no doubt he will tell our people that the Government should not borrow money but that the Government should print money.

Mr. PATMAN. I did not yield time to the gentleman to make a speech, much as I enjoy hearing him.

Mr. GIFFORD. That is what the gentleman said. When people need more money than they have, they must go out and borrow money on their credit.

Mr. PATMAN. The Government should not borrow money on its own credit, and the gentleman cannot give one good reason why it should.

Mr. GIFFORD. We all borrow money on our own credit.

Mr. PATMAN. Let us take the gentleman's home town—I do not recall the name of the gentleman's home town—but we will say that the Government wants to sell some bonds. Possibly his home-town bank will buy $100,000 of those bonds. The bank in his home town does not actually transfer $100,000 in money down to the Treasury; no, it does not transfer anything at all, it places a pencil mark upon the books of the bank and creates $100,000 in money. This $100,000 is not paid out to the Government.

As the Government pays the gentleman his salary each month, as it pays the postmaster, the city carriers, the R. F. D. carriers, and the other Government employees in his home town, they get credit for a part of it and the credit is transferred from one to the other and remains upon the books of that bank, and no money is transferred at all. The Government, however, pays the bank interest on the $100,000.

The use of the Government's credit is better credit than the bank's credit and we should not get the banks to endorse our notes and pay the banks for that purpose; and that is exactly what we have been doing and we should not do it. If the gentleman knows any reason why we should do it I wish he would get time to answer me.

Mr. GIFFORD. I will answer that now.

Mr. PATMAN. Explain to us where logic and reason support it, but not in my time.

Mr. GIFFORD. The gentleman does not want it in his time because he does not want his own argument offset at any telling point.

Mr. PATMAN. I know what the gentleman's views are: If the Government is going to borrow money, borrow it from the banks and pay them interest, pay them for the use of the Government's own credit.

Those are the gentleman's views. I know what they are, but I think he is wrong. If I am wrong I want to be shown where I am wrong.

In regard to the use of this gold, may I say that $15,000,000,000 in gold is sufficient for the issuance of $37,500,000,000 of Government credit based upon a 40-percent gold reserve. If we were to issue this credit quickly or suddenly it would be ruinous inflation and would absolutely destroy our financial system and we do not want that to happen. It is not the thing to do. But we can gradually and eventually use this gold for the purpose of issuing Government credit. The best way, I think, is for the Government to first own the Federal Reserve banks. We have these 12 banks which are not Government banks. They are not Federal banks. They are owned by private banks. Not one penny of their stock is owned by the Government. The private banks have invested $134,000,000 only in those 12 great institutions.

When those 12 banks want bonds, in open-market transactions, they buy those bonds. They own now $2,500,000,000 of Government bonds. On whose credit were those bonds purchased? Why, on the Government's credit.

Take a Federal Reserve note that you may have in your possession or examine any Federal Reserve note and you will find on it that the Federal Reserve banks do not agree to pay that money. You will find that the United States Government guarantees payment of that note, which is a blanket mortgage on the property of all the people of this country. That is what it is. It is used absolutely free by the Federal Reserve banks owned by private corporations.

Those 12 Federal Reserve banks should be owned by this Government, and there is no reason why they should not be, because they are performing a governmental function and should be considered an arm of this great Government instead of being under obligation to private banks. Then this gold could be used and we could gradually and eventually acquire the national debt, saving the people $1,000,000,000 a year in interest that is now being paid on Government obligations.

At one time we thought the social-security reserve fund would acquire this great debt, but in the last few days there have been developments that lead us to believe that theory is going to be abandoned. Therefore, we should look around for another place that this enormous debt can be acquired and save the people this enormous interest charge.

Mr. GORE. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Tennessee.

Mr. GORE. Along that line of thought, does the gentleman agree with the recommendation that we should abandon that principle of reserve?

Mr. PATMAN. No; I do not agree with that principle at all. I think it was a good principle; but I understand, for the purpose of preventing an increased payment, an increased contribution from going into effect on both the employee and employer for the next 2 or 3 years, that plan has been agreed upon. I do not say it is not justified for the reason stated. I am not going to condemn. I am going to presume it is the best thing to do under the circumstances. I think the plan to build up this enormous reserve was the best; then eventually acquire the national debt with this reserve, then as we paid this billion dollars a year interest, that money would go to the old people, to the unemployed, the helpless, the crippled, and the blind, instead of going to the private holders of United States Government obligations. But that theory has for the moment been abandoned.

Along with the payment of money we must consider velocity. I saw an interesting statement the other day made by Mr. Eccles, Chairman of the Federal Reserve Board. He says the amount of money in circulation has nothing to do with prices, citing as evidence that in 1929, compared with today, we had $2,000,000,000 less actual money in circulation then than we have today; therefore, the volume of currency has not influenced prices and economic conditions. He next cites as an example that deposit currency will not influence prices, because in 1938 we had more deposits than we had in 1929 when times were real good; therefore, neither volume of currency nor the volume of bank deposits would materially influence economic conditions. But Mr. Eccles failed to mention that velocity of money and credit has as much to do with it as volume.

I had a chart made up to try to explain that. Here on the chart are bank deposits which go back to 1920 and from there up to date.

[Here the gavel fell.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask the attention of the Members to the deposits from 1930 on to date. There is the line showing currency outside of banks. The currency has gone up and up and up all the time. This refers to the amount of currency in circulation. That is what Mr. Eccles said, and he is right about it. You will notice the demand deposits have been going up, up, and up since 1932. But farm prices have not gone along. Farm prices [indicating] are way down here. It will be noticed, however, that farm prices have closely followed the total business transactions. The way to ascertain the total business transactions is to take the volume of deposit currency or deposits in the banks and add the aggregate to the amount of money that is in circulation, then multiply that by the velocity, or the turn-over, each year, and you get the total business transactions.

There is no accurate way of determining the turn-over of actual currency, or pocketbook money, because there is no check made of it, but there is a very accurate way of determining the total business transactions in checks. We have that. The pocketbook-money transactions are estimated to be about 25 percent in addition to the check transactions. So, by adding 25 percent to the check transactions, you will get a rough estimate.

Mr. HARRINGTON. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. HARRINGTON. In connection with banking monopoly, does the gentleman think that has anything to do with the situation that a great many of the small towns have been faced with; that is, finding themselves in the grasp of certain monopolies, particularly its relation to chain stores?

Mr. PATMAN. I think so.

Mr. HARRINGTON. I may say to the gentleman I am very much in favor of his chain-store tax bill. I hope it may be reported out. I also believe the gentleman is making a very interesting statement in connection with the money situation.

Mr. PATMAN. I thank the gentleman for the help he has given in the past on the chain-store bill. Of course, in the chain stores, interstate chains, especially, there is trend toward monopoly. You let a few people get control of the retail distribution of this country and what is going to happen to the local communities? What is going to happen to the man who thinks character is the greatest asset?

A few years ago when you were addressing a graduating class you would say to the young men, "You are the architects of your own fortunes. You can do anything you want to do." And you believed that, and the young men could almost do it. But can you truthfully tell them that today?

I know in my home town there are young men who start in working for a dry goods company. They get to be good. They are expert salesmen. They know the business; they know how to buy. They are ready to go out on their own, so to speak, and start a store of their own. Suppose one of these young men goes to the bank. He says to the banker, "I have a few thousand dollars I have saved during the 15 years I worked for the dry goods company. I want to put that with the money I can borrow and go into the dry-goods business. Will you let me have some money for that purpose?"

The banker, being his friend, will say, "Young man, do not do that. You will lose your money. When you build your business up, one of these New York concerns will come in and go into business next door and sell below cost for awhile and put you out of business and destroy your business. They can do it, because they have thousands of stores over the country where they can make profits, and they will sell here at a loss until they put you out of business. Do not go into that business."

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Minnesota.

Mr. KNUTSON. The gentleman stated there is about $2,000,000,000 more in circulation now than there was in 1929. I assume that is correct.

Mr. PATMAN. That is what I understand it to be; yes.

Mr. KNUTSON. Can the gentleman tell the House why it is that money has almost ceased to flow in this country?

Mr. PATMAN. I do not believe there is any way you can determine it. There are 130,000,000 people in this country, and you know money is used every day and all the time.

Mr. KNUTSON. The reports I get are that there is no money in circulation today in the rural sections of the country. Can the gentleman tell the House why that is?

Mr. PATMAN. Of course, there is no way to tell how much money there is in actual circulation.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. VOORHIS of California. I believe the gentleman answered that question himself awhile ago in commenting on Mr. Eccles' statement, when he pointed out that what Mr. Eccles failed to mention was the velocity of circulation of bank deposits and whether some of them may not be entirely idle. It seems to me what the gentleman himself said awhile ago is the appropriate answer to the question of the gentleman from Minnesota.

Mr. HARRINGTON. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. HARRINGTON. Does not the gentleman believe that the operation of the interlocking directorates, which was so plainly shown on the chart the gentleman exhibited a few minutes ago, has something to do with the velocity of money in circulation?

Mr. PATMAN. Certainly, because they get this money and carry it to their vaults in New York City and it stays there. It is idle, it is hoarded. You have to get this money out among the masses some way where they will spend it for goods and services.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield for a question.

Mr. KNUTSON. In addition to lack of confidence, what other reasons are there that money is not circulating at the present time?

Mr. PATMAN. Money, of course, is circulating. There are billions of dollars of pocket money in circulation. We see it every day.

Mr. KNUTSON. About the only money that is circulating now is what the Government is putting into circulation in the form of benefits.

Mr. PATMAN. I do not believe that all of it is what the Government is putting in circulation.

Mr. KNUTSON. There is no incentive for private owners of money to keep their money.

Mr. PATMAN. Oh, yes; in days gone by, as well as now, they had plenty of incentive to invest their money.

Mr. KNUTSON. The Government takes all the returns in the form of taxes.

Mr. PATMAN. Not in every case.

Mr. KNUTSON. Almost.

Mr. PATMAN. I know there are many things that can be said about our tax system taking so much of the profits, but I do not agree it has paralyzed business.

Mr. HARRINGTON. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. HARRINGTON. Does not the gentleman believe monopoly has something to do with the lack of circulation?

Mr. PATMAN. I believe monopoly has a great deal to do with it; in fact, it is one of the principal reasons.

Mr. BURDICK. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from North Dakota.

Mr. BURDICK. Is not the main reason for money not circulating that about all the security the average fellow has has already been taken, and they will not lend him any money unless he has security?

Mr. PATMAN. Character used to be the best security in the world. That is the point I am trying to make. We are getting away from character. We are getting away from the local communities. We are getting away from the man who is really a worth-while citizen. Now we have absentee ownership and absentee control by people who know nothing about the local people who have good character and who would be good risks. These absentee owners would be glad to let them have money if they only knew them, but they do not know them.

Going back to this illustration of the young man who wants to go into business, he will ask the banker, "What about the grocery business? I believe I can go in the grocery business and make money. I have lots of friends." The banker says, "No, one of these New York stores will come in here and go in opposition to you as soon as you get your business built up and will sell way below cost. They have always done it to destroy competition, and they admit it. They will destroy your business and you will have no chance. Do not go into the grocery business."

"What about the drug business?"

"The same thing. The very minute you even go out into the suburbs of a city and build up a business in the drug business one of these large concerns will come in and go into competition with you, backed by the great resources of thousands of other stores where they can sell at a tremendous profit and practically have a monopoly, they sell below cost until you are put out of business."

[Here the gavel fell.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GIFFORD. Mr. Speaker, reserving the right to object——

Mr. PATMAN. I have already been allotted the time, but I will yield to the gentleman.

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent that when the gentleman completes his statement I may be allowed to proceed for 10 minutes.

Mr. PATMAN. In view of that request, I ask unanimous consent to proceed for 10 additional minutes instead of 5.

Mr. GIFFORD. Reserving the right to object, Mr. Speaker——

The SPEAKER. Let the Chair submit the request.

Mr. GIFFORD. I will make it 30 minutes then.

Mr. PATMAN. I will withdraw my request and will be satisfied with only the 5 minutes already allotted as I have taken quite a bit of time already.

Mr. GIFFORD. Then I will ask for 10 mintues.

The SPEAKER. The gentleman from Texas is recognized for 5 additional minutes.

Mr. PATMAN. The same way with the drug business——

Mr. MURDOCK of Utah. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MURDOCK of Utah. I think the gentleman's statement was that our demand deposits today are about the same as they were in 1929.

Mr. PATMAN. A little higher today.

Mr. MURDOCK of Utah. Is not that made up, to a great extent at least, by the deposits of the Federal Government which are being checked against?

Mr. PATMAN. No; the computation I have does not include Federal Government deposits at all.

Let me finish this statement, as I have only a few minutes, and I want to apologize for taking so much of your time.

Then there is the insurance business. You take the insurance business out of your local town and, while you will not destroy it by any means, you will cripple it. The people who are directly and indirectly dependent upon insurance for a livelihood will be put out of business locally along with absentee ownership of local business.

Are you going to tell this young man to go into the printing business? That is a good trade. I do not know of a better trade than printing. No; if absentee ownership gets control of all these towns in the country, they have all their printing done in one place or in one shop, and they do not need a local printer.

What about the newspapers? Well, as they get control they quit using the newspapers for advertising purposes. They get out their own advertising in their own printing plants.

So where is this young man going and what is he going to do? He has trained and equipped himself for a business career; what kind of business or profession will you ask him to engage in? Is it law? Absentee owners only use a few lawyers in some of the larger cities; and suppose he is the best and most influential young lawyer in the city, yet if there is another lawyer there who happens to have a connection with New York interests that own these concerns, he gets retained to look after their legal business and not this particular lawyer.

So along with absentee ownership you destroy your local banks, you destroy your local business, and then you destroy character as security, which is the greatest asset in this country of ours. [Applause.]

The SPEAKER. The gentleman from Massachusetts [Mr. GIFFORD] asks unanimous consent to address the House for 10 minutes. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield to me for a unanimous-consent request?

Mr. GIFFORD. I yield.

Mr. VOORHIS of California. Mr. Speaker, I have asked for 25 minutes to address the House tomorrow. I would like to change that request and ask that my time may be transferred and that I may address the House for 25 minutes at the conclusion of the remarks of the gentleman from Massachusetts.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GIFFORD. Mr. Speaker, in view of the interest that I thought was manifested in the remarks of the last gentleman, I have asked for 10 minutes. Some statements should not go unchallenged. Everyone knows how able the gentleman from Texas is. We all know how able the gentleman who is to follow me also is. So, I am a volunteer between two difficult opponents, and yet someone should make a few remarks lest these arguments, if uninterrupted, have too much weight with those who may read them.

The question is "printed money against borrowed money." The line is gradually drawing closer all the time.

I have taken this floor many times, asserting that our debt was too great and that too much debt money has been created. I have declared that it was a very highly dangerous situation that we are in, and that it may be only one short step to actual printed money.

The gentleman from Texas [Mr. PATMAN] several years ago advocated paying the soldiers' bonus by simply printing the money needed. The soldiers did not want to be made the guinea pigs in that operation and they made themselves heard most emphatically to the effect that the Government should not try the experiment of printed money on them and let them bear the curse that might very likely follow such an experiment.

I have argued always that there ought to be a due date on borrowings; that a slight fine, fee, or interest should be paid for the privilege of using other people's money. I can see no reason why governments should not be charged interest for borrowed funds the same as individuals. However, I am fully familiar with the dangerous, although plausible, argument that a government should not pay so-called tribute to banks, but should be permitted to print actual money on its own credit without limitation, a definite pay day, or cancelation of promises. If I have something free and unencumbered, why cannot I print money against it? Yes; even that has often been argued.

Mr. PATMAN. Does not the gentleman see a distinction in this? When we borrow money from a foreign government we should pay interest. That is right. But when we borrow money based on our own credit why should we pay interest?

Mr. GIFFORD. Oh, the distinction is of slight importance to many, I grant, but the voyage on which the gentleman wants to embark is one which many other nations have attempted to take, and always with the same dire results. When we embark on simply printed money, with no time limit, with no interest, then people quickly get very much disturbed over their nation's credit.

It has always been so, and when you go on the stump next year, as you suggest, and try to explain to the people that the Government should not have to borrow money on its own credit, just put it more plainly and ask, Why should not the Government print money ad libitum rather than borrow money as individuals have to do? Althcugh we are now in greater danger from printing bonds, the line of demarcation is very great. Once that Rubicon is passed and money, merely printed money, is used not only to pay the cost of our Government but for the loaning of many billions, such as we have witnessed in the last 6 years, it would be the beginning of the end. Sound money is all that holds the Nation together. Your pocketbook constitutes a very delicate nerve in your system.

Why is not money being used? I say to the gentleman that one of the things that the administration has done which he probably thinks is wonderful is the guaranteeing of bank deposits. People in the little communities who have always lived "off each other," circulating what little money they may have had, now find their deposits insured. Safety

is all they think about now, and they will not risk that money any more. They even do not want their bankers to put it to work. Insured by the Government. How comforting. How safe. That is one of the conditions created on the other side of the ledger, and there is always the other side. In fact, most of the cures offered by this administration are far worse than the diseases themselves. Some of us have to protest these innovations. I think I am one of those conservative—I hope I am—sent here to watch people like the gentleman from Texas [Mr. PATMAN], who plainly sees national diseases and who has a powerful brain and truly wants to find remedies. When he can assure himself he has found a remedy, as he so often does, his enthusiasm knows no bounds and he must be restrained. I often think I should go back over his original speeches a decade ago and see if they check up with what he now advocates, with a good deal more of moderation.

If he should go on the hustings next year and argue that the Federal Reserve banks should not be agents of the Government, and that we should not pay interest to the Federal Reserve, then somebody should be there to contend the issue. These banks get very little interest and remuneration for the service that they perform. Often during these days will it be debated, "Shall the Government print money or shall the Government continue to borrow money?" May there be those ready to refute this dangerous suggestion.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. PATMAN. If the gentleman will take the report of the Federal Reserve Board, he will discover that practically all of the earnings of the Federal Reserve banks last year came from interest on United States Government bonds, bought on the Government's own credit.

Mr. GIFFORD. Yes; and the Riggs National Bank, with perhaps three-fourths of its assets in Government bonds, is the real source of its earnings. There seems nowhere else to make any earnings with so much of their funds idle. You have wiped out the initiative of our people and put the Government in business, so that lending to the Government is the only way that there is left to earn money.

Mr. BURDICK. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. BURDICK. While the gentleman is making this explanation of the use of money, I wish he would tell us how it came about that we have used Lincoln's issue of $450,000,000 worth of greenbacks successfully ever since they were issued without paying interest.

Mr. GIFFORD. Oh, we know that a little poison sometimes is good for our system, but if we take a lot we know what happens. We were forced to use this method to a degree during Lincoln's day. We let the national banks issue a certain amount of bank notes that we might have a little real money in circulation to buy postage stamps and theater tickets. Ninety-five percent has been so-called check money.

Mr. BURDICK. And just how much more would the gentleman recommend?

Mr. GIFFORD. Oh, I do not know exactly how much more of such poison we could take into the money system, but not a very large amount. I may have suggested this before, when some of us pretend to talk about money. Is it not marvelous that a man should know so much about money who never has any? [Laughter.]

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. DONDERO. The complaint in my district is that the banks are simply counters over which to make change. Nobody can get a loan any more, either for industry or mercantile affairs or business. Can the gentleman explain why that is?

Mr. GIFFORD. Absolutely. Everybody is playing safe with this Government of ours today. Anybody that has a dollar seeks its safety only. When you begin to print, the telegraph wires will work overtime transferring to safer havens. Not much of the fifteen billions of gold belongs to the Government. "We have hot money in this country," as the President termed it. He wanted to know how much of it we had. We found there was some $6,000,000,000 of that so-called hot money. Foreigners had nearly a billion of gold on deposit, and their investments here, if sold, might call for transfer of nearly five billions in gold. Gold certificates have been given to the Federal Reserve banks which are owned by member banks. Thank goodness they are still owned by member banks and perhaps not yet fully controlled by political appointees. The gentleman would like the Government to take them over.

Mr. Speaker, I offered myself for 10 minutes as a lamb for slaughter. I shall now let the gentleman from California [Mr. VOORHIS] continue the skinning of these brief arguments. [Applause and laughter.]

The SPEAKER pro tempore (Mr. LARRABEE). The time of the gentleman from Massachusetts has expired.

EXTENSION OF REMARKS

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to insert in the CONGRESSIONAL RECORD my own speech, including a congressional breakfast broadcast on money made by Members of this Congress or ex-Members.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a radio address delivered by me.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein an article entitled "The American People Do Not Want War."

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein some resolutions from the State Legislature of Nebraska.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BREWSTER. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD a radio address I recently made.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. VOORHIS] is recognized for 25 minutes.

OUR NATIONAL MONETARY POLICY

Mr. VOORHIS of California. Mr. Speaker, I was not very much impressed by the remarks of the gentleman from Massachusetts [Mr. GIFFORD] about his being a "lamb for slaughter." I have a very deep and profound respect and also affection for the gentleman from Massachusetts, but I certainly do not feel sorry for him. I feel that he is quite capable of taking care of himself. [Applause.]

Now, Mr. Speaker, it was my intention to make this talk tomorrow instead of today, but there has been so much said this afternoon on this general subject that I thought perhaps the best thing to do was to go ahead with it and do the best I could.

TWO CONDITIONS WHEN GOVERNMENT SHOULD NOT PAY INTEREST

The first thing I want to say is in answer to something the gentleman from Massachusetts said. There are two times when I believe that the Government of the United States should not pay interest when it utilizes its own credit. The first of those times is when the Government of the United States is lending money on adequate security. As a matter of fact, no private bank has to sell bonds in order to make a loan on adequate security. What happens when a farmer comes into a private bank with a mortgage on which he wants to borrow, is that the banker loans on the borrower's security; creates a deposit to make the loan.

I see no reason, therefore, why the R. F. C., the Home Owners' Loan, the United States Housing Authority, or the Farm Credit Administration should have to go out and sell Government-guaranteed obligations for bank credit before

they can make a secured loan to the American people. If we eliminate the interest on the bonds from the situation, we would then be able to lend either at a reduced rate of interest or else we would have a handsome income to the Treasury of the United States, and a large proportion of the answer to our unbalanced Budget.

The second time when I do not believe the Government should pay interest when it uses its own credit is when the Government of the United States is engaged in the task of seeing to it that the volume of actively circulating money in the Nation keeps pace with the increased capacity of the Nation to produce wealth. I believe this one factor is perhaps the most important single factor which has been neglected in all of our economic calculations for many, many years.

Mr. BREWSTER. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. BREWSTER. On the first point as to the analogy of the farmer who goes into a bank to borrow, would the gentleman see any distinction that in the case of the Government it would be both borrower and lender, and that when the farmer comes in there is presumably a check by the banking authority as to whether or not the security is good. When you substitute the Government coming in and either borrowing or issuing its own currency, you have no check on the extent to which that agency may go.

Mr. VOORHIS of California. As a matter of fact we have no effective check on the inflation of private bank credit; and the Federal Reserve Board in a statement last January, as proof of that fact, stated that if the banks ever started in on an inflation of bank credit that there was not a power in their hands that would be effective in checking it; and may I further say that ultimately our reliance in any one of these Government credit agencies must be a reliance on the Congress itself, and people in charge of the agencies over which Congress can exercise control. In spite of attacks and criticisms by the minority, these Government credit agencies have made a remarkably excellent record. Their collection records are very fine indeed in spite of the fact that many of their loans have been distress loans.

Mr. BREWSTER. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I hope the gentleman will be very brief. I may say to him that I have 57 pages of manuscript to cover in the brief time at my disposal. Obviously I shall not be able to read them all. I hope the gentleman will not take much of my time.

Mr. BREWSTER. I have no desire to distract the gentleman's attention from his speech, but only last year we wrote off more than $2,000,000,000 of these Government obligations.

Mr. VOORHIS of California. We wrote off money these agencies had given outright, not as a loan, but as a gift to the relief agencies.

Mr. BREWSTER. Why did we have to write that off?

Mr. VOORHIS of California. It was just a financial device to get money into the hands of the relief agencies at a time of real emergency.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield for one question?

Mr. VOORHIS of California. I yield.

Mr. MURDOCK of Arizona. We have heard a great deal of criticism on the floor of this Chamber, have we not, to the effect that many of these Government lending and credit agencies have been overcautious.

Mr. VOORHIS of California. Yes; we have in some cases.

Now I want to say a few words on the subject of money, because I have a bill before the House, H. R. 4931, which I believe in very deeply and which is the main reason I have asked this time today. I know that one argument that may be made against that bill or any other similar bill that attempts to free the American people and their Government from their present bondage to the private bankers of the country is going to be the argument that we must have sound money. And so at the outset I want to make it plain that my bill will give us a far sounder money than we have now—for most of our money today consists, as I shall show, of nothing substantial at all but merely of bankers' promises to pay, backed by the credit of the people's government. I shall show that this so-called sound money disappears and reappears as bank loans are called or new ones made and that the whole affair is essentially a hit-and-miss proposition.

Under H. R. 4931 the value of our money would be maintained at a decently stable level and its volume geared to the flow of goods and services in the Nation. We would have a far sounder money than we have ever had before, for it would be money that could not be inflated or deflated but would bear a constant relationship to the real wealth of America.

TO KEEP A "FREE ECONOMY"

We in this country and in this House are frequently confronted with a great many talks on the general subject, What is the matter with America? I am one of those who believe that our country basically is the greatest country in the world, that it is going to remain that way; and I think that one reason for it is that the American people have always had the ability when confronted with a new and difficult problem to make an adjustment to the problem. We are called upon to make such an adjustment now. I am hopeful it can be made in the field of improving the flow of buying power in the Nation. I firmly desire to maintain a Nation of freedom for the individual, and to the greatest possible extent, a free economy, and in my remarks this afternoon I am going to point out to you what I believe is necessary to be done to maintain a system where we do enjoy a basic freedom such as has always marked America. I am convinced that our ability to do this depends upon our ability to see that the flow of purchasing power in the Nation matches the capacity of our farms and industries to produce. If we cannot do that then we are going to have great difficulty in maintaining freedom in our economic system. So it is with this idea in view and with this hope in mind that I am speaking to you this afternoon.

I am convinced that the industries of America would be producing a great abundance of goods in this country today if we did just one thing, if we saw to it that that one hundred or more billions of dollars' worth of goods and services could be distributed regularly and continuously to the consumers of the Nation. People are in want today not because there are not raw materials and not because our producers cannot produce goods but simply because there has been a break-down in our system of distribution; and remember that money is the link that ties production on the one hand to consumption on the other; it is the vital link that connects these two functions.

Mr. BURDICK. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. BURDICK. We hear complaint as to what we are going to do with all this surplus cotton. We are trying to find an outlet for it. Does not the gentleman think we have an outlet for it right here at home?

Mr. VOORHIS of California. I am positive that we have. This by way of preface.

THREE ESSENTIALS OF WORKABLE MONETARY SYSTEM

My bill, H. R. 4931, consists of three parts, and I am not coming to those right away, but I want to get them before you. The first is the establishment of a central monetary authority in this country. The second is giving this monetary authority the powers necessary to control our monetary system, which no agency has now. The third is specifying in a mandate from the Congress how these powers shall be used to promote the general prosperity and welfare of the people of the country.

WHAT HAS HAPPENED TO THE CONSTITUTION?

The Constitution has a clause in it, article I, section 8, which says that Congress shall "coin money, regulate the value thereof, and of foreign coin."

Does this mean that Congress shall coin pennies and quarters? The Supreme Court has decided in the *Legal Tender cases* that this power also included control over the issuance of bank notes and paper money. And surely, since over 90 percent of our business is done with what may be termed "check-book money" or bank credit, the power of Congress

to regulate the value of money would be meaningless unless it extends to this money substitute as well. And so I believe the constitutional duty of Congress to regulate the value of money must extend to all kinds of money, including check-book money.

What today actually does regulate the value of the purchasing power of our money in this country? There are four agencies in this Nation which, as a matter of fact, have something to do with it. In the first place, the United States Treasury issues silver certificates in exchange for silver bought from domestic or foreign producers. In the second place, the mint, when it pays United States notes for newly mined gold at the rate of $35 an ounce, and when it coins the small change of the country—the pennies, nickels, dimes, quarters, half dollars and silver dollars. In the third place, the Federal Reserve System, when it issues Federal Reserve notes and extends Federal Reserve credit to the member banks of the Federal Reserve System. In the fourth place, our 15,000 commercial banks, when they create check-book money in the process of making loans. So I can say without fear of contradiction that it is not the Congress which coins the money of the Nation, and not the Congress which regulates its value, but four different agencies, of which the two most important are the privately owned Federal Reserve System and the privately owned 15,000 commercial banks of the Nation. Each of these four agencies I have mentioned can by increasing or decreasing the volume of our money affect its value. If there are many dollars in active circulation, the individual dollar buys fewer goods and services than if dollars are scarce. The power of these agencies to affect the volume of our money therefore gives them power to regulate its value.

In addition, we have given the President the power to change the gold content of the dollar, and we have given the Secretary of the Treasury the power to change the price of silver and gold and of the foreign exchanges. These discretionary powers were given these gentlemen at a time when the country was in a state of emergency and in the absence of any governmental agency which might have been prepared to use these powers for the purpose of protecting the dollar from detrimental influences from abroad. Recently there has been a demand to abolish these powers. My bill provides that these powers shall be taken from the President and Secretary of the Treasury and given to the monetary authority set up in my bill.

Under this condition I am willing to take the powers away from the Executive, but so long as we do not have a properly constituted monetary authority set up by the Congress to do that job, just so long I am not willing to take this power away from the President and the Secretary of the Treasury and place it in the hands of the privately owned Federal Reserve System.

By far the most powerful agency in our Government that regulates the value of our money is the Federal Reserve System. The Board of Governors of that system exerts a tremendous influence over the commercial banks of this country by opening up market operations and by buying bonds in the open market it can put new money into the banks and put them into a position to expand deposit currency; by selling Government bonds it can reduce the cash resources of the banks and thus enforce contraction.

The Board has power to change the reserve requirements of banks; that is, it may say to the banks that instead of holding $12 of cash behind $100 of demand deposits the banks now must hold $20 of cash reserve; in this manner the Board may reduce the ability of the banks to expand or the Board may lower reserve requirements and thus facilitate the possible expansion of bank money. But nowhere does the Board have any power to actually and directly bring about an expansion of the actively circulating money in this country. It can cut it down if it wants to, and it can put more reserves into the banks, but it cannot get that bank credit out of the banks and into use throughout the Nation.

HOW OUR PRESENT SYSTEM WAS SUPPOSED TO WORK

Our present banking system was supposed to function on the principle of "automatic expansion." Let us see whether it does. It was assumed that as more goods and services were being produced the necessary expansion in the volume of means of payment was to be automatically brought about by additional borrowing by business from the banks. The money thus created would again automatically be destroyed as business repaid its bank loans after having been paid itself. In this manner the volume of our means of payment was supposed to expand and contract with the volume of short-term or self-liquidating commercial loans. The banks monetized temporarily goods in process of production or distribution. In actual practice, however, what happened? What has really happened is that in times when we did not need an expansion in this manner, when a boom was in progress, these credits have been expanded vigorously, even though the country certainly did not need more money in circulation, and, on the other hand, credits and loans have been contracted sharply at times when more money was desperately needed to overcome deflation, bankruptcy, and depression. The system has and must by its very nature continue to work exactly in the opposite direction from the public interest of the United States.

Another practice that has grown up recently is the practice of monetizing not only short-term, self-liquidating loans but long-term loans and the purchase of securities. In this manner the banks have interfered with what is essentially the function of savings, since savings must in the end be the source of funds for long-term investment. They have also disturbed the rate of interest on long-term investment and, most serious of all, by creating demand deposits on the basis of long-term loans which could not be repaid within reasonably short periods of time, the banks filled their portfolios with slow assets which froze completely when in the depression of 1929–33 they were supposed to be repaid.

This monetization of long-term loans contributed substantially to the failure of about 10,000 banks in this depression. Likewise, the monetization of securities purchases not only sent the stock market skyrocketing but provided the banks with assets of fictitiously high value and led straight to the stock market crash of 1929, the deflation of those values, and disaster not only for the banks but for everyone else.

We have come into a period where the banks are not willing any longer to supply America with a circulating medium through the process of monetizing these loans of various kinds. I do not want to go into the reasons for that, but I do know that it is true. Furthermore, our industries have found other means of financing themselves. They have built up cash reserves in some cases and they have offered their investments directly to the public for purchase, so that the trend seems to be in the direction of not more but less commercial loans. I am not blaming anybody for this, but I am pointing out that we are in an indefensible position when we contend that America can continue to depend upon the creation of bank credit brought into circulation through the making of loans for the very existence of a circulating medium in this country.

Congress' responsibility to coin money and regulate its value, therefore, has been delegated to a number of different agencies. In some instances this power has been usurped, but the central responsibility for keeping in circulation the amount of money this Nation needs to carry on an expanding trade has been placed nowhere, nor is there any agency to which has been given the definite responsibility of regulating the value of money so as to give us the stability of purchasing power without which the exchange value of every service and every commodity and the size of every debt is subject to change without notice and without regard to consequences. Without that stability, all business is a gamble, periodic farm foreclosures are a certainty, and the honest investor is at the mercy of the smart speculator.

The Federal Reserve Board has recently delivered itself of a number of statements, the gist of which boil down approximately to this, that there is very little that the Board can do about it, that, after all, the trouble is that the people get discouraged sometimes and then they get encouraged at other times, and it is pretty hard for the Board to have any effective influence on economic conditions in the country.

If you will look through the statements of the Board made from time to time in the past, you will find they said that what the Board is supposed to do is to work for "economic stability," but they never have told us just what that economic stability was nor just exactly how they were going to work toward it.

I do not propose to go into a long talk today about the Federal Reserve Board, except to say that I am convinced that what this country needs today is not people who will say, "This is none of our responsibility" and not people who will say, "Because we cannot solve the entire problem, therefore we do not propose to do anything," but rather people who can give us a constructive program and a direction in which we can move toward a solution of this economic problem.

H. R. 4931 SETS UP REAL MONETARY AUTHORITY

In this bill it is proposed that we set up a new Federal Reserve Board consisting of seven members, as it does now. It is proposed that the present so-called open-market committee be abolished and that its powers be put into the hands of the Board, and that the Board be given the power to determine the price of gold and silver and to buy these precious metals, and to determine foreign exchange rates. The Board is not required to buy gold from abroad, but may do so if it sees fit.

Mr. PATMAN. Mr. Speaker, will the gentleman yeld?

Mr. VOORHIS of California. I yield to the gentleman from Texas.

Mr. PATMAN. Some of our conservative friends are opposing the change of our national debt limit that is being advocated, and wherein it is proposed that we should increase the debt limit of $45,000,000,000. Those of us who would like to use the Government's credit could well join with them and oppose it, could we not, so as to force the use of the Government's credit instead of these tax-exempt interest-bearing bonds?

Mr. VOORHIS of California. I believe that logically we certainly could. I am not ready to say definitely what my position will be at that time, but I think that logically the gentleman is absolutely correct and that we have been attempting through all this time to borrow into circulation the volume of money necessary to accommodate business in this country, and paying interest on it, when as a matter of fact the Government credit was really behind every dollar of the bank credit that has been borrowed into circulation during this time. The bonds themselves have backed the very credit on which the bond's interest has been paid.

Mr. BREWSTER. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Maine.

Mr. BREWSTER. Does the gentleman feel we have too much or too little money now in circulation?

Mr. VOORHIS of California. I believe we have too little money in circulation.

Mr. BREWSTER. The gentleman wants to get it out?

Mr. VOORHIS of California. Yes.

Mr. BREWSTER. In spite of the enormous possibilities of inflation?

Mr. VOORHIS of California. I am coming to a provision in my bill that will be the answer to what the gentleman has in mind. I do not know whether I am going to get there, but I am coming to it.

[Here the gavel fell.]

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 10 additional minutes to complete his statement.

The SPEAKER pro tempore (Mr. LARRABEE). Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. VOORHIS of California. I thank the gentleman very much.

TWELVE FEDERAL RESERVE BANKS SHOULD BE GOVERNMENT INSTITUTIONS

Most important of all in connection with the establishment of a central monetary agency that can really handle this job, my bill provides exactly what the gentleman from Texas has been talking about this afternoon, as does also a very excellent bill of the gentleman [Mr. PATMAN], for the Government purchase of the capital stock of the 12 Federal Reserve banks, which I believe to be essential and necessary. After all, the Federal Reserve banks are the banks of issue of the United States of America and as such they ought to be national institutions. They have been given gold certificates which give them a certain lien against a portion of this gold stock.

They execute the open-market policy of the Board, and as a matter of fact, purchase with Government credit Government bonds when they see fit. Anybody that wants to ask that question and find out the truth about it will find that when the Federal Reserve Board goes out and buys bonds it buys those bonds with pure Government credit. I believe the advantage from being able to do that should accrue to the American people and not to an institution that is the property of a certain number of member banks.

Furthermore, if this were done, if some $132,000,000 were spent to acquire the capital stock of these banks, we would obtain a definite answer to all the confusion, whatever it may be, that exists about this gold. Then we would be in a position to utilize those 12 Federal Reserve banks as the central factors in giving us a monetary system that really could be controlled. But even that is not a complete answer to the problem, nor does it answer the question that the gentleman from Maine has just mentioned.

All these powers are still insufficient to give the Board complete control over the volume of our money, because nine-tenths of our business is carried on by means of demand bank deposits created by the commercial banks on the basis of fractional reserves.

Now, how, specifically, can the commercial banks create money? They can do it, because they are required to hold on the average only about $20 in cash for every $100 they lend and promise to furnish on demand. The promises of the bank to furnish money are permitted to circulate as money, and they perform the functions of money, provided the people do not all come to the bank and ask for their money. If they do, as they did in 1932 and 1933, they find the money is not there, and unless the Government interferes the banks fail. Ten thousand banks disappeared in this depression, largely because their depositors asked for their money, which they believed they had in the banks.

It is a little difficult for me to understand the criticism of the gentleman from Massachusetts [Mr. GIFFORD] of the guaranty of bank deposits, because I think that is the main reason we have not had a similar situation since that time.

What the people actually had in the banks were merely the banks' promises to pay on demand. The banks "were sorry"—so were the depositors.

This practice of permitting the banks' promises to circulate as money actually affects the volume of our money in circulation in this manner. When a bank makes a loan, what it lends is not actual money but its "credit," and this credit takes the form of a "demand deposit." The bank credits the account of its customer with, say, $1,000, and he can draw against this $1,000 as if it were actually in the bank. The bank has, by a stroke of the pen, increased its demand liabilities and also the total of demand deposits in circulation in the country. Reversely, when the loan is repaid to the bank, the demand deposits of that bank are reduced by that $1,000, and the total of all demand deposits in circulation are reduced by that much. This is how bank loans first increase and then decrease the volume of money in the country. It is the process that accounted for the destruction of $8,000,000,000 of America's circulating medium between 1929 and 1932, when the banks were calling and refusing to renew outstanding loans, and when the real property of the American people was falling once again into banks' hands because the people could not make good in cash the promises the bankers had loaned to them.

So it seems to me that if we are going to ever have a controlled monetary system we have got to say that behind demand deposits the banks have to carry one dollar for every dollar of demand deposits outstanding. We have got to make

a distinction between the demand deposits which function like money, on the one hand, and savings and investments upon the other. We have got to require that banks hold demand deposits in trust for their deposits. H. R. 4931 provides for exactly that.

If we require the banks to hold a real dollar or a deposit in a Federal Reserve bank or a Government bond behind their demand deposits, then we will know that if there is a certain volume of demand deposits in existence in the country that that is real money, that it cannot be manipulated upward or downward in hit-or-miss fashion by 15,000 different banks. Then and only then will we be able to have a controllable system.

Furthermore—and this is the main reason for this provision—if we find then that we need in circulation an additional volume of money in order to compensate for increased productive capacity or increased population, we can safely put in circulation an increased volume of money without laying the basis for a possible 6-to-1 expansion in the form of bank credits based on 20-percent reserves. It is important also to have a much greater degree of segregation between the investment and savings department of a bank on the one hand and the demand deposit department upon the other. Savings and time deposits are, in effect, investments on the part of the depositor who comes to the bank and says to the bank, "Here is some of my money, please invest it for me"; but when a man makes a demand deposit he means that he wants to be able to get that money at a moment's notice and that demand deposit really amounts to actual cash.

This 100-percent reserve system I am proposing is not a new system at all. It is the original system of deposit banking as it was carried on for centuries. The fractional reserve system is relatively young. It dates from the seventeenth century and was invented by the goldsmiths of London who, because they had facilities for storage, were entrusted with the precious metal and money of the people of London. The goldsmiths soon found out that the people were satisfied to transfer their deposits by means of the receipts the goldsmiths had given them, and seldom asked for their money. So the goldsmiths handed out more receipts than they had metal or money in storage, thus beginning the system of pyramiding deposits. It was essentially a breach of trust, but it soon became such a general practice that people ceased to think of the system of fractional reserve banking as a sort of legalized fraud which, strictly speaking, it really is.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. Yes.

Mr. HINSHAW. Does gold enter in upon this monetary scheme outlined in the gentleman's bill?

Mr. VOORHIS of California. I believe that gold is mostly a psychological proposition.

Mr. HINSHAW. Does it enter in as a base of this money in any way?

Mr. VOORHIS of California. I have not brought it into the bill at all as a required base.

Mr. HINSHAW. Is it in circulation?

Mr. VOORHIS of California. Not in direct fashion. I do feel that for psychological reasons gold as a reserve behind our money and credit is perhaps useful, but I think it is only useful because the people think it is. I believe what gives money its value is what the money will buy.

Mr. HINSHAW. I believe it is generally conceded that the Government under the present Gold Purchase Act is purchasing in the neighborhood of one and a half billion dollars of gold per year at $35 an ounce.

Mr. VOORHIS of California. Sometimes we do, and sometimes we do not purchase that amount.

Mr. HINSHAW. It is on the average about that.

Mr. VOORHIS of California. Yes.

Mr. HINSHAW. Then it would be conceded that the people of the United States are exchanging for that approximately one and a half billion dollars worth of goods and services.

Mr. VOORHIS of California. Most of that gold has been bought by issuing bonds.

Mr. HINSHAW. And if purchased abroad, it must also sell foreign exchange.

Mr. VOORHIS of California. I think so.

Mr. HINSHAW. If we were to completely abandon the use of gold for money, as the rest of the world practically has today, what would the gentleman guess would be the free market price per ounce for gold?

Mr. VOORHIS of California. I do not want to guess; but I do know this: That we are in effect off the gold standard. All the Government of the United States is doing is maintaining a certain price for gold which pertains throughout the world. The main thing about it is this: If the private banks had that gold, or if the Federal Reserve banks had gold certificates against it, as they do for part of it, they are privileged to expand at the ratio of two and a half dollars of notes for every dollar of gold they have——

Mr. HINSHAW. I admit that.

Mr. VOORHIS of California. But I want the gentleman to admit more. The Treasury when it has the gold is forestalled from utilizing the gold as a basis for expansion. It occurs to me that it would not hurt so much if we bought that gold, providing that we could use it as a basis for expansion. I do not think gold is necessary. I think it is psychologically useful.

Mr. HINSHAW. I agree with the gentleman; but under the circumstances we do not have gold monetized in this country, but simply the statement in which we say that our Federal Reserve currency is backed by 40 percent gold.

Mr. VOORHIS of California. It is backed by gold certificates, and they are supposed to be a call on the gold, which the Federal Reserve banks cannot get.

Mr. HINSHAW. That is a fiction, that we could get the gold.

Mr. VOORHIS of California. We know that it will not disappear. They are pretty safe about it. My main objection is that the Federal Reserve gets the gold certificates at all and that the advantages from the possession of the gold do not accrue to the whole American people.

Mr. HINSHAW. I want to know what the gold is worth when it is not used for currency.

Mr. VOORHIS of California. I am in favor of making use of the gold as a backing for credit and currency, but I do not want to be understood as saying that it is a single bit necessary to have gold backing in order to maintain the value of our money.

Mr. HINSHAW. I want to know what the loss is we will suffer through purchasing it.

Mr. VOORHIS of California. We would not suffer any serious loss at all, providing we put our Government in the position which any sovereign government ought to hold—namely the position of being the only agency in the Nation that has the right to bring money or credit originally into circulation. To put our Government in that position is the main purpose of my bill.

THE CENTRAL PRINCIPLE

And now in the few moments I have left let me say with the greatest possible emphasis that the main reason for depriving the banking system of its power to create money as the 100 percent reserve system would do is in order to place this power in the hands of a public agency of the American people, acting under direction of the Congress.

If, by the introduction of 100 percent reserves we put the banks in the position of making loans not with fiat credit but with real money we must then see to it that the money-creating power is exercised in the public interest by the Government of the United States itself. This should always have been the case, but in recent years every time it has been proposed for the Government to expand the volume of money by using some of the gold or in some other way, the objection has always, and I think quite properly, been raised that to do so would inevitably add to the excess reserves in the banks and to the consequent danger of an uncontrolled inflation of bank credit at some future time.

And let me say here, emphatically, that my main reason, though not the only one, for wanting 100-percent reserves is

in order to give us a controllable monetary system and one in which the Congress can safely provide for bringing into circulation regularly, year by year, a volume of money and/or credit which bears a scientific relationship to the needs of the Nation, its people, and its businesses for such money. This is the end and aim of my whole bill. It is the only way we can obtain stability in the buying power of our dollar over considerable periods of time. H. R. 4931 will give us that stability.

And the justification and argument for it are these. Money, in any sane economy, must be the means of moving goods and services from producer to consumer. It should not be a factor that decides whether goods and services are to be moved from producer to consumer, neither should it be an all-important commodity bought and sold like other commodities and subject to manipulation for private advantage by those who deal in and control it. So far as possible, the relation of money to commodities—its value in terms of commodities—should be constant, for until this is the case we will not produce our goods and services for the good and logical reason that they are needed and can be sold at a fairly assured value, but will instead continue to produce goods only when we think their value in terms of money is going to rise and will refrain from producing them when we think their value in terms of money is going to fall. Until we have a dollar whose purchasing and debt-paying power will remain relatively constant for a generation—as the President has said—we cannot proceed with any assurance to the solution of the problem of the unjustly high prices for monopoly goods and services and the unjustly low prices for agricultural products. To those who contend that due to declining costs of production we should seek a declining price level I have two answers. First, that as a historical fact we never have had any period of prosperity on the declining price level, and that so long as we retain a free economic system we never can expect production and employment to be full on a declining price level. And second, that if Government controls the issue of money and can direct it into the hands of those who need and will spend it—as, for example by paying pensions to the aged—the benefits of declining production costs will be passed on to the consumers of the Nation even more certainly than can be done by a declining general price level with its almost certain consequence of unemployment.

THE PEOPLE'S MONEY

For these reasons my bill provides that the function of creating money, removed from the hands of private banks by the 100 percent reserve system, shall be exercised by the Federal Reserve Board as agent of the Congress.

The economic advantage from the creation of money and credit would accrue to the Government and people of the United States under the terms of this bill. Unless that economic advantage does accrue to the whole people, there can never be a balance between production and consumption in the Nation and we will face the break-down of our free institutions. In the past the commercial banks have failed disastrously to supply this need. As we have seen, the banks have invariably expanded when they should have contracted, and contracted when they should have expanded. Instead of increasing our debt, as we now do, in order to increase our volume of money, we will in the future, if this bill passes, reduce our debt with every dollar of new money put into circulation.

LIMIT TO INCREASE IN MONEY IS PRODUCTIVE-CAPACITY SOLUTION TO PROBLEM OF NATIONAL DEBT

H. R. 4931 does not propose inflation nor deflation. It provides for a sufficient increase in the volume of money to maintain stability in the dollar in an economy of expanding production. It says the more consumers there are and the larger volume of production there is, the more money is needed to move the goods and services.

If we would do this, pass this bill, put this one factor to work, we would free America from her bondage to debt. The fact is the people of the Nation by their industry and their inventiveness are even now paying off that debt. Only our bookkeeping system does not give them credit for it, but says to the people's Government, "You must never monetize the net increase in national population and productive capacity until you have made your propitiation in the form of interest to those who now hold the monopoly of the right to create your money."

Under H. R. 4931, approximately half of the national debt would, in effect, be turned into cash upon passage of the bill. For bonds held by the banks would be required to be held as part of reserves behind demand deposits and would, as they matured, be paid off by public creation of credit even as they were bought in the first place by private creation of credit. The interest on the bonds which the banks would receive, meanwhile, would be like compensation to them for their services to demand depositors and would be the means of keeping service charges low or making them, in some instances, unnecessary. Furthermore, the bill provides that as expansion of the volume of money is called for one of the ways it can be used is for retirement of the public debt. The passage of this bill would, therefore, allay once and for all the concern of this Nation over the public debt situation. Instead of trying to pay old debt by contracting new debt or adding to taxes, we would have a system whereby the people of America, through the process of increasing wealth production, would earn into circulation the money with which to pay their debt.

There are many matters concerning this bill that I have not been able to touch; many questions that I know remain unanswered. I shall try to complete my defense of this legislation—and that of other Members who are working in this field—at a later date. I hope I have helped to open the way for further constructive thought and discussion.

The SPEAKER. The time of the gentleman from California has expired.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CORBETT (at the request of Mr. MCDOWELL), for the remainder of the week, on account of death in his family.

To Mr. CLAYPOOL, for 5 days, on account of illness in his family.

To Mr. GEYER of California (at the request of Mr. VOORHIS of California), indefinitely, on account of serious illness.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 572. An act to provide for the common defense by acquiring stocks of strategic and critical materials essential to the needs of industry for the manufacture of supplies for the armed forces and the civilian population in time of a national emergency, and to encourage, as far as possible the further development of strategic and critical materials within the United States for common defense; to the Committee on Military Affairs.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 14 minutes p. m.) the House adjourned until tomorrow, Tuesday, April 4, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue on Tuesday, April 4, 1939, at 10 a. m., on social-security legislation in the Ways and Means Committee room in the New House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the subcommittee of the Interstate and Foreign Commerce Committee on the trust-indenture bill (H. R. 5220). The hearings are to be held in the Interstate and Foreign Commerce Committee room beginning April 4, 1939, at 10 a. m. The hearings will be con-

tinued on April 5 and 6. Proponents of the bill will be heard on the 4th and opponents on the 5th and 6th.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 4, 1939, at 10:30 a. m., to continue hearings on the project for the Connecticut River, Conn. and Mass.

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs in the committee rooms, Capitol, Tuesday, April 4, 1939, at 10 a. m., for the consideration of H. R. 5031, for the relief of the sufferers from the earthquake in Chile and discussion as to the procedure with reference to amendments to the neutrality law.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, April 5, 1939, at 10:30 a. m., for the public consideration of H. R. 2777, H. R. 3824, H. R. 4096, H. R. 5409, H. R. 5451, H. J. Res. 117, and S. 18.

COMMITTEE ON THE JUDICIARY

There will be a public hearing before Subcommittee No. IV of the Committee on the Judiciary at 10 a. m. on Wednesday, April 5, 1939, on the bill (H. R. 4236) to provide for the more expeditious settlement of disputes with the United States, and for other purposes. The hearing will be held in the Judiciary Committee room, 346 House Office Building.

There will be a public hearing before Subcommittee No. III of the Committee on the Judiciary at 10 a. m. Wednesday, April 12, 1939, on the bill (H. R. 5138) to make unlawful attempts to overthrow the Government of the United States, to require licensing of civilian military organizations, to make unlawful attempts to interfere with the discipline of the Army and Navy, to require registration and fingerprinting of aliens, to enlarge the jurisdiction of the United States circuit court of appeals in certain cases, and for other purposes. The hearing will be held in the Judiciary Committee room, 346 House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

Tuesday, April 4, 1939:

H. R. 3209, making it a misdemeanor to stow away on vessels; H. R. 3398, regarding the down payment for construction of new vessels; H. R. 3935, relating to the discharge of seamen.

Wednesday, April 5, 1939:

H. R. 3052, uniform insignia for Naval Reserve radio operators; H. R. 1010, intercoastal subsidy bill (WELCH).

Thursday, April 6, 1939:

H. R. 1011, acquisition of drydock facilities for United States Maritime Commission on San Francisco Bay (WELCH); H. R. 2870, acquisition of drydock facilities for United States Maritime Commission at Los Angeles (THOMAS F. FORD); H. R. 3040, acquisition of drydock facilities for United States Maritime Commission at Los Angeles (GEYER of California).

Tuesday, April 11, 1939:

H. R. 1783, inspection of hulls of sail vessels and barges (BLAND); H. R. 1785, motorboat bill (BLAND); H. R. 1795, motorboat bill (HENDRICKS); H. R. 1809, inspection of motorboats, 15 gross tons up (MAGNUSON); H. R. 2398, regarding pilots on yachts (ANGELL); H. R. 3837, inspection of motorboats, 15 gross tons up (CONNERY).

Thursday, April 13, 1939:

H. R. 4220, load-line bill for seagoing vessels (BLAND).

Thursday, April 13, 1939:

H. R. 2404, surgeon and hospital on vessels (SIROVICH); H. R. 2660, limitation of liability (SIROVICH); House Joint Resolution 153 and House Joint Resolution 194, investigate conditions pertaining to lascar seamen (SIROVICH).

Wednesday, April 19, 1939:

On Wednesday, April 19, 1939, at 10 a. m., the Committee on Merchant Marine and Fisheries will resume hearings on the bill H. R. 5130, to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

597. Under clause 2 of rule XXIV a letter from the chief scout executive, Boy Scouts of America, transmitting Twenty-ninth Annual Report of the Boy Scouts of America (H. Doc. No. 17), was taken from the Speaker's table, referred to the Committee on Education, and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. THOMASON: Joint Committee Investigating the Tennessee Valley Authority (Rept. No. 361). Referred to the Committee of the Whole House on the state of the Union.

Mr. MURDOCK of Arizona: Committee on Irrigation and Reclamation. H. R. 5076. A bill to authorize further relief to water users on United States reclamation projects and on Indian reclamation projects; without amendment (Rept. No. 362). Referred to the Committee of the Whole House on the state of the Union.

Mrs. NORTON: Committee on Labor. H. R. 5226. A bill to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes; without amendment (Rept. No. 363). Referred to the Committee of the Whole House on the state of the Union.

Mrs. NORTON: Committee on Labor. H. R. 4108. A bill to provide for the transfer of United States Employment Service records, files, and property in local offices to the States; without amendment (Rept. No. 364). Referred to the Committee of the Whole House on the state of the Union.

Mrs. NORTON: Committee on Labor. Senate Joint Resolution 59. Joint resolution authorizing the Bureau of Labor Statistics to collect information as to amount and value of all goods produced in State and Federal prisons; with amendment (Rept. No. 365). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. POAGE: Committee on War Claims. H. R. 2687. A bill for the relief of Elbert R. Miller; without amendment (Rept. No. 366). Referred to the Committee of the Whole House.

Mr. GAVAGAN: Committee on War Claims. H. R. 3345. A bill for the relief of the Ninety Six Oil Mill, of Ninety Six, S. C.; with amendment (Rept. No. 367). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 2103) granting a pension to Marcellus W. Mace; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 5386) granting a pension to Charity Cooper; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARTER:

H. R. 5495. A bill to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended, relating to loans to

drainage, levee, and irrigation districts and other organizations; to the Committee on Agriculture.

By Mr. CHANDLER:

H. R. 5496. A bill to amend the Classification Act of March 4, 1923, as amended, to create a mechanical service, and for other purposes; to the Committee on the Civil Service.

By Mr. DEMPSEY:

H. R. 5497. A bill to amend the Fair Labor Standards Act of 1938; to the Committee on Labor.

By Mr. DOXEY:

H. R. 5498. A bill to make applicable to the years after 1939 the special provisions relating to cotton baleage and acreage allotments which apply for 1939; to the Committee on Agriculture.

By Mr. MAAS:

H. R. 5499. A bill to amend the Naval Reserve Act of 1938 (Public, No. 732, 52 Stat. 1175); to the Committee on Naval Affairs.

By Mr. MAPES:

H. R. 5500. A bill to amend part II of the Interstate Commerce Act, otherwise known as the Motor Carrier Act, 1935, as amended by the act of June 29, 1938; to the Committee on Interstate and Foreign Commerce.

By Mr. MOTT:

H. R. 5501. A bill authorizing the Secretary of Commerce to convey a certain tract of land to the State of Oregon for use as a public park and recreational site; to the Committee on Merchant Marine and Fisheries.

By Mr. VOORHIS of California:

H. R. 5502. A bill to authorize the Secretary of the Interior to provide public facilities and accommodations by the purchase, construction, maintenance, and operation of hotels, lodges, and other buildings and structures, inclusive of necessary fixtures and incidental equipment in (certain) national parks, national monuments, national parkways, and other areas under the jurisdiction of the Department of the Interior; to the Committee on the Public Lands.

By Mr. CONNERY:

H. R. 5503. A bill relating to the eligibility of persons for appointment in the classified civil service; to the Committee on the Civil Service.

By Mr. MALONEY:

H. R. 5504. A bill to amend section 5136 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 24); to the Committee on Banking and Currency.

By Mr. RANDOLPH::

H. R. 5505. A bill to amend sections 7 and 13 of the Fair Labor Standards Act of 1938; to the Committee on Labor.

By Mr. O'CONNOR:

H. R. 5506. A bill to authorize the Secretary of the Interior to contract with the State Water Conservation Board of Montana and the Tongue River Water Users' Association for participation in the costs and benefits of the Tongue River storage reservoir project for the benefit of lands on the Tongue River Indian Reservation, Mont.; to the Committee on Indian Affairs.

By Mr. PATMAN:

H. R. 5507. A bill to amend title 28, section 41, subdivision 1; to the Committee on the Judiciary.

By Mr. PETERSON of Florida:

H. R. 5508. A bill to amend the Communications Act of 1934 so as to prevent monopolies and to prohibit excessive duplication of broadcast programs in any area; to the Committee on Interstate and Foreign Commerce.

By Mr. MOTT:

H. J. Res. 256. Joint resolution making an emergency appropriation for the protection of property on Bayocean Peninsula and in Tillamook, Oreg.; to the Committee on Appropriations.

By Mr. TAYLOR of Colorado:

H. Res. 152. Resolution providing for the expenses of the investigation of the Works Progress Administration under House Resolution 130; to the Committee on Accounts.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to consider their Senate Joint Resolution No. 3, with reference to House bill 2, known as the general-welfare bill; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to consider their Senate Joint Resolution No. 29, urging the Secretary of Agriculture of the national administration to continue the stabilization program for butter prices; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GUYER of Kansas:

H. R. 5509. A bill granting a pension to Bertha Carson; to the Committee on Pensions.

By Mr. HARTLEY:

H. R. 5510. A bill for the relief of Angelo Piccolo; to the Committee on Claims.

By Mr. JENSEN:

H. R. 5511. A bill granting a pension to Jessie Meryhew Bowen; to the Committee on Invalid Pensions.

By Mr. KRAMER:

H. R. 5512. A bill granting a pension to Florence V. Mercer; to the Committee on Invalid Pensions.

By Mr. McANDREWS:

H. R. 5513. A bill to promote Col. Harvey C. Carbaugh, United States Army, retired, to the grade of brigadier general, United States Army, retired, with emoluments, including retired pay of that rank on retired list; to the Committee on Military Affairs.

By Mr. POAGE:

H. R. 5514. A bill for the relief of L. W. Marek, Jr.; to the Committee on Claims.

H. R. 5515. A bill for the relief of Virgie B. Weaver; to the Committee on War Claims.

By Mr. RANDOLPH:

H. R. 5516. A bill for the relief of Charlotte E. Hunter; to the Committee on the District of Columbia.

By Mr. TAYLOR of Tennessee:

H. R. 5517. A bill for the relief of Elmer A. Norris; to the Committee on Claims.

By Mr. WOOD:

H. R. 5518. A bill for the relief of Seymour Consolidated School District No. 6, of Webster County, Mo.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2252. By Mr. CONNERY: Petition of the Building and Construction Trades Council of Boston, and vicinity, endorsing Senate bill 591, permitting expansion of the housing and slum-clearance activities of the Federal Government; to the Committee on Banking and Currency.

2253. Also, resolution of the Building Trades Employers' Association, Inc., of Springfield, Mass., protesting against the use of relief labor on all operations in the building-trades line under Works Progress Administration projects; to the Committee on Ways and Means.

2254. By Mr. CURLEY: Letter of Metropolitan Lodge, No. 598, Brotherhood of Railroad Trainmen, of New York City, opposing regulation of the miles or hours of train- and yard-service men during any given month; to the Committee on Interstate and Foreign Commerce.

2255. Also, petition of Gov. Herbert H. Lehman, Governor of the State of New York, urging the granting of the addi-

tional funds requested by the Social Security Board for the administration of unemployment insurance laws; to the Committee on Ways and Means.

2256. By Mr. FITZPATRICK: Petition of A. E. Johanson and other members of the biology department of the James Monroe High School, urging the passage of House bill 3794, to purchase lands to form John Muir-Kings Canyon National Park; to the Committee on the Public Lands.

2257. Also, petition of A. E. Johanson and other members of the biology department of the James Monroe High School, Bronx, New York City, N. Y., urging the passage of House bill 3648 and Senate bill 1188, to authorize the President to set aside perpetual wilderness areas in the national parks; to the Committee on the Public Lands.

2258. Also, petition of A. E. Johanson and other members of the biology department of the James Monroe High School, urging the passage of House bill 4170, to purify polluted streams; to the Committee on Rivers and Harbors.

2259. By Mr. FLAHERTY: Memorial of the General Court of Massachusetts, memorializing Congress in favor of legislation providing for the reimbursement by the Federal Government of cities and towns for the amount of welfare aid and relief granted by them to aliens; to the Committee on Ways and Means.

2260. By Mr. GUYER of Kansas: House Concurrent Resolution No. 12 of the Kansas State Legislature, urging the enactment of antilynching legislation; to the Committee on the Judiciary.

2261. Also, House Concurrent Resolution No. 10 of the Kansas State Legislature, urging certain extensions of provisions of Federal housing laws; to the Committee on Banking and Currency.

2262. Also, House Concurrent Resolution No. 16 of the Kansas State Legislature, urging the continuance of the embargo on importations of livestock and livestock products from Argentina and other countries infected with disease, and asking the discouragement of trade agreements whereby the terms of such embargoes may be circumvented; to the Committee on Agriculture.

2263. Also, Senate Concurrent Resolution No. 28 of the Kansas State Legislature, urging legislation for the deportation of aliens who do not within a reasonable time signify their willingness, desire, and intention to qualify and assume the obligations of citizenship of the United States of America; to the Committee on Immigration and Naturalization.

2264. By Mr. HART: Memorial of the Legislature of the State of New Jersey, memorializing the Congress of the United States to refuse enactment of legislation which would becloud the sovereign rights of the State of New Jersey in its submerged lands; to the Committee on the Judiciary.

2265. By Mr. HAVENNER: Petition of the Senate of the State of California, memorializing the President and the Congress to take favorable action on House bill 4102, being a measure introduced at the Seventy-sixth Congress, first session, to provide for the coinage of fractional minor coins; to the Committee on Coinage, Weights, and Measures.

2266. By Mr. HOUSTON: Petition of citizens of Newton, Kans., and vicinity, urging enactment of a law to limit hours and mileage of certain railroad employees; to the Committee on Interstate and Foreign Commerce.

2267. By Mr. HOOK: Petition of Charles Cronenworth and 515 others, to preserve Works Progress Administration program and prevent widespread lay-offs and aid recovery; to the Committee on Appropriations.

2268. By Mr. JOHNS: Joint resolution of the Wisconsin State Legislature, memorializing the Congress of the United States to take heed of the great public opinion in favor of the general-welfare bill (H. R. 2) by giving that measure careful consideration and enacting it into law; to the Committee on Ways and Means.

2269. Also, joint resolution of the Wisconsin State Legislature, urging the Secretary of Agriculture of the national administration to continue the stabilization program for butter prices; to the Committee on Agriculture.

2270. By Mr. MARTIN J. KENNEDY: Petition of Hans Rees' Sons, New York City, urging passage of House bill 5119; to the Committee on Ways and Means.

2271. Also, petition of the Moran Towing & Transportation Co., Inc., New York City, concerning appropriation for river and harbor work; to the Committee on Appropriations.

2272. Also, petition of the Arizona legislative board, Brotherhood of Locomotive Firemen and Enginemen, Douglas, Ariz., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2273. Also, petition of San Diego Lodge, No. 389, International Association of Machinists, San Diego, Calif., urging passage of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2274. Also, petition of Field and Construction Lodge, No. 132, International Association of Machinists, New York City, urging passage of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2275. Also, petition of Peter C. Giambalvo, national supreme master, Independent Order Sons of Italy, New York City, urging passage of House bill 2856; to the Committee on Immigration and Naturalization.

2276. By Mr. KEOGH: Petition of the city of Long Beach, official committee, Long Beach, Calif., concerning the Nye resolution and the Hobbs bill; to the Committee on the Judiciary.

2277. Also, petition of the American Lithuanian Society Council, Brooklyn, N. Y., concerning the Lithuanian Republic; to the Committee on Foreign Affairs.

2278. Also, petition of the Julius Friedlaender Co., Columbus, Ga., opposing the Fulmer bill (H. R. 57); to the Committee on Agriculture.

2279. Also, petition of the Columbus Bagging & Tie Co., Columbus, Ga., protesting against the Fulmer bill (H. R. 57); to the Committee on Agriculture.

2280. Also, petition of the United States Printing & Lithograph Co., Brooklyn, N. Y., concerning pay-roll tax provisions and to the Wagner Labor Relations Act; to the Committee on Labor.

2281. Also, petition of the State of Utah, Department of Public Education, Salt Lake City, Utah, concerning Senate bill 1305, Federal-aid bill; to the Committee on Education.

2282. Also, petition of the Bozeman Chamber of Commerce Employers' Division, Bozeman, Mont., concerning social security; to the Committee on Ways and Means.

2283. Also, petition of Friends of the Public Schools of America, Chicago, Ill., concerning Senate bill 1305 and House bill 3517, Federal-aid legislation; to the Committee on Education.

2284. Also, petition of the Brotherhood of Railroad Trainmen, Metropolitan Lodge, No. 598, New York City, protesting against any proposed legislation regulating and limiting the miles and hours of train- and yard-service men during any given month; to the Committee on Interstate and Foreign Commerce.

2285. Also, petition of the Columbian Educational Association of Washington, D. C., concerning House bill 3517, Federal-aid legislation; to the Committee on Education.

2286. Also, petition of the Colonial Iron Works Co., Cleveland, Ohio, concerning contemplated increase in Federal taxes to aid business recovery; to the Committee on Ways and Means.

2287. By Mr. KRAMER: Petition of citizens and voters of the Thirteenth Congressional District of California, relative to the Ludlow amendment; to the Committee on the Judiciary.

2288. Also, petition of individuals in the transportation groups of railroads, relative to regulation of earnings by law; to the Committee on Interstate and Foreign Commerce.

2289. By Mr. MARSHALL: Petition of the Steel Workers Organizing Committee, Lodge No. 1861, of Cincinnati, Ohio, opposing Senate bill 1000; to the Committee on Education.

2290. Also, petition of Catherine Meyer, secretary of the Federation of Flat Glass Workers of America, Local No. 59, of Cincinnati, Ohio, relative to their vigorous opposition to

Senate bill 1000 as an amendment to the Wagner Labor Act; to the Committee on Education.

2291. By Mr. MOTT: Petition signed by citizens of Oregon, protesting against the passage of any legislation returning prohibition to the District of Columbia; to the Committee on the District of Columbia.

2292. By Mrs. NORTON: Petition of the Legislature of the State of New Jersey, memorializing the Congress of the United States to refuse enactment of legislation which would becloud the sovereign rights of the State of New Jersey in its submerged lands; to the Committee on the Public Lands.

2293. By Mr. PFEIFER: Petition of the Board of Harbor Commissioners of the City of Long Beach, Calif., opposing the adoption of Senate Joint Resolution No. 24; to the Committee on the Public Lands.

2294. Also, petition of the Julius Friedlaender Co., Columbus, Ga., opposing the passage of House bill 57, the Cotton Net Weight Act; to the Committee on Agriculture.

2295. Also, petition of the Brooklyn Paper Stock Corporation, Brooklyn, N. Y., opposing the Fulmer net weight bill (H. R. 57); to the Committee on Agriculture.

2296. Also, petition of the Washington Committee for Aid to China, Washington, D. C., concerning neutrality legislation; to the Committee on Foreign Affairs.

2297. Also, petition of the Brotherhood of Railroad Trainmen, Metropolitan Lodge, No. 598, New York City, concerning the Lea railroad rehabilitation bill; to the Committee on Interstate and Foreign Commerce.

2298. Also, petition of the United States Printing & Lithograph Co., Brooklyn, N. Y., concerning the Wagner Labor Relations Act; to the Committee on Labor.

2299. By Mr. SCHIFFLER: Petition of John S. Hall, clerk of the house of delegates, Charleston, W. Va., urging that the Congress of the United States appropriate moneys for the construction of a dam on the Little Kanawha River; to the Committee on Appropriations.

2300. By Mr. TINKHAM: Petition of residents of Massachusetts, protesting against the proposed return of prohibition to the District of Columbia; to the Committee on the District of Columbia.

2301. By Mr. TREADWAY: Petition of citizens of Shelburne Falls and Buckland, Mass., urging the enactment of legislation prohibiting the advertising of liquor by press and radio; to the Committee on Interstate and Foreign Commerce.

2302. By the SPEAKER: Petition of K. S. Trimble, of San Francisco, Calif., petitioning consideration of their resolution with reference to Works Progress Administration deficiency appropriation; to the Committee on Appropriations.

SENATE

TUESDAY, APRIL 4, 1939

(Legislative day of Monday, April 3, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O Saviour of the world, at whose coming the springs of our humanity were purified, and by whose life the ways of God were justified to men: Help us at this holy season to unbar our hearts to the wondrous things Thou dost impart. Man of Sorrows, Fountain of Love, give to us all in our every endeavor the deftness of love, and in all our deliberations the wisdom of love; and may we truly share with Thee Thy love made perfect through suffering. We pray for all who are trouble-tossed and weary, for all in whose homes there is sorrow and woe, for all those broken beneath the blows of adversity, for the transgressor scourged at length by his own deeds, for all prisoners and captives, and for all who are desolate and oppressed.

Let Thine arms of everlasting mercy be about us still and evermore, Thou blessed Burden Bearer, 'till the last lost sheep of the wilderness is brought back home and every note of sadness turned to joy. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, April 3, 1939, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	La Follette	Radcliffe
Andrews	Downey	Lee	Reed
Ashurst	Ellender	Lodge	Reynolds
Austin	Frazier	Logan	Russell
Bankhead	George	Lucas	Schwartz
Barbour	Gerry	Lundeen	Schwellenbach
Barkley	Gillette	McCarran	Sheppard
Bilbo	Glass	McKellar	Shipstead
Bone	Green	McNary	Smathers
Borah	Guffey	Maloney	Smith
Brown	Gurney	Mead	Stewart
Bulow	Harrison	Miller	Taft
Burke	Hatch	Minton	Thomas, Okla.
Byrd	Hayden	Murray	Thomas, Utah
Byrnes	Herring	Neely	Townsend
Caraway	Hill	Norris	Tydings
Chavez	Holman	Nye	Vandenberg
Clark, Mo.	Hughes	O'Mahoney	Wagner
Connally	Johnson, Calif.	Overton	Wheeler
Danaher	Johnson, Colo.	Pepper	White
Davis	King	Pittman	Wiley

Mr. MINTON. I announce that the Senator from West Virginia [Mr. HOLT] is absent from the Senate because of a death in his family.

The Senator from North Carolina [Mr. BAILEY], the Senator from Illinois [Mr. LEWIS], and the Senator from Missouri [Mr. TRUMAN] are detained on important public business.

The Senator from Idaho [Mr. CLARK], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained.

Mr. McNARY. I announce that the senior Senator from Kansas [Mr. CAPPER] is absent because of a death in his family.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

RETIREMENT OF EMPLOYEES IN THE CANAL ZONE

Mr. CLARK of Missouri. Mr. President, on March 14 the Senate passed Senate bill 1215, to amend the Canal Zone Code. It is a bill recommended by the War Department, having to do only with two very meritorious cases in the Panama Canal Zone. Almost at the same time the House passed House bill 3577. The Senate bill was referred to the Committee on Merchant Marine and Fisheries in the House, and the House bill was referred to the Committee on Interoceanic Canals in the Senate.

Inasmuch as the bills are identical and each of them has already passed the House in which it originated, and each embodies a meritorious proposition which is recommended by the War Department, I ask unanimous consent that the Committee on Interoceanic Canals be discharged from the further consideration of House bill 3577, and further ask for the present consideration of the bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Missouri for the discharge of the committee? The Chair hears none, and the Committee on Interoceanic Canals is discharged from the further consideration of House bill 3577.

The Senator from Missouri asks unanimous consent for the present consideration of the bill. Is there objection?

There being no objection, the bill (H. R. 3577) to amend the Canal Zone Code was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first paragraph of subsection (b) of section 94 of title 2, Canal Zone Code, as amended by section 2 of the act of June 24, 1936 (49 Stat. 1904), is amended to read as follows:

"(b) Any employee to whom this article applies who shall have served for a total period of not less than 5 years, and who, before

becoming eligible for retirement under the conditions defined in section 92 of this title, shall have become totally disabled for useful and efficient service in the grade or class of position occupied by the employee, by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on the part of the employee, shall upon his own application or upon request or order of the Governor of the Panama Canal, be retired on an annuity computed in accordance with the provisions of section 96 of this title: *Provided*, That proof of freedom from vicious habits, intemperance, or willful misconduct for a period of more than 5 years next prior to becoming so disabled for useful and efficient service shall not be required in any case; and the claim of any employee which was or would have been disallowed under this section by reason of the requirement of such proof with respect to a longer period than 5 years shall upon request of the applicant be reinstated and shall thereupon be redetermined under the provisions of the section as herein amended: *Provided further*, That such claim is now on file with the Civil Service Commission or is executed within 6 months from the enactment of this act.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate petitions of sundry citizens of Brooklyn, N. Y., praying for an additional appropriation of $150,000,000 for the Works Progress Administration, as recommended by the President, which were referred to the Committee on Appropriations.

He also laid before the Senate a letter from Gordon B. Jackson, of Brooklyn, N. Y., relative to his ideas and designs for aircraft to promote safety in the air, which, with the accompanying papers, was referred to the Committee on Commerce.

He also laid before the Senate a letter from Potenciana Casuga, of San Fernando, La Union, P. I., praying that a pension be granted her as the widow of a former soldier, Jose B. Nisperos, which was referred to the Committee on Pensions.

Mr. GEORGE presented petitions of sundry citizens of the State of Georgia praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. HOLMAN (for himself and Mr. McNARY) presented memorials, signed by over 14,000 citizens of the State of Oregon, remonstrating against the shipment of arms and war materials to Japan for use in operations against China, which were referred to the Committee on Foreign Relations.

Mr. REED presented petitions of 19 citizens of Ellsworth County, 19 citizens of Kiowa County, 116 citizens of Wilson County, 94 citizens of Riley County, 49 citizens of Reno County, 37 citizens of Rush County, 394 citizens of Montgomery County, 80 citizens of Elk County, 53 citizens of Geary County, 88 citizens of Grant County, 53 citizens of Marion County, 440 citizens of McPherson County, 141 citizens of Stafford County, 51 citizens of Stevens County, 78 citizens of Sherman County, 68 citizens of Trego County, 282 citizens of Shawnee County, 123 citizens of Morris County, 105 citizens of Nemaha and Brown Counties, 29 citizens of Morton County, 545 citizens of Osborne and Smith Counties, 78 citizens of Mitchell County, 193 citizens of Ottawa County, 85 citizens of Norton County, 92 citizens of Wyandotte County, 26 citizens of Crawford County, 23 citizens of Woodson County, 74 citizens of Wabaunsee County, 91 citizens of Ness County, 824 citizens of Rice County, 135 citizens of Republic County, 79 citizens of Russell County, 75 citizens of Osage County, 59 citizens of Rawlins County, 29 citizens of Pawnee County, 81 citizens of Pratt County, 63 citizens of Phillips County, 78 citizens of Barber County, 124 citizens of Butler County, 121 citizens of Bourbon County, 19 citizens of Chase County, 70 citizens of Clay County, 132 citizens of Clark County, 74 citizens of Cherokee County, 26 citizens of Cowley County, 34 citizens of Cloud County, 38 citizens of Cheyenne County, 691 citizens of Crawford County, 105 citizens of Douglas County, 85 citizens of Dickinson County, 1,101 citizens of Sedgwick County, 118 citizens of Johnson County, 104 citizens of Linn County, 320 citizens of Lyon County, 311 citizens of Jackson County, 55 citizens of Jewell County, 127 citizens of Hodgeman County, 59 citizens of Harvey County, 116 citizens of Jefferson County, and 143 citizens of Ford County, all in the State of Kansas, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. KING presented a resolution of the Hawaii Equal Rights Commission, favoring amendment of the so-called Ellender sugar bill (S. 69) so as to eliminate therefrom any and all discriminatory provisions, existing or potential, against the Territory of Hawaii, its people or industries, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution of the Hawaii Equal Rights Commission, favoring an increase in the appropriation for the Hawaiian Agricultural Experiment Station from $55,000 to $80,000, which was referred to the Committee on Appropriations.

Mr. NYE presented petitions of sundry citizens of the State of North Dakota praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

He also presented the following concurrent resolution of the Legislature of North Dakota, which was referred to the Committee on the Judiciary:

House Concurrent Resolution 132

Concurrent resolution relating to an amendment to the enabling act of February 22, 1889

Be it resolved by the House of Representatives of the State of North Dakota (the senate concurring therein):

Whereas a considerable portion of the lands, granted by the enabling act, approved February 22, 1889, to the State of North Dakota for educational purposes, and lying in the southwestern part of the State, are suitable primarily only for grazing purposes; and

Whereas such grazing lands are not now, and probably never will be, worth the minimum price of $10 per acre, fixed as the minimum price for the sale of lands so granted and, therefore, cannot be sold and disposed of by the State for the benefit of the permanent school funds; and

Whereas by the terms and conditions of section 11 of said act, as amended by act of Congress, approved June 25, 1938, such grazing lands may be leased in quantities not exceeding one section to any one person or company for terms not longer than 10 years; and

Whereas experience has shown that it is impracticable to lease said grazing lands upon such terms, thereby depriving said permanent school funds of any applicable benefit from said lands; and

Whereas there are now in existence several cooperative grazing associations, the members of which are bona fide residents of the State of North Dakota, engaged in the principal occupation of the raising of livestock, who would lease said grazing lands in large quantities from the State, if such leases could lawfully be made: Now, therefore, be it

Resolved by the House of Representatives of the State of North Dakota (the senate concurring), That the Congress of the United States be memorialized to further amend section 11 of the enabling act, approved February 22, 1889, to provide that such portions of the lands, granted by said act to the State of North Dakota for educational purposes, as are suitable primarily only for grazing purposes, may be sold only to the United States Government at a price not less than $1 per acre; and further providing that such grazing lands may be leased to bona fide cooperative grazing associations in quantities not exceeding 20 sections to any one such cooperative grazing association.

ASSOCIATED FARMERS OF CALIFORNIA

Mr. JOHNSON of California. Mr. President, I have received a telegram from the Associated Farmers of California. I am not familiar with the facts therein set forth; but because I believe in the sacred American right of self-defense, and because I believe every man is entitled to his day in court and his right to be heard upon any charges that may be made against him, I ask unanimous consent that the telegram may be printed in the body of the RECORD at this point.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The telegram referred to is as follows:

SAN FRANCISCO, CALIF., *April 4, 1939.*

Hon. HIRAM W. JOHNSON,
Senate Building, Washington, D. C.:

This supplements previous wire. On March 31 a number of serious charges were made concerning the Associated Farmers of California in a dispatch sent out from Washington by Bruce Catton, N. E. A. Service Washington correspondent. This disptach gives as its source a Senate Civil Liberties Committee report to be filed with the Senate immediately. These charges cannot go unanswered.

The Associated Farmers have been given no hearing by the La Follette committee and no opportunity to present their side of the case. Indeed, they have not even been advised of any

charges, or what conclusions have been reached concerning them by the La Follette committee, except in the dispatch above mentioned, which expressly states that "no part of the report has yet been disclosed."

Decency and fair dealing, to say nothing of the basic principle of American law expressly guaranteeing a fair trial, should dictate that the Associated Farmers have an opportunity to prove or disprove the charges mentioned in the dispatch, if, as, and when made.

So that Congress and the public may be advised, we herewith set forth our position, which we respectfully request be read into the CONGRESSIONAL RECORD. We shall take up the charges as made and meet them.

First, it is charged that the Associated Farmers of California is a front organization for railroads, public utilities, and big business interests, and dominated by them. We reply and can prove that the Associated Farmers is in fact an association of California farmers, some 30,000 in number, all of whom pay regular dues, beginning at $1 per year, into the association's funds. It is not dominated by the groups mentioned; on the contrary, the directors and officers are elected by the local farmer memberships in each county.

Second, it is charged that we operate to break up labor organizations and prevent labor organizations from taking hold among the agricultural workers of the west coast. We reply that the Associated Farmers of California do not oppose organized labor. Contrary to the statement made in the dispatch, we have no objection to organization of rural workers. We do object, and strongly, to domination of agricultural workers by certain metropolitan union leaders, such as Harry Bridges. We do object to attempts to control the food supply of the State by such men. We do oppose sabotage and destruction of crops by anyone supposedly acting in the name of organized labor. We believe that the serious problems confronting agriculture in California can and should be worked out within the existing fabric of the Government, and we therefore oppose those who seek to cripple and destroy our present economic and social structure. The Associated Farmers do this at the behest of no group and act solely on their own convictions.

Third, it is charged that we cooperate with sheriffs' offices, county prosecutors, and State officials. We frankly admit that the Associated Farmers do cooperate with the sheriffs' offices and the other authorities duly elected and vested with the power to enforce the law. This is in accordance with the democratic tradition and our duty as citizens. If there has been any denial of civil liberties by these officials, they are accountable under the law.

Fourth, the charge is made that huge private arsenals are maintained, including a sizable warehouse of submachine guns and sawed-off shotguns, for use in case of labor trouble. Our answer is that this is pure fabrication. The Associated Farmers has never spent $1 for or acquired from any source any guns, ammunition, tear gas, or other weapons.

Undoubtedly, mistakes have been made by members of the Associated Farmers. Men who see their crops destroyed before their eyes, gasoline poured on lettuce, fruit rot on trees, deliveries to market halted on the public highways of the State by lawless men acting in the name of labor do not always act reasonably. We point out, however, that farmers under such circumstances have usually been subjected to great provocation. We seek to correct our mistakes. We want to solve the agricultual problems of the State on a basis that is fair for all. These problems cannot be solved on a name-calling basis such as has been initiated by the personnel of the La Follette committee. They can be solved only by an objective consideration of the problems and around the council table.

Duplicate to Senator SHERIDAN DOWNEY requesting he cooperate with you.

HAROLD E. POMEROY,
Executive Secretary, Associated Farmers of California, Inc.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 917. An act authorizing the Library of Congress to acquire by purchase, or otherwise, the whole, or any part, of the papers of Charles Cotesworth Pinckney and Thomas Pinckney, including therewith a group of documents relating to the Constitutional Convention of 1787, now in the possession of Harry Stone, of New York City;

S. 1019. An act to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Twelfth Olympic Games; and

S. 1363. An act to repeal subsection (4) of subsection (c) of section 101 of the Agricultural Adjustment Act of 1938.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 1) authorizing the holding of ceremonies in the rotunda in connection with the presentation of a statue of the late Will Rogers.

The message further announced that the House had passed the bill (S. 964) creating the Arkansas-Mississippi Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 2200. An act to dispense with particular allegations as to renunciation of allegiance in petitions for naturalization and in the oath of renunciation of foreign allegiance, by omitting the name of "the prince, potentate, state, or sovereignty" of which the petitioner for naturalization is a subject or citizen;

H. R. 2751. An act to repeal sections 3711, 3712, and 3713 of the Revised Statutes which relate to the purchase in the District of Columbia of coal and wood for public use, and for other purposes;

H. R. 3065. An act to amend Public Law No. 370, Seventy-fourth Congress, approved August 27, 1935 (49 Stat. 906);

H. R. 3221. An act to authorize the Secretary of War to provide for the sale of aviation supplies and services to aircraft operated by foreign military and air attachés accredited to the United States, and for other purposes;

H. R. 3230. An act to amend the statutes providing punishment for transmitting threatening communications;

H. R. 3811. An act to provide for the appraisal of the pneumatic-mail-tube systems in New York and Boston;

H. R. 3946. An act to authorize the attendance of the Marine Band at the United Confederate Veterans' 1939 Reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939, and for other purposes;

H. R. 4087. An act to amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended by the act of June 4, 1920, so as to confer on the commanding general, General Headquarters Air Force, the same retirement privileges now enjoyed by chiefs of branches;

H. R. 4243. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near Peru, Ind.;

H. R. 4370. An act authorizing the city of Chester, Ill., to construct, maintain, and operate a toll bridge across the Mississippi River at or near Chester, Ill.;

H. R. 4432. An act granting the consent of Congress to the city of Warren, Ohio, to construct, maintain, and operate a free footbridge over Mahoning River, near Stiles Street NW., Warren, Ohio;

H. R. 4527. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Rock Island, Ill., to a place at or near the city of Davenport, Iowa;

H. R. 4771. An act limiting working hours of pneumatic tube system employees to 8 in 10 hours a day;

H. R. 4772. An act to provide time credits for substitutes in the pneumatic-tube service;

H. R. 4785. An act to provide a differential in pay for night work to pneumatic-tube system employees in the Postal Service;

H. R. 4786. An act to extend the provisions of the 40-hour law to pneumatic tube system employees in the Postal Service;

H. R. 4830. An act to amend the act approved April 27, 1937, entitled "An act to simplify accounting";

H. J. Res. 133. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1939, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski;

H. J. Res. 224. Joint resolution to authorize the painting of the signing of the Constitution for placement in the Capitol Building; and

H. J. Res. 225. Joint resolution amending the joint resolution entitled "Joint resolution providing for the construction and maintenance of a National Gallery of Art," approved March 24, 1937.

REPORTS OF COMMITTEE ON EDUCATION AND LABOR

Mr. THOMAS of Utah, from the Committee on Education and Labor, to which was referred the bill (S. 2021) to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes, reported it without amendment and submitted a report (No. 247) thereon.

Mr. MURRAY, from the Committee on Education and Labor, to which was referred the bill (S. 835) to provide compensation for disability or death resulting from injury to employees of contractors on public buildings and public works, reported it without amendment and submitted a report (No. 249) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GREEN:

S. 2057. A bill to amend the Social Security Act to authorize the appropriation of larger sums to be used for the purpose of assisting the States in the administration of their unemployment compensation laws; to the Committee on Finance.

By Mr. NYE:

S. 2058. A bill relating to promotion contests carried on through the use of the mails or the facilities of interstate or foreign commerce; to the Committee on Post Offices and Post Roads.

S. 2059. A bill authorizing a grant to the city of Fargo, N. Dak., of an easement in connection with the construction of water and sewer systems; to the Committee on Commerce.

By Mr. THOMAS of Oklahoma:

S. 2060. A bill to prohibit the importation of flags, standards, colors, and ensigns of the United States; to the Committee on the Judiciary.

By Mr. GURNEY:

S. 2061. A bill for the relief of William Hillock; to the Committee on Claims.

By Mr. TOWNSEND:

S. 2062. A bill granting a pension to Lena C. Thoroughgood (with accompanying papers); to the Committee on Pensions.

By Mr. MEAD:

S. 2063. A bill making appropriations for public-works projects, and authorizing the carrying out of such projects; to the Special Committee to Investigate Unemployment and Relief.

By Mr. NEELY:

S. 2064. A bill granting an increase of pension to Mary A. Stagg; to the Committee on Pensions.

By Mr. BARKLEY:

S. 2065. A bill to provide for the regulation of the sale of certain securities in interstate and foreign commerce and through the mails, and the regulation of the trust indentures under which the same are issued, and for other purposes; to the Committee on Banking and Currency.

By Mr. REYNOLDS:

S. 2066. A bill to provide for the use of scientific tests to determine degree of intoxication of motor-vehicle operators in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. MINTON (for Mr. VAN NUYS):

S. 2067. A bill for the relief of Leslie J. Frane; to the Committee on Claims.

S. 2068. A bill to authorize the presentation of a Distinguished Service Cross to Harry L. Kast; and

S. 2069. A bill for the relief of Nelson H. Rogers; to the Committee on Military Affairs.

S. 2070. A bill granting an increase of pension to Emma Chapman;

S. 2071. A bill granting a pension to Adele Evans;

S. 2072. A bill granting an increase of pension to Commodore P. Fuller;

S. 2073. A bill granting a pension to Catherine Keyser;

S. 2074. A bill granting a pension to Grace V. Lawrence;

S. 2075. A bill granting a pension to Mary E. Michaud;

S. 2076. A bill granting a pension to Mary E. Ramer;

S. 2077. A bill granting an increase of pension to Mary A. Swander;

S. 2078. A bill granting a pension to Worth Wareham; and

S. 2079. A bill granting a pension to Eliza Jane Wilkinson; to the Committee on Pensions.

By Mr. SHIPSTEAD:

S. J. Res. 112. Joint resolution authorizing and directing the Comptroller General of the United States to certify for payment certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920 as per a certain contract authorized by the President; to the Committee on Agriculture and Forestry.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated below:

H. R. 2200. An act to dispense with particular allegations as to renunciation of allegiance in petitions for naturalization and in the oath of renunciation of foreign allegiance by omitting the name of "the prince, potentate, state, or sovereignty" of which the petitioner for naturalization is a subject or citizen; to the Committee on Immigration.

H. R. 2751. An act to repeal sections 3711, 3712, and 3713 of the Revised Statutes, which relate to the purchase in the District of Columbia of coal and wood for public use, and for other purposes; to the Committee on Expenditures in the Executive Departments.

H. R. 3065. An act to amend Public Law No. 370, Seventy-fourth Congress, approved August 27, 1935 (49 Stat. 906); to the Committee on Foreign Relations.

H. R. 3221. An act to authorize the Secretary of War to provide for the sale of aviation supplies and services to aircraft operated by foreign military and air attachés accredited to the United States, and for other purposes; and

H. R. 4087. An act to amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended by the act of June 4, 1920, so as to confer on the commanding general, General Headquarters Air Force, the same retirement privileges now enjoyed by chiefs of branches; to the Committee on Military Affairs.

H. R. 3230. An act to amend the statutes providing punishment for transmitting threatening communications;

H. R. 3811. An act to provide for the appraisal of the pneumatic mail tube systems in New York and Boston;

H. R. 4771. An act limiting working hours of pneumatic tube system employees to 8 in 10 hours a day;

H. R. 4772. An act to provide time credits for substitutes in the pneumatic-tube service;

H. R. 4785. An act to provide a differential in pay for night work to pneumatic tube system employees in the Postal Service; and

H. R. 4786. An act to extend the provisions of the 40-hour law to pneumatic tube system employees in the Postal Service; to the Committee on Post Offices and Post Roads.

H. R. 3946. An act to authorize the attendance of the Marine Band at the United Confederate Veterans' 1939 Reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939, and for other purposes; to the Committee on Naval Affairs.

H. R. 4243. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near Peru, Ind.;

H. R. 4370. An act authorizing the city of Chester, Ill., to construct, maintain, and operate a toll bridge across the Mississippi River at or near Chester, Ill.;

H. R. 4432. An act granting the consent of Congress to the city of Warren, Ohio, to construct, maintain, and operate a

free footbridge over Mahoning River, near Stiles Street NW., Warren, Ohio; and

H. R. 4527. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Rock Island, Ill., to a place at or near the city of Davenport, Iowa; to the Committee on Commerce.

H. R. 4830. An act to amend the act approved April 27, 1937, entitled "An act to simplify accounting"; to the Committee on Appropriations.

H. J. Res. 133. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1939, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

H. J. Res. 224. Joint resolution to authorize the painting of the signing of the Constitution for placement in the Capitol Building; to the Committee on the Library.

AMENDMENT TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. CONNALLY submitted an amendment intended to be proposed by him to House bill 5269, the Agricultural Department appropriation bill, 1940, which was referred to the Committee on Appropriations, ordered to be printed, and to be printed in the RECORD, as follows:

On page 89, after line 19, to insert the following:

"To enable the Secretary of Agriculture to further carry out the provisions of section 32, as amended, of the act entitled 'An act to amend the Agricultural Adjustment Act, and for other purposes,' approved August 24, 1935, and subject to all provisions of law relating to the expenditure of funds appropriated by such section, $60,000,000. Such sum shall be immediately available and shall be in addition to, and not in substitution for, other appropriations made by such section or for the purpose of such section: *Provided*, That not in excess of 25 percent of the funds herein made available may be devoted to any one agricultural commodity."

ADDITIONAL REPORT OF A COMMITTEE

Mr. BARKLEY, from the Committee on Banking and Currency, to which was referred the bill (S. 2065) to provide for the regulation of the sale of certain securities in interstate and foreign commerce and through the mails, and the regulation of the trust indentures under which the same are issued, and for other purposes, reported it without amendment and submitted a report (No. 248) thereon.

ENTRANCE FEES FOR GREAT SMOKY MOUNTAINS NATIONAL PARK—ADDRESS BY SENATOR REYNOLDS, ETC.

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a radio address by himself on the occasion of the twelfth anniversary of radio station WWNC, Asheville, N. C., with reference to the Great Smoky Mountains National Park, together with other matters on the same subject, which appear in the Appendix.]

WORK RELIEF AND RELIEF—ADDRESS BY JOHN F. COLLINS

[Mr. GREEN asked and obtained leave to have printed in the RECORD a radio address on the subject of work relief and relief, delivered by Hon. John F. Collins, mayor of Providence, R. I., on March 29, 1939, which appears in the Appendix.]

COURT OF APPEALS FOR ADMINISTRATION—ADDRESS BY J. E. SEBREE

[Mr. LOGAN asked and obtained leave to have printed in the RECORD an address delivered at Washington, D. C., by J. E. Sebree on the proposed Court of Appeals for Administration, which appears in the Appendix.]

INDIAN NEW DEAL

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an editorial published in the Saturday Evening Post of April 1, 1939, entitled "Indian New Deal," which appears in the Appendix.]

THE FOREIGN DEBTS

[Mr. DANAHER asked and obtained leave to have printed in the RECORD an editorial published in the Boston Post of April 1, 1939, with reference to the foreign debts, which appears in the Appendix.]

EXPORT SUBSIDY ON COTTON

[Mr. GEORGE asked and obtained leave to have printed in the RECORD editorials from the New York Times, the Baltimore Sun, and the Memphis Commercial Appeal opposing the export subsidy on cotton, which appear in the Appendix.]

REFUGEE CHILDREN—NEWSPAPER EDITORIALS, ETC.

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a statement of a proposed plan, together with a number of editorials from newspapers in the United States supporting proposed legislation for the admission to the United States of 20,000 refugee children under 15 years of age, which appear in the Appendix.]

RECIPROCAL TAXATION OF FEDERAL AND STATE OFFICERS AND EMPLOYEES

The Senate resumed the consideration of the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Michigan [Mr. BROWN].

Mr. BROWN. Mr. President, I understand that the amendment now before the Senate is the amendment relative to the taxation of the salaries of Federal judges.

The VICE PRESIDENT. The Senator is correct.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. BROWN. I yield to the Senator from Kentucky.

Mr. BARKLEY. I assume that this bill will not require very long discussion today. I wish to say to Senators that at the conclusion of the consideration of the bill now before the Senate I hope the Senate may go into executive session to dispose of the nomination of Mr. Douglas to the Supreme Court; and that after the nomination is disposed of we may then have the calendar called for the consideration of unobjected-to bills.

I simply wish to serve notice that that will be the program.

Mr CONNALLY. Mr. President——

The VICE PRESIDENT. The Chair has recognized the Senator from Michigan.

Mr. BROWN. I understand that the amendment has been submitted.

The VICE PRESIDENT. The amendment has been stated, as the Chair understands.

Mr. CONNALLY. I rise, because I desire slightly to modify the amendment. I now offer it with the modification which I send to the desk.

The VICE PRESIDENT. Is the Chair to understand that the Senator from Texas is offering an amendment to the amendment offered by the Senator from Michigan?

Mr. CONNALLY. No; the Senator from Texas on yesterday offered his own amendment. He is now seeking to modify it.

The VICE PRESIDENT. The amendment of the Senator from Texas is not now pending. Without objection, the amendment yesterday offered by the Senator from Texas will be modified in accordance with his suggestion. Is there objection? The Chair hears none.

Mr. BROWN. Mr. President, unless there is objection of some kind to the amendment I offered yesterday, I ask that it be put to a vote.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. BROWN].

Mr. GEORGE (and other Senators). Let it be stated.

The VICE PRESIDENT. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 2, after line 10, it is proposed to insert the following:

SEC. 3. Section 22 (a) of the Internal Revenue Code is amended by adding at the end thereof a new sentence to read as follows: "In the case of judges of courts of the United States who took office on or before June 6, 1932, the compensation received as such shall be included in gross income."

On page 6, after line 3, it is proposed to insert the following:

SEC. 210. In the case of the judges of the Supreme Court, and of the inferior courts of the United States created under article III of the Constitution, who took office on or before June 6, 1932, the compensation received as such shall not be subject to income tax under the Revenue Act of 1938 or any prior revenue act.

Mr. AUSTIN. Mr. President, will the Senator from Michigan yield for a question?

Mr. BROWN. I yield.

Mr. AUSTIN. I should like to ask the Senator from Michigan whether the effect of the amendment designated as section 3, amending section 22 (a) of the Internal Revenue Code, is to abolish an express immunity therein contained.

Mr. BROWN. Yes; the Senator is correct in his statement. The effect of the amendment is that all Federal judges, whether appointed before or after 1932, will be subjected to Federal income tax.

Adverting for a moment to section 210, the second paragraph of the amendment, it provides in substance that no tax shall be levied upon such judges prior to January 1, 1938; but that exception does not apply to judges appointed since 1932.

Mr. AUSTIN. Mr. President, will the Senator yield for another question?

Mr. BROWN. Yes.

Mr. AUSTIN. As to judges appointed since 1932, is it the intention of the Senator to have them taxed retroactively on salaries from the time of their appointment to the present time?

Mr. BROWN. I will say to the Senator that they are now subject to Federal income taxation. They have been taxed since 1932. It has been done through amendments to appropriation bills by revenue acts, which have provided in effect that the compensation of Federal judges appointed since 1932 is the sum of the salary paid minus the tax.

Mr. AUSTIN. Will the Senator yield for one further question?

Mr. BROWN. Certainly.

Mr. AUSTIN. Should the bill be amended as proposed, and then become a law, does the Senator believe that its effect would be to waive the immunity on salaries of all Federal judges after a certain date?

Mr. BROWN. Yes.

Mr. AUSTIN. What is that date?

Mr. BROWN. January 1, 1939, with respect to judges appointed prior to 1932. Do I make that clear to the Senator?

Mr. AUSTIN. That is clear.

Mr. BROWN. And the bill grants no immunity as to judges who have been heretofore taxed, judges who were appointed since 1932. They will be taxed just as they were prior to the time the bill, if enacted, becomes law.

Mr. AUSTIN. Mr. President, just one further question, if the Senator will yield for that purpose. Is it true that House bill 3790 deals particularly with express immunities from taxation, rather than with the implied immunities concerning which the Supreme Court recently rendered a decision?

Mr. BROWN. I will say to the Senator from Vermont that this bill does both. In the first place, it deals with the implied immunities which arose from the so-called immunity rule growing out of the case of McCulloch against Maryland, the Maryland Bank case, decided over 100 years ago. As amended, it also deals with the express immunity granted by the third article of the Constitution, which states, in substance, that the salaries of Federal judges shall not be diminished during their term office, so the bill covers both the implied immunity as applied to all Federal officials, Senators and Representatives, and members of the Cabinet, and so forth, and the express immunity which it is claimed was granted by article III of the Constitution, relative to Federal judges.

Mr. AUSTIN. Mr. President, one further question: Does the Senator from Michigan understand that if House bill 3790 should not be enacted and become the law there would still be a question to be determined by the courts respecting express immunities?

Mr. BROWN. Yes.

Mr. AUSTIN. Namely, because the decisions heretofore did not determine the question relating to express immunities, but determined only the question with respect to implied immunities?

Mr. BROWN. I think I shall have to make a brief statement in order to answer the question of the Senator from Vermont.

Since the question has arisen, I think the Senate ought to know that this bill will give the Supreme Court an opportunity to overrule the case of Evans against Gore, which quite definitely held, I think about 1919, that a Federal judge's salary was not subject to a Federal income tax. I will say further to the Senator that the question may possibly be reached in a case now pending before the Supreme Court of the United States, the so-called Woodrough case, which involves a judge whose salary is in this situation:

He was appointed a district judge prior to 1932. After 1932 he was elevated to the circuit court of appeals. He is now contending that because of that peculiar situation his salary, as a judge of the circuit court of appeals, should be immune because he was a judge prior to 1932. That case is before the Court.

I understand there are about 34 judges of district and circuit courts of the United States who are contending that they are immune from taxation despite the arrangement which the Congress has made through its appropriation bills to which I have referred. This amendment will give the Court an opportunity once and for all to determine the entire question, and I do not think it can be determined in the thirty-odd cases which are now before the courts.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. AUSTIN. I wish to make the observation that in voting for these amendments and in voting for the bill I do not desire to have the Court conclude that it was my intention in any degree to afford a presumption of constitutionality to the amendments or to the bill itself. I want it distinctly understood that I think it is expedient for the welfare of the country to have the bill passed and have the Court, if necessary, pass upon its constitutionality, but I want that done as a matter of law, and I want it done without any strength being gained from the fact that the Congress has enacted these amendments or this proposal into law.

Mr. BROWN. The Senator from Vermont for himself may certainly make that reservation; but there is no question, under the accepted practice here and in the courts, that the fact that we pass the bill will lend to it a presumption of constitutionality.

Mr. AUSTIN. Mr. President, will the Senator yield for a further observation?

Mr. BROWN. I yield.

Mr. AUSTIN. I venture to say that perhaps that question of presumption is affected by the rule of majority. I say "perhaps" it is. But I have observed that courts before this have regarded an act of Congress as not creating a presumption when there was expressed in the debates which led up to the vote a reservation of any intention to create such a presumption. I think in recent cases the Court has given respect to such a doubt which arose in the debate in Congress and has treated the enactment of the legislation as the only practical way of submitting to the Court the question of constitutionality.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. BURKE. I question very much in my own mind the constitutionality of the section relating to judges. I expect to support the bill, but I join the Senator from Vermont in saying that at least so far as my own vote is concerned I do not commit myself as accepting the view that this removal of the express immunity is valid under the Constitution.

Mr. BROWN. Mr. President, if there are no further questions, I do not intend to discuss the constitutionality of the pending amendment further, but if any Senator desires to discuss it, I am ready to endeavor to answer the arguments.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. MINTON. I should not want the expressions of the Senator from Vermont and the Senator from Nebraska to be

any indication at all that I accept their point of view. If the bill shall pass and go to the Supreme Court, I want it to go, so far as I am concerned, with all the presumptions of constitutionality in its favor it could possibly have, in order that the Supreme Court may in the ordinary course, with such presumption of constitutionality in its favor, pass upon the bill, and overrule the decision in Evans against Gore, which case I think was erroneously decided.

Mr. CONNALLY. Mr. President, in connection with the matter of the right of the Federal Government to tax the salaries of its own judges, it seems to me there is still another important question involved in the bill, namely, the question of whether or not the States under this so-called reciprocal principle will have the right to tax the salaries of Federal judges.

It is perfectly apparent that if the Federal Government has no power to tax Federal judges' salaries, the States cannot tax them. Yet it is proposed in the pending bill that we carry out the principle of mutuality, by which the Federal Government will tax the salaries of all State officers, and the States, under section 3 of the bill, will have a similar right to tax the salaries of all Federal officers within their jurisdiction.

If we are to carry out any such theory in good faith, we ought to include Federal judges; and I have an amendment pending to section 3, page 2, to make it clear that the United States Government does consent to the States taxing the salaries of Federal judges. One of the purposes of the amendment is to make it possible for the Supreme Court to reexamine and to repass upon the question which was raised in the case of Evans against Gore, because it seems to me that, if we are to adopt this system, we ought to go the whole way; we ought to act in good faith toward the States. If we are to demand that their officials pay taxes to the Federal Government, then we ought to be willing for the States to tax the salaries of Federal officials.

It will be recalled that the decision in the case of Evans against Gore was based upon the theory that under that article of the Constitution which provides that the salary of a judge shall not be diminished it cannot be diminished even by a tax. I have never thought that decision to be sound; but the Court rendered the decision, which had the force of law. My reason for saying that I never believed it was a sound decision is that I do not believe that the levying on a judge of a nondiscriminatory tax which applies to all other individuals with respect to the same amount of income which they receive from similar sources is an invasion of that protection which the Constitution gives, that a judge's salary shall not be diminished.

If the original judgment in Evans against Gore shall stand, neither the Federal Government, so far as salaries paid prior to 1932 are concerned, nor a State, ever can levy any tax upon the salaries of Federal judges, because if the Federal Government cannot tax them because of the provision of the Constitution, it is also a protection to them as against State taxation.

In its recent opinions the Supreme Court has departed from what I supposed all have understood to be the rule as to the immunity of Federal officers from State taxation, and the immunity of State officers from Federal taxation.

Mr. NORRIS. Mr. President, I hope the Senator will modify his statement that we have all been in agreement. As in the case of the Senator from Texas, we do not agree with the decision, but the decision was made, and as loyal citizens we abide by the decision.

Mr. CONNALLY. In the interest of accuracy of statement I recognize the wisdom of the suggestion of the Senator from Nebraska. What the Senator from Texas probably should have said was that we have all generally accepted that theory. So far as the Senator from Texas is concerned, he has always thought that the Supreme Court, away back in the case of McCulloch against Maryland had clearly laid down the policy that neither sovereignty could tax the instrumentalities of the other sovereignty. When the Supreme Court about 2 months ago in the Gerhardt case laid down a rule drawing a distinction between essential State officers and nonessential State officers, I thought that was a sound opinion. I think it perfectly sound because the nonessential officer evidently was not in the contemplation of the Constitution makers. But in the case which was decided only a few days ago, the Supreme Court wipes out all barriers whatever to Federal taxation of State officials.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BROWN. I agree with the Senator's criticism of what was there done; but it was a situation which the Court could not very well avoid, because the question that was presented to them in the Gerhardt case was whether or not the employee was engaged in an essential or nonessential governmental activity.

Mr. CONNALLY. That is true.

Mr. BROWN. And the Court did not have before them the question which they later had before them in the O'Keefe case, as to the soundness of the immunity rule as applied to Federal and State employees.

Mr. CONNALLY. I thank the Senator; but I still think that the Court could have very properly followed the Gerhardt case and held that the Home Owners' Loan officer was not an essential governmental employee. But that is beside the question. No matter what the occasion, the Supreme Court held that the Federal Government could tax the salary of every State officer, and that means a judge, that means a Governor, that means a member of a legislature.

My contention is that if we are going to carry out the theory of mutuality we should not say to the States, "We will tax your Governor, we will tax your legislators, we will tax your judges, but you shall not tax our judges."

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. NORRIS. I agree with the Senator. I think his position is correct. However, I wish to ask if the Senator really thinks the amendment is necessary?

Mr. CONNALLY. I do.

Mr. NORRIS. It cannot do any harm.

Mr. CONNALLY. It cannot do any harm. I think it is necessary because the language of the bill on page 2, line 13, is as follows: "personal service as an officer or employee of the United States." It might be held that a judge was not an officer of the United States. The courts have held that a Senator is not an officer of the United States, that a Representative is not an officer of the United States. So some judge with a fine-spun theory might hold that a judge was not an officer of the United States. However, without an express declaration I am afraid the court would not reexamine the case of Evans against Gore, and I want the Supreme Court to reexamine that case.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BORAH. Is not that question now before the Court to be determined?

Mr. CONNALLY. No; I do not think so, I shall say to the Senator. I shall say why I do not think it is. The case of Evans against Gore was decided in 1919, and then we did not undertake to tax judges for some years. In 1932, however, we put an amendment in the revenue bill providing that all judges thereafter appointed should pay the tax. The issue which is before the Court today is in the case of a judge who was in office at the time the Evans against Gore decision was in force, and therefore was held not to be taxable. He was promoted to circuit-court judge after 1932. Having been appointed to that position, the Internal Revenue Department has undertaken to collect a tax on his salary as circuit-court judge, to which position he was appointed after the law became effective. But he contends that because he was a judge before 1932 the mantle of immunity covers him, even though he was appointed to another judicial position after 1932. I doubt very much whether the Court will go into the fundamental question as to whether the tax is a reduction of salary. If it is a diminution of his salary, no State can tax him, notwithstanding our saying that the States may do so.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. NORRIS. In the particular case of Judge Woodrough, I suppose it is conceded by the Government that if he had not been appointed to the circuit court of appeals and still retained his office as a district judge, his salary would not have been taxable under the law of Congress.

Mr. CONNALLY. That is correct.

Mr. NORRIS. Because he was appointed before that law was passed.

Mr. CONNALLY. That is correct.

Mr. NORRIS. I have an open mind on the subject, but in view of the fact that he was appointed circuit judge after the law was passed, I do not believe the fact that he had been a district judge before and was then immune from taxation has anything to do with the subsequent appointment, admittedly made after that law was passed.

Mr. CONNALLY. I say to the Senator that I thoroughly agree with him, because when he was appointed circuit judge he was appointed to a new office.

Mr. NORRIS. Of course, that is so; and the fact that he had been district judge before had nothing to do with the case.

Mr. CONNALLY. He was appointed by the President to a new office. He was confirmed by the Senate to a new position. Of course, his status then was entirely different from that which he occupied prior to that time.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BURKE. I do not know on what theory the case was presented, but it was presented persuasively enough so that the lower court upheld Judge Woodrough's contention, and the Government thought there was sufficient doubt about the question to take it to the Supreme Court.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BROWN. I am informed by the counsel for the Joint Committee on Internal Revenue Taxation that the lower court agreed with the contention that because Judge Woodrough had been a district judge he was still a judge. I cannot understand that reasoning, but that was the basis of the court's decision. The court did not go into the question of whether or not the immunity rule as stated in the Constitution originally, and as upheld in Evans against Gore, applied. That question was not before the Court.

Mr. CONNALLY. No.

Mr. BROWN. I wish to say to the Senator while I am on my feet that I am in complete agreement with what he says to the effect that every Federal judge should be subject to State income taxation, and I am perfectly willing to accept the Senator's amendment to make it certain that Federal judges may be so taxed by the State authorities.

Mr. CONNALLY. I thank the Senator.

Mr. BROWN. I wish to say very briefly, if the Senator will permit me, that I am not in agreement, however, with his statement that there is the same reciprocal immunity existing as between State and Federal officials, and that such immunity is just as strong and just as powerful with respect to State officials as it is with respect to Federal officials.

I take the view—and I think it has been the view of the courts through all the years upon this proposition that the Federal Constitution is supreme; that it is the law of Maryland, or of Texas, or of Michigan, just as it is the law of the United States. I take the view that Congress may grant immunity to its officials, to certain of its employees, and that such immunity need not be a reciprocal immunity. The State of Texas has two very able representatives in the Senate and 21 Representatives in the House of Representatives, but the State of Michigan has no representative in the legislature of Texas, and what Texas does by way of taxation of Federal officials affects me. I have no control over that. I am perfectly willing that Federal officials should be subjected to income taxation on the part of the government of the State of Texas, but I think we have the right to grant or withhold immunity, and I do not think it necessarily needs to be reciprocal.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CONNALLY. Will the Senator from Ohio permit me to reply first to the Senator from Michigan, and then I shall yield to him?

Mr. TAFT. Certainly.

Mr. CONNALLY. Mr. President, with some of the statements of the Senator from Michigan I heartily agree. But when he says that the Federal Constitution is supreme the statement ought to be subject to the limitation that it is supreme within the particular province of the Federal Government, and that when it comes to State powers, in matters properly within the jurisdiction of a State, such powers are just as supreme as are the Federal powers within the Federal sphere. Otherwise there could be no dual system. If whatever the Congress does or whatever the Federal Government does overrides the action of the States, then we no longer have a dual system, but a Federal system, an entirely federated centralized Government. I know that the powers of the States through the process of economic change have been gradually diminished, but I cannot agree with the theory that anything the Federal Government may do is superior to and overrides the authority of the States.

The Senator may be correct in his statement that the Federal Government could withhold from the States the right to tax Federal salaries, but in doing so he is clinging onto a fragment of the policy which the bill denounces. The bill denounces the idea that these sovereignties are independent of each other, and it is only upon that theory that we can withhold the right of the States to tax Federal salaries. Upon what other theory can we maintain that position? Only upon the doctrine of might—only upon the doctrine of force.

Mr. BROWN. I disagree with the Senator that it is based on the doctrine of might or force. It is based on the compact that was made between the States and the Federal Government at the time the Constitution was adopted. I think the Senator expresses the situation perfectly when he says that the Federal Government is supreme in that sphere of powers which were granted to the Federal Government, one of which was the taxing power. The immunity rule did not arise out of any action on the part of the Congress of the United States. It did not arise out of any legislation enacted by Congress. It arose out of judicial construction of the Constitution itself. The first time the rule was announced in McCulloch against Maryland, and in all the important constitutional cases since that time, the Court has been careful to point out that the Federal Government's power was supreme in the matters over which the Constitution gave the Federal Government control, and one of those powers is the power of taxation.

The Senator suggests that by so stating I deny the very basis of the bill. I want it to be understood that I consider the immunity granted the State officers a matter of grace on the part of the Federal Government; that we are granting this power on the part of the State to tax Federal officials because we think that it should be so, not that we must do so.

I think the Court has quite definitely and repeatedly said that the power to grant immunity is a power which rests in the Federal Government, within reasonable limitations. The Senator knows that there is nothing now in the legislation which Congress has passed in 150 years which exempts Federal property from taxation by the State governments. There is no specific exemption of a post office. There is no specific exemption of a fort. There is no specific exemption of a naval landing field. However, by reason of the immunity rule which was announced, as well as the plain common sense of the thing, such instrumentalities ought not to be taxed.

There are other activities and instrumentalities which I think should be investigated, so that the immunity rule might be definitely established. To what does it apply and to what does it not apply? I think that is a matter which should be

the subject of congressional investigation, because the Supreme Court has done things to the immunity rule in the cases decided in 1939.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Michigan yield to the Senator from Nebraska?

Mr. BROWN. I yield.

Mr. NORRIS. I should like to make a suggestion to the Senator from Michigan, as well as to the Senator from Texas. I think this debate is exceedingly interesting, but it is directed to a constitutional question which may take us days to settle. It is all on a question not before the Senate. The pending amendment, upon which I think we were just about to vote, is an amendment offered by the Senator from Michigan. The amendment of the Senator from Texas [Mr. CONNALLY] is not pending.

Mr. CONNALLY. It is lying on the table. It will come up in a moment.

Mr. NORRIS. That does not make it pending. May we not dispose of the pending amendment and then proceed?

Mr. CONNALLY. The Senator from Texas will not annoy the Senator from Nebraska much longer.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CONNALLY. The Senator from Michigan had the floor. Did the Senator from Michigan conclude?

Mr. BROWN. Yes.

Mr. CONNALLY. Mr. President, in reply to the Senator from Michigan, I will state that there is really no substantial difference as to some phases between the view of the Senator from Michigan and my own. However, I wish to suggest that the fact that the States have never undertaken to tax Federal post offices, courthouses, Army posts, and Federal property within the States all goes back to the supposed immunity of each of the governments from taxation by the other. However, that immunity has been largely wiped out by the decision of the Supreme Court as to officers.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. MINTON. Then, the Senator does not accept the position taken by the Senator from Michigan that it is an act of grace on the part of the Federal Government which permits the States now to tax the salaries of Federal judges and officers?

Mr. CONNALLY. Not under the Supreme Court decision. I think it is a matter of right. If we are to carry out in good faith the philosophy announced in the case decided by the Supreme Court a few days ago, then the States ought to have, and we ought graciously to acknowledge that they possess, the power to tax every Federal officer or judge within their jurisdiction.

Mr. MINTON. The only thing that prevented them from doing it up to a few days ago was the implied immunity in Collector against Day and Dobbins against Commissioner.

Mr. CONNALLY. Exactly.

Mr. MINTON. The implied immunity has now been wiped out?

Mr. CONNALLY. Exactly.

Mr. MINTON. So it is not a matter of grace. It is a matter of right, because there is no longer any constitutional inhibition in the opinion of the Supreme Court.

Mr. CONNALLY. I agree with the expressed view.

Mr. BROWN. Mr. President, may I say a word to the Senator from Indiana? Both Mr. Justice Stone and Mr. Justice Frankfurter in the O'Keefe case expressly stated that the question whether or not the Congress might clothe its employees or its officials with immunity was a question for another day. Of course, the Court did not pass upon the question in that case, because the question was not before the Court. However, if we are to maintain our faith, if we are to carry out in good faith the new philosophy announced by the Supreme Court, we ought to accord to the States as to our officers the same right which we demand as to their officers.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. MINTON. If a State were discriminating against Federal officers, the Federal Government might withhold the immunity.

Mr. CONNALLY. Of course, the decision of the Supreme Court is based upon the theory of a nondiscriminatory tax; and if a State should levy a higher rate upon Federal officers than upon similar officers of the State or upon private individuals, I am sure the Court would strike down the act as being beyond the power of the State.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. TAFT. What concerns me about the Senator's amendment is that I am in favor of permitting the taxation of the salaries of Federal judges; but if the amendment is inserted at the point suggested, and a similar insertion is not made in line 11, does not that imply an exemption of State judges?

Mr. BROWN. The Senator is correct in his statement. The amendment should be included in both places, if necessary.

Mr. TAFT. There is also another fact. If the amendment of the Senator is adopted, it seems to me to exempt Senators and Representatives, because the Senator himself has said that the word "officer" is not construed to include judges. Probably it will not include Senators and Representatives.

Mr. BROWN. I am sure that is not the intention of the Senator from Texas.

Mr. CONNALLY. I cannot at the moment put my finger on the decision which holds that a Member of Congress is not a Federal officer.

Mr. MINTON. It is the Newberry case, is it not?

Mr. CONNALLY. When the income-tax was under consideration in the House of Representatives, and it was charged over the country that Members of Congress had been exempted, the gentleman from Iowa [Mr. TOWNER] delivered a very exhaustive and learned discourse upon whether or not the word "officer" included Members of Congress. We exempted Federal officers, but he held that the word "officer" did not include Senators and Representatives. The Government took that view of the matter, and Members of Congress have been taxed ever since the law went into effect.

Mr. TAFT. The amendment should include Senators and Representatives as well as judges.

Mr. CONNALLY. I am willing that the States should tax them. I am dealing now only with judges.

Mr. TAFT. I am asking whether or not the effect of the Senator's amendment, by admitting that "officer" does not include judges, is necessarily to exempt Senators and Representatives.

Mr. CONNALLY. I will say to the Senator that the theory of the decision was that we were elected by the people of the States, and that we were not selected by the Federal Government itself. There are some fine-spun distinctions between a Federal officer, selected by the Federal Government, and one in the status of a Senator or Representative. Of course the Senator from Ohio will observe that I have already stated that if we are to tax the salaries of State officers, every Federal salary, including those of Senators and Representatives, should be taxed. If we tax members of the legislature of a State, the State ought to have authority to tax the Members of the National Legislature.

Mr. President, I believe that is all I care to say. I wish to make it clear that we intend that the States shall have the right to tax Federal judges, so that the Supreme Court will be required to reexamine the fundamental question whether or not a nondiscriminatory tax is in fact a diminution of salary under the constitutional provision.

Mr. BROWN. Mr. President, I have no objection to the Senator's amendment. I think it might clarify the situation. I agree with the suggestion made by the Senator from Ohio, that the same language should go into section 1, and I hope the Senator from Texas will modify his amendment to that effect.

Mr. CONNALLY. As I have said Representatives and Senators are now taxed by the Federal Government and should be taxed by the States as Federal officers.

Mr. BROWN. I, too, am interested in judges. I do not agree with the construction placed upon the bill by the Senator from Ohio with regard to Senators and Representatives, because as a matter of fact they have been taxed for a great many years under similar language, and that practice has whatever sanction time has given to it.

Mr. BORAH. Mr. President, I understood the Senator to say that he is supporting this measure, not because we have the right to pass it as a matter of right, but on some theory of grace. Will the Senator make that point clear? I am having a difficult time to put myself in a frame of mind to vote for the bill at all, not on a constitutional ground, but even if we have the power I do not think it is a wise policy to exercise that power.

Mr. BROWN. I hope the Senator will vote for the bill.

As I stated to the Senator yesterday, the bill arises because of the recent decision in the Gerhardt and O'Keefe cases. The Senator from Rhode Island [Mr. GREEN] first introduced a bill to prevent retroactive taxation of salaries of State officers. This bill covers that need among others. It seemed to the committee that it was necessary to define the immunity rule with respect to Federal employees and State employees, because the rule has never been defined. There is now no legislation upon the subject. The taxation which is imposed under the Gerhardt and the O'Keefe cases arose out of a situation in which no one thought that any such persons were subject to the income-tax laws of the respective Governments, State and Federal. My committee, which investigated the subject and reported to the Finance Committee, believed that State and Federal officials should be subject to the income-tax laws. We so advised the Finance Committee, and the bill was reported.

The Senator refers to what I said as to the power of the States to tax Federal officers being a matter of grace. The immunity rule as developed in McCulloch against Maryland and sustained by various cases since that time, including the recently decided cases this year, clearly recognize the supreme power of the Federal Government in matters of taxation; but they leave undecided the question of whether or not the superior Federal authority could clothe its officials with immunity without granting a reciprocal immunity to the States. In the matter of granting to the States the right to tax Federal officials, a different situation arises. That power is conferred, at least in this bill, as a matter of reciprocity and as a matter of grace to the States. I think we could deny that right. I think that, within reasonable limits, we could tax State officials and deny to the States the right to tax Federal officials. Let me apply the statement I have just made to a practical situation. I think we could tax the Governor of the State of New York through the income tax; and I think we could deny to the State of New York the right to tax a Senator of the United States. I think that illustration makes the issue clear.

Mr. BORAH. Mr. President, am I correct in assuming that the decision of the Supreme Court rendered a few days ago determined the proposition that a tax upon a State official as well as a tax upon a Federal official in neither case tended to burden or impair sovereignty, and, therefore, it was legitimate to assess a tax on the salaries of such officers? The Court went no further than that.

Mr. BROWN. If the Senator will permit me, I will say that they placed a limitation upon that proposition. They said, "We are not deciding the question as to whether or not the Congress might clothe employees and officers of the United States with immunity." I do not want Congress to grant such immunity, and that is evidenced by the fact that I am advocating this bill; but that power still remains in the Congress. The Court expressly stated that they were not in the case referred to deciding the proposition, although repeatedly heretofore thay have held that Congress could grant immunity to its instrumentalities.

Mr. BORAH. Exactly; they did not decide that question. The only question they decided was the question which I stated a moment ago, that is that the laying of a tax upon salaries did not tend to impair or burden or interfere with the sovereignty whose officer was taxed.

Mr. BROWN. That such action did not impair sovereignty to any appreciable degree. I do not think that modification is necessary.

Mr. CONNALLY. Mr. President, will the Senator from Michigan yield to me there?

Mr. BROWN. I yield.

Mr. CONNALLY. I may say to the Senator from Idaho that, as I recall the decision, the court did not repudiate the theory that neither sovereignty could interfere with the other, but it did hold that a nondiscriminatory tax on the salary of an officer was not a burden on the exercise by the sovereignty of its power. That is what was held.

Mr. BORAH. Exactly. As I have said, the court did not in any way modify the decision of Chief Justice Marshall in the case of McCulloch against Maryland. The only proposition decided by that case was that there could not be an interference with one sovereignty by another. The court did not undertake to modify that rule at all. They simply said that a tax on a salary is not an interference with the sovereignty of the Government whose officer may have his salary taxed. Therefore, there is no modification of the principle laid down in McCulloch against Maryland.

Mr. BROWN. I will say to the Senator that the immunity rule does not rest alone on McCulloch against Maryland. Collector against Day was another case.

Mr. BORAH. That was the other side of McCulloch against Maryland.

Mr. BROWN. I understand that, but that was a case which also laid down the immunity rule; it laid down the proposition that the Federal Government could not tax a State judge. The Supreme Court has reversed that rule by their decision in the O'Keefe case.

Mr. BORAH. They did reverse the case of Collector against Day in part.

Mr. BROWN. But I will say to the Senator that everyone assumed after the case of Collector against Day that the rule in that case was a part of the immunity rule and that State judges were immune from Federal taxation by reason of it. That part of the immunity rule has not only been modified, but has been abrogated without legislative action.

Mr. BORAH. I assume that since the decision of a few days ago we have a right to pass this bill, but I am assuming it on the theory that the Supreme Court settled the salary question both with reference to the National and State sovereignty. I do not assume that the Court has modified its original holding in any respect whatever, except as to the Day case and two or three other cases which were salary cases. Therefore, we have a right to pass the bill.

Mr. BROWN. There is no question about that.

Mr. BORAH. But whether it is wise to do so or not is another question. I do not believe it is wise. Let each sovereignty tax its own officials. Let us preserve with jealousy the integrity of the two sovereign ties.

Mr. HARRISON. Mr. President, may we have a vote now on the amendment which is pending?

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Michigan [Mr. BROWN].

The amendment was agreed to.

Mr. CONNALLY. I offer the amendment as modified which is now on the desk. I understand the Senator from Michigan is willing to accept it as modified.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The CHIEF CLERK. On page 2, line 13, after the word "of", it is proposed to insert "or as a judge or officer of any court of."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas as modified.

The amendment, as modified, was agreed to.

Mr. CONNALLY. I offer a further amendment. After the word "service", in line 13, I move to insert the words "as a United States Senator or Member of the House of Representatives, or."

The PRESIDING OFFICER. The clerk will state the amendment.

Mr. CONNALLY. Mr. President, I have not the amendment in writing. I will withhold it for a few moments; the Senate can meanwhile go on with some other amendment, and we can revert to my amendment later.

Mr. HARRISON. Mr. President, I think it would be better to act on the amendments as they are proposed.

The PRESIDING OFFICER. Will the Senator from Texas kindly state his amendment again?

Mr. CONNALLY. Mr. President, I thought I would withhold the amendment for a few moments and return to it later.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment.

Mr. BROWN. Mr. President, in the amendment which was offered and adopted yesterday, known as sections 208 and 209, my attention has been called to a situation which it seems to me requires a slight amendment. The amendment which was adopted yesterday makes an exception relating to employees of a corporation a majority of whose stock is owned by or on behalf of the United States. The counsel of the Reconstruction Finance Corporation has called our attention to the fact that in a few instances the R. F. C. own a majority of the total stock of certain banks. Therefore, the word "voting" should be inserted before the word "stock" in line 6 of section 208, and the word "voting" should be inserted before the word "stock" in the second line from the bottom of the page.

Mr. AUSTIN. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. AUSTIN. I observe that section 207 seems to be the last section in the bill as printed. Is the Senator from Michigan referring to House bill 3790?

The PRESIDING OFFICER. The Chair understands that the Senator from Michigan is referring to an amendment which was adopted to House bill 3790 yesterday. Without objection, the vote by which the amendment which was agreed to yesterday will be reconsidered, and the amendment now offered by the Senator from Michigan to the amendment will be stated.

The CHIEF CLERK. In section 208 before the word "stock" and in section 209 before the word "stock", in the line next to the last, to insert the same word, it is proposed to insert the word "voting", so that sections 208 and 209 will read:

SEC. 208. No collection of any tax (including interest, additions to tax, and penalties) imposed by any State or local taxing authority on the compensation, received before January 1, 1939, for personal service as an officer or employee of the United States or any agency or instrumentality thereof (except a corporate agency or instrumentality the majority of the voting stock of which is not owned by or on behalf of the United States) shall be made after the date of the enactment of this act.

SEC. 209. This title shall not apply with respect to any officer or employee of a State, or any political subdivision thereof, or any agency or instrumentality of any one or more of the foregoing, after the Secretary of the Treasury has determined and proclaimed that it is the policy of such State to collect from any individual any tax, interest, additions to tax, or penalties, on account of compensation received by such individual prior to January 1, 1939, for personal service as an officer or employee of the United States or any agency or instrumentality thereof. In making such determination the Secretary of the Treasury shall disregard the taxation of officers and employees of any corporate agency or instrumentality the majority of the voting stock of which is not owned by or on behalf of the United States.

Mr. AUSTIN. Mr. President——

Mr. BROWN. Mr. President, I am sending to the Senator from Vermont a copy of the amendment so that he may understand it. I will inquire if the Senator was present when I made a short statement concerning the amendment?

Mr. AUSTIN. I was present, but, not knowing what it was to which the Senator referred, I did not understand what he said.

Mr. BROWN. The amendment is necessary because the Reconstruction Finance Corporation holds a majority of all stock—that is, preferred and common—in certain banks. Such banks are now excepted from the provisions of this proposed act. We want to make certain that the employees of such banking institutions will pay income taxes. Therefore it is proposed to insert the word "voting" before the word "stock," which will eliminate the R. F. C. stock in the consideration of what is a majority of the stock involved.

Mr. AUSTIN. Mr. President, these amendments are to me very confusing because of the form in which they are set forth.

Section 208 starts out with the words—

No collection of any tax (including interest, additions to tax, and penalties) imposed by any State or local taxing authority—

And so forth; and concludes with the words—

shall be made after the date of the enactment of this act.

That normally would mean an immunity—an exemption from taxation. I do not see that his proposal clearly accomplishes the objective of which the Senator speaks.

Mr. BROWN. The section 208, I will say to the Senator from Vermont, refers to taxes levied prior to January 1, 1939. That is the retroactive feature of the bill.

Mr. AUSTIN. Mr. President, that considerably clarifies the matter. If the effect of section 208 is to prevent the collection, and to make firm an immunity before January 1, 1939, of the persons and corporations named in the section, then I have no objection to it. Is that its purpose?

Mr. BROWN. That is the purpose; but the Senator recognizes that we do not want to exempt bank employees and bank officials, who have been taxed for many years, and that is the reason for the exception that is contained within the parentheses in section 208, before the word "shall." Those persons should not be declared to be tax exempt. They are employees of national banks.

Mr. AUSTIN. Are there institutions and corporations in which there are employees of two masters; namely, the employees of the private institution called the bank in one illustration, and employees of the Federal institution to which the Senator referred? Is that the situation?

Mr. BROWN. That is the distinction which the sentence contained within the parentheses seeks to bring out. The employees of corporations like the Home Owners' Loan Corporation, the stock of which is entirely held by the United States, are not to be taxed prior to January 1, 1939; but national banks have been declared by the Congress and by the courts to be instrumentalities of the United States. We do not want to exempt their employees from taxes that were levied prior to January 1, 1939, and this amendment clears up that situation.

Mr. AUSTIN. I must confess that I think the language is very unfortunate.

Mr. BROWN. I will say that while I might claim some credit for the idea, the language is that of the expert draftsmen for the Joint Committee on Internal Revenue Taxation and the legislative counsel of the Senate and the House. I think it legally accurate and necessary.

Mr. AUSTIN. I am entirely in agreement with the objective of the Senator from Michigan, but I confess that this language is not clear to me.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. BROWN].

The amendment was agreed to.

Mr. CONNALLY. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Texas will be stated.

The CHIEF CLERK. On page 2, line 13, after the word "service", it is proposed to insert the following:

as a United States Senator or Member of the House of Representatives, or.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas.

Mr. BROWN. I have no objection to the amendment.

The amendment was agreed to.

Mr. AUSTIN. Mr. President, I should like to inquire as to the effect of the last proposal. Does it add anything to the bill?

Mr. BROWN. I will say to the Senator from Vermont that I think the bill as originally drafted includes judges, Representatives in Congress, United States Senators, and all officers and employees of the Government of the United States. The Senator from Texas calls attention to the fact, I believe, that it was once held that a Senator of the United States was not an officer of the United States within the meaning of a certain criminal statute; and he wants to make sure that a tax is to be levied upon all Members of Congress and upon all Federal judges. My attitude is that I am willing to accept any amendment which makes certain the objective we all seek.

The PRESIDING OFFICER. The bill is still before the Senate and open to further amendment.

Mr. GURNEY. Mr. President, I offer the amendment which was presented by me on March 23.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to add to the bill a new section, to read as follows:

SEC. —. That effective on the thirtieth day after the day of enactment of this act section 3412 (c) (2) of the Internal Revenue Code is amended to read as follows:

"(2) The term 'gasoline' means (A) all products commonly or commercially known or sold as gasoline (including casinghead and natural gasoline), benzol, benzene, or naphtha, regardless of their classifications or uses; and (B) any other liquid of a kind prepared, advertised, offered for sale, or sold for use as, or used as, a fuel for the propulsion of motor vehicles, motorboats, or airplanes; except that it does not include any of the foregoing mixed with 10 percent or more of anhydrous ethyl alcohol produced from annual agricultural crops grown in the continental United States and so denatured as to exempt it from the tax imposed by law upon distilled spirits, does not include any of the foregoing (other than products commonly or commercially known or sold as gasoline) sold for use otherwise than as a fuel for the propulsion of motor vehicles, motorboats, or airplanes, and otherwise than in the manufacture or production of such fuel, and does not include kerosene, gas oil, or fuel oil."

Mr. GURNEY obtained the floor.

Mr. LODGE. Mr. President, if the Senator will yield, I suggest the absence of a quorum.

Mr. HARRISON. Mr. President, will the Senator from Massachusetts withhold that suggestion for one moment?

Mr. LODGE. I withhold it.

Mr. HARRISON. I appeal to the Senator from South Dakota not to insist on his amendment in the case of this bill. I assure the Senator that in some form or other a revenue bill will be before the Senate during the present session of Congress. The Finance Committee has not had this matter before it for consideration at all, and the amendment deals altogether with the reciprocal-tax question.

I hope the Senator will not insist on the amendment in connection with this bill.

Mr. GURNEY. Mr. President, I am inclined to agree to the Senator's request, in the belief that a revenue measure will come to the Senate from the House at a later date.

I desire to state now that, in my opinion, the proposal embodied in the amendment is just as important to agriculturists all over the United States as are the measures for the relief of cotton that have been before the Senate during the past few days. Owing to the importance of the amendment to the people of my section, and likewise the people of all other sections, I do not want the Senate to think this is my particular idea. It has the backing of many other Senators and Representatives who have already introduced similar proposed legislation.

So, on the request of the Senator from Mississippi, I will let the amendment go over until some future date.

Mr. HARRISON. I assure the Senator that some form of a revenue bill will be before the Senate. We must extend the nuisance taxes, and we must do something with reference to corporate-structure taxation which terminates at the end of the year. Those matters will be before us, and the Senator then will have an opportunity to offer his amendment. I hope he will not complicate the situation by offering it to this bill, for it would provoke a long discussion.

Mr. GURNEY. I thank the Senator very much, and I accede to his request.

The PRESIDING OFFICER. The amendment being withdrawn, does the Senator from Massachusetts withdraw his suggestion of the absence of a quorum?

Mr. LODGE. I do.

Mr. VANDENBERG. Mr. President, under the circumstances, I suggest to the Senator from South Dakota that he have his amendment referred to the Finance Committee, so that under the friendly leadership of the Senator from Mississippi it may be considered by the committee.

Mr. GURNEY. That is a very appropriate request. I shall be glad to have the amendment referred to the Finance Committee, so that full information regarding it may be given to the Senate.

Mr. KING. Mr. President, I had expected the Senator from Michigan in charge of the bill to speak at some length concerning the bill and to properly address himself to its implications and unconstitutional features. I understand that he will pretermit any extended discussion but, of course, answer any questions submitted.

I had expected to discuss some features of the pending bill and to point out what I conceive to be some of its unwise, if not unsound, provisions. I had also intended to point out the dangerous movements, political and otherwise, toward the centralization of governmental authority in the National Government; but I know that the committee is anxious to secure action upon the measure at the earliest possible moment, and for that reason I shall not carry out my purpose, but at a later date will discuss the matters which I have in mind. May I state, however, that I have some doubts concerning the soundness of the majority view in the so-called O'Keefe case, which is relied upon in support of the bill under consideration.

Undoubtedly the O'Keefe case runs counter to principles which have been recognized for nearly a century, especially when such principles as in part determine the nature of our Government and the reciprocal obligations of each sovereignty toward the other. I suggest that Senators give heed to the dissenting opinion in the O'Keefe case, which states, in effect, that where the power to tax exists legislatures may exert it to destroy, to discourage, to protect, or exclusively for the purpose of raising revenue.

In my opinion, the bill under consideration strikes down decisions of the court which have been important guides in determining the policy of the Federal Government and landmarks which were necessary for the preservation of the States.

I might add that I am not so much concerned with the effect of this decision on the taxpayers as I am with its possible and indeed probable effect on the essential nature of our Government. We are told that a bill will follow this measure which will subject State securities to Federal taxation. I might add that there is an impairment of sovereignty if one government may so imperil the prerogatives of another as to interfere with the means of raising revenue.

I fear this bill, as I have indicated, will be regarded as a precedent for further assaults upon sovereign States, and for the further aggrandizement of the Federal Government. I am not so much interested in tax exemptions, but I do plead for maintenance of constitutional government and preservation of the States against the sweeping tides of this new federalism.

As stated, there is a powerful movement seeking to concentrate more and more authority in the Federal Government and to weaken the States and reduce them to mere administrative districts.

There is occasion for concern when the doctrine of implied immunity is destroyed, and this concern is deepened when there has been, as stated by Mr. Justice Frankfurter, "a reconstruction in the membership of the Court." I shall, when I discuss the questions involved, advert to some of the implications arising from the decision in the O'Keefe case and in the statement just quoted.

In conclusion, may I say that I understand that the committee of which the able Senator from Michigan is chairman, and which has investigated the sources of revenue, and particularly the question of the authority of the Federal Government to tax the salaries of State employees, as well as the

bonds and securities of States and their political subdivisions, and also the basis for reciprocity taxation between the States and the Federal Government, will within a few days submit to the Senate a report setting forth in detail the studies made and the conclusions reached, and also a bill which will provide for the taxation of State securities.

I shall await the report before discussing the questions above referred to, and which it was my intention to discuss in the Senate today.

Mr. AUSTIN. Mr. President, before the vote is taken on the bill, I desire to say that partly because of the special study in the Special Senate Committee on Immunity from Taxation which I gave to the bill and to the other subject which is not part of the bill—namely, immunity from taxation of the income from securities of both Federal and State governments—I believe that the bill will present for determination an issue which is yet undetermined with respect to the power of taxation of salaries; and, in a word, I think it is well expressed in the conclusion of the special committee which made a report to the Joint Committee on Internal Revenue Taxation. Mr. Stam was the author of that excellent report; and his conclusion was this with respect to what is yet undecided:

> However, under the Supreme Court decisions it does not appear that the Constitution will permit the Congress to tax the salaries of State judges, legislators, and other officers performing functions necessary to the existence of the State or political subdivisions, although such salaries are taxable under the existing law.

I understand that to be a special issue created by the enactment of the proposed legislation and the attempt to apply it, and in voting for it I am merely doing so on grounds of expediency, one of which is to prevent the great discrimination and injustice which would occur if this bill, or one similar, did not pass, in respect of the classification created by the decisions of the Court, of employees into different groups, leaving some of them taxed and some immune, and the whole matter in great confusion.

Moreover, I vote on the ground of expediency for this further reason, that if we do not provide against the collection of taxes for all the years within the statute of limitations, those who are now in a group that is discriminated against would be exposed to retroactive levy and collection of taxes covering a number of years, which would be an extremely heavy hardship upon them.

For these reasons I want the bill to pass, but I want it distinctly understood that I am not voting for the bill in order to give it a presumption of validity under the Constitution.

Mr. KING. Mr. President, I indicated a few moments ago that, in view of the fact that a report would be submitted within a few days which would recommend broadening the authority of the Federal Government to tax States and their political subdivisions, I would not delay the passage of the bill under consideration by discussing the general question of reciprocal taxation between the Federal Government and the States, and particularly the constitutional questions involved.

May I add that I agree with the views expressed by the Senator from Idaho [Mr. BORAH] a few moments ago concerning the McCulloch case, to which reference has been made. Undoubtedly the O'Keefe case is revolutionary. It overrules doctrines which have been accepted for nearly 100 years. Moreover, it is not free from obiter dicta, which may tend to confuse the issues involved and lead to erroneous conclusions as to the constitutional questions involved.

In my opinion, our dual form of government is being subjected to dangerous assaults which will inevitably modify its form, imperil the sovereignty of the States, and interfere with the liberties of citizens. I cannot help but believe that my party is swerving from the safe and sound constitutional path marked by the founders of the Republic. Many of our citizens are urging the extension of Federal authority into fields which are exclusively under the jurisdiction of the States and their political subdivisions. There is a powerful current which bears individuals and States away from safe moorings, from constitutional government into perilous waters. The sovereignty of the States is being destroyed and State socialism is looming in the distance. Many believe we are headed for increased socialistic activities and the constantly decreasing authority of the States.

When the Senator from Michigan presents his report I shall avail myself of the opportunity to discuss the questions which he will raise and the proposed legislation which his committee will support.

I shall consider the opinion of Mr. Justice Marshall in the McCulloch case as well as subsequent decisions of the Supreme Court dealing with the relations of the States to the Federal Government. For the present I content myself by stating that there are provisions in the bill with which I do not agree and which undoubtedly will be employed to justify legislation which will further undermine the integrity of sovereign States.

Mr. BROWN. Mr. President, I desire to state that the committee to which reference has been made by the Senator from Vermont and the Senator from Utah expects to have a report upon the question of taxation by the Federal Government of State and municipal bonds within the next 2 or 3 weeks. Of course, I expect that at that time I shall submit a report in writing in behalf of the committee, and undoubtedly there will be a report expressing views somewhat contrary to mine, probably submitted by the Senator from Vermont. At that time I hope we may have an opportunity to have a full discussion of the constitutional questions involved.

I may say that I myself have been ready with a speech on these constitutional questions for 3 weeks, and I hope I will have an opportunity to present it to the Senate. But the decision by the Supreme Court in the O'Keefe case a week ago yesterday eliminated any necessity for a constitutional discussion of the salary question. I think we will still have an opportunity to discuss the bond taxation proposition.

Mr. BORAH. Mr. President, when it comes to carrying out the implications of the O'Keefe case the Senator will find that there will be a great deal of discussion.

Mr. BROWN. I am glad to have the Senator from Idaho admit that there are implications in the O'Keefe case favorable to our views on the bond taxation proposition.

I may say that the Senator from Idaho has been the great advocate and the great leader in bringing to the American people the views which have prevailed in the Congress and in the Supreme Court upon the question of the nontaxability of State and municipal bonds by the Federal taxing power. I say to him that I well know that he has earnestly advocated the taxation by the Federal Government of its own obligations, but has consistently maintained that there is no power on the part of the Federal Government to tax State obligations.

I went into this matter a year or more ago believing much as the Senator did. Since that time I have been convinced the other way, and I look forward with interest to a discussion on the floor of the Senate of that most intricate and close legal question.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. McKELLAR. Returning to the pending bill, will it not really give the Supreme Court the opportunity, if it sees fit to take it, to go back to the principles announced in the case of McCulloch against Maryland one-hundred-and-thirty-odd years ago?

Mr. BROWN. They can go into the immunity rule, which stemmed from McCulloch against Maryland. But I say to the Senator from Tennessee that the pending bill will not give the Supreme Court an opportunity to decide the question of the right of the Federal Government to tax State and municipal bonds. That must come by reason of some new legislation, which I hope will soon come out of the other House, where it must originate.

Mr. McKELLAR. I was not speaking of Federal bonds; I was merely speaking of the right to tax the salaries of employees of the States and of the Nation.

Mr. GLASS. Mr. President, how does the Senator from Tennessee expect the Supreme Court to get back to the principles of McCulloch against Maryland when one of the judges

recently announced that John Marshall, instead of being the great jurist he had been considered for many years, was merely an orator?

Mr. McKELLAR. We are not suggesting anything. We are merely giving them an opportunity to decide what is the law.

Mr. BORAH. Mr. President, I assume that under the decision of the Supreme Court rendered a week ago yesterday the pending bill is within the principles laid down. I have no reason to doubt its validity in the light of that decision. But I think it is unwise legislation. It will furnish about enough taxes to pay the gasoline bills for a portion of the automobiles which skirt the town on social occasions, for which the Government pays.

Mr. President, I believe that Federal judges and other Federal officials should pay taxes, but I believe the Federal Government should levy the taxes. I believe that State officials, judges and all others, should pay taxes, but I believe that the States should levy the taxes.

The amount of money which will be derived as a result of the enactment of this bill will be practically nil; yet we are placing the two sovereignties in a position where they will be constantly affected by the action of one another with references to taxes upon their officials. We are placing the two sovereignties in the position where they will not be recognized in their sovereign integrity, but as mere taxable entities of the Federal Government; and that is not what they are, and never were intended to be.

When John Marshall decided the case of McCullough against Maryland he did not find anything in the Constitution of the United States which stated that the States could not tax the instrumentalities of the Federal Government, but he said it was inherent in the very nature of a federal government that it must be so; that if the two sovereignties were to exist they must exist free from each other's interference, free from embarrassment; and therefore, in the very nature of things, while it was not written in the Constitution, it must necessarily be true. If Marshall had disregarded the governmental question and treated the matter solely as a tax question, the tax would have been valid. We ought never to lose sight of that fact.

That is just as true now; and, in my opinion, we ought, as a matter of policy, to adhere to it even though the Supreme Court has in this particular instance undoubtedly given validity to legislation like the pending bill.

I shall vote against the bill if there is a yea-and-nay vote, and if it is not a yea-and-nay vote I shall vote against it in my mind.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters, which were ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER (Mr. GEORGE in the chair). Are there further reports of committees? If not, the clerk will state the nominations on the calendar.

CUSTOMS SERVICE—FLORENCE CLARKE LYNCH

The legislative clerk read the nomination of Florence Clarke Lynch, of New York, to be appraiser of merchandise.

Mr. KING. Mr. President, I should like to have this nomination go over until tomorrow.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

THE JUDICIARY

The legislative clerk read the nomination of Wiley Blount Rutledge, Jr., of Iowa, to be an associate justice of the United States Court of Appeals for the District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. KING. Mr. President, I wish to state, with reference to the nomination just confirmed, that if there had been a yea-and-nay vote I would have voted in the negative.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postoffice nominations are confirmed en bloc.

ASSOCIATE JUSTICE, SUPREME COURT OF THE UNITED STATES

The PRESIDING OFFICER. The clerk will state the nomination passed over.

The legislative clerk read the nomination of William O. Douglas, of Connecticut, to be Associate Justice, Supreme Court of the United States.

Mr. FRAZIER. Mr. President, when the Senate adjourned yesterday I was speaking on the question of the confirmation of the nomination of Mr. Douglas to be Associate Justice of the Supreme Court of the United States. I wish to continue the discussion now.

The New York Herald Tribune on March 16, 1939, on page 1, said that Mr. Douglas had "labeled as 'phony' and bitterly attacked" the amendments to the statute proposed by the stock exchanges.

Not only did Mr. Douglas issue a prepared statement bitterly attacking the proposed amendments to the statute, but as the New York Times reported on March 16, 1939, Mr. Douglas "added sharp oral criticism." This was so completely contrary to Mr. Douglas' long-continued policy that Wall Street "saw red." It was reported in many financial and metropolitan newspapers. For example, on March 19, 1939, Burton Crane, a reporter of the New York Times who had come to Washington during the deliberations of the stock exchanges of the country on March 13 and 14 to report on what they were doing, wrote an article in the New York Times which was published on March 19, 1939. In the article he had the following to say:

WALL STREET WAXES WROTH

For some months exchange members have been chafing at the thoroughgoing nature of the Martin cooperation with the S. E. C.

Mr. Martin, of course, was the new president of the Wall Street Stock Exchange.

When the Tuesday report went in, many in the street thought it practically S. E. C. propaganda. It seemed to accord perfectly—save in its allusion to the rule on "insiders"—with the S. E. C.'s philosophy of the past. Thus the Douglas attack, more bitter on the Wall Street New Deal than ever on the Old Guard, raised flaring anger. The financial district has "seen red" often in the past, but probably never has it been in such a fighting rage since the collapse of the gold corner, when mobs of would-be lynchers roamed the streets looking for Jay Gould and Jim Fisk.

Mr. President, the writer in the New York Times says that the criticism of the New York Stock Exchange made by Mr. Douglas on the 15th of March was the cause of more bitter feeling than anything which had taken place in Wall Street for many years; that it made the Wall Streeters "see red."

Mr. Crane's report intimates that Wall Street apparently assumed that Mr. Douglas' outburst of March 15 was occasioned by one of his major difficulties in getting the Supreme Court nomination. He had been attacked as being too close to Wall Street. Mr. Crane wrote in the New York Times on March 19, 1939:

If the tone of comment means anything, the manner of the Douglas reply has wrecked the painfully built structure of cooperation between S. E. C. and stock exchange. Perhaps that looks like a gain to the Commission's Chairman, for it was that cooperation which had produced hints that he had lost his liberalism. That ghost, at least, is laid.

Yesterday I quoted from an article published in the magazine the Nation, which stated that Mr. Douglas was too close to Wall Street and had been collaborating with Wall Street, and the writer of the article objected to Mr. Douglas' appointment to the Supreme Court on that ground.

Is it fair to say that Mr. Douglas' attack, the time it was made, and its tone were occasioned or influenced by the fact that his intimacy with Wall Street was likely to lose him the place on the Supreme Court? The answer is furnished by his close friend, Mr. Arthur Krock, of the New York Times. It is well known that Mr. Krock has been one of the leading supporters of Mr. Douglas for elevation to the Supreme Court. It is obvious that the explanation offered by Mr. Krock is one which would fairly reflect what was motivating Mr. Douglas and would be sympathetic to him. Mr. Krock's explanation was published while Wall Street was still wondering about the tremendous change in Mr. Douglas' attitude toward the New York Stock Exchange, which occurred on March 15, 1939.

Mr. Krock's article appears in section IV of the Sunday issue of the New York Times, March 26, 1939, at page 3 of that section, and is headed "Revision of S. E. C. Laws Asked at Fatal Hour."

In other words, the reporter for the New York Times thinks that the Wall Street Stock Exchange asked for its amendments to the law at an inopportune time, the request coming just when Mr. Douglas was a candidate for appointment to the Supreme Court and had been accused of being too close to Wall Street.

The article is headed "Revision of S. E. C. Laws Asked at Fatal Hour."

The article then mentions the interest of the administration in the Stock Exchange Act and other factors which would not have a bearing on the question of the timeliness of the presentation of the proposals by the stock exchange for amendment of the act. The article must have been very interesting to the brokers and bankers in Wall Street. It presented to them a picture of a race between two candidates for the Supreme Court vacancy, one being Mr. Douglas, a man satisfactory to Wall Street, and the other a man who is pictured as a radical, and unsatisfactory to Wall Street. As a matter of fact, the newspapers themselves, during the period before the sending in of the nomination, indicated that there were other candidates under consideration, and it was not simply a race between the two persons mentioned in this article. Some of the language from the article may be quoted.

> A more unfortunate time could not have been chosen by the exchanges to seek what they sought. * * * Mr. Douglas, to the great satisfaction of the business and financial communities, had been cooperative and pragmatic in dealing with his charges [meaning the stock exchanges] and had publicly referred to himself as a conservative. * * *

The article goes on to say that supporters of another candidate—

> At this time * * * were casting doubt on Mr. Douglas' loyalty to fundamental New Dealism, disputing his claim to being a "liberal" and asserting he had been a pawn of Wall Street. * * * This was the hour chosen to submit the proposals to Mr. Douglas.

That is, the amendments to the law governing the stock exchanges.

> It was hardly a period for impersonal, nonpolitical consideration.

That sentence by the reporter is rather significant, it seems to me. He says that this time, when the President was considering an appointment to the Supreme Court, on the 15th of March, was hardly a period for impersonal nonpolitical consideration. Senators can judge for themselves just what is meant by that. I shall try to explain what I think it means.

> This correspondent happens to believe that Mr. Douglas was wholly sincere in disapproving the proposals, though the use of the word "phony" and of certain other expressions suggested a wish to prove his loyalty to the acts he is administering and a firm resolve to do nothing that might be represented as canceling any part of the President's pet reform.
>
> If Mr. Douglas had approved all or any of the proposals, this writer believes he would have said as much, though he would have left them on the table for a while. What would have been the result? The [his opponent's] lobby would have made excellent use of the situation, particularly at the White House. * * * For all these reasons, and without disparagement of the wisdom of some amendments or the good faith of Chairman Douglas, the timing and psychology of the incident were obviously ill-conceived.

Why was this "hardly a period for impersonal, nonpolitical consideration"? Why is any time not a period for "impersonal, nonpolitical consideration" in the functioning of a regulatory official on public matters? If Mr. Krock is correct in his statement, then the conclusion follows that, in the face of the tug of war going on for the designation to the Supreme Court post, the consideration to be given to anything submitted to Mr. Douglas in his official capacity would be determined by personal and political motives. Any other conclusion is impossible if Mr. Krock's fundamental analysis is sound. If Mr. Douglas had not been under consideration for this important post, would Mr. Douglas' consideration of this matter have been impersonal and nonpolitical; and, if "impersonal" and "nonpolitical," would his decision have been different? Certainly the difference between impersonal and nonpolitical consideration on the one hand and personal, political consideration on the other hand cannot be determined merely by the fact that in the one case Mr. Douglas' response came within 24 hours, whereas in the other it would have come after "a while," meaning in the one case within 24 hours after the stock exchange had sent in its proposed amendment, whereas in the other case it would come after "a while."

The reporter said that if it had not been for the political situation, Mr. Douglas probably would not have answered or made any comment on the proposed amendments until after "a while."

Does not Mr. Krock, Mr. Douglas' good friend, seem to suggest something more deep-seated than a slight difference in time when he sets up the sharp antithesis between "impersonal, nonpolitical consideration" on the one hand, and personal and political consideration on the other hand?

Is not the effect of Mr. Krock's analysis substantially as follows:

(1) The stock exchange should have waited until Mr. Douglas' nomination was actually submitted before sending in the proposed amendments.

(2) If that had been done, Mr. Douglas' answer might have been different, as is indicated by the interview given to Mr. Krock on March 29. If that be so, what an indictment. Later I shall refer to that interview.

Does it not follow also from Mr. Krock's article that a regulating commissioner, normally impersonal and nonpolitical, might be expected to assume on commission matters a personal and political attitude when he is being considered for such a high office as that of Justice of the Supreme Court? But if a person, under such circumstances, adopts an attitude animated solely by personal and political motives, irrespective of the merits of the problem, which for this purpose need not be dwelt on at the moment, does not that constitute the gravest warning as to the fundamental and basic lack of that temperament, that approach, without which one has no right to aspire to such high judicial office? Since when has opportunism been the qualification for the highest judicial office?

That personal and political considerations, rather than the merits of the problem, moved Mr. Douglas, as is suggested by Mr. Krock in his March 26 article, is confirmed by Mr. Douglas himself in his interview on March 28, to which I shall shortly come.

Other friends of Mr. Douglas have made clear how shrewd was his understanding of the fact that if he made a vigorous attack on the New York Stock Exchange on March 15, this would help to obtain for him the nomination to the United States Supreme Court. His name had been pushed by his friends for 30 days, and as yet unsuccessfully, when the great opportunity came to Mr. Douglas on March 15 to attack the stock exchanges. Something had to be done to get the prize. He made the attack on the 15th. Did this help to procure for him the appointment? The answer is given by his good friends in their article in the Merry-Go-Round column published throughout the country.

Before I read that article I wish to refer to another article. I am sorry not more Members are interested in this matter.

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator wish to suggest the absence of a quorum?

Mr. FRAZIER. When a man 40 years of age is being considered for an appointment to the Supreme Court for life, an appointment good for at least another 30 years, it seems to me important that the facts of the case should be brought out.

Mr. MALONEY. Mr. President, will the Senator yield to me in order that I may suggest the absence of a quorum?

Mr. FRAZIER. I yield.

Mr. MALONEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	LaFollette	Radcliffe
Andrews	Downey	Lee	Reed
Ashurst	Ellender	Lodge	Reynolds
Austin	Frazier	Logan	Russell
Bankhead	George	Lucas	Schwartz
Barbour	Gerry	Lundeen	Schwellenbach
Barkley	Gillette	McCarran	Sheppard
Bilbo	Glass	McKellar	Shipstead
Bone	Green	McNary	Smathers
Borah	Guffey	Maloney	Smith
Brown	Gurney	Mead	Stewart
Bulow	Harrison	Miller	Taft
Burke	Hatch	Minton	Thomas, Okla.
Byrd	Hayden	Murray	Thomas, Utah
Byrnes	Herring	Neely	Townsend
Caraway	Hill	Norris	Tydings
Chavez	Holman	Nye	Vandenberg
Clark, Mo.	Hughes	O'Mahoney	Wagner
Connally	Johnson, Calif.	Overton	Wheeler
Danaher	Johnson, Colo.	Pepper	White
Davis	King	Pittman	Wiley

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Mr. FRAZIER. Mr. President, when the quorum call was made, I was talking about the statement Mr. Douglas had sent to the New York Stock Exchange on March 15, criticizing the exchange very severely for the amendments they had offered to the exchange laws. One of the newspaper writers, in commenting on the statement, said that it was the worst tirade against the Wall Street Stock Exchange that had been made for many years. Another writer said it was an improper time for the stock exchange to have made the request for a change in their laws. He said it was an inopportune time because the Chairman of the S. E. C. could not make a nonpolitical, impersonal statement at that time, intimating he could not do so because he was a candidate for appointment to the Supreme Court.

Mr. President, I have a copy of News Week of March 27. There is an article in it on the Douglas nomination. I desire to read just a paragraph of it. The writer of this article in News Week states that the tirade of Mr. Douglas on the New York Stock Exchange on March 15 was O. K.'d by the White House before it was sent to New York.

> The fact that Douglas' statement had the prior approval of the White House lends credence to widely held views that its chief purpose was political—to serve notice that the short-sales concession did not mean the New Deal was retreating, and possibly to build up Douglas for the Supreme Court.

That is what this article states.

Mr. President, is it possible that conditions have gotten to such a state that in order for a man to be appointed to a position on the Supreme Court, the highest law-making body of the land, he must play politics? This article seems to indicate it. The little paragraph that I read says that the chief purpose of the statement was, perhaps—

> To serve notice that the short-sales concession did not mean that the New Deal was retreating—

Referring to the short-sales concession that the S. E. C. had made about 2 weeks before the 15th of March, early in the month of March. It was a ruling that the stock exchange had asked for to make short selling easier.

Mr. President, that concession was to make short selling easier, and Mr. Douglas had agreed to it at that time. In my opinion, short selling is a crime at any time. It is contrary to the best interests of the people who own the properties that are being sold. It forces down the prices, and that is the object of short selling; and this concession that the S. E. C. had made under Mr. Douglas a couple of weeks before this time was to make short selling easier. The article goes on to say that it was probably politics, and I am frank to think there was more politics played in it than we at the present time know anything about.

On March 20, 1939, Mr. Douglas' name was sent to the Senate. That was just 5 days after his tirade on the New York Stock Exchange. I have already stated that some of the liberal magazines like the Nation had criticized the appointment of Mr. Douglas, or his consideration for appointment, on the ground that he was too close to Wall Street interests—that he was playing with them. One article referred to him as "the tool of Wall Street." So on March 20, 1939, Mr. Douglas' name was sent to the Senate for the Supreme Court post, 5 days after the day on which Mr. Douglas made such good use of his opportunity to "roast" the New York Stock Exchange.

In ascertaining whether Mr. Douglas' use of that opportunity was a genuine expression of his own viewpoint, it is not necessary to rely simply on the testimony of his newspaper friends. Mr. Douglas' activities subsequent to the sending in of his name on March 20, 1939, tell the same story.

Even before the nomination actually went in assurances had been going to Wall Street that its bitterness against Mr. Douglas for his novel attitude toward Wall Street ought to be tempered by the possibility or probability that he really was much friendlier to Wall Street than his action of March 15, 1939, might indicate. Though his candidacy for the Supreme Court was sympathetically viewed in Wall Street prior to the March 15 incident, that sympathy seemed to have disappeared at the time when his name was sent to the Senate on March 20, 1939. The following is a quotation from an article in the New York Times on March 21, 1939, in its financial section:

HAIL AND FAREWELL

> In view of the coolness which recently has arisen between Mr. Douglas and Wall Street, there were no public expressions of spontaneous good will noticeable in the financial district yesterday upon news of his nomination for the Supreme Court. Today may be another story, for some gentlemen who were busy with other matters yesterday may comment in a friendly way on Mr. Douglas' appointment. Two weeks ago there would have been an instant and favorable response to the news. The difference is not that Mr. Douglas had ever been less hard a taskmaster but that what was felt to have been an undeserved rebuff was addressed by him last week to as well-intentioned a group of men as ever had left New York for Washington since this administration took office.

A group of men had come down here representing the New York Stock Exchange and other stock exchanges throughout the Nation to ask the S. E. C. for some amendments to the regulations, and this writer says Mr. Douglas had rebuffed them. Another writer went on to say that the New York Stock Exchange "saw red," and that after receiving that report of March 15 they were in the most angry mood that they had been in for years.

Thereafter, however, word was carried to Wall Street showing that it should feel quite differently about Mr. Douglas.

For example, Burton Crane, of the New York Times, who had previously reported the bitterness in Wall Street, wrote an article which appeared in the financial section of the New York Times on Sunday, March 26, 1939, after the nomination had been favorably reported by the subcommittee. The article begins as follows:

> Even before William O. Douglas, Chairman of the Securities and Exchange Commission, had been nominated by President Roosevelt for a place on the Bench of the Supreme Court of the United States, his colleagues on the Commission passed the opinion to the financial community here that his denunciation of proposals made by a group of representatives of the securities exchanges of the country need not be taken too seriously.

That was on March 26, right after the nomination had come to the Senate.

Finally, on March 29, 1939, Mr. Douglas presented to Wall Street a greater appeasement than he had ever offered that financial group before. He was about to leave the S. E. C.

for the Supreme Court. On March 28, 1939, when it looked as if it would be the last day on which he could with propriety, discuss S. E. C. and Wall Street affairs, he gave an interview to his friend, Mr. Krock, of the New York Times, and this interview was published the next day. This is one of the most remarkable interviews in the history of the S. E. C., if not indeed, in the history of liberal government. Insofar as the prestige of his name and experience as head of the S. E. C. and as a man elevated to the highest tribunal in the land could do something for Wall Street, Mr. Douglas did it. The interview was rather quietly written, and its full meaning does not appear in the article itself, except to those who know other facts which were known to the important men in Wall Street when they read that article.

The first thing Mr. Douglas did in this interview for the benefit of the most powerful financial institutions in our financial capital was to take sides with the big Wall Street banks and trust companies against the S. E. C., even against himself of an earlier date, against the measures desired by the administration itself. The administration's purposes have been to increase the jurisdiction, the power, and the functions of the S. E. C., and to increase the fields over which it shall have power as a regulating authority. For example, an effort has been made since 1937 to put under the jurisdiction of the S. E. C. the activities of the big financial institutions, primarily those in New York, in the so-called trust-indenture business. The bills for this purpose were introduced in the Senate by the senior Senator from Kentucky [Mr. BARKLEY], both in the first session of the Seventy-fifth Congress and in the first session of the present Congress. In the previous Congress the bill was known as Senate bill 2344, and in the present Congress the bill introduced for the purpose is Senate bill 477.

The bills were rather lengthy. The present bill contains 62 pages, as I remember. By the way, it was considered for some time by the subcommittee, of which I happened to be a member. Members of the big banking institutions of Wall Street, Chicago, and over the country appeared, and most of them protested in the first place. The bill was changed to some extent, and they agreed, or partially agreed, or at least some of them agreed, that it would be all right and workable, and this morning Senate bill 477 was reported from the Committee on Banking and Currency for the calendar, for discussion and consideration by the Senate.

The purpose of the bill seems to be a worthy one, to curb very serious abuses in this branch of high finance.

Committees of both the Senate and House of Representatives have held hearings on these bills. The Senate Banking and Currency Committee conducted hearings on Senate bill 2344 in June 1937 and on the pending bill in February of this year.

In the 1937 hearings Mr. Douglas, as Chairman of the S. E. C., made a lengthy statement which took up the better part of two sessions; in fact, it took all of two sessions to hear Mr. Douglas last June on the bill pending at that time. The sessions began in the morning and ran until 1 o'clock, then began again at half past two and ran until 5, and Mr. Douglas was on the stand all the time in favor of the bill then pending.

He stated that $40,000,000,000 of securities national distributed are outstanding under trust indentures of the type that are to be subjected to regulation under the Barkley bill. He urged the importance of protecting the purchasers of such bonds by putting this subject under the jurisdiction of the S. E. C. In great detail he set forth the various powers and functions which would be added to the activities of the S. E. C. by the Barkley bill. That bill would have conferred upon the S. E. C. a new large supervisory power over big financial institutions. Anyone who reads Mr. Douglas' statement in the hearings before the Senate Banking and Currency Committee on June 9, 1937, cannot fail to notice how broad and extensive is the additional power that bill would confer on the S. E. C., and the additional functions and supervisory authority the Barkley bill would confer on that body.

When the bill was reintroduced in the Senate early this year, also by the Senator from Kentucky, hearings were conducted before the Senate Banking and Currency Committee. Again it was made clear that the bill would confer large additional jurisdiction on the S. E. C.

Under date of May 24, 1937, the President urged the Barkley bill upon the Senator from New York [Mr. WAGNER], the chairman of the Banking and Currency Committee. That letter is to be found at page 15 of the hearings of the committee. In addition the S. E. C. and Mr. Douglas himself urged the bill.

Another member of the Commission, Mr. Eicher, came before the committee and stated in the beginning of his statement that he was pinch hitting for Mr. Douglas. He made a very strong statement in favor of the Barkley bill. But these bills have had the most determined opposition from the big banks and trust companies in Wall Street, and from the Investment Bankers Association, as well as other Wall Street groups.

In the interview which Mr. Douglas gave to Mr. Krock on March 28, 1939, the interview which they then evidently thought was his final interview as Chairman of the S. E. C., his last opportunity to express his views on S. E. C. and Wall Street matters from the vantage point of Commission Chairman, Mr. Douglas said that no further functions or jurisdiction should be conferred on the S. E. C. for at least a long time to come. The following is quoted from the interview as written by Mr. Krock and published in the New York Times of March 29, 1939, at page 22 of that issue:

WASHINGTON, March 28.—By the end of this week William O. Douglas will have been overwhelmingly, perhaps unanimously, confirmed by the Senate to be an Associate Justice of the Supreme Court of the United States. He will then depart forever from the Chairman's office at the Securities and Exchange Commission. But having been so suddenly lifted from the bull ring to the stratosphere of public service the smell of blood and sand is still strong in his nostrils. Today he discussed the Commission and its problems as though they were to remain as much a part of his life as they were a couple of weeks ago.

Listen to this:

In Mr. Douglas' opinion the activities of the S. E. C. have reached their practical peak.

I want the Senator from Kentucky to listen to this. I am reading an interview with the Chairman of the S. E. C., Mr. Douglas, as quoted in the New York Times on March 29 by Arthur Krock.

In Mr. Douglas' opinion the activities of the S. E. C. have reached their practical peak. He thinks its scope is now as wide and deep as it effectively can be.

What does this mean? Is he advocating the enactment of the bill of the Senator from Kentucky? Oh, no; he is not. He says they have gone as far as they want to go. The Senator's bill goes into the waste basket.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Kentucky?

Mr. FRAZIER. I yield.

Mr. BARKLEY. I do not understand that that article is a direct quotation from anything Mr. Douglas said on the subject. It may be an inference drawn by the correspondent.

Mr. FRAZIER. Mr. Krock has been one of his chief "boosters" in the New York Times.

Mr. BARKLEY. Yes; he is a good friend; but even if Mr. Krock is correct in the assumption that Mr. Douglas believed that the peak of the work of the S. E. C. in the matter of laying down fundamental regulations for the conduct of the stock exchange had been accomplished, and that from now on it would be largely a matter of detail and routine work, passing upon applications as they might arise, it seems to me there is nothing in the inference or in the conclusion that is inconsistent with the possible facts. One of the first duties of the S. E. C. was to start the process of regulation, to carry out the law in laying down the fundamental rules upon which the stock exchange should be conducted. After they had done that it resolved itself largely into routine, detailed matters as individual cases or situations arise.

Frankly, I do not see that Mr. Krock's comment upon the present attitude of Mr. Douglas is an indication that Mr. Douglas has in any way lessened his solicitude or has retraced his steps or has recanted his attitude with respect to the

regulation of the stock exchange and the enforcement of the Securities Act which Congress passed. But even if it might be so interpreted, certainly Mr. Krock, as I understand, makes no effort to quote anything Mr. Douglas said to indicate any change in his views on the subject.

Mr. FRAZIER. As I have stated, Mr. Krock has been a correspondent for the New York Times for a long time and has been a very close friend and supporter of Mr. Douglas. This is his statement, written on March 28, in an interview of March 27, apparently. I will not take the time to read it all.

Mr. BARKLEY. Did the article say anything about the reason why Mr. Douglas was willing to step out of the S. E. C. now that he thought its fundamental work had been started and the foundation had been laid?

Mr. FRAZIER. No; he was stepping out of the S. E. C. because he was getting a better job.

Mr. BARKLEY. I understand that, and I do not know of anyone who would not do the same thing; but in what connection was Mr. Krock using the implication—I have not read the article——

Mr. FRAZIER. I do not think the Senator was listening when I read the first part of it. Let me read it again:

[From the Nation]

AS CHAIRMAN DOUGLAS SEES THE FUTURE OF THE S. E. C.

WASHINGTON, March 28.—By the end of this week William O. Douglas will have been overwhelmingly, perhaps unanimously, confirmed by the Senate to be an Associate Justice of the Supreme Court of the United States. He will then depart forever from the Chairman's office at the Securities and Exchange Commission. But having been so suddenly lifted from the bull ring to the stratosphere of public service the smell of blood and sand is still strong in his nostrils. Today he discussed the Commission and its problems as though they were to remain as much a part of his life as they were a couple of weeks ago.

Then he says of Mr. Douglas' opinion:

In Mr. Douglas' opinion, the activities of the S. E. C. have reached their practical peak. He thinks its scope is now as wide and deep as it effectively can be.

This whole article seems to be an appeasement to the New York Stock Exchange. Of course, as the Senator knows, they were opposed to the Senator's bill.

Mr. BARKLEY. Mr. President, I do not know the importance of trying to appease the New York Stock Exchange in reference to the appointment of Mr. Douglas to the Supreme Court. But I imagine the same thing might have been said in the early stages about the Interstate Commerce Commission, or the Federal Trade Commission, that after it had cleared new ground, had plowed new territory, had built highways in new regulatory forests, if I may use a combination of metaphors, then, the work of the Commission having been outlined in the foundation, in the prime hearing in which it was compelled to engage, it was naturally assumed that its peak of operations had been reached, that it was no longer necessary to build new highways in new forests of regulations, no longer necessary to lay a foundation, because Congress had done that when the law was passed and the Commission was created.

The fact that Mr. Douglas has assumed to carry to the Supreme Court his interest in the S. E. C. and its problems seems to me to indicate that he has not altogether forgotten the service that is being rendered by this Commission, or the opportunities for it to render a continued service and reach a peak of operation which may not have been attained heretofore.

Mr. FRAZIER. Of course, the Senator is entitled to his own opinion in the matter, but it seems to me that some politics has been played, this having come just a couple of weeks after the tirade against the stock exchange, on March 15, 5 days before he received his appointment to the Supreme Court.

I do not know whether the Senator was in the Chamber when I read the article which stated that the tirade on the New York Stock Exchange had prior approval of the White House before it was sent to New York. So it looks to me as though there was some politics.

Mr. BARKLEY. The mere fact that I may or may not have been listening to the article when it was read may shed no light on whether the article had prior White House approval. Many articles are said to have White House approval which the White House has never seen.

Mr. FRAZIER. In speaking to newspaper reporters a few days ago I referred to that article. One of them said, "That is correct. We were told at the White House that there would be very important news the next day about the S. E. C." On the next day came the tirade against Wall Street.

The article in the New York Times continues:

After the utilities' integration has been completed, some years hence, the Chairman thinks there will be room to substitute another task of equal size. But the aggregate scope of the S. E. C. should not, he believes, be expanded.

That article was written as the result of Mr. Krock's interview with Mr. Douglas.

Thus Mr. Douglas, as his parting shot, proposed to throw into the wastebasket the bills, such as the one introduced by the Senator from Kentucky [Mr. BARKLEY], which had been urged by the President and by the S. E. C., and earlier by Mr. Douglas himself, for the correction of gross abuses in Wall Street, a correction which would be effected by adding substantially to the functions and activities of the S. E. C.

Mr. President, I wish to say that this morning in the committee I voted to report one of the bills favorably, because I thought from what I knew of it—I admit I did not understand all of it—that it was an improvement over the present plan.

The President, the S. E. C., leading committees of the Senate and House have devoted a great amount of time to those bills. The need for them was demonstrated by inquiries instituted by the S. E. C. in the period before Mr. Douglas was a member of that body. He inherited the problem when he became Chairman of the S. E. C. But in the interview published on March 29, 1939, he was ready, without consulting with Congress, without consulting with the members of the committees whose time he had taken in urging the passage of such bills, to make, at the expense of the public interest, a sacrifice of the time and labor devoted to this legislation by the Senate and the House, by the President, and by the S. E. C. Who authorized Mr. Douglas to make, at the expense of Congress and of the S. E. C. and of the public, such a gesture of good will to Wall Street? It was more than a gesture of good will. It was a good-will offering—a boon and a bonus to big financial institutions in Wall Street, which had been fighting the Barkley bill for 2 years.

The parting interview which Mr. Douglas gave on March 28, 1939, was more than enough to offset his anti-Wall Street statement of 2 weeks earlier. In this interview Mr. Douglas did not rest content with offering an olive branch to the big Wall Street banks, to the Investment Bankers Association, and to similar organizations of high finance. He went further in making up for his March 15, 1939, rejection of the stock-exchange proposals to amend the stock-exchange statute. In this interview he proposed that there should be amendments to the Stock Exchange Act. That might have seemed like making full correction of his "indiscretion" of March 15, 1939. But he did a great deal more. It seemed that he was ready to fill the Wall Street cup to overflowing. He proposed also that there should be amendments to the Securities Act of 1933—something for which the stock exchanges had not asked on the fatal day when Mr. Douglas took occasion to denounce proposals for statutory amendments.

What were Mr. Douglas' reasons for proposing amendments to these two statutes? The following appears in the interview as reported by Mr. Krock, published in the New York Times of March 29, 1939:

The Chairman went on to say he thought that at some later time an eminent drafting committee, representing all legitimate interests, should undertake to consolidate and perfect the Securities Act and the Securities and Exchange Act, which are the legal charters of the S. E. C. They were, he pointed out, written separately and somewhat to meet two different situations. Necessarily therefore duplications, ambiguities, and probably some extra and unintended exactions on honest business are to be found.

This statement deserves analysis. Mr. Douglas tried to justify the taking away of safeguards now in these important statutes on the ground that they had been written separately and involved duplications. It is surprising that after several years on the S. E. C. Mr. Douglas never learned that the same people drew both statutes, that the second of the statutes was drawn with a complete understanding of the first. That particular explanation advanced by Mr. Douglas was very weak, in my opinion.

Other reasons he advances are that the statutes suffer from ambiguities and that they are interfering with honest business. This has been the perennial cry of Wall Street interests against these statutes ever since the passage of the Securities Act of 1933. In fact it was the same line of argument which Mr. Douglas himself, at the end of 1933, in a learned article put forward, recommending that the Securities Act be amended.

In the Yale Law Journal of December 1933 appears an article, The Federal Securities Act of 1933, by William O. Douglas. I quote from the article:

> As Berle has said, the Securities Act, though probably one of the most spectacular types of legislation, is of secondary importance in a comprehensive program of social control over finance. Some, however, have believed, apparently in all sincerity, that the great drop in security values in the last 5 years was the result of failure to tell the "truth" about securities.

Perhaps it was the failure to tell the truth about securities which caused the drop in the price of stock and bonds during the crisis of 1929. I do not know about that. In my opinion there was not enough truth told about securities. That was the reason for the boom just before 1929.

I continue to read from the Yale Law Journal:

> And others have thought that with the Securities Act it would be possible to prevent a recurrence of the scandals which have brought many financiers into disrepute in recent years. As a matter of fact, there are but few of the transactions investigated by the Senate Committee on Banking and Currency which the Securities Act would have controlled. There is nothing in the act which would control the speculative craze of the American public or which would eliminate wholly unsound capital structures. There is nothing in the act which would prevent a tyrannical management from playing wide and loose with scattered minorities or which would prevent a new pyramiding of holding companies violative of the public interest and all canons of sound finance. All the act pretends to do is to require the "truth about securities" at the time of issue and to impose a penalty for failure to tell the truth. Once it is told the matter is left to the investor.

That article in 1933 was referred to by some of the newspapers as Mr. Douglas' learned article about the Securities Act. He secured some changes. It is also said in an article in the Nation, which I think I quoted yesterday, that the recommendations which Mr. Douglas made in 1933 were in direct line with the statements made by the Wall Street interests in 1933. The Nation drew the conclusion that it did not know whether he was a real progressive or whether he should be called a "Wall Streeter."

Mr. President, what Mr. Douglas proposed, in fact, was that the act be emasculated, and emasculated it was the following year as a result of the pressure from Wall Street publicists, who found great comfort in Mr. Douglas' joining in that very movement. Now he revives the same old cry to emasculate further the Securities Act which he was already successful in putting under the knife in 1934. And he wants also to apply the knife to the Stock Exchange Act, as he has already done to the act which preceded it.

Wall Street could hardly have asked more from any past, present, or future member or chairman of the S. E. C. This is appeasement with a vengeance.

I have quoted from the interview in the New York Times of March 29, after the writer thought Mr. Douglas' nomination would be approved by the United States Senate on the 28th.

This is giving Wall Street far more than it could have dreamed of asking. To be sure, Mr. Douglas, who had only 2 weeks earlier rejected proposed amendments, recommended in his interview that any amendments to these two statutes be postponed for the time being. Wall Street will be ready to wait for a time, now that it has received the blessing and benediction of Mr. Douglas and his weighty recommendations, all with a view to cutting up statutes from which Wall Street has been striving to escape ever since those statutes were enacted.

I desire to call particular attention to Mr. Douglas' statement in December 1938, that the axis he had established between the S. E. C. and the New York Stock Exchange "has withstood its first shock perfectly." The shock to which he was referring was the refusal of the so-called reform administration of the New York Stock Exchange to take any action in the Whitney case, and the consequent resignation of the public member of the exchange's governing board, President Robert M. Hutchins, of the University of Chicago. I read his letter of resignation yesterday. How did the axis withstand this shock? By Mr. Douglas' complete and abject capitulation to the New York Stock Exchange. Instead of himself doing anything about it, he, in effect, said: "You, the stock exchange, have shut the door. Very well; we will shut the door also, and join you in closing our eyes to this offensive situation" to which President Hutchins, at any rate, was unable to close his eyes. When Mr. Douglas said that "the axis has withstood its first shock perfectly," did he mean that something had happened which threatened to pull the two members of the axis apart, by reason of the fact that the loyalties and objectives of the two members of the axis were in conflict? Or did he mean that both members of the axis joined in permitting something to be done or participated in something which was against the public interest? The latter interpretation is not likely. If the former, then whose loyalties prevailed—the loyalties served by the stock exchange, or those served by the S. E. C.? If the S. E. C. yielded to the stock exchange, then, according to Hutchins, it was yielding on an issue that was contrary to public interest and the good name of the exchange. If, on the other hand, the stock exchange yielded to the S. E. C., then we must assume that it was the S. E. C. that did not wish to do anything about a situation in which the public interest was so vitally concerned.

This was an issue so grave that Dr. Hutchins, the distinguished president of the University of Chicago, was compelled to resign as a representative of the public on the board of control or board of supervisors of the stock exchange. He could not obtain the action which in his opinion was mandatory if the public interest was to be served. Why could not Mr. Douglas be as zealous with respect to the public interest as was Dr. Hutchins?

If Mr. Douglas felt that the S. E. C. did not have any further jurisdiction, then he should have indicated that fact. Language could readily have been employed to make it clear. Why did he have to side with the New York Stock Exchange? Why was it incumbent on Mr. Douglas to say that, for the S. E. C., the case was closed? Was it not even less appropriate for him to say that, for the exchange, it is closed?

That was his statement in an interview at that time, just after Dr. Hutchins had resigned. The least that can be said is that Mr. Douglas' zeal for complete inquiry is less than that of Dr. Hutchins, a representative of the public interest on the board. Dr. Hutchins had the courage of his convictions and did what he believed was right, and when the rest of the board refused to adopt his motion, Dr. Hutchins told them he would resign, and he resigned the next day.

Prior to May 1938 it was already known that important officials and other persons in the New York Stock Exchange had been guilty of serious impropriety in concealing the Richard Whitney embezzlements. This matter was brought up yesterday. Some questions were asked, and I wish to go a little further into it. The so-called reform management of the New York Stock Exchange took over control of that stock market in May 1938. The reform management took no action, either by way of discipline, reprimand, or otherwise, against the officials and other persons who were guilty of the concealment. Indeed, a number of those persons continued in office subsequent to May 1938.

Yesterday the Senator from Connecticut [Mr. MALONEY] raised the issue that in his opinion it was Mr. Martin who caused the resignation of Mr. Whitney; but, according to the

records which I find, that proves not to be the case. I shall point out the facts.

Mr. Douglas made no attack on the new management of the exchange for its failure to take action. Mr. Douglas was not then a candidate for the United States Supreme Court.

That fact may have been significant. I do not know whether it was or not. At any rate, he made no attack on the Wall Street interests for not backing Dr. Hutchins in going ahead with the investigation of the Whitney case, and said the matter was closed so far as he was concerned. However, as I say, he was not then a candidate for the Supreme Court.

In the period between May and November 1938 the serious impropriety of the course of the leading stock exchange officials and others who had concealed the Whitney embezzlements was emphasized more and more by disclosures in the investigation into the Whitney affair. The management of the New York Stock Exchange took no action by way of discipline, or otherwise.

During this entire period Mr. Douglas made no attack upon the stock exchange management. Instead, he highly praised it as a reform group and gave it his support and backing.

He was not then a candidate for the United States Supreme Court.

In November 1938 the S. E. C. issued its report condemning the leading exchange figures guilty of the concealment of the Whitney embezzlements. Mr. Douglas made no mention of the failure of the new management of the exchange to discipline, reprimand, or take any action with respect to the persons guilty of those improprieties. Instead, at the end of the condemnation report Mr. Douglas made it clear that the new management of the exchange was of very different caliber, and in effect praised it highly. That was the effect of the S. E. C. report of the investigation of the charges against Mr. Whitney.

Mr. Douglas was not then a candidate for the Supreme Court.

Toward the end of December 1938 President Robert M. Hutchins, of the University of Chicago, a so-called public member of the Board of Governors of the New York Stock Exchange, resigned because of the refusal of the management of the New York Stock Exchange to take some action looking to disciplining, reprimanding, or taking other corrective steps against the persons guilty of the concealment of the Whitney embezzlements. I have an article on the Whitney embezzlements which is only a dozen pages or so in length. I can read it if desired. It gives the full history of the case. Mr. Douglas did not attack the management of the exchange for voting against Dr. Hutchins' proposal, and thus in effect forcing his resignation from the governing body of the exchange.

I am not personally acquainted with Dr. Hutchins, president of the University of Chicago, but he is very highly spoken of. Newspaper articles connected him and Mr. Douglas as very close friends a year or two ago. Instead, Mr. Douglas made it clear that his intimate association with the New York Stock Exchange management was going to continue unbroken and unaffected.

Mr. Douglas was not then a candidate for the United States Supreme Court.

On March 15, 1939, Mr. Douglas delivered a vigorous attack on proposals submitted to the S. E. C. by the so-called reform management of the New York Stock Exchange and by other exchanges for two amendments of the stock exchange statute.

Mr. Douglas had at that time been an active candidate for the United States Supreme Court for 30 days, and his candidacy had not yet proved acceptable to the President for submission to the Senate. Meantime Mr. Douglas had been criticized for his unduly close association with the New York Stock Exchange and for his failure to deal appropriately with the stock exchange.

On March 28, 1939, Mr. Douglas was no longer a candidate for nomination to the Supreme Court. His nomination had been sent in to the Senate on March 20, and both the subcommittee and the full Judiciary Committee had unanimously reported their favorable recommendation. The press announced that the Senate would confirm the nomination on that day. The interview Mr. Douglas granted on that day was not going to be published until the following day, when, it was thought, he would already have been confirmed by the Senate.

Those are the plain facts, as seems to be apparent from the newspaper articles I have read.

At this time the Investment Bankers Association and other powerful Wall Street groups had been aroused by the report that a subcommittee of the Senate Banking and Currency Committee was favorably recommending the Barkley bill for regulation of the corporate bond indenture activities of big banks and trust companies, such regulation to be conducted by the S. E. C. This bill had been recommended by the President, by the S. E. C., and, in largely the same form, by Mr. Douglas, the latter having made his recommendation in 1937. Mr. Douglas in 1937 urged the very great importance of passing some such bill as an absolute necessity for the protection of investors.

Mr. Douglas in his interview of March 28, published in the New York Times of March 29, 1939, did not attack the Wall Street group and its vigorous opposition to this bill. On the contrary, without specifically mentioning this bill, he in effect said, by means of a general recommendation against any legislation charging the S. E. C. with additional activities, that no such legislation should be passed. In other words, he took sides with the powerful Wall Street groups against the S. E. C. and against the President, and against the very regulatory authority and statutory proposals which he himself had urged upon congressional committees 2 years earlier as essential for the protection of investors.

I have before me the hearing in which Mr. Douglas testified. There are only 62 pages of it, and I do not know but that I would be justified in reading them. He praised the so-called Barkley bill to the skies at that time, and said that it was necessary in order to protect the investors in bonds throughout the Nation. I think something is necessary to protect them, for there have been great losses under the old system of buying and promoting the sale of bonds, appointing certain men to look after them, and so forth. The bill was reported this morning, and I hope it will be passed.

Did the single case of Mr. Douglas' attack on Wall Street, already noted, have anything to do with his desire to get to the Supreme Court? Light is thrown on this question by articles recently published by good friends of his who urged his nomination to the Supreme Court. One of them is Arthur Krock, of the New York Times, who, in its March 26, 1939, issue, explained that the proposals of the stock exchanges attacked by Mr. Douglas on March 15, 1939, should not have been submitted to him at that particular juncture. Mr. Krock explained that Mr. Douglas had then been attacked as not being a liberal; that he had to prove his liberalism; and that it was not a time when he could consider the proposals in a nonpolitical, impersonal way.

Columnist friends of Mr. Douglas subsequently published an article, which appeared in the Washington Times-Herald of April 3, 1939, in which they said that "one decisive influence in making up his—the President's—mind to name Douglas was the S. E. C. chairman's sizzling retort to the Wall Street moguls," that is to say, the attack Douglas delivered against their proposals on March 15, 1939.

It should be repeated that both Mr. Krock and the other columnists just mentioned have been close to Mr. Douglas for some years, were backing him for the Supreme Court long before he was nominated, and may therefore be presumed to know the real facts about what he had in mind when he made the attack on the exchange, the reason he made the attack, and the successful effect it had for himself.

Mr. President, those are my sentiments on this situation. Other Members of the Senate, of course, who have heard my remarks can draw their own conclusions; that is their privilege; but it appears to me that, after what apparently seem to be the facts have been brought out, the name of Mr. Douglas should be sent back to the committee and a full investigation should be made to ascertain whether or not Mr. Douglas is lined up with the stock exchange of Wall Street;

whether he is a pawn, as has been said by one of the newspaper writers, of Wall Street interests; whether he is hooked up particularly with great bankers and other business interests and trust companies; and whether or not he played politics in that charge against the New York Stock Exchange on the 15th of March—5 days before he received the nomination.

I have here a clipping from a newspaper for which I have no particular admiration, but the name of the writer of the article is signed, and I am told that he is a very efficient and trustworthy correspondent. The clipping is from the Chicago Tribune, under a Washington, D. C., date line of March 18. It is entitled "S. E. C. Suppresses Charge Against Own Official—Involves L. A. Pettit and Victor Emanuel—By John Fisher."

I am sorry again that the Chamber is so well emptied, for this is rather an important statement, in my opinion. If it is not true, it should be investigated by the committee that considered Mr. Douglas' appointment, to ascertain its falsity.

WASHINGTON, D. C., March 18.—The Securities and Exchange Commission has "mysteriously" dropped collusion charges against one of its officials, it was learned today. The other person involved is an influential New Deal utilities magnate. The official in the Public Utilities Division of the S. E. C. was tried secretly by the Commission last October and November, but the transcript of the hearing and the report of the examining committee have been carefully suppressed.

The S. E. C. official involved, L. A. Pettit, has been retained and four subordinates in his own department who testified against him have been removed from the scene of friction. Two resigned and the two others were transferred to other divisions.

Mr. President, it is the same old situation of bureau control; when any employee has the courage to complain against something which he thinks is absolutely wrong—when an act has been committed by some of his superiors and he has the nerve and courage to express the conviction that he believes the act is wrong and should be investigated—after investigation the man against whom the charges are made is whitewashed, while the man who has the courage to make the charges is dismissed from office for his good work. A strange situation.

I wish to read a little more from this article:

FEAR PUBLIC KNOWLEDGE

S. E. C. officials are jittery—

This was on the 18th of March—

S. E. C. officials are jittery lest the facts be made public. William O. Douglas, Chairman of the S. E. C. and reportedly the No. 1 candidate for appointment by President Roosevelt to the United States Supreme Court, will neither discuss nor comment upon the case, his office reported today. Furthermore, he will say nothing on whether the official has been definitely cleared of the charges against him.

An aide to Douglas said that "the S. E. C. still considers that its laundry is in its own back yard"—

That is probably the case—

inferring that it is not a matter of public importance.

Oh, no, Mr. President; of course it is not a matter of public importance when a member of an important governmental regulatory body such as the S. E. C. tries to induce and encourage those who are making an investigation of a company in which a friend of the member is interested, to make a favorable report so that his friend may get an advantage. Of course it is not a matter of public interest that when some one has the courage of his convictions to complain against such a man, the laundry is washed in the back yard and nobody knows anything about it. Yes; the back yard is a good place for their laundry; at least they do not dare to bring it out into the light of day; and I do not believe, either, that the Senate of the United States dares to send this nomination back to the committee with instructions to investigate.

Mr. KING. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. KING. I should like to inquire whether the Senator has any information whether Mr. Pettit is still retained in the S. E. C.?

Mr. FRAZIER. Oh, yes; the article sets forth that Mr. Pettit was retained in his job. I have not finished with the story as yet; there is more to it. The most interesting part is yet to come, I will say to the Senator from Utah.

The charges involved Pettit, who is assistant to C. Roy Smith, director of the S. E. C.'s public utilities division, and Victor Emanuel, New York financier, who is president of the Standard Power & Light Corporation, chairman of the Standard Gas & Electric Corporation, and president of the Aviation & Transportation Corporation, old Cord concern. All are Chicago companies.

TESTIFIES FOR PETTIT

Emanuel came from New York to testify on behalf of Pettit and opened his remarks by expressing astonishment that he, a good new dealer, was being questioned in view of his activity in President Roosevelt's 1932 campaign and the vast amount of money he raised. A report to Congress on Democratic contributions shows that Emanuel personally gave $8,500—

Just a small sum—

to the cause in 1932. There were three instalments—$1,000 on May 23, $5,000 on October 10, and $2,500 on October 22.

If that was not enough to whitewash one of his friends, I do not know how much it would take; and his friend was whitewashed, Mr. President. At least that is the supposition, and we cannot find the facts of the case. They have not been given out.

Testimony before the S. E. C. during its investment trust investigation last summer also revealed that Emanuel accomplished through the S. E. C. what he unsuccessfully tried to attain prior to the S. E. C.'s creation—control of the Standard Gas & Electric Corporation.

The contribution gained Mr. Emanuel some more. Besides clearing his friend, who was trying to do something for him, he got control of this big corporation in Chicago.

Pettit, who was brought into the S. E. C. through Emanuel's influence, was accused of trying to gain favorable action by financial analysts in his department on a petition in 1937 of Northern States Power Co. of Minnesota, a subsidiary of Standard Gas.

The Senator from Minnesota is not in the Chamber at the moment. The Northern States Power Co. operates in my part of the country. I am quite familiar with it.

For reclassification of its preferred stock, a procedure which would have benefited Emanuel.

That is what Mr. Pettit was trying to bring about. He was trying to induce the people who were making the analysis and doing the investigating to favor his friend Emanuel. They would not do it and told about it, and the investigation took place.

Emanuel admitted that he had recommended Pettit for a job with the S. E. C. when Ward Perrott, who was director of personnel for the S. E. C. when the Public Utility Division was set up in 1935, asked a partner of Emanuel & Co., investment bankers of New York, where he could get some good men for the Utility Division.

Of course, they would go to the public utilities to get a good man for the Utility Division, and Mr. Emanuel was kind enough to recommend his friend Pettit for the job; and Mr. Pettit was appointed and apparently has made good for Mr. Emanuel. Mr. Emanuel, of course, deserved to be able to name the appointee, because he had contributed the paltry sum of $8,500 to Roosevelt's campaign in 1932. They undoubtedly want some more money for the campaign next year, and they are laying the foundations to get it.

Mr. NORRIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SMATHERS in the chair). Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. FRAZIER. Yes; I am glad to yield.

Mr. NORRIS. As I understand, the information which the Senator is now giving us comes from the Chicago Tribune.

Mr. FRAZIER. Yes, it does; under date of March 18. There has been plenty of time in which to contradict it.

Mr. NORRIS. Has the Senator any evidence corroborating the Tribune statement?

Mr. FRAZIER. This is the only thing I have. I talked to a reporter of the newspaper, and he spoke in the highest terms of the man who had written the article. In my opinion, the statement would not have stood for that length of time unless there had been more truth than fiction in it.

Mr. NORRIS. The information I was trying to get was whether the statements made in the article are corroborated by any evidence except the Chicago Tribune itself.

Mr. FRAZIER. I have not tried to look it up otherwise.

Mr. NORRIS. The weakness of the statements, as I see the matter, comes from that fact. A charge made by the Chicago Tribune would not be even prima facie evidence of its truth.

Mr. FRAZIER. I stated in the beginning, before I read the article, that I held no brief for the Chicago Tribune. I think the only time they ever mentioned my name in their newspaper was one time when I went down to speak in Chicago at a labor meeting, and a group met me at the station when I got off the train. I was surprised to see so many persons. There were about a hundred persons there, and they had a little band and marched up to their hall, and I was quite delighted with my reception. I think it was the Chicago Tribune which printed an article making some comment on the matter and saying—that was years ago, when I was in office in North Dakota—that only a handful of the thousands of labor men in Chicago met the Governor of North Dakota at the station, and the affair was a fizzle. I read the article at the meeting and said I had been met by the largest number of city people that had ever met me at any railroad station in my life when I went anywhere to speak. Generally I could not get a corporal's guard of city people to listen to me.

Mr. DAVIS. Mr. President, did the Senator give the name of the person who wrote the article?

Mr. FRAZIER. It is by John Fisher, of the Chicago Tribune Press Service.

Here is another article from the Chicago Tribune. This is also by Mr. Fisher, under date of March 20. The headlines are:

EMANUEL WINS HIGH JOBS WITH NEW DEAL'S AID—HEADS FIRMS UNDER S. E. C. JURISDICTION

(By John Fisher)

WASHINGTON, D. C., March 20.—The meteoric rise of Victor Emanuel, New Deal financier, to prominence in American corporate affairs in recent years can be traced directly to his having the right contacts.

This newspaper revealed in a news story last Sunday how Emanuel, of New York and England, was involved in a secret investigation last fall by the Securities and Exchange Commission on charges of collusion between him and L. A. Pettit, Jr., assistant in the S. E. C.'s Public Utility Division.

Close contacts between the two were admitted but Emanuel pointed out how he had aided President Roosevelt's campaign in 1932, contributing $8,500 personally. The S. E. C. higher-ups subsequently hushed the charges.

And so forth, the same as the other story.

Mr. President, I have taken more time than I intended to take. I did not become interested in this nomination at all until my attention was called to the subject by these newspaper articles, and I then looked into it. I have a great deal more material, and could take a great deal more time. I could occupy the rest of the afternoon. In fact, I received a message from some labor representatives asking me to take up the entire afternoon. They said they would agree to get more help tomorrow. I do not know whether or not they can do so. I do not know how many are interested. Very few of the Members of the Senate seem to be interested, and I do not know that it is worth while for me to take up any more time.

But, Mr. President, in my opinion this is an important situation. We are considering confirming the nomination of a young man to the Supreme Court of the United States. He is 40 or 41 years of age, as I understand. He probably will have about 30 years of service on the Supreme bench. As I stated yesterday, so far as I have been able to find, he has not taken any interest in progressive measures affecting the common people, such as labor measures, agricultural measures, or the rights of the common people in general.

These newspaper articles indicate that while the name of Mr. Douglas was being considered, and he was being criticized by some of the liberal magazines for not being as liberal as he was supposed to be, and it was stated that he was lined up with Wall Street, on the 15th of March, 5 days before his nomination came in, he had an opportunity to speak, and he took the opportunity, and made a red-hot criticism of Wall Street interests, and "riled" them very much. The reporter said two or three times that the Wall Street interests "saw red"; and 5 days later his nomination came to the Senate. Some of the newspapers, of course, said that Mr. Douglas had proved his right to be a liberal by criticizing Wall Street. His nomination came to the Senate; and on the morning of the 28th of last month the newspapers said that the nomination was going to be confirmed that day by the Senate, probably unanimously. For some reason or other the majority leader moved an adjournment without the Senate having an executive session. The Senate adjourned early that afternoon, as I recall, about half past 2, or some such matter; I do not know why; but, anyway, the Senate adjourned without having an executive session, and Mr. Douglas' name did not come up, and the interview was printed in the New York Times on the next day, March 29. In that interview Mr. Douglas practically repudiated all he had ever said in criticism of the New York Stock Exchange, and made a good fellow of himself, and even indirectly took at least a sort of a left-handed "swat" at the S. E. C., which he was about to leave, and said, in substance, that they did not need to branch out any more; that they did not need new legislation; that they were at the peak of their usefulness, and so forth.

Now, Mr. President, another case comes up, according to the Chicago Tribune, of a good supporter of the present administration contributing money, a man who had gotten a friend appointed, and this friend was trying, through a crooked deal, apparently, according to this report, at least, to get something for the friend who had so kindly gotten him appointed. An investigation was started, and all that resulted from the investigation, apparently, was that the two men who had the courage to complain about what they thought this man was doing that was wrong were dismissed for their courage and their faithfulness to the American citizens in protecting the rights of the people who were paying their salaries. They were dismissed from their positions, and two more were transferred to some other division, "removed from the point of friction," the article said. There evidently was some friction.

Mr. President, I say again that before the Senate confirms the nomination of a man for the United States Supreme Court, for service for possibly 30 years on the highest tribunal in this Nation, or in the world, so far as that goes, it seems to me there should be some investigation of what I will call these newspaper charges, because that is all I have had time to develop. But I assure my colleagues that there is much more that could be presented if I were given time. I could take just as long tomorrow on new matter which has not been touched as yet as I have taken today, if I were given the time to have it looked up.

I think that under the circumstances the nomination of Mr. Douglas should be sent back to the Committee on the Judiciary of the Senate with instructions to the committee to investigate a little further some of these charges, to convince themselves whether or not Mr. Douglas is really working with Wall Street and has been friendly to Wall Street, as the newspapers have said, all these months, or whether or not this man Pettit got a square investigation, whether he was whitewashed or not, whether or not politics was played in the report on Wall Street on the 15th of March.

Mr. President, the progressive, thinking people of the Nation would like to know what the facts are, and I think they are entitled to know. But they cannot find out the facts unless a further investigation is made by a committee of the United States Senate.

I spoke of the fact that Mr. Douglas was not willing to go along with the president of the Chicago University, who had accepted a position representing the public interest on the governing board of the stock exchange of New York, and when he found, through some investigation conducted there, that the Whitney case had not been thoroughly taken care of, he resigned. I have an article on the Whitney case here.

Mr. HATCH. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from New Mexico?

Mr. FRAZIER. I am glad to yield.

Mr. HATCH. Does the Senator happen to know the attitude of the president of the Chicago University as to Mr. Douglas' nomination to the Supreme Court?

Mr. FRAZIER. According to the newspaper reports again, he was a close friend of Mr. Douglas, and I take it he heartily endorses him, but I do not know.

Mr. HATCH. For the information of the Senator, my information is that he was heartily in favor of the nomination, and is in favor of its confirmation.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. NEELY. The Senator has indicated that he objects to the confirmation because Judge Douglas has made no record in matters pertaining to labor and agriculture.

Mr. FRAZIER. And civil liberty.

Mr. NEELY. Yes; and civil liberty. Let me invite the attention of the able Senator from North Dakota to the fact that because of the efforts of Judge Douglas the following was written into the chapter of the bankruptcy law which pertains to corporate reorganization:

> The judge may, for cause shown, permit a labor union or employees' association, representative of employees of the debtor, to be heard on the economic soundness of the plan affecting the interests of the employees.

I am reliably informed that the language which Judge Douglas proposed was even more favorable to labor than that just quoted, which the Congress approved.

It is earnestly submitted that Judge Douglas' action in this case alone proves that he is not only friendly to labor, but that he has been on the alert to protect the interests of those who toil.

In response to the Senator's objection to the nominee on the ground that he has made no record relative to agriculture, let me state that in the course of a conversation with Mr. Edward A. O'Neal, president of the American Farm Bureau Federation, this afternoon, he informed me that he personally favors the confirmation of Judge Douglas' nomination, and that in his opinion the confirmation is generally favored by the American farmers.

Mr. FRAZIER. Mr. President, of course the amendment the Senator has read with regard to the Bankruptcy Act sounds very good. As I understand, Mr. Douglas specialized in bankruptcy law while he was holding the chair of law in Yale University and undoubtedly was very familiar with bankruptcy legislation.

So far as the recommendation of Mr. O'Neal goes—perhaps I had better not say what I had thought of saying, but I do not think Mr. O'Neal is much of a representative of the farmers. Anything Secretary Wallace wants, Mr. O'Neal is for a thousand percent, and has been all during the present administration.

Mr. President, I do not think there is any use of my taking any more time. Those who have been kind enough to listen to my remarks certainly have gotten my viewpoint. I personally should like very much to see the nomination go back to the committee for reconsideration; but, as has been before stated, the subcommittee and the full committee reported the nomination unanimously. Apparently there was no objection raised in the committee. I do not know how far the committee went in attempting to get any facts, or what they did. At any rate, it seems to me that the nomination should go back to the committee for further investigation.

I appreciate the kind attention of Senators in listening to what I have had to say.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

Mr. MALONEY obtained the floor.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. HATCH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	La Follette	Radcliffe
Andrews	Downey	Lee	Reed
Ashurst	Ellender	Lodge	Reynolds
Austin	Frazier	Logan	Russell
Bankhead	George	Lucas	Schwartz
Barbour	Gerry	Lundeen	Schwellenbach
Barkley	Gillette	McCarran	Sheppard
Bilbo	Glass	McKellar	Shipstead
Bone	Green	McNary	Smathers
Borah	Guffey	Maloney	Smith
Brown	Gurney	Mead	Stewart
Bulow	Harrison	Miller	Taft
Burke	Hatch	Minton	Thomas, Okla.
Byrd	Hayden	Murray	Thomas, Utah
Byrnes	Herring	Neely	Townsend
Caraway	Hill	Norris	Tydings
Chavez	Holman	Nye	Vandenberg
Clark, Mo.	Hughes	O'Mahoney	Wagner
Connally	Johnson, Calif.	Overton	Wheeler
Danaher	Johnson, Colo.	Pepper	White
Davis	King	Pittman	Wiley

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Mr. MALONEY. Mr. President, I shall not unduly detain the Senate, and under ordinary circumstances I should not now be speaking in behalf of Mr. Douglas. So much has been said and written about him in most of the newspapers and periodicals of the country during the past several years, and more particularly during the past month, that I think the Members of the Senate and the people of the country are adequately informed concerning the man, his brilliance, his courage, and his integrity. But for the RECORD I shall make a statement in order that at some time in the future those who might have occasion to look back upon the debate in the Senate will find therein some answer to the charges, inferences, and inferential accusations of the Senator from North Dakota [Mr. FRAZIER].

I am certain, as are other Members of the Senate, that the Senator from North Dakota is inspired by high motives, but Mr. President, I cannot help but feel that someone somewhere has preyed upon his sincerity and devotion to the cause of good government. The Senator said yesterday—and I referred to it at the time, and wish again today to remind the Senate of his statement—that he might be wrong in everything that he said, and, without intending to be unkind, I should like to say that, in my opinion, he is wrong with respect to almost everything he has said.

Mr. President, in contradiction of the repeated statement of the Senator from North Dakota that Mr. Douglas was a candidate for this high office, please let me say that he was at no time a candidate for the office.

The subcommittee appointed by the chairman of the Committee on the Judiciary served notice to the country, as well as to the Congress, that committee meetings would be held and an opportunity would be granted to anyone who wished to make a statement to appear before the committee. Not a single voice in the entire Nation was raised against Mr. Douglas; and during the time between the first mention of the possibility of his appointment by the President until this day, insofar as I have been able to observe, there has not been a real criticism of the appointment.

Mr. President, I believe that Washington is the best advised and best informed city in the world. It has the good fortune to have in it the outstanding newspapermen of the world, and if there was something wrong they would have found it out by now. But, quite to the contrary, these men of unusual ability and training have combed the life of Chairman Douglas of the Securities and Exchange Commission from the day of his birth; and we find, as a result, perhaps as romantic a tale as has been told since the Civil War.

It seems to me the appointment is an inspiration to the young men of the land, showing that the log-cabin days are not over, and that a man can rise to the heights by his own brilliance and courage and honesty and faithfulness of purpose. The life of William O. Douglas affords to someone with a gift of oratory the subject for a splendid speech.

Mr. President, much has already been said concerning the life of Mr. Douglas. I have no desire greatly to enlarge upon that subject. Even if I had the desire I do not have sufficient

gift of language to do justice to the outstanding character whom we are now discussing.

The Senator from North Dakota in commenting at length upon the nomination of Mr. Douglas, and reading from various periodicals, and seeming in other instances to quote from them, for himself only expressed the fear that Mr. Douglas was not sufficiently concerned with civil liberties, with the plight of labor and problems of labor, and with agriculture. It so happens that the nominee is from my State. It also happens that he is an intimate and dear friend of mine. I know that there is no one within or without the Senate who has a greater concern for the civil liberties of this Nation than has Mr. Douglas. When he goes upon the Supreme Court bench, as I am confident he will, if he makes mistakes with respect to labor legislation or labor laws—and I doubt that he will—Senators may be certain that such mistakes, if they happen, will be on the side of labor, because of the compelling sympathy for labor that has been aroused in him as a result of his own life of hardship and toil.

Mr. President, I shall not delay action upon the nomination for very long, but I should like to take sufficient time to tell the Senate again the story, in the limited language which I possess, of a young man who had the reins of responsibility handed to him when he was a mere child, how he accepted responsibility, and how he has driven safely and sanely and courageously down the road during all the following years. In my humble opinion there is no more beautiful or inspiring story in all the history of the Nation than that of this man, who, unlike some other men, denied himself the rich opportunity of material reward during late years, and clung steadfastly to a career which he carved out for himself in early days by devoting his abilities, his energy, and his life to the public service and the common good. He has been here since the beginning of the difficult days, Mr. President, accepting whatever positions came to him, and contributing a full measure of devotion and energy to the responsibilities delegated to him as a result of those positions.

I know this speech is not necessary; but the Senator from North Dakota, without intention, let me say again, with sincerity of purpose, by inference made certain charges which cannot be ignored. He seemed disturbed by the fact that Mr. Douglas and the New York Stock Exchange have worked closely together.

One of the outstanding achievements of the Roosevelt administration has been the demonstration by the Securities and Exchange Commission that it can obtain the cooperation of business. This is a significant achievement. It is by far preferable to a condition of constant turmoil and battle.

Such cooperation does not entail "selling the public down the river," as the Senator from North Dakota, I think, in a careless moment, suggested yesterday. Nor does it entail abdication by an agency such as the Securities and Exchange Commission. Rather it means that the agency instead of wasting its energies on an impossible fight to compel obedience to the law, carries business with it along the road laid down by Congress. This accomplishment is a quality of great administration, and is the notable achievement which has gained for William O. Douglas his great and well-deserved reputation.

We all know that once the business community accepts the letter and spirit of the law, there results a situation far preferable to the chaos which follows when business constantly fights the law. The great accomplishment of the Securities and Exchange Commission is that it has demonstrated that Government and business can pull together. If we had more pulling together of that kind, we should now be further along in our whole program.

So it is that the entire public, whatever its political views, has recognized the Securities and Exchange Commission under Mr. Douglas' chairmanship as the most successful agency of this administration. Without yielding an ounce of authority, or relaxing the vigor of its administration, it has succeeded in bringing about the cooperation of business in enforcing the laws of the country.

The Senator from North Dakota also said, or implied, that Mr. Douglas took one public position on March 15, 1939, with regard to amendments to the Securities Act and the Securities and Exchange Act, and subsequently reversed himself. Personally I am much concerned with that charge, Mr. President, because I was a Member of the Congress and a member of the committee which prepared the original Securities Act, and I have attempted as best I could to live with it and to watch it. I have been vitally concerned with it since the very beginning in 1933.

When I read the statement of the Securities and Exchange Commission of March 15, 1939, on the suggestions for amendment of the Securities Act and the Securities and Exchange Act made by the so-called Hancock committee, one thing deeply impressed me. It was the fact that while the Securities and Exchange Commission had been willing to cooperate in enforcing the law, it would not in any form or manner whatever be a party to emasculating the law.

The Hancock report, as I have read it, would admit back into the market so-called "good" pools. In 1934 the Senate rejected arguments advanced to it by representatives of the New York Stock Exchange that "good" pools should be permitted. They, along with all other pools, were outlawed. The position taken on March 15 by the Securities and Exchange Commission reaffirmed the soundness of the position of the Congress in 1934.

As I read the record, and as I am sure is the fact, the Securities and Exchange Commission has not altered one iota the position which it took on March 15. In that connection, it is interesting to note a letter released to the press on March 20, 1939, from George C. Mathews, Acting Chairman of the Securities and Exchange Commission, to Mr. Martin, president of the New York Stock Exchange. In that letter Mr. Mathews, speaking for the Commission, stated:

> You know our views on section 9 (a) (2) and on certain other matters recently suggested.

Section 9 (a) (2) is the manipulation section, which the Hancock committee report sought to weaken. Mr. Mathews, speaking for the Commission in place of Chairman Douglas, reaffirmed the Commission's attitude on that point. There is, therefore, no retreat, no change in position, no alteration of views whatever. However, Mr. Mathews went on to say—and I quote again:

> But, apart from those, I assure you that any suggestions which you may have to offer, touching the possible improvement of the act or the possible modification of regulations issued thereunder, will have the prompt consideration of the Commission. The round table seems to us to afford the best method of pursuing any such suggestions.

This position seems absolutely above reproach. Is any public agency justified in taking the position that it has reached the point of perfection? Can anyone possibly criticize any such agency for saying to a stock exchange or to any business that it will be glad to consider any suggestions touching the improvement of the statute or the improvement of its regulations? It seems eminently fair and reasonable and consistent with its public duties and responsibilities for any such agency at all times to take exactly that position.

So by March 20, 1939, the position of the Securities and Exchange Commission with respect to the proposals of the Hancock committee had not changed one iota.

What subsequently happened? The article by Mr. Krock under a Washington date line, March 28, is absolutely devoid of any statement inconsistent with the position of the Securities and Exchange Commission with respect to the Hancock committee report. In that article Mr. Douglas is said to believe that any agency such as the Securities and Exchange Commission should not be allowed to become too big and to cover too much ground. Will any Senator deny that bigness itself creates a grave problem? Let me say at this point that that situation has been pointed out in the past by no less a personality and great figure than the present Chief Justice of the United States.

In the article referred to Mr. Douglas is quoted as saying that the first responsibility of an independent public agency such as the S. E. C. is to Congress. Will any Senator deny

the soundness of that conclusion? The only reference to amending the statutes is contained in the following paragraph from Mr. Krock's article:

> The Chairman went on to say he thought that at some later time an eminent drafting committee, representing all legitimate interests, should undertake to consolidate and perfect the Securities Act and the Securities Exchange Act, which are the legal charters of the Securities and Exchange Commission. They were, he pointed out, written separately and somewhat to meet two different situations. Necessarily therefore duplications, ambiguities, and probably some extra and unintended exactions on honest business are to be found. But the quest for recovery is affected now by any tampering with laws in the category of these two acts, he said, and revisions can well await a more propitious time.

As I read that statement, it merely means that at some future time the various statutes administered by the Securities and Exchange Commission can be consolidated in the interests of efficiency, and that certain ambiguities can be eliminated. It would be most surprising to anyone acquainted with legislation to think this was not so; but that certainly is a far cry from substantive changes of the character covered by the Hancock committee. No innuendo, no inference would justify any conclusion from Mr. Krock's column that any of the suggestions in the Hancock committee report should at some time be adopted.

The words used by Mr. Krock, "ambiguities and duplications," certainly do not mean, and cannot by any stretch of the imagination be interpreted to mean, the reintroduction into the market of pools. One thing is very clear from Mr. Krock's article, and that is that Mr. Douglas does not feel that the Congress is to concern itself with highly technical and relatively unimportant suggestions designed to improve and polish the securities and exchange statutes. If, as Mr. Douglas suggests, $15,000,000,000 worth of securities have been successfully registered under the Securities and Exchange Act, that statute is not impairing the capital market.

I wish to speak briefly, if I may, Mr. President, on the profession by the Senator from North Dakota of some anxiety because Commissioner Douglas failed to denounce the Hancock report until it was presented to him. This charge seems to me at best to be ridiculous.

As I understand the press reports, the Hancock committee report was not delivered to the S. E. C. until the afternoon of March 14. As I also understand the press reports, the S. E. C. was not represented in that conference. As a matter of fact, it would have been highly improper if it had been so represented. However that may be, the report was not actually received until March 14. How could anyone comment publicly upon an unseen report?

To be sure, there were in the days preceding March 14 various so-called "dope" stories in the press prophesying what that report would contain; but, in fairness to the members of the Hancock committee, would it have been just to denounce those views in advance of their adoption by the committee? How could anyone tell what the committee would report? Perhaps those newspaper articles were inspired. Perhaps they were "trial balloons." I do not know. Nor do I know how anyone else could have known. After all, this is, and will continue to be, a free country.

People have a right to talk on any subject. What would we think of one of the independent agencies of the Government if it tried to prevent representatives of business meeting to discuss problems of such agency? What would we think of any public official who had a taboo list of topics which could not be discussed? I say that the S. E. C. could be justly criticized if it had at any time attempted to choke off free public discussion of these important problems. However, having received the report of the committee, it was under the strong public duty of speaking out. If the S. E. C. had delayed a few days to consider the Hancock report, it might well have created the public impression that there were matters in the report for negotiation and discussion. I say that, in the public interest, it owed a duty to speak clearly and promptly on the matter of stock-market pools; and Chairman Douglas did speak. If the Commission had not done so, or if the chairman had not done so, it would have been guilty of misleading the public as to the reasonableness of those proposals. That it could not have spoken earlier is evidenced by the fact that it did not receive the report until March 14.

Mr. President, another one of the matters to which the able and conscientious senior Senator from North Dakota referred is the Whitney case. As I recall, the Senator from North Dakota said, or inferred, that Mr. Douglas failed to take action on the Whitney case after the New York Stock Exchange refused to discipline the members involved. There are several factors relating to this charge which should be noted.

In the first place, as I read the public record, it was the S. E. C. which broke this case within 12 or 14 hours after its ascertainment of the facts. That was on March 8, 1938.

In the second place, it was the vigorous prosecution by the S. E. C. which resulted in the entire disclosure of all the unsavory facts relating to that episode. Public hearings were conducted by the S. E. C. during the spring of 1938, and a penetrating report on that subject was written and made public. For fairness and for thoroughness that report, in my opinion, is one of the outstanding public documents of our period.

In the third place, I understand, from the public record, that the whole matter was referred to the stock exchange for appropriate action. I also understand that the stock exchange subsequently failed to take any action. On that point I think certain facts are extremely pertinent. One may ask why the S. E. C. did not take direct action. I understand it was not done for the very simple reason that, aside from Richard Whitney, who was in prison, none of the other persons involved had violated any provisions of the Securities and Exchange Act of 1934 or the rules and regulations thereunder.

I am sure there must have been many other cases which the S. E. C. for similar reasons has referred to the stock exchanges. What else is there that the S. E. C. can do under such circumstances? It denounced the conduct of various persons in its public report. Is it to keep on denouncing them continuously, or is the Government really anxious to create good feeling with business?

Furthermore, what would we think of an agency that attempted to take action which it had no vestige of authority to take? Is the S. E. C., or any other agency, because it thinks someone has engaged in improper conduct, authorized or justified, under this free Government, in taking extralegal action? Mr. President, such a thing is unthinkable. If the S. E. C. had attempted to do more than it did, it would have been guilty of usurping powers which the Congress had not bestowed upon it, and it could quite properly have been haled before the Congress. Unless an agency such as the S. E. C. should stick rigorously to its legal powers, we would have in this country the worst form of oppression imaginable. Certainly it cannot be said that, on the basis of its outstanding public record, the S. E. C. has failed to take any action which it could properly and legally take. Any other conclusion is defamatory in nature.

Mr. President, the Senator from North Dakota expressed much worry about the attitude of Mr. Douglas on the subject of labor. I have previously said this afternoon that I enjoy and am extremely proud of the intimate friendship of Mr. Douglas. I suppose, although I have not been here very long, that there is not a Member of the Congress who has any question about my attitude concerning labor.

I cannot recall that I have yet voted against a labor proposal since I have been a Member of Congress, and more particularly as a Member of the House I labored to the best of the humble and feeble abilities I possess in the early days of the present administration to secure the enactment of laws concerned with the plight of labor and designed to improve and having the effect of improving the conditions of labor. I was distressed, because of this friendship, to hear the Senator from North Dakota say this afternoon, without calling the name, that some one connected with labor was anxious that the confirmation of this nomination be delayed.

I presume it is only natural, Mr. President, that a man engaged in so responsible and rigid a regulation of the affairs

of business as is the Chairman of the Securities and Exchange Commission at some place along the line, sticking to the task that is his, should tread upon the toes or trespass upon the liberties of some individual.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. NEELY. Mr. President, I inquire of the able Senator from Connecticut if it is not a fact that no objection to the confirmation of Mr. Douglas' nomination has been voiced by any labor organization or any representative of a labor union?

Mr. MALONEY. I thank the Senator for asking the question. Of course, he knows, as the country knows, that not only did any representative of labor fail to make a protest, but there was not a single one of the 131,000,000 people of the country who appeared to express a word of protest against the nomination of Mr. Douglas.

Mr. NEELY. And is it not a fact that neither the Congress of Industrial Organizations nor the American Federation of Labor has to this hour objected to the confirmation of Mr. Douglas' nomination?

Mr. MALONEY. That is entirely true, so far as I am aware. But, Mr. President, I should like to go beyond that and say that I cannot help but feel that those sincere members of the C. I. O. and the conscientious members of the American Federation of Labor who are anxious to advance the cause of labor and who are anxious to see labor accorded a full measure of justice applaud the nomination of Mr. Douglas, and they must be grateful to the President for the unusual selection he has made to the Supreme Court.

Mr. KING. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. KING. I do not think what I am about to say is any qualification of the Senator's statement. However, I was a member of the Judiciary Committee, as the Senators knows, and had the pleasure of moving that the nomination of Mr. Douglas be reported favorably to the Senate. The only communication that came to the commitee, so far as I am advised, was from some distinguished gentleman or extinguished gentleman—I do not know which—who said that the Justices of the Supreme Court ought to be prohibitionists.

Mr. MALONEY. Mr. Douglas could not qualify under such a restriction.

Mr. KING. The gentleman in question, however, had no objection to Mr. Douglas.

Mr. ASHURST. That is correct.

Mr. MALONEY. Mr. President, I have no desire to burn incense to myself on this occasion, but if I have ever been accused of radicalism back in my State it is on the ground that I am an extremist in my labor views. I know the attitude of Chairman Douglas. He is not an extremist. He has had the benefit of much more extensive training than I have had. He is a deep student of the law, and he has that rare patience that comes to men who have known the bitter struggles of life.

I should like to say again, because at the moment labor is a part of the discussion, that if mistakes are made on matters concerning labor, and Mr. Douglas is among those in error, in my opinion the mistakes he makes will be on the side of labor; and I will state that that is where I myself should like to see the mistakes made.

Mr. Douglas' professional and public life have centered upon his chosen task of cleaning up and improving our financial system. Consequently, he has had few occasions upon which to express his views about labor; but on those few occasions he has spoken and acted so as to leave no doubt that he is aware of labor's problems, and is sympathetic to its proper aspirations.

As Chairman of the Securities and Exchange Commission he has won the loyalty and devotion of all the employees of that agency because of his absolute fairness, and his sympathy with their problems. Recently he issued a statement on a career service for the S. E. C. which shows not only the qualities of a great administrator but also a sympathetic understanding of the problems of employees, whatever their rank.

The first job that Mr. Douglas did as an official of this administration was as director of the Protective Committee Study of the Securities and Exchange Commission. In this connection Mr. Douglas insisted upon labor's right to be heard in connection with the reorganization of the businesses in which they were employed.

In part I of the report prepared by Mr. Douglas and transmitted by the S. E. C. to Congress as a result of this study, the following recommendation for participation of employees in reorganization proceedings was made (p. 901):

> 5. While control of the (reorganization) proceedings should lie in the hands of bona fide security holders and their direct representatives, participation in the proceedings should not be denied other interests. Thus, management should be accorded ample opportunity to be heard. By the same token, representatives of the employees of a corporation should have a right to be heard on matters connected with proposed plans of reorganization which affect their interests.

Mr. President, in connection with the Chandler bill, to which the able and distinguished Senator from West Virginia [Mr. NEELY] made reference in a brief colloquy during the discussion of the Senator from North Dakota, an amendment of the reorganization provisions of the Bankruptcy Act, Mr. Douglas gave concrete expression to his conviction that employees have a right equally with management and stockholders to be heard concerning the reorganization of companies which have been built up in part as a result of their labor. As originally suggested by Mr. Douglas and introduced in the House of Representatives by Representative CHANDLER, the bill provided (H. R. 6439, 75th Cong., 1st sess., subsec. h (8)):

> Labor unions and employees' associations, representative of employees of the debtor, shall have the right to be heard on the economic soundness of any plan or plans and any provisions thereof affecting the interests of employees.

That is the quotation previously referred to by the Senator from West Virginia, and I think the Senator said that that in itself was to him satisfactory proof of the great interest of this distinguished nominee for the office of Justice of the Supreme Court of the United States.

At the hearings before the Judiciary Committee of the House Mr. Douglas strongly urged his views in this respect. He said in part—hearing before the Committee on the Judiciary, House of Representatives, Seventy-fifth Congress, first session, on House bill 6439 as reintroduced and reported as House bill 8043, June 3, 1937, pages 188–189:

> This, in our judgment, is a proper recognition of the fact that the interests of management should not be neglected; that it should be accorded ample opportunity to participate in the proceedings and to express its views. At the same time, they should not run the whole show. Now, the Chandler bill makes a very significant advance by broadening the concept of interested persons to include representatives of employees of the debtor. The bill provides (and I might say that this is the recommendation to Congress of the Securities and Exchange Commission, that is, we take full responsibility for that) that labor unions and employees' associations, representatives of employees of the debtor, shall have the right to be heard on the economic soundness of the plans and any provisions thereof affecting the interests of the employees. Now, in many reorganizations in the past courts have been sensitive to the interests and requirements of labor. In other instances such factors have not been adequately considered. The Chandler bill in this respect makes a modest beginning by permitting labor to express its point of view on the plan through their representatives.

In the course of these hearings Mr. Douglas defended his position on this point with sincerity and ability in the face of rigorous examination by Mr. MICHENER, Representative from Michigan. As finally enacted into law, the Chandler bill did not go as far as Mr. Douglas urged. It did not give labor unions or employees' associations an absolute right to be heard concerning reorganization plans, but permitted the judge, for cause shown, to allow them to be heard on the economic soundness of a plan affecting the interests of the employees. The provision, section 206, is as follows:

> The judge may, for cause shown, permit a labor union or employees' association, representative of employees of the debtor, to be heard on the economic soundness of the plan affecting the interests of the employees.

In a speech before the National Association of Credit Men on June 23, 1937, Mr. Douglas explained at greater length the

reason for his advocacy of the labor provision in the Chandler Act. He stated:

> Labor unions and employees' associations, representative of employees, also are given the right to be heard on the economic soundness of plans and on provisions thereof affecting the interests of labor. The advisability of this provision is clear. Just as the management has an interest in the enterprise which the reorganization plan may vitally affect, so labor is concerned with the soundness of plans. Their jobs, their livelihood, depend upon a sound capital structure and a healthy business structure.

I should like parenthetically to say, in the middle of this statement by Mr. Douglas, that if that is not an expression of sound American principle, if it is not the kind of doctrine we need, if it is not the sort of policy advocated by the careful, thinking people of this generation, then I do not understand what is.

> Their jobs, their livelihood, depend upon a sound capital structure and a healthy business structure. They often receive the direct impact of default, for that often means labor displacement. The employees are likely to be primarily concerned with the economic soundness and feasibility of the plan, so that the current reorganization will not be the forerunner of another disastrous collapse. Consequently, it is highly desirable that the court and the trustee have the benefit of the suggestions and criticism of representatives of employees with respect to the reorganization plan. And it is only simple justice that these groups, which are vitally affected by the collapse of business and which are essentially concerned with the stability of business, should have an opportunity to express their opinion on the economic soundness of plans and other aspects which affect their interests.

Mr. President, for the comfort that I know it will give the Members of the Senate, who seem to be so attentively listening and who are so impatiently giving me this much time, let me say that I shall not be much longer, but while on the subject of the possible interests of this nominee I do want to refer briefly to the problem and the plight of the interests of labor.

I desire to read—and I am sorry the Senator from North Dakota [Mr. FRAZIER] is not in the Chamber at the moment—from a speech which Mr. Douglas delivered before the Bond Club of New York. It was a famous speech. It was delivered before a group of men engaged in the banking business—representatives of Wall Street. There was no applause for the speech there, although it received widespread and loud acclaim throughout the country. I shall read just a portion of that very interesting speech, which I presume is one of a very great many reasons why the President of the United States was attracted to this brilliant and available man, who, I am certain, never lifted a finger, or encouraged the lifting of a finger, to bring about this highest honor that can come to a member of the legal profession.

I read from that speech:

> The labor problem which I mentioned is one of the pressing contemporary conditions which cannot be imperiously treated. Management has a place in our economic sun; but so does labor; so does the investor; and so does the consumer. The real owners of these industrial empires have a growing feeling of distrust and lack of confidence in a management which treats imperiously, unfairly, or selfishly the contemporary demands of labor; they have an increasing recognition of the fact that mid-Victorian attitudes are neither wise nor expedient on the one hand nor fair and equitable on the other; they have a growing resistance to any course which will sacrifice and not protect the human values at stake. Ways must be found to make management responsive to the desires and demands of the real owners of the business. To allow management to continue to place itself above or to pay no heed to the interests of labor, investors, and consumers is to invite disaster. Remote control by an inside few of these fundamental economic and human matters is fatal. There can be in our form of corporate and industrial organization no royalism which can long dictate or control these basic matters.

While the Senator from North Dakota is a champion of labor, I doubt that in all his courageous and interesting and untiring career he ever uttered words that more clearly or effectively or eloquently expressed an interest in labor than those found in this one of a great many utterances of the Chairman of the Securities and Exchange Commission. It was deeply disappointing to me that the Senator from North Dakota, who seems to have been engaged in intensive research during the past few days, had not been able to find this address and others like it, at least one more of which I am going to read in a few moments.

Mr. NEELY. Mr. President——

Mr. MALONEY. I yield to the Senator from West Virginia.

Mr. NEELY. Will the Senator please state when that speech was delivered?

Mr. MALONEY. This speech, and I should like to say again that this was a much-talked-about speech, was delivered before the Bond Club of New York on the 24th of March 1937, at a time when Mr. Douglas was greatly concerned in attempting to purify and correct the abuses in the financial system which contributed so much to the downfall of the business empire, and created the chaos from which we are trying so hard to extricate ourselves.

Mr. NEELY. And, of course, long before anyone ever suggested that Mr. Douglas should be made a member of the Supreme Court.

Mr. MALONEY. Let me say in answer to the Senator from West Virginia, because I know Mr. Douglas to be a self-effacing, modest, and retiring man, that despite the ambitions that must have been in his breast, at that time a place on the Supreme Court was farther away from his mind than it was from mine, and I am not a member of the legal profession.

I should like to read a very small part of a speech which was delivered at the University of Chicago, of which the much-talked-of Dr. Hutchins is president, and I say "much-talked-of" in connection with the address of the Senator from North Dakota. I should like to add to the earlier suggestion made by a Senator on the floor that it is my understanding that among those who are most appreciative of the contribution Mr. Douglas can make to the Supreme Court is Dr. Hutchins.

I read briefly a comment from the speech to which I have made reference:

> High finance has the following characteristics. In the first place it is nothing but a game—a game played for large stakes. Those stakes are other people's money or control over other people's money. Under the aegis of high finance, business becomes pieces of paper—mere conglomerations of stocks, bonds, notes, debentures. Transportation, manufacture, distribution, investment become not vital processes in economic society but channels of money which can be diverted and appropriated by those in control. The farmer with his raw materials, the laborer whose blood and sweat have gone into the steel and the cement, the investor and the consumer who are dependent on the enterprise, become either secondary rather than primary, or inconsequential rather than paramount. Business becomes not service at a profit, but preserves for exploitation. The basic social and economic values in free enterprise disappear. For such reasons one of the chief characteristics of such finance has been its inhumanity. Its ruthlessness has precluded consideration of human values. Its predatory nature has excluded regard for all social values.

Mr. President, I wish briefly to refer to a study directed by Chairman Douglas.

At the conclusion of a study of protective and reorganization committees which Douglas conducted for the S. E. C., he made certain recommendations which were transmitted to Congress by the S. E. C., and which demonstrate not only his legal ability and statesmanship, but also his opposition to the abuses of high finance. He recommended a complete overhauling of the machinery of corporate reorganization by which the powerful financial interests have managed to perpetuate themselves in control at the expense of labor and investors. He condemned those investment bankers who, with their skill and prestige, inflict further losses upon investors whom they had induced to place their money in enterprises which subsequently foundered. He advocated that investment bankers be disqualified from serving on protective committees or otherwise occupying controlling positions in the reorganization process. He urged that an independent trustee be appointed by the court to guide the reorganization of corporations in the interest of all who had a genuine stake; and he had the courage and wisdom to vigorously criticize members of his own profession for their conduct in reorganizations.

He criticized lawyers who serve conflicting interests; for the first time he showed that, instead of their being mere tools to carry out the wishes of the great financial interests, they were frequently the generals who conceived and executed

ways and means of enriching the financial powers at the expense of investors and labor. Not only did he call attention to this abuse by lawyers, but he also advocated legislation which would deprive lawyers affiliated with a company's management and its bankers of some of the juiciest plums cherished by the legal profession. He proposed—and Congress enacted into law—a prohibition upon lawyers who were affiliated with the old management or its bankers from being trustees for bankrupt estates or attorneys for the trustees.

Let me briefly refer to the public record of Chairman Douglas' activities in connection with the regulation of the New York Stock Exchange by the S. E. C.

On November 23, 1937, 2 months after he became Chairman, Mr. Douglas, on behalf of the full Commission, issued a statement demanding that stock exchanges reorganize their methods of government in the public interest. He said in part:

> Operating as private-membership associations, exchanges have always administered their affairs in much the same manner as private clubs. For a business so vested with the public interest, this traditional method has been archaic. The task of conducting the affairs of large exchanges (especially the New York Stock Exchange) has become too engrossing for those who must also run their own businesses. And it may also be that there would be greater public confidence in exchanges * * * which recognized that their management should not be in the hands of professional traders but in fact, as well as nominally, in charge of those who have a clearer public responsibility.

The effect of the Commission's demand for stock-exchange reorganization was so strong that almost immediately a substantial portion of the membership of the New York Stock Exchange began a movement for a reform administration.

Under pressure from the Commission a committee headed by Carle C. Conway was formed to formulate a reorganization plan. On January 27, 1938, that committee delivered to the New York Stock Exchange and to the Commission a report recommending sweeping changes in the government of the exchange. This report substituted a paid president and a businesslike governing organization for the old loose committee system of government. It was recognized as an accomplishment of the Commission and as tangible result of the insistence of Mr. Douglas upon meaningful stock exchange reform.

On May 20, 1938, following the adoption of the Conway committee's recommendations by the New York Stock Exchange, Mr. Douglas publicly stated his philosophy of stock-exchange regulation as follows:

> My philosophy was and is that the national securities exchanges should be so organized as to be able to take on the job of policing their members so that it would be unnecessary for the Government to interfere with that business, and that they should demonstrate by action that they were so organized. Now that is something more than cooperation. That is letting the exchanges take the leadership with government playing a residual role. Government would keep the shotgun, so to speak, behind the door, loaded, well oiled, cleaned, ready for use, but with the hope it would never have to be used.

In accordance with that expressed philosophy there were instituted a series of round-table conferences between representatives of the S. E. C. and representatives of the New York Stock Exchange for the purpose of working out the details of regulation embodied in the Conway committee proposals. These conferences have continued up to the present time as part of the Commission's regulatory procedure.

Meanwhile there was taking place a series of events that have become known as "the Whitney case." These began on the morning of March 8, 1938, when Charles R. Gay, then president of the New York Stock Exchange, announced that the firm of Richard Whitney & Co. had been suspended for insolvency. Virtually simultaneously the S. E. C. began its investigation of Richard Whitney and his affairs. On March 17, 1938, Richard Whitney was expelled from the New York Stock Exchange; on April 11 Richard Whitney was sentenced to an indeterminate term of 5 to 10 years in Sing Sing prison on two separate indictments.

It should be noted that the reorganization of the New York Stock Exchange which took place at the insistence of the Commission and of Mr. Douglas was, in effect, a rejection by the exchange membership of the old guard management and the old guard philosophy so long dominated by Richard Whitney and his associates.

The activities of the S. E. C. in general and of Mr. Douglas in particular have been carefully followed in the press by Mr. John T. Flynn, long noted as an outstanding critic of Wall Street. I shall quote from an article by Mr. Flynn appearing in the Scripps-Howard newspapers on March 23, 1939, commenting on the nomination of Mr. Douglas to the Supreme Court. I feel a little guilty in making reference to what one particular newspaperman has said in connection with the nomination of Mr. Douglas, because the entire newspaper profession, and particularly the outstanding newspapermen of Washington, have seemed to rejoice more than any other group over this nomination. They have been close to Mr. Douglas. They are the men who ferret out the weaknesses of men, and are hesitant, because of their training, to applaud until they have an understanding, and because they have a reputation at stake. But I have selected Mr. Flynn because he is recognized by many as an outstanding foe of Wall Street, and possibly to reply through this medium to the Senator from North Dakota. I quote now from Mr. Flynn:

> It is entirely possible that throughout his whole term of office President Roosevelt has made no appointment which will redound more to his fame than the appointment of William O. Douglas to the Supreme Court. * * * There is no man at the bar to whom the President could more safely commit his fame in the future than Douglas. Intellectual and public integrity like Douglas' is often mistaken for radicalism. Men who denounce dishonest bankers and predatory brokers are often called socialists. Of course, radicals do not care anything about making bankers and brokers honest. They wish to sweep them out of existence. * * * Reactionary judges who wink at the depredations of great corporations and bankers may be looked upon as "conservatives" by some, but the true conservative will be the man like Douglas who can see beneath the surface the corrosive and destructive energy in dishonesty in high places.

I should like to say, in conclusion, that it would please me very much, if the publication of the CONGRESSIONAL RECORD were not so expensive, to print therein some of the eulogies which have come from every part of the Nation concerning this nomination. The liberal press, the reform press, the reactionary press, the conservative press, the columnists of every type, writers of every kind, bar associations, organizations of one sort and another, have joined in the almost unanimous acclaim and applause of this admirable and wise selection. I cannot make these things a part of the RECORD; but because this appointment has attracted so much attention at this particular time, when there is a need for an appeasement of business—and who will deny that to be so?—the people are familiar with these articles, these stories.

With the richly romantic life of this young man, who was handed the reins of responsibility in childhood—as a result of a lifetime of tireless energy, usefulness, courage, and brilliance—he now approaches the zenith of his profession, a place on the Supreme Court. I am hopeful that there will be a roll call on the nomination.

I thank the Senate for being so patient and kind with me.

Mr. O'MAHONEY. Mr. President, after the very brilliant speech of the Senator from Connecticut [Mr. MALONEY] it is unnecessary, I am sure, for any other Member of this body to add anything to what has been said about Chairman Douglas. However, I cannot permit the occasion to pass without adding a word, because I suspect that there is no Member of this body, or of the House of Representatives, with the possible exception of the senior Senator from Utah [Mr. KING], who has had more opportunity than I to work with Mr. Douglas and to know personally the high qualifications which he will carry to the Supreme Court.

Mr. President, when it came from the House a year ago there was committed to my care by the chairman of the Committee on the Judiciary the so-called Chandler bill, revising the bankruptcy law, and containing the provisions to which the Senator from Connecticut has alluded with respect to the reorganization of corporations. The Securities and Exchange Commission had done much work in connection with this revision. Chairman Douglas came to the subcommittee over

which I had the honor of presiding. He has likewise served as a member of the Temporary National Economic Committee, representing the Securities and Exchange Commission on that body. I can say without any reservation, with respect to his work on both these committees, that he has displayed the courage, the vision, and the understanding which go to make a real statesman and a real judge.

I should have no hesitation in submitting to Mr. Douglas the issue in any question in which I might be involved, knowing full well, as I would, that he would bring to the settlement and determination of that issue a just mind and a courageous nature which would take him to the very heart of the problem. I cannot help feeling that the criticism which was voiced here today has sprung out of an utter misunderstanding of the situation.

Mr. President, I have had the honor to vote on numerous nominations in the Senate, but in no instance have I voted with greater certainty that the Senate is doing the right thing than in the case of the nomination of Mr. Douglas to be a member of the Supreme Court. I shall vote to confirm the nomination.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of William O. Douglas to be an Associate Justice of the Supreme Court of the United States?

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BARKLEY (when Mr. TYDINGS' name was called). The Senator from Maryland [Mr. TYDINGS] is unavoidably detained. I am authorized to say that if he were present he would vote "yea."

The roll call was concluded.

Mr. BYRNES (after having voted in the affirmative). I have a pair with the Senator from Maine [Mr. HALE]. I transfer that pair to the senior Senator from Illinois [Mr. LEWIS], and let my vote stand.

Mr. AUSTIN. The Senator from Wisconsin [Mr. WILEY] and the Senator from Vermont [Mr. GIBSON] are necessarily absent from the Senate. If present, both Senators would vote "yea."

I also announce that the Senator from Minnesota [Mr. SHIPSTEAD], who is necessarily detained, would, if present, vote "yea."

Mr. MINTON. I announce that the Senator from California [Mr. DOWNEY], the Senator from Iowa [Mr. HERRING], the Senator from Oklahoma [Mr. LEE], and the Senator from Florida [Mr. PEPPER] are detained in Government departments. I am advised that if present and voting these Senators would vote "yea."

The Senator from Oklahoma [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], the Senator from Illinois [Mr. LUCAS], and the Senator from Idaho [Mr. CLARK] are unavoidably detained. I have been requested to announce that if present and voting these Senators would vote "yea."

The Senator from Montana [Mr. WHEELER] is detained in a meeting of the Committee on Interstate Commerce.

The Senator from West Virginia [Mr. HOLT] is absent because of a death in his family.

The Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. GLASS], the Senator from Indiana [Mr. VAN NUYS], the Senator from Ohio [Mr. DONAHEY], and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained.

Mr. McKELLAR (after having voted in the affirmative). I inquire if the senior Senator from Delaware [Mr. TOWNSEND] has voted?

The PRESIDING OFFICER. The Chair is informed the Senator from Delaware has not voted.

Mr. McKELLAR. I have a pair with the senior Senator from Delaware, which I transfer to the junior Senator from Illinois [Mr. LUCAS], and allow my vote to stand.

Mr. HILL. My colleague the senior Senator from Alabama [Mr. BANKHEAD] is detained from the floor on official business. I am authorized to say that if present he would vote "yea."

Mr. BARKLEY. The senior Senator from Illinois [Mr. LEWIS] is absent on important public business. I am authorized to say that if present he would vote "yea."

Mr. OVERTON. The junior Senator from Louisiana [Mr. ELLENDER] is absent, attending a committee meeting. I am authorized to say that if present he would vote "yea."

The result was announced—yeas 62, nays 4, as follows:

YEAS—62

Adams	Clark, Mo.	Johnson, Colo.	Overton
Andrews	Connally	King	Pittman
Ashurst	Danaher	La Follette	Radcliffe
Austin	Davis	Logan	Reynolds
Barbour	George	Lundeen	Russell
Barkley	Gerry	McCarran	Schwartz
Bilbo	Gillette	McKellar	Schwellenbach
Bone	Green	McNary	Sheppard
Borah	Guffey	Maloney	Smathers
Brown	Gurney	Mead	Smith
Bulow	Harrison	Miller	Stewart
Burke	Hatch	Minton	Taft
Byrd	Hayden	Murray	Thomas, Utah
Byrnes	Hill	Neely	Wagner
Caraway	Holman	Norris	
Chavez	Hughes	O'Mahoney	

NAYS—4

Frazier	Lodge	Nye	Reed

NOT VOTING—30

Bailey	Gibson	Lucas	Vandenberg
Bankhead	Glass	Pepper	Van Nuys
Bridges	Hale	Shipstead	Walsh
Capper	Herring	Thomas, Okla.	Wheeler
Clark, Idaho	Holt	Tobey	White
Donahey	Johnson, Calif.	Townsend	Wiley
Downey	Lee	Truman	
Ellender	Lewis	Tydings	

So the nomination of William O. Douglas, of Connecticut, to be Associate Justice of the Supreme Court of the United States was confirmed.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination of Mr. Douglas.

The PRESIDING OFFICER. Without objection, the President will be notified.

HARRY E. KALODNER

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. I understand that before taking up the Douglas nomination today the Senate completed the Calendar of Executive Business for today, with the exception of one nomination, which was passed over.

The PRESIDING OFFICER. With the exception of one nomination which went over.

Mr. BARKLEY. While we are in executive session let me say that the Senator from Utah [Mr. KING], who had made a motion to reconsider the confirmation of the nomination of Judge Kalodner, has advised me that he does not desire to press his motion. He has advised the Senator from Pennsylvania [Mr. GUFFEY] to the same effect. It is desirable to have that nomination disposed of. I do not see the Senator from Utah in the Chamber, but I am satisfied that that is his wish.

The PRESIDING OFFICER. Without objection, the motion to reconsider will be withdrawn.

Mr. HARRISON. Mr. President, the Senator from Utah [Mr. KING] objected to a nomination from New York. I do not know about the Pennsylvania nomination. Is it still on the calendar?

Mr. BARKLEY. The nomination of Judge Kalodner was confirmed last Friday. The Senator from Utah made a motion to reconsider it.

Mr. HARRISON. The present discussion applies to the Pennsylvania matter?

Mr. BARKLEY. It applies only to the motion to reconsider the Kalodner nomination. The Senator from Utah has indicated to me, and also to the Senator from Pennsylvania, that he does not desire to press the motion.

On the request of the Senator from Utah [Mr. KING], the nomination of Florence Clark Lynch, of New York, to be appraiser of merchandise in the Customs Service, which nomination is on today's Executive Calendar, was passed over. The Senator from Utah is not present in the Chamber

at the moment. I think we should not attempt to pass upon the matter in his absence.

Mr. ASHURST. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. ASHURST. I wish to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ASHURST. Am I correct in understanding that the motion of the Senator from Utah [Mr. KING] to reconsider the nomination of Judge Kalodner has been withdrawn?

The PRESIDING OFFICER. That is correct.

Mr. ASHURST. The nomination having been confirmed last Friday, it would seem appropriate for the Senate to notify the President of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be notified.

Mr. HARRISON. The name of the Pennsylvania nominee is Kalodner, is it not?

Mr. GUFFEY. That is correct; Harry E. Kalodner, to be United States district judge for the eastern district of Pennsylvania.

LEGISLATIVE SESSION

Mr. BARKLEY. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed legislative session.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills and joint resolution of the Senate:

S. 60. An act for the relief of Dierks Lumber & Coal Co.;

S. 128. An act for the relief of Fred H. Beauregard;

S. 303. An act for the relief of the Ocilla Star;

S. 463. An act for the relief of the Fitzgerald Leader;

S. 512. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

S. 529. An act for the relief of Margaret Rose Uncapher, Milton E. Uncapher, Jr., and Andrew G. Uncapher;

S. 584. An act for the relief of John R. Holt;

S. 885. An act to authorize and direct the Comptroller General of the United States to allow credit for all outstanding disallowances and suspensions in the accounts of the disbursing officers or agents of the Government for payments made to certain employees appointed by the United States Employees' Compensation Commission;

S. 1115. An act for the relief of Lt. Malcolm A. Hufty, United States Navy;

S. 1119. An act to provide an additional sum for the payment of a claim under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931," approved January 21, 1936 (49 Stat. 2212);

S. 1174. An act for the relief of Alex St. Louis and Dr. J. P. Lake; and

S. J. Res. 46. Joint resolution authorizing appropriation for expenses of a representative of the United States and of his assistants, and for one-half of the joint expenses of this Government and the Government of Mexico, in giving effect to the agreement of November 9–12, 1938, between the two Governments providing for the settlement of American claims for damages resulting from expropriations of agrarian properties since August 30, 1927.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 917. An act authorizing the Library of Congress to acquire by purchase, or otherwise, the whole, or any part, of the papers of Charles Cotesworth Pinckney and Thomas Pinckney, including therewith a group of documents relating to the Constitutional Convention of 1787, now in the possession of Harry Stone, of New York City;

S. 1019. An act to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Twelfth Olympic Games; and

S. 1363. An act to repeal subsection (4) of subsection (c) of section 101 of the Agricultural Adjustment Act of 1938.

MISSISSIPPI RIVER BRIDGE NEAR FRIAR POINT, MISS., AND HELENA, ARK.

The PRESIDING OFFICER (Mr. SMATHERS in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 964) creating the Arkansas-Mississippi Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark.; and for other purposes.

Mrs. CARAWAY. I move that the Senate disagree to the amendments of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mrs. CARAWAY, Mr. OVERTON, and Mr. VANDENBERG conferees on the part of the Senate.

ADJOURNMENT TO THURSDAY

Mr. BARKLEY. If there is no further business, I move that the Senate adjourn until Thursday next.

The motion was agreed to; and (at 4 o'clock and 50 minutes p. m.) the Senate adjourned until Thursday, April 6, 1939, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 4 (legislative day of April 3), 1939

SUPREME COURT OF THE UNITED STATES

William O. Douglas to be an Associate Justice of the Supreme Court of the United States.

UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA

Wiley Blount Rutledge, Jr., to be an associate justice of the United States Court of Appeals for the District of Columbia.

POSTMASTERS

ALABAMA

Eva D. Reid, Vina.

NEBRASKA

Silas J. Anderson, Rosalie.

OKLAHOMA

Joseph S. Austin, Mill Creek.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 4, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord and Master of us all, who cometh with eternity in His heart, we exult that desolation or chaos cannot overwhelm Thee. Without the weapons of carnal strife, fire or blood, Thou wilt lift Thy cross: "I, if I be lifted above the earth, will draw all men unto Me." We thank Thee that Thine arms embrace the whole world and Thy love is as vast as the firmament; nothing unpierced by human thought can cause Thy failure. The angelic hosts make bare Thy sovereignty, and from the lips of little children issue the proclamation of Thy royalty. The shrine of Deity, soiled and despoiled of its sanctity, Thou wilt cleanse and fill with the radiance of Thy holiness; this we pray with a greater passion of entreaty.

Oh, these temples of our souls, these restless hearts and fevered brains, cause them to awaken and live and go forth conquering and to conquer, enduring humiliation with poverty, with jealousy, and with the shadow of shame; even may death find us faithful to the last. Unto the Lord of glory be eternal praises. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 1514. An act providing in the interest of the general welfare for an appropriate reduction of the burdensome oversupply of American cotton and for further encouragement of soil conservation and soil improvement by making payments in kind in cotton, and for other purposes;

S. J. Res. 90. Joint resolution to amend the joint resolution approved June 16, 1938, entitled "Joint resolution to create a Temporary National Economic Committee"; and

S. J. Res. 108. Joint resolution amending the joint resolution providing for the construction and maintenance of a National Gallery of Art, approved March 24, 1937.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 3577. An act to amend the Canal Zone Code.

EXTENSION OF REMARKS

Mr. LEWIS of Colorado. Mr. Speaker, on the 9th of March I secured permission to extend my remarks in the RECORD and to include therein an address by a distinguished former Governor of Colorado. I find it runs over the regular limit a little; it amounts to three and one-half pages. This being so, I again ask unanimous consent to have it inserted, notwithstanding the overrun.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LEAVY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address delivered last night by Colonel Fechner in reference to the activities of the C. C. C.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein an editorial from Collier's magazine.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address which I delivered last night over a national hook-up.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement made by Colonel Harrington, the Director of the W. P. A.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. REED of New York asked and was given permission to extend his own remarks in the RECORD.

VACATION IN WISCONSIN

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. The Chair will recognize the request of the gentleman to speak for 1 minute. Is there objection?

There was no objection.

Mr. BOLLES. Mr. Speaker, Washington, the National Capital, is not always inviting even with its red-brick slums and streets embattled with ancient scroll-saw architecture amid a Greek and Roman scene of marble magnificence equaled in modern times nowhere in the world. Yet we forget this paradox of granite and marble glory of today over against the faded fustian of yesterday when spring comes and cherry blossoms are in bloom, when poetry and song fill the soul and sordid care begins to fade, when in the great scheme of nature new life begins.

It is in this time that we think of the summer vacation. It is now that the glad song of spring has a far-off echo in the souls of millions of people who welcome the day when they may fill the gas tank and start on the trip to a world of light and laughter and a vacation filled with unadulterated joy along the highways of Wisconsin. So I speak for Wisconsin.

From the State line, notably where the Rock River, famed in Indian legend and history, breaks into Illinois, to the Apostle Islands in Lake Superior, with the ancient mission churches and the burial places where lies Basil Struck by Thunder, God's tremendous panorama is stretched. East or west, as one may go, the same intriguing beauty presents itself. Bucolic may be its scenery and rugged grandeur may be lacking, but it is restful without being oppressive with its overwhelming magnitude. Each hilltop brings a new picture, each valley a new fullness of beauty. Corot and Tryon and Landseer never painted anything to equal it. On a soft summer day, with fields glistening in green and with silver threaded streams cutting across the rolling lands, the soul of the traveler is filled to bursting with unspoken song.

"The cattle on a thousand hills," the sheep grazing among the pasture stumps, the barns and homes tell a story without words of a once happy and hopeful people now disturbed by economic bewilderment. Wooded dells and shaded glens into which the roadway winds bring a perfume which no mortal may imitate and cool the traveler whose head still whirls from a surfeit of such scenic sweetness each turn of the motor wheel has revealed.

Sapphire and emerald gems, set among trees or rocks, with sandy shores or long reaches of marshy pools within which lurk thousands of fish so delicate in flavor that had they been carried to Rome in the days of Lucullus would have urged him to trade a pillar of the Temple of Jupiter for such a feast, are on every hand.

This tumultuous riot of entrancement lasts all the way. There is no end. Cherry blossoms in June, apple blossoms, too, the smell of the pine and hemlock and tamarack, the odor of the wintergreen, even the acrid smoke of the campfire thrills with new and intoxicating delight.

Where may one within the bounds of America get so much for so little? Not abroad can one have it so comfortably or be so satisfied. Ancient churches there may be, but here are the "groves" which were "God's first temple." Here the sky is as glorious as at Amalfi; here the clouds of a summer day are as marvelous in futurist pictures as the gallery of the Louvre, and are shown without the sepulchral air of the art gallery.

No forensic genius can paint in words, no skilled artist with the brush may place on canvas the shore that nature holds in Wisconsin. Each horizon is a world; each world complete. It invites you. [Applause.]

TRADE RELATIONS WITH GERMANY

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a brief statement made by the Secretary of State regarding trade relations with Germany since the World War, and a press release of April 3.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, yesterday the gentleman from Mississippi [Mr. RANKIN] asked that this Government enter into reciprocal-trade agreements with Germany. I wish to raise my voice in protest against any such arrangement with Germany. In the first place, Germany has had very unfriendly and unfavorable trade rela-

tions with us for the past several years. It is well known that Germany has dumped her goods in this country, and has sent, to mention one commodity alone, leather, into this country, improperly marked, and has deprived our workers of employment. As we all know, Hitler has marched into other countries, taking their lands without bloodshed, it is true, but taking them nevertheless. We know further that cotton, the commodity of which the gentleman from Mississippi spoke, is a commodity used for making war materials. It may be only a question of time until Germany uses force in the taking of other people's lands. We do not wish to send this cotton to be made into war materials to be used against other peoples—we hope not—it will not be used to fight the United States; but we must make sure this is not done. Certainly we cannot have reciprocal-trade agreements with a nation that so lightly breaks its pledges and that seizes the land of others and that is trying to seize the trade of other countries in the same ruthless way.

The following is information received from the State Department.

DEPARTMENT OF STATE,
DIVISION OF TRADE AGREEMENTS,
April 4, 1939.

UNITED STATES TRADE RELATIONS WITH GERMANY

In August 1938 in reply to an inquiry as to whether the Secretary had any comment to make on an address made before the American Chamber of Commerce in Berlin by Dr. Brinkman, State Secretary in the German Economics Ministry, on the subject of trade arrangements with the United States, the Secretary replied that this Government would naturally be most happy to find a basis for increasing our trade with Germany, and that a great deal of study has been given to this matter during the past few years. However, he continued, the system upon which Germany operates is based upon bilateralism and barter, and this runs diametrically contrary to the principles upon which we are making trade agreements.

A basic obstacle which has stood in the way of a trade agreement between the two countries may be explained by reference to the action taken by the German Government with respect to the most-favored-nation clauses of the treaty of friendship, commerce, and consular rights between the two countries. Apparently the German Government itself realized that its policy of bilateral balancing agreements with other countries, which had the effect of diverting trade away from the United States and toward such other countries, was in conflict with these clauses of the treaty.

This treaty, embodying in article VII a pledge of reciprocal unconditional most-favored-nation treatment, was signed by the United States and Germany on December 8, 1923, and entered into force on October 14, 1925, the date of the exchange of ratifications. On October 13, 1934, Germany gave notice of its intention to modify article VII of the treaty. After negotiations during which it was found impracticable for the two governments to reach an understanding on modification, an agreement was signed between the United States and Germany on June 3, 1935, terminating the second, third, fourth, sixth, and seventh paragraphs of article VII. These paragraphs, which constitute the part of article VII which the German Government wished to modify, embodied a pledge of reciprocal unconditional most-favored-nation treatment, that is, equality of treatment, with respect to commerce between the two countries. The agreement signed on June 3, 1935, was proclaimed by the President on October 25, 1935, after ratification by the two Governments. Its effect is to continue in force indefinitely all parts of the treaty of 1923, except the paragraphs mentioned.

The Trade Agreements Act stipulates that the duties proclaimed in connection with any trade agreement—

Shall apply to articles the growth, produce, or manufacture of all foreign countries whether imported directly or indirectly: *Provided*, That the President may suspend the application to articles the growth, produce, or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts or policies which in his opinion tend to defeat the purposes set forth in—

The act.

While it is the desire and policy of the United States to maintain equality of treatment in respect of imports from all countries, the necessary protection of American commerce may require this Government to withhold equality of treatment from countries that fail to give such treatment in return.

The policies followed by Germany in the regulation of its foreign trade have resulted in severe discrimination against the trade of the United States. For this reason, Germany, in accordance with the provisions of the Trade Agreements Act, has been found by the President to be ineligible to enjoy the extension of the concessions granted by the United States to other countries in the absence of the contractual obligation upon the United States which was contained in the treaty of 1923. When this contractual obligation ceased as a result of the termination of the most-favored-nation provisions of the treaty with respect to commerce, and when it was found that Germany continued to practice discrimination against American trade, the United States Government, in accordance with its policy, terminated the extension to Germany of the concessions granted in its trade agreements.

There is attached a copy of the statement which the Secretary made on April 3, 1939, with respect to trade relations between the United States and Germany.

DEPARTMENT OF STATE,
April 3, 1939.

At his press conference today the Honorable Cordell Hull, Secretary of State, made the following statement:

"This Government's trade policy sustains a large volume of trade with many countries willing, like ourselves, to trade in world markets on principles of equality. This trade is mutually beneficial. By carrying this policy forward, the United States is serving its own best interest and is keeping in existence trading arrangements on a world-wide basis. This is the one system whereby the world secured prosperity in past decades. Under it small nations can trade with all as equals. This Government has maintained a standing invitation to every other nation of the world without a single exception to join in this trade program based on a principle of equality and mutually profitable trade.

"Any obstacles which German trade faces in the United States as compared with any and every other country are entirely the result of German policy and practices. They are not the result of any special American laws dealing with German trade. Under American laws and regulations, Germany is free to trade with the United States under the same set of conditions as can any other country of the world. The large trade the United States is now carrying on with other countries is going smoothly and with remarkable absence of dispute.

"The German authorities, however, seem to be able to trade only on their own terms as they dictate them and by their own methods as they shape them.

"During the past few years Germany has diverted from the United States much trade that had grown up because private business interests in both countries found it profitable. Both peoples found that such trade contributed to their economic welfare. Diversion and reduction of this trade was made solely to serve German purposes. The result was broad and decisive discrimination against American exports. American exports trying to enter Germany must face elaborate controls imposed by the German Government and must compete with trade based on special barter agreements which Germany has set up. American trade cannot satisfactorily fit itself into the crevices of German need left by the barter agreements that Germany has already executed with other countries. It does not have to, nor would its interest be served by doing so.

"By exchanging goods and services countries supply each other's deficiencies. Each draws upon the others for goods which it does not produce or produces at high comparative cost. This is the very essence and nature of international trade. A certain amount of similar interchange can and does, of course, take place under the so-called barter agreements, but paralyzes world markets in the process. This is especially true in markets for raw materials, such as cotton. In contrast to the smoothly operating and productive methods of world trade, barter agreements involve endless diplomatic negotiations. They involve domination by the Government not only of commerce but of production, and they create arbitrary discriminations."

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. COSTELLO]?

There was no objection.

Mr. COSTELLO. Mr. Speaker, my purpose in asking for this time is to acquaint the Members with the situation which confronts us today so far as bills on the Private Calendar are concerned. There have been approximately 50 bills reported by the Committee on Immigration and Naturalization which appear on this calendar. During the last Congress similar bills were placed upon the Private Calendar and were objected to. They were then reported out in an omnibus bill. The House considered the omnibus bill, but failed to take a vote on the final passage of that bill.

It was the desire of the objectors officially appointed by the minority and majority leaders on both sides of the aisle to have some expression on the part of the membership of the House as to what their desire might be in regard to the passage of these bills, and that was the basis upon which we made our objections during the last Congress.

In view of the fact that the House in its consideration of the omnibus bill voted on a roll-call vote to pass a majority of the bills included therein, we feel it is not incumbent upon us during this Congress to again object to these bills, as we did in the last Congress. However, in view of the fact that the majority of these cases show that the immigrant came into this country by means of some fraud, either by forging a birth certificate or obtaining a fraudulent visa, we do not believe these immigrants should be placed on a par with other persons who came over here from Europe after waiting the prescribed time under the quota in order to come lawfully into the country.

For this reason I have prepared a series of amendments to be offered to each of these bills, which would deny the lawful admission into this country but would admit the alien as a permanent resident of the country. It would deny him the right to obtain citizenship, however. In that way we would not work a hardship upon the family of the immigrant. In many cases they have lived here from 10 to 12 years; have married and are raising a family; they are engaged in business, and if at this time we would send the immigrant back to his native country it would mean breaking up the home and perhaps the destruction of a business which is the sole means of income for the family. It would probably work irreparable hardship in some cases. We propose to offer these amendments to give permanent residence but denying citizenship to such alien.

I am making this explanation so the House will understand what we have in mind when these bills are being called.

Mr. DOWELL. Will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Iowa.

Mr. DOWELL. Will this not set a precedent for others who have resided in the country for a great many years and who would not have the same status under these bills?

Mr. COSTELLO. Undoubtedly it would set a precedent for other cases that have taken place prior to the inauguration of our quota law or which may occur at any time hereafter.

Mr. GORE. Will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Tennessee.

Mr. GORE. I can assure the gentleman there will be sufficient objection to prevent the passage of these bills; therefore he need not worry about his amendment.

Mr. COSTELLO. I merely make this statement to show what the attitude of the official objectors is.

Mr. COCHRAN. Will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Missouri.

Mr. COCHRAN. Did the gentleman say that the bills to be considered here today affect those who have entered this country in violation of our immigration laws and that they are here through fraud?

Mr. COSTELLO. The gentleman is quite correct. There are possibly three bills on the calendar which are not fraud cases. As to all the rest, in some cases, the immigrant was innocent of knowledge of fraud being perpetrated in his behalf. In other cases he was to some degree a participant in the fraud. In other cases undoubtedly the immigrant had full knowledge. The degree of the guilt or innocence of the immigrant is difficult to determine.

Mr. COCHRAN. Would we not be condoning the offense if we now permitted them to remain in this country?

Mr. COSTELLO. That is something for the membership of the House to decide and that is why we followed the procedure we did during the last session of Congress.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. May I ask the gentleman how he got the floor? I understand he only has 1 minute.

Mr. COSTELLO. Yes.

Mr. JENKINS of Ohio. I should like to have the floor maybe longer than the gentleman would permit me.

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. COSTELLO] may be permitted to speak for 10 minutes on this subject.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. JENKINS of Ohio. I will not take very much of the gentleman's time. Do the objectors feel that they have had enough time to go into these cases individually and that they are thoroughly competent to pass on the subject? In other words, do you have the full consent of your own conscience as to what you are about to do this afternoon in the way of offering amendments?

Mr. COSTELLO. During the last Congress the objectors obtained from the Department the individual files in a large number of these cases. We studied the files. We studied the committee report. We also went over the hearings held by the Committee on Immigration and Naturalization. In the CONGRESSIONAL RECORD 2 years ago I placed a statement of facts as I found them from these records. I put these statements in the CONGRESSIONAL RECORD so the Members would have the detailed facts on each of the bills contained in the omnibus bill.

Mr. JENKINS of Ohio. I expect to object to each and every one of these bills, unless the gentleman can show me I am wrong, because I feel all these bills should go back to the Committee on Immigration and Naturalization.

We now have a new Committee on Immigration. It is not that the personnel is any better than it used to be when I was a member of the committee, but anyhow, there is a good deal of promise that they have seen the light on a good many things. Personally, I should like to see this matter sent back to the present Committee on Immigration for full consideration. I know one distinguished member of that committee is not here today. I believe that if we would refer these bills back to the committee it would meet with his approval. Would the gentleman be opposed to that course if one or two other gentlemen would join with me in sending these bills back to the committee?

Mr. COSTELLO. I may say to the gentleman that, of course, I could not object to his course of procedure. When the bill is called it will either be passed or objected to. It requires two objections to prevent the consideration of a bill. If two objections are made against any individual bill on the Private Calendar it is immediately recommitted to the committee from which it came.

Mr. JENKINS of Ohio. In order to save time in calling the calendar I would suggest that the gentleman arrange to lump all 50 of these bills in one group so we may make objections to all of them at the same time.

Mr. COSTELLO. I believe that would be up to the Speaker. I do not believe it can be done. I recall that in the last Congress I did object to a sequence of bills, but objected to each one individually.

Mr. SECCOMBE. Mr. Speaker, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Ohio.

Mr. SECCOMBE. Does not the gentleman from California believe it is rather a dangerous procedure to offer these amendments in view of the many more cases that would follow and in view of the sentiment in favor of sending a great many radicals back where they came from rather than letting more come in?

Mr. COSTELLO. Undoubtedly a precedent will be established which would permit any other past or future cases to seek identical treatment. I may say to the gentleman that a further reason for following this procedure is to avoid working a hardship on the families involved. In many instances these persons have been here for 10 years and have been married here, and in a number of cases the persons to whom they have been married are American citizens. These people are raising families and are engaged in business. If we were to send the father of the family back to Europe, it would mean the wife and two or three minor children in each family would be left in this country, the man's

business would be destroyed, and there would be no means of support for the wife and children and they would have to be placed on the relief rolls. Therefore, our idea was to try to work out some sort of equitable method that would prevent this situation and at the same time not put these men in the same status as a person who has complied with all the laws in gaining admission to the United States.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Oregon.

Mr. MOTT. Does not the gentleman think it would be better even in the cases he has mentioned if these bills were recommitted and allowed to come out here in the regular manner, so any merit they may have could be stated in debate, the entire matter discussed, and a vote taken? In that way the House could decide whether or not any case was an exceptional case, instead of passing these bills without objection when probably nine-tenths of the Members present today know absolutely nothing about the content of the bills.

Mr. COSTELLO. I may say to the gentleman that was the method we followed during the last Congress, but unfortunately none of the omnibus bills was actually passed by the House. We did consider one of them but did not come to a final vote on it.

Mr. MOTT. This is early in the session and the chances are an omnibus bill will come out. As far as I am concerned, I am going to object to these bills that are on the calendar today which have to do with cancelation of warrants of deportation and send them back to the committee and let them come out again and be debated.

Mr. COSTELLO. My purpose in making the statement was to inform the House just what was being considered on the Private Calendar today and what the procedure was we had planned on. Of course, the Members of the House if they desire to handle the matter otherwise and send the bills back to committee can do so, and that is perfectly proper, of course.

Mr. TAYLOR of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Tennessee.

Mr. TAYLOR of Tennessee. The gentleman from Ohio [Mr. JENKINS] seems to have the impression that these bills were dumped back here on the floor without any consideration by the new committee as now constituted, but, as a matter of fact, a subcommittee was appointed by the chairman of the Committee on Immigration to go over all these bills again, and the subcommittee reported back to the main committee that there was no objection to the bills which had passed at the last session. Therefore, I should think that such an amendment as proposed by the gentleman would do an injustice in a lot of worthy cases.

Mr. COSTELLO. I may say to the gentleman that I believe he is correct in that the reports from the committee accompanying the bills this year are a little more complete, giving more accurate information concerning each individual case. However, it was not my intention to offer this amendment to the two or three bills on the calendar in which no question of fraud or illegality is involved.

[Here the gavel fell.]

The SPEAKER. The Clerk will call the first bill on the Private Calendar.

OKIE MAY FEGLEY

The Clerk called the first bill on the Private Calendar, H. R. 875, for the relief of Okie May Fegley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, to Okie May Fegley, the sum of $10,000 in compensation for injuries caused by a post-office truck, resulting in serious and permanent injury.

With the following committee amendments:

Page 1, line 6, after the word "settlement" in line 5, insert "of all claims."

Line 7, insert "of Williamsport, Pa."

Line 7, strike out "$10,000" and insert "$8,500."

Line 9, after the word "injury" insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISBURSING OFFICERS OF THE ARMY

The Clerk called the next bill, H. R. 2072, for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department.

Mr. COSTELLO. Mr. Speaker, there is on the Speaker's desk an identical Senate bill, S. 512, and I ask unanimous consent that that bill be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of the following disbursing officers of the Army of the United States the amounts set opposite their names: Capt. Emmett J. Bean, Finance Department, $29.05; Lt. Col. Richard L. Cave, Finance Department, $180; Capt. Harold F. Chrisman, Finance Department, $57.15; Lt. Col. Walter D. Dabney, Finance Department, $35.72; Maj. Henry M. Denning, Finance Department, $50.28; Lt. Col. Edwin F. Ely, Finance Department, $111; Lt. Col. Horace G. Foster, Finance Department, $55; First Lt. John R. Gilchrist, Finance Department, $65.10; Capt. Charles W. Hensey, Finance Department, $19.59; Maj. George F. MacDonald, Finance Department, $5; Maj. Arthur J. Perry, Finance Department, $26.28; Capt. Alexander H. Perwein, Infantry, $407.88; Capt. Leighton N. Smith, Finance Department, $14; said amounts being public funds for which they are accountable and which comprise minor errors in computation of pay and allowances due former members of the Civilian Conservation Corps, who are no longer enrolled in that corps, and which amounts have been disallowed by the Comptroller General of the United States: *Provided*, That no part of the amounts so credited shall be later charged against any individual other than the various payees.

SEC. 2. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Lt. Col. Richard L. Cave, Finance Department, the sum of $100, public funds for which he is accountable and which were paid to the Cox Fence Co. for construction work and disallowed by the Comptroller General of the United States.

SEC. 3. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Lt. Col. Richard L. Cave, Finance Department, the sum of $19.83, public funds for which he is accountable, and which has been disallowed by the Comptroller General of the United States on account of a payment made to a former officer of the Officers' Reserve Corps.

SEC. 4. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Lt. Col. Edward T. Comegys, Finance Department, the sum of $857.77, public funds for which he is accountable and which represent items disallowed by the Comptroller General of the United States on account of payments made for the shipment of baggage and household effects of certain personnel of the Third Attack Group from Fort Crockett, Tex., to Barksdale Field, La.: *Provided*, That any amounts collected from any person on account of payments herein validated shall be refunded to such person upon presentation of a claim therefor to the Comptroller General.

SEC. 5. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Lt. Col. Walter D. Dabney, Finance Department, $242.17; Lt. Col. Cherubusco Newton, Jr., Finance Department, $553.67; and Lt. Col. Edward T. Comegys, Finance Department, $1,452.41; public funds for which they are accountable and which were paid by them to J. Irving Nicholls for services performed as a shorthand reporter at Fort Sam Houston, Tex., during the period August 13, 1925, to February 20, 1935, and which amounts have been disallowed by the Comptroller General of the United States: *Provided*, That no part of these amounts shall be charged against any person other than the payee.

SEC. 6. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Lt. Col. Edwin F. Ely, Finance Department, the sum of $10.50, public funds for which he is accountable, and which has been disallowed by the Comptroller General of the United States on account of a payment made to a former enlisted man for flying pay.

SEC. 7. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury

not otherwise appropriated, to Maj. Malcolm V. Fortier, Infantry, the sum of $51.26 in full satisfaction of his claim against the United States for that amount which was paid by him for advertising for and in the interests of the United States, without the prior approval of the Secretary of War as required by Revised Statutes 3828 (44 U. S. C. 324).

SEC. 8. That payments heretofore made for hospital and medical expenses incident to the injury or disease of Reserve officers on duty with the Civilian Conservation Corps, incurred while on leave of absence, are hereby ratified and validated, and the Comptroller General of the United States is hereby directed to allow credit in the accounts of disbursing officers of the Government for and on account of all such payments: *Provided*, That any amounts collected from any person on account of payments which are herein validated shall be refunded to such persons upon presentation of a claim therefor to the Comptroller General: *Provided further*, That the Comptroller General is authorized and directed to adjust, allow, and certify for payment all claims when approved by the Surgeon General of the Army for hospital and medical services heretofore furnished incident to the injury or disease of Reserve officers on duty with the Civilian Conservation Corps incurred while on leave of absence.

SEC. 9. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of First Lt. John R. Gilchrist, Finance Department, the sum of $1.25, public funds for which he is accountable, which were paid by him to Dr. Dewey H. Walden, contract physician, for traveling expenses and disallowed by the Comptroller General of the United States.

SEC. 10. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Capt. Charles W. Hensey, Finance Department, the sum of $7.68, public funds for which he is accountable, which sum has been disallowed by the Comptroller General of the United States on account of a payment made to an enlisted man: *Provided*, That no part of this amount shall be charged to any person other than the payee.

SEC. 11. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Capt. Charles W. Hensey, Finance Department, the sum of $7.45, public funds for which he is accountable, which sum has been disallowed by the Comptroller General of the United States on account of an overpayment made to a former member of a citizens' military training camp: *Provided*, That no part of this amount shall be charged to any person other than the payee.

SEC. 12. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Lt. Col. Eugene O. Hopkins, Finance Department, the sum of $28.68 public funds for which he is accountable, which were paid to a former soldier as additional pay as an expert gunner and disallowed by the Comptroller General of the United States.

SEC. 13. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Capt. Donald J. Leehey, Corps of Engineers, $5,100, representing part of an amount paid by him for rental of temporary office quarters, shop storage, wharf and dock at Eastport, Maine, for the fiscal year 1936, under lease with the MacNichol Packing Co., which amount has been disallowed by the Comptroller General of the United States: *Provided*, That the amounts so credited shall not be charged against any moneys otherwise due the payees.

SEC. 14. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Lt. Col. Montgomery T. Legg, Finance Department, the sum of $150, public funds for which he is accountable, and which were stolen from the office safe of his agent officer at Camp S-123, Corning, N. Y., on January 16, 1938.

SEC. 15. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Lt. Col. Montgomery T. Legg, Finance Department, the sum of $126, public money for which he is accountable, paid by him on a forged voucher.

SEC. 16. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Lt. Col. Emmett C. Morton, Finance Department, the sum of $4,009.45, public funds for which he is accountable, and which were paid by him on fraudulent vouchers prepared by a trusted employee.

SEC. 17. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Maj. Arthur J. Perry, Finance Department, $2.38, public funds for which he is accountable, which were paid to a former enlisted man of the Army as pay and disallowed by the Comptroller General of the United States.

SEC. 18. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Maj. Arthur J. Perry, Finance Department, $12.85, public funds for which he is accountable, which were paid by him to First Lt. W. W. Hudgens, Infantry Reserve, for travel expenses, and which have been disallowed by the Comptroller General of the United States: *Provided*, That no part of this sum shall be charged to any person other than the payee.

SEC. 19. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Capt. Alexander H. Perwein, Infantry, $32.10, public funds for which he is accountable, which were paid to a former enlisted man of the Army as pay, and disallowed by the Comptroller General of the United States.

SEC. 20. That the Comptroller General be, and he is hereby, authorized and directed to credit in the accounts of Maj. Louis H. Price (deceased), Finance Department, $21.15, public funds for which he is accountable, which were paid by him to the Dyson Paper Board Co., and which have been disallowed by the Comptroller General of the United States: *Provided*, That no part of this amount shall be charged against any person other than the payee.

SEC. 21. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Maj. Leonard H. Sims, Finance Department, the sum of $126.55, public funds for which he is accountable, which were stolen from the safe of his agent officer at Company 449, Civilian Conservation Corps, Camp Florida, P-79, Jacksonville, Fla., by a person or persons unknown.

SEC. 22. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Capt. Fiorre J. Stagliano, Finance Department, $1,035.42, public funds for which he is accountable and which were paid by him for the rental of passenger-carrying vehicles used by the Puerto Rican Hurricane Commission, and which amount has been disallowed by the Comptroller General of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 2072) was laid on the table.

JAMES A. MILLS

The Clerk called the next bill, H. R. 2104, for the relief of James A. Mills.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to James A. Mills, of Jefferson City, Tenn., the sum of $3,000 in full settlement of all claims against the United States as a result of personal injuries sustained by him when his car collided with a Civilian Conservation Corps truck on the highway to Jefferson City, Tenn., on September 5, 1937.

With the following committee amendments:

Line 5, strike out the wording "allocated by the President for the maintenance and operation of the Civilian Conservation Corps" and insert "not otherwise appropriated."

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADAM CASPER

The Clerk called the next bill, H. R. 3077, for the relief of Adam Casper.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Adam Casper, the sum of $4,000, in full settlement of all claims against the Government for injuries suffered as a result of a car he was driving having been struck by an Army car in Baltimore on October 19, 1936, and for expenses and losses resulting therefrom: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect or withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the name "Casper", insert "of Dundalk, Md."

Page 1, line 6, strike out the figures "$4,000" and insert "$2,000."

Page 1, line 8, after the word "Baltimore" insert ", Maryland."

Page 1, line 9, strike out the comma after "1936" and also strike out all of the language of the bill following same, and insert in lieu thereof the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the

same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON RIVERS AND HARBORS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the Committee on Rivers and Harbors may sit during sessions of the House this afternoon.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I would like to ask the gentleman if this is agreeable to the minority members of the committee?

Mr. RANKIN. The ranking minority member who was present when we adjourned is the gentleman from Michigan [Mr. DONDERO] who is now present, and it was satisfactory to him.

Mr. MARTIN of Massachusetts. What is the legislation the committee is considering?

Mr. RANKIN. It is a matter concerning the Connecticut River and there are a lot of witnesses down here from the gentleman's State and from Connecticut that want to be heard and go home. We are doing this for their accommodation, and it is satisfactory to the minority.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. COX. Mr. Speaker, I ask unanimous consent that on tomorrow, after the completion of the legislative program of the day and the previous special orders, I may be permitted to address the House for 30 minutes, within which time I shall discuss the National Labor Relations Board.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PRIVATE CALENDAR

JOHN MULHERN

The Clerk called the next bill, S. 13, for the relief of John Mulhern.

Mr. COSTELLO and Mr. GRANT of Indiana objected, and, under the rule, the bill was recommitted to the Committee on Claims.

DIERKS LUMBER & COAL CO.

The Clerk called the next bill, S. 60, for the relief of Dierks Lumber & Coal Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dierks Lumber & Coal Co., of Kansas City, Mo., the sum of $12,062.27, in full satisfaction of all its claims against the United States arising out of a contract for the sale of timber in the Ouachita National Forest by the United States to a predecessor corporation of such Dierks Lumber & Coal Co., such contract having been entered into between the Forest Service of the Department of Agriculture and such predecessor corporation on December 6, 1929: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE H. PIERCE AND EVELYN PIERCE

The Clerk called the next bill, S. 545, for the relief of George H. Pierce and Evelyn Pierce.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George H. Pierce and his wife, Evelyn Pierce, of Harwichport, Mass., the sum of $7,793.88, in full satisfaction of their claim for damages against the Government of the United States on account of personal injuries of a permanent nature suffered by them on December 6, 1937, when the automobile in which they were riding was struck by an automobile belonging to the War Department and operated by an officer of said Department on route No. 3 in the town of Kingston, Mass.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered or expenses incurred in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered or expenses incurred in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 7, strike out "$7,793.88" and insert "$7,213.88."

Page 2, line 2, start with the word *"Provided"* and strike out the rest of the language of the bill, and insert in lieu thereof the following: *"Provided*, That no part of the amount apppropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN R. HOLT

The Clerk called the bill (S. 584) for the relief of John R. Holt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to John R. Holt, major, Quartermaster Corps, United States Army, the sum of $1,507.26, or so much thereof as shall have been collected from him prior to the passage of this act, in full and final settlement of all claims whatsoever against the United States for a stoppage in his pay on account of the embezzlement of public funds by a civilian employee of the office of the quartermaster, Fort Jay, N. Y., from July 1, 1925, to February 28, 1931, while Major Holt was on duty as property and salvage officer at Fort Jay, N. Y.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CREDIT TO CERTAIN DISBURSING OFFICERS

The Clerk called the bill (S. 885) to authorize and direct the Comptroller General of the United States to allow credit for all outstanding disallowances and suspensions in the accounts of the disbursing officers or agents of the Government for payments made to certain employees appointed by the United States Employees' Compensation Commission.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 203 of the act of June 30, 1932 (47 Stat. 403), as continued in effect during the fiscal years 1934 and 1935 and by section 4 (a) of the act of March 3, 1933 (47 Stat. 1513), and section 24 of the act of March 28, 1934 (48 Stat. 522), the Comptroller General of the United States is hereby authorized and directed to allow credit for all otherwise proper payments made to employees appointed by the United States Employees' Compensation Commission, without approval by the President of the United States, to fill vacancies resulting from the advancement of employees of lower grades in connection with the filling of a vacancy which the President had authorized to be filled; and no amount so paid shall be charged against or recovered from the employees to whom such payments were made.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MALCOLM A. HUFTY

The Clerk called the bill (S. 1115) for the relief of Lt. Malcolm A. Hufty, United States Navy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of Lt. Malcolm A. Hufty, United States Navy, for refund of $285.52, in full satisfaction against the United States for the cost of commercial transportation furnished this officer on a foreign registered vessel, in accordance with orders issued by the commander in chief, United States Asiatic Fleet, and subsequently deducted by the General Accounting Office in settlement of the amount awarded this officer pursuant to judgment on another claim.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIO SIGISMONDO NASCINOVICH

The Clerk called the bill (H. R. 358) for the relief of Mario Sigismondo Nascinovich and his wife, Vittoria Nascinovich.

Mr. BYRNS of Tennessee, Mr. THOMAS of New Jersey, and Mr. GORE objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

Mr. JENKINS of Ohio. Mr. Speaker, would it be out of order if I should ask permission to proceed for 3 minutes?

The SPEAKER. It would be out of order during the call of the calendar.

SOL SILVER

The Clerk called the bill (H. R. 592) for the relief of Sol Silver.

Mr. THOMAS of New Jersey and Mr. GORE objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

ROSE HAUSMAN WEIDMAN

The Clerk called the bill (H. R. 593) for the relief of Rose Hausman Weidman (nee Reisla Hausman).

Mr. MOTT, Mr. THOMAS of New Jersey, and Mr. JENKINS of Ohio objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

STANISLAW PASKO

The Clerk called the bill (H. R. 744) for the relief of Stanislaw Pasko and Ksavery Frances Pasko (nee Fyalowna).

Mr. THOMAS of New Jersey and Mr. GORE objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

SOTERIOS G. STAMOULIS

The Clerk called the bill (H. R. 745) for the relief of Soterios G. Stamoulis.

Mr. GORE and Mr. JENKINS of Ohio objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

AGATHA MILAUSKAS YAKAVONIS

The Clerk called the bill (H. R. 780) for the relief of Agatha Milauskas Yakavonis (nee Agatha Milauskas).

Mr. THOMAS of New Jersey, Mr. MOTT, and Mr. GORE objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

ETTORE CORDOVADO

The Clerk called the bill (H. R. 818) for the relief of Ettore Cordovado.

Mr. BYRNS of Tennessee, Mr. GORE, and Mr. THOMAS of New Jersey objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

FRANCESCO SAPIENZA

The Clerk called the bill (H. R. 1162) for the relief of Francesco Sapienza.

Mr. GORE and Mr. JENKINS of Ohio objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

JACOB LABOVITZ

The Clerk called the bill (H. R. 1163) for the relief of Jacob Labovitz.

Mr. KEEFE and Mr. MOTT objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

NAZZARENO CANDELORO

The Clerk called the next bill, H. R. 1227, for the relief of Nazzareno Candeloro.

Mr. GORE and Mr. THOMAS of New Jersey objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

BRAJNA MIGDAL

The Clerk called the next bill, H. R. 1281, for the relief of Brajna Migdal.

Mr. GORE, Mr. KEEFE, and Mr. THOMAS of New Jersey objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

JONA SHEFTEL BLOCH

The Clerk called the next bill, H. R. 1303, for the relief of Jona Sheftel Bloch.

Mr. MOTT and Mr. GORE objected, and the bill was recommitted to the Commitee on Immigration and Naturalization.

SARAH ANTOKOLETZ WEINTRAUB

The Clerk called the next bill, H. R. 1304, for the relief of Sarah Antokoletz Weintraub.

Mr. GORE, Mr. THOMAS of New Jersey, Mr. BYRNS of Tennessee, and Mr. KEEFE objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

MRS. PETER (MARIA) KOUTUMAS

The Clerk called the next bill, H. R. 1306, for the relief of Mrs. Peter (Maria) Koutumas.

Mr. BYRNS of Tennessee, Mr. MOTT, and Mr. THOMAS of New Jersey objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

ISAAC LIMONSKY

The Clerk called the next bill, H. R. 1374, for the relief of Isaac Limonsky.

Mr. THOMAS of New Jersey, Mr. MOTT, and Mr. GORE objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

LAZER LIMONSKY, ALIAS LOUIS MEEROWITZ

The Clerk called the next bill, H. R. 1375, for the relief of Lazer Limonsky, alias Louis Meerowitz.

Mr. THOMAS of New Jersey and Mr. KEEFE objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

DAVID LIMONSKY, ALIAS DAVID BINDER

The Clerk called the next bill, H. R. 1376, for the relief of David Limonsky, alias David Binder.

Mr. THOMAS of New Jersey, Mr. GORE, and Mr. BYRNS of Tennessee objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

MAX WEINRIB

The Clerk called the next bill, H. R. 1631, for the relief of Max Weinrib.

Mr. MOTT and Mr. THOMAS of New Jersey objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

VICTORIA MAGHEE

The Clerk called the next bill, H. R. 1837, for the relief of Victoria Maghee.

Mr. KEEFE, Mr. SMITH of Ohio, and Mr. MOTT objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

MATO, MILJENKO, BOZO, AND AUGUSTIN CIBILIC OR ZIBILICH

The Clerk called the next bill, H. R. 1880, for the relief of Mato, Miljenko, Bozo, and Augustin Cibilic or Zibilich.

Mr. KEEFE and Mr. GORE objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

JACOB TABAH, WIFE ESTHER, AND DAUGHTERS BERTHA, DORA, ROSA, AND ANGELA

The Clerk called the next bill, H. R. 1932, to authorize the cancelation of deportation proceedings in the case of Jacob Tabah, wife Esther, and daughters Bertha, Dora, Rosa, and Angela.

Mr. MOTT and Mr. GORE objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

GIOVANNI RAFFA

The Clerk called the next bill, H. R. 2037, for the relief of Giovanni Raffa.

Mr. GORE and Mr. THOMAS of New Jersey objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

ZISKIND SOKOLOW

The Clerk called the next bill, H. R. 2084, for the relief of Ziskind Sokolow.

Mr. THOMAS of New Jersey and Mr. GORE objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

PASQUALE ALTEZZA

The Clerk called the next bill, H. R. 2085, for the relief of Pasquale Altezza.

Mr. MOTT, Mr. THOMAS of New Jersey, and Mr. GORE objected, and the bill was recommitted to the Committee on Immigration and Naturalization.

LOUIS SAMOLSKI ET AL.

The Clerk called the next bill, H. R. 2087, for the relief of Louis Samolski, Rebecca Samolski, and Martin Samolski.

The SPEAKER. Is there objection?

Mr. GORE and Mr. THOMAS of New Jersey objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

ISIDORE FINKELSTEIN

The Clerk called the next bill, H. R. 2091, for the relief of Itzhock or Isidore Finkelstein and Rochel or Rachela Finkelstein.

The SPEAKER. Is there objection?

Mr. GORE and Mr. KEEFE objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

SANTO TEDESCO

The Clerk called the next bill, H. R. 2092, for the relief of Santo Tedesco.

The SPEAKER. Is there objection?

Mr. GORE and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

BRIDGET EBBOLE

The Clerk called the next bill, H. R. 2446, for the relief of Bridget Della Cawley Ebbole.

The SPEAKER. Is there objection?

Mr. BYRNS of Tennessee and Mr. THOMAS of New Jersey objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

JIM GURAL

The Clerk called the next bill, H. R. 2522, for the relief of Dymtro or Jim Gural.

The SPEAKER. Is there objection?

Mr. BYRNS of Tennessee and Mr. KEEFE objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

ALFONSINA MAURINA CORRADINI

The Clerk called the next bill, H. R. 2523, for the relief of Alfonsina Maurina Corradini.

The SPEAKER. Is there objection?

Mr. GORE and Mr. THOMAS of New Jersey objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

STEFANO PAGLIARO

The Clerk called the next bill, H. R. 2570, for the relief of Stefano Pagliaro.

The SPEAKER. Is there objection?

Mr. GORE and Mr. THOMAS of New Jersey objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

JOSEPH PAVICH

The Clerk called the next bill, H. R. 2571, for the relief of Joseph Pavich.

The SPEAKER. Is there objection?

Mr. BYRNS of Tennessee and Mr. THOMAS of New Jersey objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

JOHN BODROG

The Clerk called the next bill, H. R. 2590, for the relief of John Bodrog.

The SPEAKER. Is there objection?

Mr. BYRNS of Tennessee and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

MAX NATENSON

The Clerk called the next bill, H. R. 2601, for the relief of Max Natenson

The SPEAKER. Is there objection?

Mr. GORE and Mr. SMITH of Ohio objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

YANKIEL OWSIANKA

The Clerk called the next bill, H. R. 3096, for the relief of Yankiel Owsianka, alias Jack Singer.

The SPEAKER. Is there objection?

Mr. GORE and Mr. KEEFE objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

ROMUALDO COSSANO

The Clerk called the next bill, H. R. 3160, for the relief of Romualdo Cossano.

The SPEAKER. Is there objection?

Mr. BYRNS of Tennessee and Mr. KEEFE objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

LEIB MILGROM

The Clerk called the next bill, H. R. 3262, for the relief of Leib Milgrom.

The SPEAKER. Is there objection?

Mr. BYRNS of Tennessee and Mr. THOMAS of New Jersey objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

CHRISTIAN JOSEF MUELLER

The Clerk called the next bill, H. R. 3554, to authorize the cancelation of deportation proceedings in the case of Christian Josef Mueller.

The SPEAKER. Is there objection?

Mr. BYRNS of Tennessee, Mr. KEEFE, and Mr. THOMAS of New Jersey objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

JACOB GRAEV

The Clerk called the next bill, H. R. 3555, for the relief of Jacob Graev.

The SPEAKER. Is there objection?

Mr. GORE and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

LENA HENDEL

The Clerk called the next bill, H. R. 3847, for the relief of Lena Hendel, nee Lena Goldberg.

The SPEAKER. Is there objection?

Mr. THOMAS of New Jersey and Mr. GORE objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

JANET HENDEL

The Clerk called the next bill, H. R. 3848, for the relief of Janet Hendel, nee Judith Shapiro.

The SPEAKER. Is there objection?

Mr. BYRNS of Tennessee and Mr. THOMAS of New Jersey objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

JOSEPH PELLON

The Clerk called the next bill, H. R. 4112, to authorize the cancelation of deportation proceedings in the case of Joseph Pellon.

The SPEAKER. Is there objection?

Mr. GORE and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

HENRIETTA VENDEMMIA

The Clerk called the next bill, H. R. 4207, for the relief of Henrietta Vendemmia.

The SPEAKER. Is there objection?

Mr. GORE, Mr. THOMAS of New Jersey, and Mr. KEEFE objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

CHAZKIEL (OR CHARLES) LEWKOWSKI

The Clerk called the next bill, H. R. 4251, for the relief of Chazkiel (or Charles) Lewkowski.

The SPEAKER. Is there objection?

Mr. GORE and Mr. THOMAS of New Jersey objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

RACHEL BURSK

The Clerk called the next bill, H. R. 4265, for the relief of Rachel or Rochel Bursk.

The SPEAKER. Is there objection?

Mr. GORE and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

DR. M. KELLOGG MOOKERJEE

The Clerk called the next bill, H. R. 4889, for the relief of Dr. M. Kellogg Mookerjee.

The SPEAKER. Is there objection?

Mr. GORE and Mr. THOMAS of New Jersey objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

MIRA FRIEDBERG (MIRA DWORECKA)

The Clerk called the next bill, H. R. 4970, for the relief of Mira Friedberg (Mira Dworecka).

Mr. THOMAS of New Jersey and Mr. GORE objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

JOHN J. TRIMBLE

The Clerk called the next bill, H. R. 1301, for the relief of John J. Trimble.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John J. Trimble, West Haverstraw, N. Y., the sum of $5,000. The payment of such sum shall be in full settlement of all claims of the said John J. Trimble against the United States for damages sustained by him as a result of being struck, on June 9, 1937, at the Weehawken, N. J., terminal of the New York Central Railroad, by a vehicle in the service of the United States Post Office Department.

With the following committee amendments:

Page 1, line 3, strike out "is" and insert "be, and he is hereby."

Page 1, line 6, strike out "$5,000" and insert "$2,500."

Page 2, line 1, after the word "Department", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SHIPOWNERS & MERCHANTS TOWBOAT CO., LTD.

The Clerk called the next bill, H. R. 2056, for the relief of the Shipowners & Merchants Towboat Co., Ltd.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Shipowners & Merchants Towboat Co., Ltd., of San Francisco, Calif., the sum of $2,515.07 for labor and materials required to repair damages sustained to several of their tugboats while hauling the U. S. S. *Tennessee* afloat off Alameda, Calif., on June 11 and 12, 1937.

With the following committee amendments:

Page 1, line 7, strike out "for labor and materials required to repair" and insert "in full settlement of all claims against the United States for."

Page 2, line 1, after "1937", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JUNIUS ALEXANDER

The Clerk called the next bill, H. R. 2074, for the relief of Junius Alexander.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Junius Alexander, father of Lillie Mae Alexander, as damages for loss of his daughter, her services, and medical and funeral expenses, the sum of $5,000 for personal injuries resulting in death, sustained by said Junius Alexander, when a truck being operated by some colored members of the Civilian Conservation Corps camp, at Rosston, Ark., November 26, 1935, near Chidester, Ark., unnecessarily and carelessly ran over and injured said Lillie Mae Alexander to such an extent that she died about 2 days thereafter; said truck being used on official business in connection with National Forest Service and Civilian Conservation Corps.

With the following committee amendments:

Page 1, strike out lines 6 to 11, inclusive, and on page 2, strike out lines 1 to 5, inclusive, and insert the following: "of Chidester, Ark., the sum of $2,500 in full settlement of all claims against the United States on account of the death of his daughter, Lillie Mae Alexander, as the result of being struck by a Civilian Conservation Corps truck under supervision of the Forest Service, on November 26, 1935, near Chidester, Ark.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

W. F. TOWSON

The Clerk called the next bill, H. R. 2529, for the relief of W. F. Towson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. F. Towson, of Montrose, Ga., the sum of $1,050 in full settlement of his claim against the United States for personal injuries suffered by him on July 29, 1937, when he was run down and injured by an Army motorcycle, on United States Highway No. 80, Montrose, Ga., from Fort Benning, Ga.

With the following committee amendments:

Page 1, line 6, strike out "$1,050" and insert "$500."

Page 1, line 11, after the word "Georgia", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services ren-

dered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REIMBURSEMENT OF CERTAIN PERSONNEL OF THE NAVY

The Clerk called the next bill, H. R. 4084, to provide for the reimbursement of certain personnel or former personnel of the United States Navy and United States Marine Corps for the value of personal effects destroyed as a result of a fire at the Marine Barracks, Quantico, Va., on October 27, 1938.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed $914.88, as may be required by the Secretary of the Navy to reimburse, in full satisfaction of all claims against the United States, under such regulations as he may prescribe, certain personnel or former personnel of the United States Navy and Marine Corps for the value of personal effects lost as a result of the fire that destroyed buildings No. 239 and No. 243 at the Marine Barracks, Quantico, Va., on October 27, 1938: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH N. THIELE

The Clerk called the next bill, H. R. 4133, for the relief of Joseph N. Thiele.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the accounts of Joseph N. Thiele, postmaster at Whitewater, Wis., with the sum of $11,736.84, representing the amount of public funds and property lost in the burglary of the post office at Whitewater, Wis., on February 1, 1937, such loss having resulted from no fault or negligence on the part of said postmaster, as determined by the Postmaster General under a provision in title 39, United States Code, section 40.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRED HARVEY TRANSPORTATION DEPARTMENT

The Clerk called the next bill, S. 10, for the relief of the Fred Harvey Transportation Department.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Fred Harvey Transportation Department the sum of $125 in full satisfaction of the claim of the Fred Harvey Transportation Department against the United States, arising out of the destruction of a certain mule called Pima, leased to the National Park Service, under contract No. 1–5P–574, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 4, after the word "pay", insert "out of any money in the Treasury not otherwise appropriated."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRED H. BEAUREGARD

The Clerk called the next bill, S. 128, for the relief of Fred H. Beauregard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Fred H. Beauregard, of St. Albans, Vt., the sum of $1,000, in full settlement of his claim against the United States on account of the death of his minor son, Robert Bernard Beauregard, who died as a result of injuries received as a result of an accident involving a Government truck operated in connection with the Civilian Conservation Corps in St. Albans, Vt., on August 20, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DOLORES P. DE WILLIAMSON

The Clerk called the next bill, S. 511, for the relief of Dolores P. de Williamson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dolores P. de Williamson the sum of $3,500, in satisfaction of all claims against the United States on account of the death of her husband, Ernesto Williamson, a citizen of Panama, as a result of a collision on April 30, 1937, between a United States Army truck and an automobile in which he was riding, near Bejuco, Republic of Panama.

With the following committee amendments:

Page 1, line 6, strike out "$3,500" and insert "$5,000."

Page 1, line 11, after the word "Panama", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PACIFIC TELEPHONE & TELEGRAPH CO.

The Clerk called the next bill, S. 745, for the relief of the Pacific Telephone & Telegraph Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Pacific Telephone & Telegraph Co., of San Francisco, Calif., the sum of $51,325.85, in full satisfaction of its claim against the United States for reimbursement of expenses incurred in repairing and restoring a submarine cable in the San Francisco Bay between San Francisco and Fort Baker, Calif., which was cut by the U. S. S. *Quail* on November 27, 1937, while engaged in recovering an anchor of the U. S. S. *Whippoorwill*: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 1, after the word "*Provided*", strike out the remainder of the bill down to and including "$1,000" and insert in lieu thereof the following: "That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating

the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISSOULA BREWING CO.

The Clerk called the next bill, S. 766, for the relief of the Missoula Brewing Co.

Mr. COSTELLO and Mr. KITCHENS objected, and, under the rule, the bill was recommitted to the Committee on Claims.

SUBMARINE BASE, NEW LONDON, CONN.

The Clerk called the next bill, S. 1117, to provide for the reimbursement of certain enlisted men or former enlisted men of the United States Navy for the value of personal effects lost in the hurricane at the submarine base, New London, Conn., on September 21, 1938.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed $267.55 as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, certain enlisted men or former enlisted men of the United States Navy for the value of personal effects lost in the hurricane at the submarine base, New London, Conn., on September 21, 1938: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, strike out the proviso printed between lines 3 and 15, down to and including "$1,000", and insert the following: "That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALLEGHENY FORGING CO.

The Clerk called the next bill, H. R. 3673, for the relief of the Allegheny Forging Co.

Mr. COSTELLO. Mr. Speaker, I object.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Allegheny Forging Co. the sum of $11,699.36, in full settlement of all claims against the United States on account of cash deposited and contract for delivery of steel executed in June 1920: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, after the word "Company," insert "of Pittsburgh, Pa."

Line 8, after the word "States," strike out the remainder of line 8 and down to and including line 11 on page 1, and on page 2, strike out all of lines 1 to 10, inclusive, including the amount of $1,000 in line 10, and insert the following: "for losses sustained in connection with its contract with the War Department for the delivery of steel executed in June 1920, and for a refund of cash deposited under said contract: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALLEGHENY FORGING CO.

The Clerk called the next bill, H. R. 3674, for the relief of the Allegheny Forging Co.

Mr. COSTELLO and Mr. BYRNS of Tennessee objected, and, under the rule, the bill was recommitted to the Committee on Claims.

ALLEGHENY FORGING CO.

The Clerk called the next bill, H. R. 3675, for the relief of the Allegheny Forging Co.

Mr. COSTELLO and Mr. BYRNS of Tennessee objected, and, under the rule, the bill was recommitted to the Committee on Claims.

CHARLES WEISZ

The Clerk called the next bill, H. R. 3726, for the relief of Charles Weisz.

Mr. COSTELLO and Mr. GORE objected, and, under the rule, the bill was recommitted to the Committee on Claims.

J. D. WARLICK

The Clerk called the next bill, H. R. 3784, for the relief of the estate of J. D. Warlick.

Mr. COSTELLO and Mr. GRANT of Indiana objected and, under the rule, the bill was recommitted to the Committee on Claims.

CAPT. WALTER L. SHEARMAN

The Clerk called the next bill, H. R. 3887, for the relief of Capt. Walter L. Shearman.

Mr. COSTELLO and Mr. HALLECK objected and, under the rule, the bill was recommitted to the Committee on Claims.

HARRY L. SMIGELL

The Clerk called the next bill, H. R. 3897, for the relief of Harry L. Smigell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Harry L. Smigell, of Denver, Colo., for disability alleged to have been incurred by him while employed at Frankford Arsenal, Philadelphia, Pa., between June 5, 1918, and November 20, 1918, in the same manner and to the same extent as if the said Harry L. Smigell had made application for benefits under the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, within the period required by sections 17 and 20 thereof. No benefit shall accrue by reason of the enactment of this act prior to the date of such enactment: *Provided*, That claim hereunder shall be made within 90 days from the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RECORDING & COMPUTING MACHINES CO., OF DAYTON, OHIO

The Clerk called the next bill, H. R. 4031, to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim or claims of the Recording & Computing Machines Co., of Dayton, Ohio.

Mr. COSTELLO and Mr. GORE objected, and, under the rule, the bill was recommitted to the Committee on Claims.

WILLIAM O'CONNELL

The Clerk called the next bill, H. R. 4456, for the relief of William O'Connell.

Mr. COSTELLO and Mr. HALLECK objected, and, under the rule, the bill was recommitted to the Committee on Claims.

JOHN L. ALCOCK

The Clerk called the next bill, H. R. 4843, to confer jurisdiction on the Court of Claims of the United States to hear, determine, and render judgment upon the claim of John L. Alcock.

Mr. COSTELLO and Mr. BYRNS of Tennessee objected, and, under the rule, the bill was recommitted to the Committee on Claims.

REXFORD M. SMITH

The Clerk called the next bill, H. R. 5089, conferring jurisdiction upon the Court of Claims of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representative of the estate of Rexford M. Smith.

Mr. COSTELLO and Mr. GORE objected, and, under the rule, the bill was recommitted to the Committee on Claims.

HUBERT H. CLARK AND DR. W. C. COPELAND

The Clerk called the next bill, S. 11, for the relief of Hubert H. Clark and Dr. W. C. Copeland.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Hubert H. Clark the sum of $169.96, and to Dr. W. C. Copeland the sum of $353.62, in full settlement of their claim against the United States arising out of the destruction of certain personal property as the result of a fire at the Petrified Forest National Monument on January 22, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out the word "claim" and insert the word "claims."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. G. MAYFIELD

The Clerk called the next bill, S. 754, for the relief of J. G. Mayfield.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to receive and consider, if filed within six months after the enactment of this act, the claim of James George Mayfield, of Springfield, Ill., for disability alleged to have been caused by injuries sustained by him on August 3, 1937, while in the performance of his duties in the employment of the Bureau of Internal Revenue, Treasury Department.

With the following committee amendment:

At the end of the bill insert the following proviso: "*Provided*, That no benefits shall accrue prior to the approval of this act.

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALEX ST. LOUIS AND DR. J. P. LAKE

The Clerk called the next bill, S. 1174, for the relief of Alex St. Louis and Dr. J. P. Lake.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alex St. Louis, of Windham, Vt., the sum of $25, in full settlement of all claims against the Government for time lost by reason of injuries to his horse which was struck by a Forest Service truck on December 9, 1934, at Camp Peru, Vt., and to Dr. J. P. Lake, of Manchester Depot, Vt., the sum of $10, in full settlement of his claim against the United States for professional services rendered as a result of said injuries: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN B. DOW

The Clerk called the next bill, S. 1253, for the relief of John B. Dow.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John B. Dow, of Cookeville, Tenn., the sum of $354.65, in full satisfaction of his claims for fees for services rendered by him as United States commissioner during the period from November 1, 1937, to March 22, 1938, such fees having been disallowed by reason of the fact that his appointment as such commissioner expired on November 1, 1937, and he was not reappointed until March 23, 1938: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 12, start with the word "*Provided*" and strike out the remainder of the bill, and insert in lieu thereof the following: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROSCOE C. PRESCOTT AND OTHERS

The Clerk called the next bill, S. 911, for the relief of Roscoe C. Prescott, Howard Joslyn, Arthur E. Tuttle, and Robert J. Toulouse.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Roscoe C. Prescott the sum of $300.59; to Howard Joslyn, the sum of $155.50; to Arthur E. Tuttle, the sum of $109.10; and to Robert J. Toulouse, the sum of $466.29, in full settlement of all claims against the United States Government for loss of their personal effects in a fire at the Civilian Conservation Corps camp at Warren, N. H., on December 31, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney, or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 1, start with the word "*Provided*" and strike out the remainder of the bill, and insert in lieu thereof the following: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating

the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MACK COPPER CO.

The Clerk called the next bill, H. R. 2595, conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction be, and is hereby, conferred upon the Court of Claims of the United States, notwithstanding the lapse of time, prior determination, the invalidity of the lease, or any statute of limitation, to hear and determine the claim of the Mack Copper Co. against the United States for the damages and waste inflicted to certain real property owned by the Mack Copper Co. and situated in San Diego County, State of California, which real property was taken, used, and occupied by the United States as an Army cantonment, training camp, or for other military purposes during the period from, on, or about May 15, 1917, to, on, or about June 1, 1922, not heretofore paid by the United States to the Mack Copper Co.: *Provided*, That the measure of the damages sustained shall not exceed the difference between the value of the land when taken, as already found by the court, and the value of the land when returned to the Mack Copper Co.

SEC. 2. That the Court of Claims of the United States, in the hearing and determination of any suit prosecuted under the authority of this act, is authorized, in its discretion, to use and consider as evidence in such suit, together with any other evidence which may be taken therein, the testimony and other evidence filed by Mack Copper Co. and the United States, respectively, in case No. D–134 on the docket of that court entitled "Mack Copper Co. against United States," wherein the court rendered a judgment on the 6th day of June 1927.

SEC. 3. From any decision or judgment rendered in any suit presented under the authority of this act a writ of certiorari to the Supreme Court of the United States may be applied for by either party thereto, as is provided by law in other cases.

With the following committee amendment:

At the end of section 1 of the bill add the following sentence: "In the event that any suit is brought on said claim pursuant to the provisions of this act, the court shall reopen and reconsider de novo the claim heretofore adjudicated for use and occupation of said property, if the United States so requests."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOZZANI MOTORS, LTD.

The Clerk called the bill (H. R. 1694) for the relief of Bozzani Motors, Ltd.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bozzani Motors, Ltd., Los Angeles, Calif., the sum of $786.25. Such sum shall be in full settlement of all claims against the United States for losses sustained by the said Bozzani Motors, Ltd., as the result of damage to 41 automobiles, owned by such company, caused by a smoke screen released by United States Army aircraft over Los Angeles, Calif., on December 9, 1937.

With the following committee amendments:

Line 3, strike out "is" and insert "be, and he is hereby."

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ERNEST O. ROBINETTE

The Clerk called the bill (H. R. 2061) for the relief of Ernest O. Robinette and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ernest O. Robinette the sum of $1,737.26, in full satisfaction of his claim against the United States for loss and damage to his personal effects, equipment, and provisions on October 28, 1937, when fire destroyed the teacherage at Kwethluk, Alaska, where he was employed as a teacher by the Office of Indian Affairs, Interior Department.

SEC. 2. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Stanley Morgan the sum of $301.10, to Mary Ellen Speanburg the sum of $851.73, to Dr. Raymond W. Maurer the sum of $627.25, to Mildred H. Keaton the sum of $267.50, to June de Ford the sum of $175, to Terza Ungarook the sum of $116, and to Ella Massoo the sum of $89.75 in full settlement of all their claims against the United States for loss and damage to their personal property on February 18, 1937, when fire destroyed the United States Indian Service hospital at Point Barrow, Alaska, where Stanley Morgan was employed as a radio operator of the Signal Corps, United States Army, and the remainder of said persons were employed by the Office of Indian Affairs, Interior Department: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ATLAS POWDER CO.

The Clerk called the bill (H. R. 2067) for the relief of the Atlas Powder Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to settle and adjust the claim of the Atlas Powder Co. for reasonable compensation incident to its abandonment, under protest, at the request of the United States, of a certain parcel of land on Winter Island in Salem, Mass., more particularly described in the deed of E. I. du Pont de Nemours Powder Co. to Atlas Powder Co., dated December 28, 1912, recorded with Essex Deeds, southern district, book 2201, page 209, and to allow in full and final settlement of said claim a sum not exceeding $1,762.75 in consideration for the execution by said Atlas Powder Co. of a quit-claim deed conveying to the United States all of its right, title, and interest in said parcel of land. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,762.75, or so much thereof as may be necessary, for payment of this claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

GEORGE B. SPEARIN, DECEASED

The Clerk called the bill (H. R. 4256) for the relief of the estate of George B. Spearin, deceased.

Mr. COSTELLO and Mr. GORE objected, and the bill was recommitted to the Committee on Claims.

REIMBURSEMENT OF CERTAIN OFFICERS, NAVY AND MARINE CORPS

The Clerk called the bill (S. 1119) to provide an additional sum for the payment of a claim under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931," approved January 21, 1936 (49 Stat. 2212).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum, not to exceed $605.50, as may be required by the Secretary of the Navy to reimburse Technical Sgt. Richard S. Reed, United States Marine Corps Reserve, after claimant shall have filed itemized statements showing actual damages sustained by proper appraisal, and under such regulations as he may prescribe pursuant to the provisions of the act approved January 21, 1936 (49 Stat. 2212), Private Law No. 373, Seventy-fourth Congress, for losses of and damages to reason-

able and necessary personal property resulting from the earthquake which occurred at Managua, Nicaragua, on March 31, 1931: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

META DE RENE M'LOSKEY

The Clerk called the bill (H. R. 554) for the relief of Meta De Rene McLoskey.

Mr. COSTELLO and Mr. GORE objected, and the bill was recommitted to the Committee on War Claims.

HENRY FISCHER

The Clerk called the bill (H. R. 1361) for the relief of Henry Fischer.

Mr. COSTELLO and Mr. GORE objected, and the bill was recommitted to the Committee on War Claims.

MARGARET REDMOND

The Clerk called the bill (H. R. 2014) for the relief of Margaret Redmond.

Mr. COSTELLO and Mr. GORE objected, and the bill was recommitted to the Committee on War Claims.

FRANK BURGESS BRUCE

The Clerk called the bill (H. R. 2853) for the relief of Frank Burgess Bruce.

Mr. COSTELLO and Mr. GORE objected, and the bill was recommitted to the Committee on War Claims.

WIDOW AND CHILDREN OF JAMES PATRICK MAHAR

The Clerk called the bill (H. R. 3550) for the relief of the widow and children of James Patrick Mahar.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Wilber National Bank, of Oneonta, N. Y., administrator of the estate of James Patrick Mahar, late of the city of Oneonta, Otsego County, N. Y., deceased, the sum of $5,000 in full satisfaction of any and all claims of the estate of James Patrick Mahar for the United States Government life-insurance benefits under policy No. K-812772, the same to be distributed among the heirs-at-law and next of kin of the said James Patrick Mahar, a deceased soldier, according to the statute of descent and distribution of the State of New York.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

THE OCILLA STAR

The Clerk called the bill (S. 303) for the relief of the Ocilla Star.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Ocilla Star, of Ocilla, Ga., the sum of $96 in full satisfaction of its claim against the United States for the publication of six foreclosure advertisements in four consecutive issues at the request of a county rural rehabilitation supervisor, Resettlement Administration, in December 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

THE FITZGERALD LEADER

The Clerk called the bill (S. 463) for the relief of the Fitzgerald Leader.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Fitzgerald Leader, of Fitzgerald, Ga., the sum of $32 in full satisfaction of its claim against the United States for the publishing of two foreclosure advertisements in four consecutive issues at the request of a county rural rehabilitation supervisor, Resettlement Administration, in December 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MARGARET ROSE UNCAPHER, MILTON E. UNCAPHER, JR., AND ANDREW G. UNCAPHER

The Clerk called the next bill, S. 529, for the relief of Margaret Rose Uncapher, Milton E. Uncapher, Jr., and Andrew G. Uncapher.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of appropriation for "Emergency construction of public buildings, act of August 12, 1935," to Margaret Rose Uncapher, Milton E. Uncapher, Jr., and Andrew G. Uncapher, of Vandergrift, Pa., the sum of $901.60, as payment in full satisfaction of the amount of balance of just compensation claimed to be due them on account of the taking of their lands by the United States through condemnation proceedings for a post-office site at Vandergrift, Pa.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COSTELLO. Mr. Speaker, I move to dispense with further proceedings under the call of the calendar.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CLAIMS FOR DAMAGES AGAINST MEXICO FOR EXPROPRIATIONS OF AGRARIAN PROPERTIES

Mr. DEMPSEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 148.

The Clerk read as follows:

House Resolution 148

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. J. Res. 114, a joint resolution authorizing appropriation for expenses of a representative of the United States and of his assistants, and for one-half of the joint expenses of this Government and the Government of Mexico, in giving effect to the agreement of November 9–12, 1938, between the two Governments providing for the settlement of American claims for damages resulting from expropriations of agrarian properties since August 30, 1927. That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. DEMPSEY. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. FISH]. I yield myself 2 minutes, Mr. Speaker.

This resolution, Mr. Speaker, makes in order the consideration of House Joint Resolution 114, which sets up a commission on Mexican claims, to determine the value of lands expropriated by Mexico; that is, agrarian lands. It also provides $100,000 for this commission. The $100,000 is repaid to the United States Government out of the first moneys collected from Mexico, so there is no cost whatever to this Government.

There has been an agreement tentatively entered into which provides that the Mexican Government will make its first payment, I think, next month, in the amount of about

$1,000,000. The President of the United States has designated as the representative of the United States Government Mr. L. M. Lawson, who has been in the Federal employ about 30 years and at the present time is International Boundary Commissioner, located at El Paso, Tex. Mr. Lawson is probably one of the most able and efficient employees in the entire Federal service, a man thoroughly familiar with what is involved in this question, and one competent and capable to select the personnel necessary to make these appraisals.

I reserve the balance of my time, Mr. Speaker, and I now yield to the gentleman from New York [Mr. MARTIN J. KENNEDY] such time as he may desire.

Mr. MARTIN J. KENNEDY. Mr. Speaker, the gentleman from New Mexico [Mr. DEMPSEY] has explained the purposes of this resolution known as House Joint Resolution 114. He summed it up in a very few words when he said that $100,000 is to be appropriated and that the money will be paid back into the Treasury out of the funds received from the Mexican Government. That is a brief summary of a very important resolution.

This problem goes back many, many years. On March 30, 1938, our Government became so incensed over the treatment that it had received from Mexico that the State Department addressed a communication to the Mexican Government, and I am going to quote very briefly:

The recent expropriation by the Mexican Government of oil properties belonging to American citizens is therefore but one incident in a long series of incidents of this character and accordingly raises no new question. The subject now under consideration between the Government of the United States and the Government of Mexico is a matter of compensation for various properties of American citizens expropriated in the past few years. It is my very earnest hope that because of the very friendly relations existing between the two Governments a fair and equitable solution of this problem may soon be found by the Mexican Government.

To this we have a reply from President Cardenas, of Mexico, and that reply, in substance, under date of March 31, 1938, after the usual preliminaries, says he is very glad to know that our Government admires what he has been doing and promises nothing. He says:

Mr. Ambassador DANIELS: It is a satisfaction for the Mexicans to have the friendship of a people which, through its President, continues to support the policy of friendship and respect of each nation, a policy which is winning for your country the affection of many peoples of the world.

That followed a long summary of what they proposed to do. This, however, did not satisfy Secretary Hull, because on July 21, 1938, he again addressed a communication to the Mexican Ambassador in Washington, in which he said:

During recent years the Government of the United States has upon repeated occasions made representations to the Government of Mexico with regard to the continuing expropriation by Your Excellency's Government of agrarian properties owned by American citizens without adequate, effective, and prompt compensation being made therefor.

That is followed by a further detailed statement of what has been happening, and expresses the displeasure of the United States Government at the tactics of the Mexican Government.

There was another reply. And Mr. Hull, under date of August 22, 1938, decided to write to the Mexican Government again. In that communication he referred to the owners of moderate-sized farms who have claims in excess of $10,000,000 dating back to 1927. So this is not a new matter, something that happened last week or last year; it has been going on for many years with the same result: No payment and no attempt to pay.

There is still another letter from the Mexican Government on the same subject, and I am going to quote very briefly from it:

The Government of Mexico in the note under reply suggests the existence of a number of subsidiary questions.

These subsidiary questions, Mr. Speaker, refer to the fact that they claim that many years ago these properties were bought below cost, and that some of the land concessions were given by unscrupulous representatives of the Mexican Government without adequate compensation, as well as other reasons. This, however, does not change the proposition before us. We are not quarreling about the amount, we are not quarreling about the size of the properties; all we are saying is that we have never been able to get any consideration of our claims.

So these notes continued to flow back and forth. The tempers of the representatives of both sides rose to a high pitch and at one time I thought we had reached the point where we were going to explode, but finally came another note from Mexico which I believe is rather significant. In one of our previous notes, Secretary Hull suggested that perhaps they stop expropriating lands until such time as we had a chance to talk about payment. This is the reply:

The Mexican Government cannot refrain from carrying out the redistribution of the land, although in so doing she might likewise affect foreigners.

There is more along the same line and then appears the following statement which is rather pointed.

There are numerous examples of nations whose cultural progress is beyond discussion, which have seen themselves obliged, without repudiating the right of property in the abstract, to issue laws which have signified expropriation without immediate payment and sometimes without later compensation.

Now, these words are underscored and I wish you would pay attention to them:

Countries might be mentioned which, under the pressure of reasons considered to be of public necessity, have forced private individuals to exchange their gold and their gold certificates for money which has already been depreciated or which was depreciated immediately afterward. Those countries have also been under necessity to require private persons without distinguishing between nationals and foreigners, to receive in payment of obligations, which have been contracted in gold, the already depreciated currency of the country.

Mr. Speaker, after our Government received that note we apparently became very self-conscious. Evidently our position in connection with gold was the basis for the Mexican Government being so sharp. As a result of all the correspondence between our Government and Mexico we have this resolution, which, if adopted, is supposed to provide the machinery to settle the claims of our citizens arising out of the expropriation of their land by the Government of Mexico.

The pending resolution represents just one further step in our timorous dealing with Mexico, a nation that should be friendly to the United States, but which over a long course of years has been the most disturbing factor to peace in North America. This resolution is just so much eyewash, and offered for the purpose of misleading the American people in their belief that their Government is protecting the rights of its nationals, whereas in truth and fact it is just temporizing with a serious situation that is growing worse every day. I have made desperate efforts in Congress to have the State Department take vigorous measures to force Mexico to observe the rights of our people. I have submitted a resolution of inquiry directed to the State Department asking for certain information that should be available to Congress and the people of the United States, but the House Committee on Foreign Affairs has suppressed the answer to my inquiry, as though Congress and the American people are not entitled to this information, which has a great bearing on the future of our country and the rights of all Americans, no matter where they happen to be. The resolution before the House today sets up a joint commission for the purpose of determining to whom shall be paid damages for loss of property due to the Mexican communistic revolution. There is no provision in the agreement to set up the commission for any substantial payment to any American, but it arranges for merely what is tantamount to a token payment. It is interesting to know that in the letter from the Secretary of State, which is part of the report of the committee, that he states that while the State Department "maintained its position," it suggested as a means of adjustment this commission. I maintain that Congress, if it agrees to this resolution, confirms the Mexican position rather than the proper American protective obligation that the Government owes its citizens.

If Congress accepts this resolution, the Communists in control of Mexico will claim that Congress has deserted Americans who have been deprived of their property by the methods

of the Mexican "reds." Congress by adopting this resolution will commit itself to the "red" philosophy whereby private property has no standing before the Government and to the "red" theory that the capitalistic system should be abolished. While the State Department as a face saver may suggest this resolution, still substantially it is an admission that the Mexican Communists are right in their theory of international law, as well that the Mexican policy of expropriation of private property is acceptable. For the probable payment of $1,000,000 a year, will Congress destroy its belief in the stability of the capitalistic system, and will the American Congress agree in principle to the Third International, supported by the Moscow "reds"? It would be much better, in my opinion, for the American Government to admit that it has not properly protected its people and pay the claims itself to our citizens who have been deprived of their property in Mexico by neglect of our Government to protect them in these rights. It would be much better, as a matter of principle, to take this position than subscribe to the Mexican policy of confiscation and robbery, for then some future Government of the United States, alive to its responsibility, might take stern measures to force Mexico to pay into the Treasury of the United States money paid out to American citizens by our own Government because of Mexico's dishonesty.

The question before the House on this resolution is, Shall we sell our precious American birthright for a mess of "red" Mexican pottage?

Mr. DEMPSEY. Mr. Speaker, will the gentleman yield for a question?

Mr. MARTIN J. KENNEDY. I yield.

Mr. DEMPSEY. How would it be possible for the Mexican Government or the United States Government to pay any claim for lands expropriated without an appraisal of the lands and knowledge of their value? If this system is not adopted, how would it be possible to do it?

Mr. MARTIN J. KENNEDY. The Mexican Constitution, under which the Mexican Government is proceeding with this expropriation, requires them to make an indemnification for the property at the time it is expropriated. That is the time to fix the value rather than waiting for 12 years to raise the question and then go back and try to fix values.

Mr. DEMPSEY. How can anything be done except by a commission representing the two governments?

Mr. MARTIN J. KENNEDY. I would be willing to submit it to a responsible official of the Mexican Government if it would get us anywhere, but they have made no attempt to pay or settle these claims.

Mr. DEMPSEY. Does not the gentleman think this is a step in the right direction?

Mr. MARTIN J. KENNEDY. No; I think it is a waste of time. When you go back over the years and find that there are hundreds of millions of dollars due and the best they can propose after these years is $1,000,000 a year to be divided up among all the landowners.

Mr. THORKELSON. Will the gentleman yield?

Mr. MARTIN J. KENNEDY. I yield to the gentleman from Montana.

Mr. THORKELSON. Does not the gentleman think it would be more honorable if the United States took the property and held it until it was paid for?

Mr. MARTIN J. KENNEDY. Does the gentleman mean hold title to the property in Mexico?

Mr. THORKELSON. Yes; hold it until Mexico paid for it.

Mr. MARTIN J. KENNEDY. It might offer greater security. Here we have property confiscated and we have American citizens turned out of their property without receiving any—and certainly little—encouragement from their own Government.

Mr. THORKELSON. Mexico has never paid for any property of that sort.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield myself 15 minutes.

Mr. SMITH of Ohio. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. May I ask if these payments will be made in silver?

Mr. FISH. There is nothing provided in the resolution as to how the payments will be made. I am inclined to agree with my colleague from New York [Mr. MARTIN J. KENNEDY] that after one or two payments they may not be made at all. I will give my reasons for that as I proceed. Whether they will be made in silver or not I have not the faintest idea. I may say to the gentleman, when a nation like Mexico has continued for these long years, particularly for the last 5 years, to seize American property, expropriate it, and not pay damages, I cannot understand why we should continue to buy silver from Mexico at twice its cost of production. If we wanted to put an end to what has been going on down there, this form of communism, this seizure of American property which they call expropriation, we should have ceased buying its silver. It is not expropriation. Expropriation without payment is simply a polite word for robbery. It is communism. We should have long ago ceased to buy silver from Mexico. If we had done that, or if we had served notice on that country we were going to do that, we would have stopped this practice of communism in our neighbor Republic of Mexico.

Mr. SHANLEY. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Connecticut.

Mr. SHANLEY. The gentleman knows this so-called expropriation happened long before the silver policy was brought into effect. He further knows it is not communism for a sovereign power to take property by expropriation. It is allowed by international law.

Mr. FISH. If the gentleman will ask one question at a time I will try to answer that question.

In the first place, I do not admit, although I have no evidence to substantiate it, that there was any degree of seizure of American property before 1934. It is my belief that the overwhelming majority, 90 percent, or maybe 99 percent, of these properties have been seized under the "pink" or "red" regime of Cardenas during the last 5 years. Of course, I know what the bill says. The bill says that these claims will be settled back to 1927. There may have been sporadic claims from 1927 to 1934, but whenever a property was seized in those days our administration came down on them like a ton of brick and you heard about it all over the country. It is only in the last few years that American property has been seized by the score under this "red" Mexican regime. The other question the gentleman raised was what?

Mr. SHANLEY. The doctrine of expropriation.

Mr. FISH. Everyone agrees on what expropriation is. It is well understood that a government has the right of eminent domain, that it can seize property in its own country, provided it pays an adequate compensation. No one questions the legality of that; but when you seize property and you do not pay for that property on a fair and equitable basis within a reasonable time, it is no longer expropriation. It is nothing but robbery and in most cases it has been nothing but robbery in Mexico up to the present moment.

The gentleman knows and every lawyer will tell him that expropriation of property without payment within a reasonable time is just a polite word for robbery or communism or confiscation or anarchy. I submit that this has been going on for a number of years in Mexico with little or no protest from our own New Deal administration.

I do not know that anybody is objecting to this bill particularly. It is just simply a gesture. There is no guaranty in the bill by Mexico that it will not continue to seize our properties. There is no guaranty that payments will be made beyond a few years. You know Mexico has had the habit of repudiating its debts. The American people lent $90,000,000 for the construction of railroads down there, all of which has been repudiated. Mexico does not pay any interest at all on those debts or the amortization thereof. It has got into the habit of repudiation and pays nothing on its bond issues. Of course, it has paid some little claims involving $500,000 or so for the last 4 or 5 years and it can well afford to pay these small claims if it holds the property it has taken in the past and continues to take additional American property.

Suppose you are an American citizen expecting to be upheld in your right to do business and trade in foreign lands and expecting to be upheld in your right to hold property in foreign lands, and your property was seized 5 years ago in Mexico, and you have not received one red cent for it until today; not a dollar. What do you do to live? Suppose you have no more money. Of course, this expropriation has brought destitution and poverty to many American citizens. Now this little bill is brought in. I am not opposing the bill, but I propose to have something to say about the good-neighbor policy in Mexico. We are reaping the whirlwind of that good-neighbor policy, that soft, supine policy which has worked one way, where we have been the good neighbor and they have taken our shirts and our pants, too, and the property of our citizens, and have refused to pay for all these years. If this is the good-neighbor policy, it is a one-way policy, because it does not work both ways. A good-neighbor policy must be mutual and work both ways.

Mr. DEMPSEY and Mr. O'CONNOR rose.

Mr. FISH. I yield to a member of the committee.

Mr. DEMPSEY. Does the gentleman from New York know of any method that could be pursued other than setting up a commission to determine the value of the lands expropriated?

Mr. FISH. I am supporting the bill, but at the same time I am reserving my right to point out that this should have been done years ago when they got into the habit under the good-neighbor policy of seizing the properties of American citizens one after another, a large number of properties. Then we should have come right down on them and said, "If you continue to do this and do not make immediate provision to pay for or restore the property, we will not buy any more silver from you or we will not trade with you." But as I say, you have let this thing go until it has developed into a rotten mess in Mexico.

Mr. KEE and Mr. O'CONNOR rose.

Mr. FISH. Again, I must yield to a member of the committee.

Mr. KEE. Does not the gentleman know that prior to 1917, 161 of these agrarian properties were expropriated? The gentleman made the statement a moment ago that most of the property had been expropriated since the advent of the Cardenas administration, but prior to 1917 there were 161 expropriations.

Mr. FISH. Yes; I believe in the revolutionary times there were.

Mr. KEE. That was under a Republican administration in this country.

Mr. FISH. I believe that was during the Wilson administration. In revolutionary times in Mexico there were a number of expropriations, and there was chaos and civil war in Mexico, and our citizens suffered losses. In fact, President Wilson practically went to war with Mexico. However, the claims of which I am speaking have arisen under the Cardenas regime, and one might expect it because that is a "pink" or "red" regime. They boast about it, they do not deny it. They state specifically in their reports that they propose to continue this course, and they will as long as that regime exists there. They are no respecters of our rights. They seized American oil properties a year ago and have not paid a penny on those properties, which probably involved $100,000,000, not a puny four or five million dollars, as is provided for in this bill. They have taken the money of our people, who invested it in Mexico as they would in any other country, and who developed those lands, built oil wells, and brought a certain amount of prosperity and wealth to Mexico. They have seized those lands, and so far they have refused to pay a penny on them. I say to you it is not a question merely of our investments—and we have $1,000,000,000 of American investments in Mexico; probably more investments in Mexico than in any other single country. If we do not take a firm position and stop this communism and this confiscation of property, including the oil properties, it means the end of our investments not only in Mexico but throughout Latin America. Make no mistake about this, we are not arguing today about a few million dollars. That is chicken feed for this Government. I forget how many millions we spend ourselves every day. I am not at all sure we will be paid a million each year by Mexico, but a great principle is involved. If we sit down and continue to let our property be seized without protest or action, then they will continue to seize it, and probably never pay for it.

Mr. O'CONNOR and Mr. FITZPATRICK rose.

Mr. FISH. I yield to the gentleman from Montana.

Mr. O'CONNOR. The gentleman says this procedure should have been adopted years ago.

Mr. FISH. Yes.

Mr. O'CONNOR. Does the gentleman say it should have been adopted during the Harding, Coolidge, Fall, and Daugherty administrations?

Mr. FISH. No; because I tried to point out that it is my belief that most of these agrarian claims that are involved in this bill arose under the Cardenas regime. The Government admits there are about 100 of them. That is the best information I can get. I have not been able to get the information, although I have been working at it for 2 or 3 months, as to how many were under the Cardenas regime and how many were prior to that. I believe you will find that 90 percent or more are within the last 4 or 5 years under this "red" regime.

Mr. O'CONNOR. Will the gentleman yield for another question?

Mr. FISH. Yes.

Mr. O'CONNOR. The gentleman says that Mexico has repudiated her obligations. Is repudiation of obligations on the part of nations peculiar to Mexico?

Mr. FISH. Not at all; and I am pleased the gentleman said that. What has Mexico done? She says, "Yes, I am repudiating my obligations to the United States, but you have repudiated your own obligations. You have gone off the gold standard and depreciated your dollar." Those were her words to this Government. She said, "You claim we have repudiated, but you have repudiated yourself." You will find this in the diplomatic messages between Mexico and this Government. But Mexico is not the only nation that has repudiated its obligations. Great Britain, France, and other nations have welshed on their war debts.

Mrs. ROGERS of Massachusetts and Mr. O'CONNOR rose.

Mr. O'CONNOR. Will the gentleman permit just one further observation?

Mr. FISH. I will have to yield to a member of the committee, the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Does the gentleman know that in 1933 one of my young constituents was killed in Mexico City and nothing, virtually, has been done about it, although it was admitted that he was killed by one of two Mexican policemen. There was a mock trial and there has been no satisfaction of any kind, although it was an entirely unwarranted and brutal murder.

Mr. FISH. It is my idea, my colleague [Mrs. ROGERS], although I have not the facts, that quite a few Americans have been killed in Mexico and nothing has been done about it. I rather think it runs to almost a score of Americans who have been killed.

Mr. DEMPSEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman.

Mr. DEMPSEY. The gentleman has stated several times that what we should do is to clean up this communism. The gentleman has been a member of the Foreign Affairs Committee for years. The gentleman has made repeated speeches on the floor of the House instructing the people of the United States to mind their own business. Does the gentleman think it is our business to go into Mexico and tell them what form of Government they should have or does the gentleman think we should confine our efforts to our own country?

Mr. FISH. I am very pleased to have the distinguished gentleman who represents the State of New Mexico agree with the contention I have repeatedly made in the Congress and elsewhere that it is none of our business what form of government exists in any foreign nation in the world,

whether it be in Soviet Russia or Fascist Italy or Nazi Germany. What I complain about the respect to this administration, and I shall discuss it if I have the time, is the fact that this administration from the President and the Secretary of State down——

The SPEAKER pro tempore (Mr. PARSONS). The time of the gentleman from New York has expired.

Mr. FISH. Mr. Speaker, I yield myself 10 more minutes.

From the President and Secretary of State down seem to think it is their duty to criticize the form of government and the individuals at the head of those governments in foreign lands. It has never been done before in America and therefore——

Mr. DEMPSEY. What does the gentleman mean when he states that we should stop this communism in Mexico?

Mr. FISH. I am only saying exactly what I believe, that it is communism.

Mr. DEMPSEY. Why should we do anything about it?

Mr. FISH. What I am saying is simply this: I believe in protecting the rights of American citizens to trade and own property in all lands. If that right is interfered with and property seized and not paid for, then I would not trade with them. I would stop buying silver at twice the cost of production.

Mr. DEMPSEY. Because they are Communists?

Mr. FISH. Because they took the property.

Mr. DEMPSEY. What does the fact that they are Communists have to do with it? You said we should clean out this communism.

Mr. FISH. Those are your words.

Mr. DEMPSEY. No; I am quoting the gentleman.

Mr. FISH. I do not advocate force and violence. I do not believe in that.

Mr. DEMPSEY. I cannot understand the gentleman's attitude.

Mr. FISH. I am simply saying that as long as they seize our property, if we cannot protect them, we ought to stop buying silver from them; and if we cannot do that, we ought to stop trading with them.

Mr. DEMPSEY. The gentleman has repeatedly referred to "pinks" and "reds" and has said that we have got to stop this communism.

Mr. FISH. I said they are "pinks" and "reds," but I did not say we should stop communism by force. If they want to be "pinks" and "reds," that is their business.

Mr. DEMPSEY. If the gentleman will read his remarks, he will find that is what he said.

Mr. FISH. Oh, I know what I said.

Mr. DEMPSEY. Now the gentleman states that it is none of our business.

Mr. FISH. It is none of our business whatever, and that is the main thing I complain about with respect to this administration. We seem to think we have the right to tell these dictatorial nations what form of government they should have. I do not care whether they are "pinks" or "reds" or Fascists or Nazis. That is their business; and it is none of their business what form of government we have in America.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. FITZPATRICK. The gentleman said that this Government ought to take a firm stand if Mexico refuses to pay our citizens for land taken. Assuming that Mexico refused, what firm stand, outside of not trading with Mexico?

Mr. FISH. First, I would recall that very distinguished Ambassador, Mr. Josephus Daniels, and give him a job back here in Washington. Then, if that were not sufficient warning that we meant business——

Mr. FITZPATRICK. And what is the business that we would mean?

Mr. FISH. Then I would stop immediately buying any more silver from them, and if that were not sufficient, I would stop trading with them altogether until they came to their senses and respected American citizens and their rights to own property and do business in Mexico.

Mr. FITZPATRICK. And that is what the gentleman meant by a firm stand?

Mr. FISH. Yes. Certainly I do not mean to go to war for the almighty dollar, because I am against war with any nation unless we are attacked, and that goes for Germany as well as any other nation.

Mr. THORKELSON. It is a fact that Leon Trotsky lives there, is it not?

Mr. FISH. I am not concerned with that. That is not our business. We are concerned with American property and the rights of American citizens, and that property has been stolen, and if anybody tells me these oil rights have not been stolen, then I do not understand the English language. Our properties have not only been stolen, but worse than that, they have seized this property and then sold the oil, bartered it to Germany. Nineteen million barrels of oil that belonged to us have been bartered to Germany, and they have added insult to injury, because not only do the Germans get the oil but they barter for it German machinery, road-making machinery, farm machinery, mining machinery, which hitherto had been built in America by American labor and sold to Mexico. So we lose our oil rights and our money, our investment, and also lose our trade with Mexico, with the result that Germany has increased its trade with Mexico some 50 percent in the last year, and we have lost a substantial amount of our trade. That is the whirlwind that we are reaping as a result of the good-neighbor policy, the weak-kneed, soft-neighbor policy backed by an occasional slap on the wrist.

Mr. GEARHART. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. GEARHART. The gentleman said that international law recognizes the right of expropriation, provided settlement is made within a reasonable time. International law also recognizes the right of reprisal. I am wondering what the gentleman would think about our Government seizing a portion of the territory of Mexico, say, Lower California, and holding it as a reprisal until settlement is made.

Mr. FISH. I do not believe in force or compulsion or any form of armed force. If we had an Ambassador down there that meant business, and had proper instructions from the State Department, we could settle this controversy in a short time.

Mr. GEARHART. But in our other contacts with Mexico it was only through force, for instance at Vera Cruz, that we could get them to pay any attention to or respect in the slightest degree American rights.

Mr. FISH. I know that, but I am not at all sure that we were right in going into Mexico and fighting at Vera Cruz.

Mr. SHANLEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. SHANLEY. I know the gentleman has in mind the Gondra Treaty that was ratified when Calvin Coolidge was President of the United States, and that treaty makes it a duty on our part when we have difficulties to refer them to a commission. So far as reprisals and methods short of war are concerned, we are stymied. We must proceed under that treaty. I know that the gentleman making this statement is well aware of that.

Mr. MARTIN J. KENNEDY. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. MARTIN J. KENNEDY. For the sake of the RECORD, these expropriations began back in 1915 and continued up to August 30, 1927—and I am reading from a document of the State Department. One hundred and sixty-one appraisals have still been left unsettled, so if the Claims Commission established at that time by our Government has not been able to get the matter settled, how do we expect this Commission to do anything?

Mr. FISH. Oh, I have no idea of the Mexican Government doing anything.

Mr. MARTIN J. KENNEDY. This situation today is the result of failure on the part of Secretary Hull to get Mexico to submit to arbitration. They have refused, and this is only palliative, to say the least.

Mr. FISH. It is just a gesture; the gentleman is right.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mrs. ROGERS of Massachusetts. I understand it has been proposed that the payment will be made in American dollars and it is so understood. I was wondering if the gentleman would consider writing into the law that the payment should be made in American dollars?

Mr. FISH. I think it would be a good idea for the lady from Massachusetts to offer that amendment when the bill is being considered. I do not think anyone should oppose it.

Mrs. ROGERS of Massachusetts. I hope the chairman will accept that amendment.

Mr. FISH. Now, the issue before the House is this particular bill. So far as I know, no one on the Republican side is opposed to the resolution. It provides that certain sums shall be paid annually, and I hope they will be paid. The issue I am trying to discuss is much greater than this resolution. We have four or five hundred million dollars invested in oil lands alone throughout Latin America. We have new pipe lines about to be opened in Colombia and Venezuela this month, pipe lines involving as much as $40,000,000, in both Venezuela and Colombia.

American enterprise, American engineers, American money, and American investment have gone down there. Unless we do something about the seizure of American oil lands in Mexico, what guaranty have we got for any of our investments in Latin America? If Mexico, our neighbor, right at our doorstep, can seize our oil lands to the amount of $100,000,000 or more, why cannot Colombia and Venezuela do the same, if that is established as a precedent? They have already done it in Bolivia. They have seized $17,000,000 of our investments down there within the last month, by action of the Government. If we continue to be soft about Mexico, if we continue this weak-kneed policy about our property, then we cannot expect to protect our citizens elsewhere. If we do nothing about it in Mexico, what are we going to do about it in Chile if they take our mines? Are we going to do something about it in Cuba if they take our sugar mills? Are we going to do something about it in Venezuela or Colombia if they should take away our pipe lines or oil properties? I say the time has come to let these nations know that we propose to protect the rights of our citizens, and if they confiscate our property, then they must know that they are dealing with a nation that knows how to protect the rights of its own citizens. [Applause.]

[Here the gavel fell.]

Mr. DEMPSEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. BLOOM].

Mr. BLOOM. Mr. Speaker, there does not seem to be any objection to this bill. The bill has already passed the Senate in its present form. It seems that all the speeches being made here are about everything else but this particular bill. Nothing is said about this bill except that they agree to it.

This bill simply calls for one thing: It appropriates about $100,000 to pay the expenses of this joint commission between the Mexican Government and the Government of the United States, so as to determine the amounts of the claims for these farm lands. It has nothing to do with anything else. It is merely that the Mexican Government, according to this agreement, is to pay $1,000,000 a year, the first payment to be made May 31 of this year, and they are to pay $1,000,000 a year every year afterward until the full amount of the claims determined upon by this commission is paid. That is all there is to this resolution. That is all there is to this rule. All this talk about Mexico and what they have done is beside the point.

I have the record here, which I shall show you at the proper time when the bill is being considered, showing that the Mexican Government has paid all of its obligations made to this Government, principal and interest, up to the present time. There have been only two commissions—one the General Claims Commission and a special claims commission. The General Claims Commission is functioning upon claims prior to 1927. The special Mexican Claims Commission has done its work, agreed upon an amount of over $5,000,000, and the Mexican Government is paying at the rate of $500,000 a year, and it has made every payment, with interest, up to the present time.

Secretary of State Hull writes a letter with reference to this matter under date of March 8, 1939, which reads:

MY DEAR MR. BLOOM: I have learned with regret that when House Joint Resolution 114, a joint resolution to authorize an appropriation to meet the expenses of this Government under the agreement reached with Mexico for the settlement of American agrarian claims, came before the House on the Consent Calendar on Monday, March 6, 1939, an objection was made to its passage.

The Department of State cannot seek an appropriation to meet the obligations of this Government under the agreement with Mexico until the joint resolution referred to above has been enacted, and it is therefore very important to the successful conclusion of these negotiations that the bill be passed as soon as practicable. I feel that I should bring the foregoing to your attention in order that you might give such consideration as you deem appropriate to taking other suitable steps to endeavor to obtain early consideration of the bill in the House. If it would be helpful in connection with any steps you may take in this matter, you may feel at liberty to indicate to the officers of the House of Representatives my particular interest in obtaining early consideration of this measure.

Sincerely yours,

CORDELL HULL.

Mr. Speaker, the appropriation asked for is $100,000. This is simply an advance of money which is to be repaid to the United States Government out of the first money received from the Mexican Government. So on May 31 of this year the Mexican Government is obligated under this agreement to pay to the United States of America $1,000,000. Immediately the United States takes the $100,000 out of this $1,000,000.

[Here the gavel fell.]

Mr. DEMPSEY. Mr. Speaker, I yield 1 additional minute to the gentleman from New York.

Mr. MARTIN J. KENNEDY. Mr. Speaker, will the gentleman yield?

Mr. BLOOM. I cannot yield; my time is too limited.

The United States Government deducts the $100,000 out of the $1,000,000 that it receives from the Mexican Government to pay these expenses.

The gentleman from New York [Mr. FISH] said that the amount is not adequate. There is no mention whatever in this resolution of the total amount of the claims. That is something that must be determined upon first by the Joint Commission of Mexico and the United States before anyone can say whether the amount is adequate or not. In any event, the United States Government is not out one penny, for it gets this money back first. The only way we could bring this bill before the House was by having this rule; and since the gentleman from New York [Mr. FISH] says that no one on the committee objects to it, there should not be any objection to the rule.

[Here the gavel fell.]

Mr. DEMPSEY. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, the President and the Secretary of State have approached this question in the only sensible and businesslike way it could be approached. It is necessary to determine the value of the lands seized by Mexico. The President has selected as the chairman of the commission, L. M. Lawson, of the International Boundary Commission, El Paso, Tex., probably the best-informed man in the United States on Mexican affairs.

We cannot ask Mexico to pay these claims unless we know what we want her to pay.

Mr. MARTIN J. KENNEDY. Mr. Speaker, will the gentleman yield?

Mr. DEMPSEY. Very briefly.

Mr. MARTIN J. KENNEDY. Will the gentleman from New Mexico inform the House by what process Mexico is going to pay us $1,000,000 next month on a proposition that has not been touched as yet, neither side knowing what the proper amount or full extent of the claims is?

Mr. DEMPSEY. I may say to the gentleman from New York that an agreement was reached between the gentleman

to whom I have just referred and a representative of the Mexican Government, knowing that the total amount involved was greatly in excess of $1,000,000, the Mexican Government agreed to pay $1,000,000 on the 31st day of May.

Mr. MARTIN J. KENNEDY. That information is not in the committee report, though.

Mr. DEMPSEY. No; but let me say that it is necessary to appraise these lands; that is what we are asking be done. Until this is done we cannot properly arrive at the amount Mexico owes the people of the United States.

Mr. BROOKS. Mr. Speaker, will the gentleman yield for a question?

Mr. DEMPSEY. I yield.

Mr. BROOKS. I am interested in the oil situation.

Mr. DEMPSEY. This resolution has no reference whatever to the oil situation. It refers only to agrarian claims.

Mr. BROOKS. The gentleman from New York referred to oil lands, but the gentleman states that this resolution does not refer to oil lands?

Mr. DEMPSEY. This resolution does not have any reference at all to oil lands.

Mr. Speaker, the gentleman from New York has advised me that he does not wish to use the remainder of his time. I, therefore, move the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was agreed to.

AMERICAN-MEXICAN AGRARIAN CLAIMS

Mr. BLOOM. Mr. Speaker, I call up House Joint Resolution 114, authorizing appropriation for expenses of a representative of the United States and of his assistants, and for one-half of the joint expenses of this Government and the Government of Mexico, in giving effect to the agreement of November 9–12, 1938, between the two Governments providing for the settlement of American claims for damages resulting from expropriations of agrarian properties since August 30, 1927, and ask unanimous consent that the resolution may be considered in the House as in the Committee of the Whole, and that a similar Senate resolution, Senate Joint Resolution 46, be substituted for the House resolution.

The SPEAKER. The gentleman from New York asks unanimous consent that the Senate joint resolution be considered in the House as in the Committee of the Whole. Is there objection?

Mr. FISH. Mr. Speaker, reserving the right to object, how will the time be controlled if the bill is so considered?

The SPEAKER. Consideration would be under the 5-minute rule if the gentleman's request is granted.

Mr. BLOOM. Does the gentleman want to agree upon some definite time? How much time would the gentleman like?

Mr. MAPES. We have adopted a rule. I have requests for time. I think I shall have to object.

Mr. BLOOM. We could agree upon some time limit, the time to be equally divided and to be controlled by the gentleman from New York and myself.

Mr. Speaker, I ask unanimous consent that time for general debate be limited to 1 hour, to be equally divided and to be controlled by the gentleman from New York and myself.

The SPEAKER. The gentleman from New York, in addition to his request heretofore submitted, now requests that there be 1 hour of general debate on the resolution, one-half to be controlled by himself and one-half by the gentleman from New York.

Mr. MAPES. Mr. Speaker, reserving the right to object, may I ask the purpose of the gentleman from New York in submitting this request rather than proceeding according to the rule?

Mr. BLOOM. Only at the suggestion of the gentleman from New York [Mr. FISH] as to how we could proceed and control the time.

Mr. MAPES. I object, Mr. Speaker. We have adopted a rule.

Mr. BLOOM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 114, authorizing appropriation for expenses of a representative of the United States and of his assistants, and for one-half of the joint expenses of this Government and the Government of Mexico, in giving effect to the agreement of November 9–12, 1938, between the two Governments providing for the settlement of American claims for damages resulting from expropriations of agrarian properties since August 30, 1927.

Mr. PATRICK. Mr. Speaker, will the gentleman yield for a question?

Mr. BLOOM. I yield to the gentleman from Alabama [Mr. PATRICK].

Mr. PATRICK. Mr. Speaker, there was a bill on the Private Calendar considered a little while ago and the record shows there were two objections. I refer to No. 125 on the calendar. The gentleman from California [Mr. COSTELLO] objected. The gentlemen shown as objecting are the gentlemen from Tennessee [Mr. BYRNS and Mr. GORE]. I was present with both of those gentlemen and I find the name listed as the gentleman from Indiana [Mr. GRANT]. I went to the gentleman from Indiana [Mr. GRANT], and he said he had not objected; and if he did, it was through inadvertence. The record shows that the gentleman from Indiana [Mr. GRANT] did object. While these gentlemen are here and before we go any further, I would like to have the matter considered, because of the gravity of the bill. It involves a death claim in which a man was hit and killed by a Government truck running on the wrong side of the road. I am fearful if we let it go any further, it cannot be corrected and will have to go over. This is very serious to the people involved. Is it possible at this time to get the record clear so that it will state exactly what did happen? If we can do that, it would be the best thing that could be done for all persons concerned.

Mr. BLOOM. Mr. Speaker, I yielded for a question only.

The SPEAKER. The gentleman from New York [Mr. BLOOM] yielded for a question. The Chair may say that before the House adjourns the Chair will be glad to recognize the gentleman from Alabama [Mr. PATRICK].

Mr. PATRICK. I just wanted to call attention to the matter now.

The SPEAKER. The question is on the motion of the gentleman from New York [Mr. BLOOM] that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 114.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 114, with Mr. HARTER of Ohio in the chair.

The Clerk read the title of the joint resolution.

The first reading of the joint resolution was dispensed with.

Mr. BLOOM. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. LUTHER A. JOHNSON].

Mr. LUTHER A. JOHNSON. Mr. Chairman, this joint resolution comes to the House with the unanimous report of the Committee on Foreign Affairs. It is therefore not controversial. The debate under the rule indicated that the merits of the bill were not subject to objection, and the extraneous remarks made had no pertinency whatever to the terms of this bill. Certain Members took advantage of the time for debate in order to air their views in condemnation of certain problems, political and otherwise, led by the distinguished gentleman from New York [Mr. FISH], who rarely ever speaks in the House, but who took advantage of this occasion to make a few remarks, of course, of a nonpartisan and nonpolitical nature. He is always that way. I would like sometime to see the distinguished gentleman from New York rise and speak in a partisan manner. It would seem so unnatural.

The bill effectuates a method by which the United States and Mexico have set up an agency or commission whereby the rights of our citizens are recognized in the payment of agrarian claims to be made by the Government of Mexico for lands of American citizens confiscated by Mexico. I wish

my distinguished friend from Pennsylvania [Mr. RICH] would ask his usual question, "Where are you going to get the money?" because I would like to answer him by saying that the money in this instance would come, not out of the American people or the Treasury of the United States, but from the treasury of the Government of Mexico. The claims are to be paid out of this fund, which will be paid by Mexico at the rate of $1,000,000 a year until the total amount of the claims allowed by the Commission have been paid. The Commission will be composed of one representative from the United States and one from Mexico.

We are not concerned now with the cause of the confiscation of land in Mexico. That is not involved here. For many years there has been confiscation of agrarian lands of American cititzens in Mexico. The Government of the United States and the Government of Mexico reached an agreement last November by which a commission was set up to determine these claims and ascertain the amount of the claims. Mexico is to make its first annual installment payment on May 31 of this year of $1,000,000 and a similar amount each year thereafter until the total amount of claims approved by this Commission has been paid.

Some doubt has been expressed with reference to whether or not the Mexican Government will meet its payments. The gentleman from New York said we would never get any of the money. We can only consider this, however, from experience we have had with reference to another claims commission which was set up between the United States and Mexico. I refer to the United States-Mexican Special Claims Commission set up a few years ago to consider claims arising during the revolutionary period in Mexico. The Mexican Government agreed to pay these revolutionary claims at the rate of $500,000 a year for 10 years. Five of these annual payments have now been made and the Government of Mexico is meeting those payments promptly. The gentleman from New York seems to think there has been some lethargy on the part of the administration in the collection of these claims and he seeks to cast some aspersions upon the administration, our Ambassador to Mexico, and the State Department; however, his statements are without foundation and are not based on fact. The truth of the matter is that these agrarian seizures went on under the administration of which the gentleman from New York is a part, a Republican administration, during which time there were 161 agrarian confiscations which took place prior to 1927. The party of which he is a distinguished member and a great leader made no effort to reimburse the citizens of the United States for those losses.

The settlement of these claims, under a definite plan worked out for payment thereof by the Mexican Government, should meet with the approval and not the condemnation of the American people. Mexico is perhaps not prepared to make any large annual payments. As I understand from representatives of the State Department, a payment of $1,000,000 a year is approximately 10 percent of what it is thought will be the total amount of the claims. Of course, no one knows what the total value of the claims allowed will be, but I understand it is estimated that the possible total amount of these claims will be $10,000,000, though they may be much more. Until the claims are presented and passed upon by the Commission, no one knows what the total will be, and the agreement merely provides for one million annual payment by Mexico until the full amount allowed by the Commission has been paid. When this money is paid by the Government of Mexico there will first be deducted the expenses incurred by our Government in setting up the machinery, so the claimants will get the net amount of collections after our Government has been reimbursed for all expenditures made by it.

There should be no objection to this measure, and I believe no one will be against it. I believe the State Department has carried on this matter in a very able and commendable manner, and I think the House should vote unanimously for the passage of this resolution.

Mr. FISH. Mr. Chairman, I yield 10 minutes to the distinguished member of the Committee on Foreign Affairs from the State of Ohio [Mr. VORYS].

Mr. VORYS of Ohio. Mr. Chairman, the resolution before us today is an example of the teamwork necessary between the President and the Congress to carry on our foreign affairs. The President has made an Executive agreement with Mexico. He did not choose to refer it to the Senate for ratification, but did it solely on his own responsibility. Now he must come to Congress for money to put the agreement into effect. This is the kind of action which an authority on foreign affairs, quoted and approved by the gentleman from Connecticut [Mr. SHANLEY], describes as follows:

> When our President agrees upon a mutual action with the chief executive of another country without the authority of the Constitution or of Congress, the agreement is not legally binding; it is merely a sort of a gentlemen's agreement.

We will be told that if we do not raise the money to carry out this "gentlemen's agreement" our Government will be embarrassed in its relations with Mexico, even though we disapprove of the agreement the Government has made. We may well reply that this possible embarrassment should have been considered when this agreement was made. At this time, when we have this question before us, and when we have neutrality legislation being discussed in committee, and when our whole effort is to seek a way of peace for our country, we should reexamine the conduct of our foreign affairs.

We are a constitutional democracy. The execution of our foreign policy is solely for the President. The determination of our foreign policy is, in the last analysis, a responsibility of the Congress, which has sole power to declare war, and therefore the responsibility to keep from declaring war. In addition to this, the Senate has the duty of ratifying treaties and the Congress, the House of Representatives acting first, has the duty of appropriating money. There is hardly any conceivable activity in foreign relations which does not involve the spending of money. This present resolution providing for the Mexican Commission is an example.

While the President may make speeches, write notes and make "gentlemen's agreements," he must come to Congress to make his action practically effective. An example of this is the creation of ambassadors. Congress in 1909 provided: "No new ambassadorships shall be created unless the same shall be provided for by act of Congress." Our President has chosen to ignore this law, feeling that the question of whether his diplomatic representative in another country shall be labeled as an ambassador or minister is solely for him to determine under the Constitution. But Congress still controls the creation of embassies. From a practical standpoint the big difference between an ambassador and a minister is the rate of pay which Congress alone has the power and the duty to determine, and through the power of appropriation the Congress still has the veto if our President, bursting with international good will, or generosity toward his appointees, continues to create new ambassadorships in violation of law. This is democracy at work. It is more cumbersome than the conduct of foreign affairs in a totalitarian state but it is more stable and there is no proof yet that it is not more conducive to peace. When Assistant Secretary of State Berle says, "Rightly, in foreign affairs, we trust to the steady voice which speaks not from government to government but from people to people," he refers to a stability and reliability in our foreign policies once they have undergone the democratic process of approval by both the Executive and the Congress which does not exist across the seas. On the other hand, attempts of our Presidents to evade or dominate this process have not been particularly happy. When President Wilson took his famous ride to Paris and was there taken for the famous ride by our then allies, he claimed to be speaking not from government to government but from people to people. To his great sorrow, to the chagrin of this country and the disappointment of our allies, he was badly mistaken. He was only an agent of the United States, with authority to negotiate but not to enter into any binding agreement.

On the other hand, when Secretary of State Hughes entered into negotiations, representing his President, with the nations of the world in Washington, in 1922, he had with him as delegates representatives of both parties in the Senate—Senators Lodge and Underwood—and he had prominent Members of the House of Representatives on his advisory committee, so that when the time came to ratify the treaties and pay the bills the agreements of the representatives of the United States in the conference were approved and became a stable part of our foreign policy.

As we start into the consideration of so-called neutrality legislation we in Congress should bear in mind the important part that the President must take under our Constitution and the President will do well to bear in mind the responsibilities of Congress in determining our foreign policy. We hear a great deal of talk these days about naming the aggressor nations, and punishing them by measures short of war. One suggestion is that we draft legislation giving this power to our President. Another suggestion is that we let our present neutrality legislation lapse and permit him to name aggressors and takes sides by measures short of war, regardless of how little short of war these measures may prove. What do you mean—aggressor? Granted that the President is in international determinations the sole judge and jury, he still does not make the laws of nations or define offenses against the laws of nations. Article I of our Constitution says that Congress shall have power, among other things, to—

Define and punish * * * offenses against the laws of nations.

The definition and the punishment of offenses against the laws of nations must be unilateral in the present instance. If we wish our Government to visit unilateral punishment on nations that have offended, Congress, under our Constitution, has the duty to decide what are the offenses and what the punishment shall be. Merely to say this over, to attempt to write it down, shows the grave difficulty which confronts us when we attempt in a constitutional way to name and punish aggressors. Certainly we should not in an unconstitutional way give to the President the power to name and punish aggressors.

We criticize Italy, Germany, and Japan for two reasons: First, we do not like their internal form of government; second, they are attempting to secure more territory by conquest. Every one of us has a right to feel indignant about these two things, but should we now start, by official action or by official inaction through failing to limit the tendencies of the President in that direction, to punish these nations for absolutism and for conquest? We may have felt indignation, but we did not interfere during the conquests of Great Britain and France during the past century, possibly because we were making our own conquests. We may not have approved, but we did not intervene to correct the brutal absolute governments in Russia, Turkey, and in many of our neighboring countries to the South. Let us try as a Congress to define the laws of nations and offenses against these laws which we as a nation are going to punish by war and by measures short of war. There should be nothing secret about this. In fact, open discussions should be helpful, first, to inform our people so that they, in turn, can give their views to their representatives; second, so that the world may know what we are doing. If we can restate or make a new statement of international law and offenses and punishments to fit modern conditions, we may be doing a great service to world peace and order. If we cannot agree on any such statement, we should prevent the President from doing it for us. Once we have determined upon our foreign policy, its execution can be left to the secrecy and rapidity of executive action, but there is no place for secrecy and rapid action in formulating our international policy in these times.

What do we mean by declaring war, which is the constitutional duty solely of Congress? We know that in modern times styles of warfare have changed. First, wars are started without being formally declared, and, second, warfare through economic pressure and military threats can be practically as effective as old-fashioned warfare, accompanied by bloodshed. Does anyone, except the President, think that war is not now going on in China? Does anyone, including the President, deny that we are not now in a secret military alliance with Great Britain? Here are the headlines of this morning's Post:

Britain invites all nations to resist Hitler dominations; United States asks bids on eight warships; Proposals sought even before funds are voted in move to speed program.

This is the sort of thing that the monthly publication by the national committee of the Communist Party, United States of America, describes in its April issue as follows:

The foreign policy of the United States takes on a firmer, more decisive character * * * a serious consideration of America's foreign policy is no longer possible without careful thought as to where and how the President's clear stand against Berlin-Rome-Tokyo aggression can be implemented by cooperation with other powers * * * the common anti-Fascist and peace-loving interests of the United States and the Soviet Union, if grasped without loss of time, can become decisive * * * but the President's policy requires that it be pursued resolutely and without the hesitations which have permitted our hands to be tied so long by the crudely unneutral Neutrality Act.

On March 10, 1939, Joseph Stalin, before the Eighteenth Congress of the Communist Party of the Soviet Union, said:

The new imperialist war has become a fact * * *. We stand for support to nations which have fallen prey to aggression and are fighting for the independence of their countries.

I now ask, Have we an alliance with Great Britain and Soviet Russia; have we in secret already declared war on somebody?

Let us make it clear to our own country and to the world that our only foreign policies are those which have been approved by Congress, which are not secret, which anyone may read, and that they are based not on war and force against anyone but upon peace and justice. In determining this policy openly and deliberately we have a duty to cooperate with the Executive and a right to expect his cooperation with us. [Applause.]

Mr. BLOOM. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, we have just listened to a very interesting and informative address on our foreign policy. We likewise listened a few minutes ago to the distinguished gentleman from New York [Mr. FISH] speak regarding the outrages that, in his judgment, have been committed in Mexico. However, it seems to me that the important thing at this time for the consideration of this committee and later for the consideration of the House is to determine what is the best and quickest means by which American citizens may obtain redress for the taking of their agrarian properties in Mexico.

Living as I do in El Paso, on the Mexican border, I have heard a good deal about this situation; in fact, I have good friends and constituents who suffered heavy losses on account of the loss of property in Mexico which they had honestly acquired. I do not want anything I may say here to be construed as approval of some of the illegal and, in my judgment, outrageous practices that have been followed in the confiscation or expropriation of properties in Mexico belonging to American citizens, but at the same time it seems to me the question now for the consideration of the House is what is the best and most practical means by which we may at least obtain a measure of redress for our citizens, and, of course, I mean what is the only peaceful method by which we may do it, because I take it that no one, certainly no Member of this House, is going to favor going into a foreign country and forcibly taking something in order to obtain redress for wrongs that have been committed against some of our citizens. In view of world conditions, we should strive to promote friendly relations between all the American republics. Therefore, it seems to me that when you talk about a good-neighbor policy, when it comes to the discussion of peaceful methods, this measure sets up the only means by which this can be accomplished.

I have a great interest in this resolution because I believe it will bring about practical results, perhaps not a full recovery to our citizens, but at least a million dollars every year

until the amount adjudicated by the International Commission has been paid.

Another consideration that makes me favor this resolution is that I know the law will be honestly and efficiently administered. It just happens that Mr. L. M. Lawson, the American Commissioner, is a resident of my city and a good friend of mine. I should like to say in passing that I know of no man in the Government service in this country who is more capable, more conscientious, or more efficient than he. For some 30 years he has been in the Government service, being an outstanding engineer in the Reclamation Service and having been drafted by President Coolidge to become the International Boundary Commissioner in connection with the rectification of the channel of the Rio Grande between the United States and Mexico. Fortunately that work is just about completed, and in my judgment it is one of the outstanding pieces of engineering and diplomatic work in this country. It has an interesting sidelight today in the fact that it is the only time I know of in the history of a boundary between two nations where that boundary has actually been moved without war. It is the only time I can recall when there has been a peaceful moving or changing of an international boundary.

Mr. Lawson is not only an outstanding engineer, but along with it he is an understanding diplomat and knows the Mexican character. I am very certain he will render distinguished service in this capacity, and when the work of this Commission as set up under this resolution is completed, I undertake to say that it will be a work of which all citizens in this country will be very proud.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. BLOOM. I understand further that Mr. Lawson does not receive any additional compensation for the services he renders to this Commission.

Mr. THOMASON. Not one cent, as I understand it, because he is already the International Boundary Commissioner dealing with Mexican affairs along the border between the United States and Mexico, so this is just an added duty, and I am sure the gentleman is quite correct in his statement. I hope this bill will pass without opposition. Our citizens will be glad to get at least a part of the money due them. [Applause.]

Mr. FISH. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, I think we should at least know what we are doing before we vote for this bill. Here is a measure that provides for the creation of a Commission to confer with the Mexican Government upon ways and means to indemnify American citizens for their property which was expropriated by the Mexican Government. It is sought to obtain an agreement whereby the Mexican Government will pay annually a million dollars for such indemnification.

Here we run headlong into the silver question. These payments would probably be made in silver. Our Treasury does not buy silver from Mexico direct. Mexicans take their silver to our refineries from whence it is purchased by the Treasury. In any event, Mexican silver would be converted into American dollars to pay the claims.

Therefore, the million dollars our claimants would receive each year would be paid for in silver. However, we are paying 43 cents an ounce for it, while in all likelihood it is worth no more than 21 cents, or perhaps less. It was selling for about 21 cents an ounce in the London market when the silver-purchase program was started. Now what really will happen here, is the American taxpayers will pay the difference in the actual value of silver, which is not more than 21 cents an ounce, and the 43 cents we pay for it.

In other words, what we really will be doing if we pass this bill, will be to put a tax on American citizens for more than half a million dollars. Actually we are asking the people of the United States to help pay our own citizens for the property taken from them by Mexico.

We are, of course, doing other strange things with gold and silver—in Mexico, Venezuela, China, and elsewhere. We buy gold at an enormous premium with American goods, and then with this gold bid the price of silver up to perhaps more than twice its actual value! In the above-named countries, we actually exchange gold for silver.

Here is a beautiful illustration of what happens when a government tinkers with its money. How many people are there that would even dream it possible that the American taxpayers will be forced under such an act as this to pay the greater portion of the money our claimants would receive from Mexico, if, of course, we receive any, and the silver-purchase program continues?

Here our money disorder has us in the strange dilemma, where we would like to have another nation indemnify our nationals for property which it confiscated, but cannot without confiscating the property of our own citizens.

Nor is this all. Should the American Government monetize the silver coming in to make these payments at $1.29 an ounce, which is what it is now doing with other silver it buys, the American taxpayers will have to pay to the Treasury at the rate of 86 cents for every ounce of silver taken in as payment for these claims. Should the latter be done, which would be likely, then the proposition works out as follows: Out of every $1.29 supposedly received from the Mexican Government, the taxpayers of the United States will actually be paying about $1.08.

The truth is the American taxpayers will probably pay every cent of the $1,000,000, because we have not a particle of use for any more silver. We already have far more than we can possibly use.

It appears to me it is about time for us to give some of these matters real and honest consideration and do a little thinking about them to see where we are going. [Applause.]

Mr. FISH. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I want to ask a question of the chairman of the committee. It appears to me that this is a procedure wherein we confess acceptance by the American people of the doctrine that confiscation of the property of our citizens in Mexico is not to be further challenged. The procedure here seems to imply that the Commission will sit and determine what damage there may be, but that the principle involved is not to be discussed. Furthermore, it perhaps ought to be an international affair, because there appears to have been confiscation of property in Mexico, of nations other than the United States. I respectfully ask the chairman of the committee if other nations are invited to sit in with this body?

Mr. FISH. Mr. Chairman, the chairman of the committee is not here, but if the gentleman wishes to ask that question of me, I say to him that one of the main reasons I do not like the bill—and I cannot see how we can oppose it—is that I think it carries that interpretation, that we are agreeing to this confiscation, and to a continuation of the confiscation and that it will probably be accepted as such by Mexico.

Mr. GIFFORD. That is the point I wished to bring out. Is this to be a permissible procedure—confiscation of property not only affecting this country, but also other nations. If we are simply to settle damages and confess our failure to protest the procedure of confiscation, it is not a happy ending.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. BLOOM. If the gentleman does not agree to this kind of procedure, may I ask the gentleman what kind of procedure he would suggest?

Mr. GIFFORD. Although I do not claim to have any particular knowledge or a definite opinion on the matter, I do think that even under the "good neighbor" policy we should not go so far as to nod approval of the confiscation of property and invite it to be a regular procedure in Mexico.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BLOOM. Mr. Chairman, I yield the gentleman half a minute more to ask him another question.

Mr. GIFFORD. But I rose to ask a question, but the gentleman may again answer it by asking one.

Mr. BLOOM. If the gentleman has no suggestion to make of a procedure to adopt, should that prevent these claimants from coming in and getting their money?

Mr. GIFFORD. The gentleman may take it from me as a suggestion that it is a very dangerous policy that we are pursuing. By setting up this Commission to settle damage claims we should be very careful lest it be interpreted that it is perfectly all right for Mexico to proceed with their policy of confiscation in the future. It is a highly doubtful procedure, as the gentleman from New York [Mr. FISH] has said.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. FISH. Mr. Chairman, I yield myself 5 minutes. I believe the gentleman from Massachusetts [Mr. GIFFORD] is correct, and if there be any way of amending the resolution that would be acceptable, I would like to see such an amendment. I am inclined to believe that this resolution will convey the interpretation to Mexico that we have agreed to their system of confiscation, and it will encourage such a procedure in the future and may encourage it in other foreign nations. It does seem as if we were about to accept a system of payment that may not be at all adequate, may not begin to pay 25 cents on the dollar, and that we, by legislation, are a party to it. They will then say that the United States Government has endorsed this program of expropriation and no payment over a number of years or a payment of only 25 or 30 cents on the dollar.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. LUTHER A. JOHNSON. With reference to these installment payments, does not the gentleman realize that since we set up the General Claims Commission between the United States and Mexico some 15 or 16 years ago, we have never received any money out of it? The only way we have gotten any money from Mexico is by these installment payments such as we set up under the special commission, whereby they are paying it.

Mr. FISH. I hope we do get something out of it. I think American citizens who owned the property ought to be adequately paid by Mexico. But this whole miserable picture of despoliation of American citizens by Mexico over a long number of years has been one of just turning the other cheek each time and not doing anything about it whatever until now we have a pittance handed out to us, and in the legislation we practically concur in the despoiling of our citizens.

Mr. FADDIS. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. FADDIS. In connection with this good-neighbor policy, it occurs to me it should be reciprocal. It occurs to me also that we have a perfectly good weapon against Mexico to make them accord justice to American claimants in the matter of silver, have we not?

Mr. FISH. We certainly have. I have already discussed that. I would be for the good-neighbor policy if it operated on a mutual basis. I happen to be a Pan-American. I believe in creating good will and promoting trade between the United States and all Latin-American states. Of course, the good-neighbor policy must work both ways. It has not been on the part of Mexico. That is why it has failed. That is why it has collapsed. We have been insulted and the rights of our citizens have not been respected. Their property has been seized by Mexicans and we have not done anything about it. Now, the gentleman from Pennsylvania suggests a remedy, and the remedy is correct. We do control the situation economically by the purchase of silver. We could stop that, because we are paying twice the cost of production; but I have already spoken on that.

I rose to say simply this, that we have not been bringing in many bills affecting our foreign policies during this session of the Congress. Unfortunately a feeling has grown up both in the House of Representatives and among the American people, and you can hear it even in this debate by distinguished members of our committee, that we do not have the right to criticize the foreign policies of the administration or of any administration. I want to point out and to emphasize to the best of my ability, that we ought to have the right, the majority and particularly the minority, and I say to the minority that we not only have the right but we have the duty, to criticize and expose the foreign policies of the administration more so than we have to criticize and expose its domestic policies. Domestic policies are closer to home. People know more about them; but when it comes to the foreign policies that might involve us actually in war, then I say to you Members of Congress on both sides that we have not only that right, but we should use that right where we differ with the President, where we may think he is involving us in war, in foreign commitments in military alliances, or in any foreign entanglements that may endanger the peace of this country. It is the duty of members of both parties, regardless of partisanship, to take the floor and speak to their constituents, the American people, through this medium of debate in the House of Representatives, through this sounding board, in order, if they possibly can, to prevent our being led into another foreign war.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FISH. I yield myself 5 additional minutes, Mr. Chairman.

The same issue arises in this Mexican problem. I offer no apologies for criticizing our weak-kneed and bungling policies in Mexico. The gentleman from New York [Mr. MARTIN J. KENNEDY] introduced a resolution asking merely for certain information. What happened to that resolution? It was pigeonholed in the Committee on Foreign Affairs. There was nothing secret in it. The Secretary of State answered it to the best of his ability. It should have been brought out here. We are the representatives of the people back home. Why should this have been smothered in the Committee on Foreign Affairs? Why should there not have been put into the CONGRESSIONAL RECORD the answers to the questions asked by my colleague from New York? I also asked certain questions by resolution of the Secretary of State and the President on the Mexican situation. I wanted to find out how many properties had been seized under the Cardenas regime. I have not been able to find out even to this moment. In spite of the fact that I am a member of the Committee on Foreign Affairs, my own resolution was smothered and pigeonholed, although I moved to get it out of committee myself by a vote of the committee. It is unprecedented, to my knowledge, that an answer to a resolution of a Member of Congress by the Secretary of State should not be reported to the House and the full answer given to the House and put into the RECORD. That is why, when we are afforded an opportunity on the floor of the House, the gentleman from New York and myself and others have deliberately, purposely, and advisedly criticized the policies of the administration in Mexico. I, for one, believe that the good-neighbor policy has collapsed and broken down in Mexico. I believe it is responsible for the tragic treatment of American citizens doing business in Mexico.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. BLOOM. Can the gentleman mention any time that he has been prevented from expressing his views, either in the committee or on the floor, with reference to his views on foreign affairs?

Is it not a further fact that the report from the Secretary of State is on file with the committee, not pigeonholed with the clerk of the Foreign Affairs Committee, where any Member of the House is privileged to go and read it? And is it not further the fact that today on the question as to which the gentleman says he could not get any information, the Under Secretary of State gave the gentleman the information that he asked for and said that to their knowledge—not that he was withholding any information, but to their knowledge—there were only 100 claims reported up to the present time? I told the gentleman that this morning in the committee.

Mr. FISH. The gentleman's hearing is just as good as mine. He told me this morning they were trying to get the information I desired, but I have not got the information as yet.

Mr. BLOOM. He was not, however, withholding the information.

Mr. FISH. But I have been trying to get the information for 2 or 3 months, even by resolution, and have not received it. I have not time to yield further to the gentleman.

Mr. BLOOM. I will yield the gentleman 1 minute. Has the State Department, or the Secretary of State, withheld any information from the gentleman from New York? Did they not tell the gentleman from New York today in the hearing that they did not have the information? Is that not right?

Mr. FISH. They did not have the information available.

Mr. BLOOM. Why does not the gentleman say yes or no?

Mr. FISH. Under Secretary Welles told me he was trying to get it today, but I have been trying to get it for 3 months and have not gotten it yet.

Mr. BLOOM. He said he did not have it.

Mr. FISH. No; he said he instructed somebody this morning to get it for me. He has not gotten it yet, of course; but I have been after it for 3 months.

Mr. BLOOM. He did not decline to get it, though.

Mr. FISH. The fact is I could not get it even by resolution. The report is still before the committee when it ought to be before the House, as we are nothing but the servants of the House. But the report of the Secretary of State also failed to answer my request for the number of expropriations of American property under the Cardenas rule.

Mr. BLOOM. But it is up there to be read by any Member of the House.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I yield myself 1 minute.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FISH. I cannot yield with only 1 minute remaining; nor can I in 1 minute attempt to discuss the so-called barter system and how it works in Mexico; but in answer to the statement of the Secretary of State who today denounced the German barter system, all I want to say is that the German Government was driven to that system. It has no money, no gold, and has no way of buying anything without money or foreign exchange except through the barter system. Naturally this is the only system it can use. Germany has to use it in order to live; yet the barter system was attacked today by Secretary Hull as a menace to America.

I say to you further that the whole German situation is one of overpopulation and food supply and raw materials. Until it is settled on the basis of raw materials and food supply whether Germany gets it through the barter system or some other system makes no difference but if it does not get these supplies it will be driven to the wall and there will be war. The way to settle this serious problem is on a common-sense basis and not by criticism and attacks on the barter system. [Applause.]

[Here the gavel fell.]

Mr. BLOOM. Mr. Chairman, may we be advised as to how the time stands?

The CHAIRMAN. Fifteen and one-half minutes remain on the majority side. All time on the minority side has been used.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield for a brief question?

Mr. BLOOM. I yield.

Mrs. ROGERS of Massachusetts. Of course, I cannot see why the report should not be made public, anyway, but it is my understanding from the gentleman's brief statement that any Member of the House may go to the Foreign Affairs Committee and read that report on the Mexican situation in the committee room.

Mr. BLOOM. Yes.

Mrs. ROGERS of Massachusetts. Without asking the gentleman from New York? I understood before that the chairman's permission must be asked.

Mr. BLOOM. No.

Mrs. ROGERS of Massachusetts. So it is available to all Members?

Mr. BLOOM. It is open to any member of the committee to read it in the committee room, not to take it out of the committee room.

Mrs. ROGERS of Massachusetts. Does that apply also to any Member of the House?

Mr. BLOOM. Any Member of the House. That was agreed upon in the committee.

Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. IZAC].

Mr. IZAC. Mr. Chairman, in 1934 when President Cardenas took over the reins of government in Mexico he was faced with a very serious situation. He tried to inaugurate certain reforms. I will mention two of them today. First he tried to build schools throughout the whole of the Republic of Mexico. He did not get very far with the reform because he did not have any money. The second reform was what is known as the agrarian program. This agrarian program simply meant that they were going to take over the great land holdings and divide them among the Mexican peons.

Adjoining my district is a 1,000,000-acre tract of the most fertile land on the North American Continent in and above the delta of the Colorado River. This land was taken over by Americans, for the most part, years ago. How they got it I do not know. Part of it was Spanish grants, part of it was Mexican grants, part of it was outright sale. When the President of Mexico decided that he would put his people on those lands, naturally he expropriated them. There is nothing under the doctrine of eminent domain that is recognized in every nation to prevent that. There is only one thing that we demand in exchange for that expropriation, and that is payment for the lands. Again, the President of Mexico could not find the money with which to pay the American citizens whose lands made up part of the lands that were taken over by the Mexican Government.

The result has been that people in my district who, of course, flooded over onto the Mexican side of the border, were injured to the extent of perhaps millions of dollars. I hold no brief for those great holdings of land way down in the interior of Mexico where perhaps not a shovelful of ground has been turned, but I have sympathy for our people who have gone across the line, developed this land at a cost in some cases of about $25 an acre, just to get it in shape, and now see it going back to the desert.

We have done everything we could to encourage the State Department to negotiate this question with the Mexican Government and for 6 long months they were at a stalemate until finally they obtained the agreement that is referred to in this bill. It is the best we could get. It may not be everything that we should like to have, but I believe it will form a basis for better feeling in the future. True, we could go over there and wage war on our neighbors to the south, but that is not the way to get along with people who have to live with us in the Western Hemisphere. Our whole system of national defense is bound up in the fine, friendly feeling of the American nations one to another. If for no other reason, let us accept this as a basis for good feeling.

We are going to get a million dollars on the 31st of May under this agreement. Every year thereafter as the claims come in they will be adjudicated and the Mexican Government will give us the money with which to pay these claims. I have heard it stated it was hundreds of millions of dollars, although I do not believe that is so.

This has nothing to do with the expropriation of mineral or oil lands. It is only those lands taken over for farm purposes to give the mass of the Mexican people a chance to eke out a living on their own soil.

Mr. HOUSTON. Will the gentleman yield?

Mr. IZAC. I yield to the gentleman from Kansas.

Mr. HOUSTON. Was it not some years ago that the Mexican Government started expropriating this land, at which time they agreed to repay the legitimate owners in bonds, and later on they failed to redeem the bonds? If this bill does not pass, the rightful owners will not get anything.

Mr. IZAC. They have only the bonds, and they are practically worthless because the Mexican Government has not the money with which to redeem them. [Applause.]

[Here the gavel fell.]

Mr. BLOOM. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. KEE].

Mr. KEE. Mr. Chairman, it seems to me that the consideration of the measure we have before us today is hardly the occasion for a discussion of the entire foreign policy of the United States. The situation that we are now confronted with is a very simple one. A foreign government, a neighbor of ours to the south, has exercised its right under its constitution, being the same right we have under our own Constitution, to take private property for public use. It has, in the exercise of this right, expropriated some property belonging to American citizens. This property was of considerable value, and no payment therefor has yet been made to the owners. We have before us a measure under which we hope such owners may be compensated.

This expropriation started back in 1915 and has continued from that time to the present. Some years a great number of properties were taken by the Mexican Government. Some years only a few. Quite recently, as has been well stated by the gentleman from New York [Mr. FISH], under the administration of President Cardenas expropriations have materially increased. There is no question about our recognizing the right of Mexico to take this land. We have a provision in our own Constitution authorizing us to take private property for public use and we frequently exercise this right of eminent domain. In this country, however, the taking of private property for public use is immediately followed by payment of an adequate compensation. We appoint commissioners to determine the value of the land taken and we make prompt payment therefor.

This is simply a case of Mexico exercising the right of eminent domain. The pending bill is for the purpose of appointing commissioners to determine the value of the property that Mexico has taken from our citizens and to arrange a method of payment. It is a simple proposition. I agree with the gentleman from New York [Mr. FISH] and some of the others that the amount fixed in this bill as an annual payment to be made by Mexico is not sufficient.

We are not advised at present as to the amount of money that will be required to pay off the total sum that Mexico owes our nationals for the property taken, but we do know that the amount will be substantial. It is impossible at this time to get this information. The State Department advises that all the claimants, the American owners of expropriated lands, have not filed their claims and it is impossible for the Department to know the claimed value of the lands taken. With the meager information at hand, however, we are assured that the amount owing by Mexico to our American nationals will not be an inconsiderable sum.

Sometime ago I made a slight investigation of this question in an effort to determine if possible the total value of all the agrarian properties expropriated, payment for which is to be made under the terms of this settlement. My effort met with but little success. Some information was available as to the number of properties seized, but values can only be estimated. In a note addressed by Secretary of State Hull to the Mexican Ambassador on August 22 last, the Secretary said that agrarian expropriations began in Mexico in 1915, and that up to August 30, 1927, 161 moderate-sized properties of American citizens had been taken. Up to this date, whatever may have been the value of these lands, not a single claim has been adjusted and none have been paid.

I make this statement in view of the fact that the gentleman from New York [Mr. FISH] stated on the floor this afternoon that we had not heard of this proposition in recent years because prior to 1927 our Government had just jumped on Mexico and made that country come across. This statement of our Secretary of State showing there has never been a single dollar paid certainly does not indicate that prior administrations in this country were any more successful in making collections than the present one.

The owners of these properties lost their property, its use and proceeds for from 11 years up to more than 20 years, and are still seeking redress.

The value of the 161 properties expropriated prior to 1927 is not stated, but in the same note from which I have heretofore quoted Secretary Hull states that subsequent to 1927 additional property, chiefly farms of moderate size, with a value claimed by the owners of $10,132,388, have been expropriated by the Mexican Government. This figure does not include the large land grants frequently mentioned in the press. It refers only to the moderate-sized holdings which rendered only a modest living. None of them as yet have been paid for.

Mr. BLOOM. Mr. Chairman, I yield 2 additional minutes to the gentleman from West Virginia.

Mr. KEE. Various estimates have been made and remarkable valuations have been placed upon the properties of Americans that have been expropriated. Whether or not these estimates are correct we do not know. This fact is for the determination of the commission named in the bill we are now considering. It has been estimated that the total value of all the properties taken by Mexico from all foreign owners, including British and American, is approximately $700,000,000. This may possibly be true, and it may be entirely beyond reason. The only question here is whether or not this settlement we are making is the best possible settlement that can be made for and on behalf of American claimants, whatever may be the amount due them. I say it is. The amount to be paid by Mexico, $1,000,000 a year, is not sufficient, but in Mexico's present financial situation we cannot possibly expect to do any better. If you will bear with me I will give you some figures upon the total indebtedness of Mexico today.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I believe those figures could be placed in an extension of the gentleman's remarks, but I am very eager to know if the gentleman believes this sort of permission should be granted. Under the resolution, the representative shall make a report upon the completion of his work, which may take years. It may take a long time. You are setting up here a very liberal permission. The representative is allowed every sort of expense, and even the expenses of entertainment are allowed under the resolution.

Mr. BLOOM. But they are paying a million dollars every year.

Mr. GIFFORD. That does not matter. Can you not put me on this commission? It could be a very splendid job for life.

Mr. BLOOM. Would the gentleman resign from Congress if I did?

Mr. GIFFORD. It would be an excellent thing to be on that commission, with no termination of the job until the work was completed and with every conceivable kind of expense allowed, including entertainment.

I hope I did not interrupt the gentleman.

Mr. KEE. No; that is all right; but I should like an opportunity to answer the question.

[Here the gavel fell.]

Mr. BLOOM. Mr. Chairman, how much time remains?

The CHAIRMAN. One-half minute.

Mr. BLOOM. Mr. Chairman, I yield the gentleman from West Virginia 1 additional minute.

Mr. GIFFORD. Will the gentleman comment on my question?

Mr. KEE. The only comment I have on that is that there is a tremendous amount of money involved here—more than the $10,000,000 that has been frequently mentioned in connection with the expropriation activities of Mexico.

Mr. GIFFORD. Will it take a tremendous amount of time?

Mr. KEE. It will take a number of years to adjust it. If we could do better, we would do better.

Mr. GIFFORD. The commissioner does not report until the completion of his work. He does not report yearly, or anything of that sort, does he? He has carte blanche under the resolution?

Mr. KEE. I do not recall the exact provision, but the money is to be paid yearly by Mexico, and will no doubt be paid out to the claimants from time to time by the commission.

Mr. GIFFORD. No one ever read such a liberal permission as this.

The CHAIRMAN. The time of the gentleman from West Virginia has expired. All time has expired.

Mr. BLOOM. Mr. Chairman, I understood the Chair to state that there was a minute and a half remaining.

The CHAIRMAN. The Chair stated a half minute remained.

Mr. BLOOM. I yielded a minute to the gentleman from West Virginia and reserved a half minute for myself to make a brief statement.

The CHAIRMAN. The gentleman misunderstood the Chair. The Chair stated there was a half minute remaining, and the Chair understood that time was yielded to the gentleman from West Virginia.

Mr. BLOOM. I know the time is fixed by the rule, Mr. Chairman, but I just wish to say for the benefit of the Committee that when the question of silver was being mentioned I had a telephone message sent to the State Department to find out whether or not these payments are to be made in dollars. The State Department informs me that all the payments made heretofore and all the payments under this resolution are to be made in dollars, in United States money, and in no other currency.

The CHAIRMAN. The Clerk will read the joint resolution.

The Clerk read as follows:

Resolved, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to provide for the expenses of participation by the United States in the settlement, in pursuance of the agreement of November 9–12, 1938, of claims of citizens of the United States against the Government of Mexico on account of expropriations of agrarian properties since August 30, 1927, including personal services in the District of Columbia or elsewhere without reference to the Classification Act of 1923, as amended; rent of offices, electric service, drinking water, rooms and rent, and purchase of equipment for the use of the representative of the United States and his assistants, in addition, if deemed necessary by the Secretary of State, to the lawful per diem; stenographic, reporting, and translating services by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); traveling expenses; communication service; purchase of law books and books of reference; transportation of things; printing and binding; office supplies; official cards; entertainment; expenses and honorarium of a neutral umpire in the event such an appointment is found necessary; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified: *Provided*, That any expenditures from the amount herein authorized to be appropriated shall become a first charge upon any moneys received from the Government of Mexico in settlement of the respective claims, and the amount of such expenditures shall be deducted from the first payment by the Mexican Government and deposited in the Treasury of the United States as miscellaneous receipts: *And provided further*, That the representative of the United States shall, upon the completion of his work, submit a report to the Secretary of State, attaching thereto (a) a statement of the expenses of himself, his assistants, and of the umpire, in case an umpire is designated; (b) a list of all claims rejected; (c) a list of all claims allowed in whole or in part, together with the amount of each claim and the amount awarded thereon; and (d) a statement of the reasons for the allowance or disallowance in each case. Certified copies of (a) and (c) shall be transmitted by the Secretary of State to the Secretary of the Treasury, who shall, after making the deduction provided for above, distribute in ratable proportions, among the persons in whose favor awards shall have been made, or their assignees, heirs, executors, or administrators of record, according to the proportions which their respective awards shall bear to the whole amount available from time to time for such distribution, such moneys as may have been received into the Treasury in virtue of the agreement of November 9–12, 1938.

Mr. GILCHRIST. Mr. Chairman, I move to strike out the middle word.

Mr. BLOOM. What middle word does the gentleman want to strike out?

Mr. GILCHRIST. "Drinking water."

Mr. Chairman, the first agrarian bill I know anything about was the one passed by the Romans by which they distributed lands to the soldiery. I have a little indecision in my own mind as to what is meant by "agrarian property," as contained in this bill. I rise partly to ask the chairman of the committee if that refers to all that is under the surface of land as well as upon the surface of the land?

Mr. BLOOM. The dictionary defines "agrarian" as pertaining to fields or lands, or their tenure.

Mr. GILCHRIST. Under the rules of the common law it means all that is beneath the surface of the earth. If I own a piece of land, I own the oil below it and I own the silver below it, too. I do not know exactly what that word means in this bill.

I also rise to ask the chairman of the committee why this resolution is limited to expropriations only since 1927?

Mr. BLOOM. I may say to the gentleman there were two Mexican Claims Commissions. One was the General Claims Commission, covering all other claims except revolutionary claims arising between July 4, 1868, and August 30, 1927.

Mr. GILCHRIST. Yes; I understand that.

Mr. BLOOM. Then there were the special claims, the so-called revolutionary claims, covering the period from January 20, 1910, to May 31, 1920. The Special Claims Commission has done its work, and now we have the Agrarian Claims Commission. According to the agreement, this Commission will take up all the claims from 1927 to the present time.

Mr. GILCHRIST. Mr. Chairman, the general Mexican claims bill, which is usually introduced in the House and brought to the attention of Congress in the dying days, when they are putting bills through at the rate of about 20 per minute, not alone calls for a decision as to what the claims are but requires that the people of the United States shall actually pay such claims in advance of the time that Mexico pays them to the United States. Mexico will never do this.

In other words, if, for instance, some great railway company has a claim against Mexico, as they do have or pretend to have, the general Mexican claims bill requires us to actually pay those claims in advance of the time we shall get $1 from Mexico, and we will never get it. This bill does not so provide and neither did the original Mexican claims bill so provide, but I am wondering if the time shall come when the people of the Eighth Congressional District of Iowa will be asked to actually pay claims of this character.

It seems to me that the bill, as written, provides many dangerous things. If we are going ahead with a Mexican claims bill, it is all right to decide how much those claims are, and I do not know that I object to that, but I do object to the implications that are in this bill. No one can tell me or assure me what they mean. I do not know, as I said before, what agrarian claims are. I never was a very good Latin student, anyway. [Laughter and applause.] And I do not know just when the people of my district will have to help pay these claims.

[Here the gavel fell.]

Mr. GILCHRIST. Mr. Chairman, may I withdraw the motion to strike out the middle word?

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the enacting clause.

Mr. SMITH of Ohio. We have been condemning Mexico for expropriating our property. I want to call your attention again to the fact that this bill proposes to do the same thing with American property. If enacted and any collections are made and the present monetary set-up continues, it will do nothing less than confiscate the property of American citizens in the United States to pay the claims of some of our citizens for the confiscation of their property in Mexico. I ask, is this

right? I am in full sympathy with the purpose of this measure. But that is another matter.

I understand both the minority and the majority members of the committee having this bill in charge have agreed to its passage. Nevertheless I cannot stand here and vote for it knowing that I am doing the same thing to the American citizens for which we have condemned Mexico. I repeat, this measure proposes to confiscate the property of the American taxpayers.

Mr. BLOOM. In what way? I do not quite understand the gentleman.

Mr. SMITH of Ohio. Let me explain to you how our claimants would finally get American dollars. Whether in the form of goods or silver coming from Mexico, ultimately they would be exchanged for dollars, which then would be handed over by the Government to the claimants.

Mr. BLOOM. We are going to get dollars.

Mr. SMITH of Ohio. Very well; we are going to get dollars; but how do we get the dollars? The silver has to pass through first. They bring this silver in and sell it to the United States Government at 43 cents an ounce, and then it is converted into United States dollars.

Mr. BLOOM. What has that to do with this matter?

Mr. SMITH of Ohio. It has this much to do with it: Silver is only worth about 21 cents an ounce, or less, and we are paying twice its actual value. Who is paying that difference but the taxpayers of the United States?

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. Yes.

Mr. HOUSTON. Would not the price of silver remain the same whether this bill passes or not?

Mr. SMITH of Ohio. Certainly, the price of silver would remain the same, but the American taxpayer would not have to buy the silver to make these payments.

Mr. HOUSTON. We could take it up with Sears, Roebuck, could we not? [Laughter.]

Mr. THORKELSON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. Yes.

Mr. THORKELSON. I would like to ask the gentleman this question: If these dollars are paid to us, they will be international dollars?

Mr. BLOOM. Yes; the American dollar. All the payments will be made by the Mexican Government to the United States, and those that have been made have been paid in American dollars.

Mr. THORKELSON. In international dollars?

Mr. BLOOM. In our dollars.

Mr. THORKELSON. But there is a difference between the domestic dollar and the international dollar. The international dollar is secured with gold and the domestic dollar is not.

Mr. BLOOM. Is there any other dollar outside of the American dollar that could be considered as an international dollar?

Mr. THORKELSON. I refer to the international dollar.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

The New Deal gentleman suggested that we should take it up with Sears, Roebuck, and for the RECORD the Republicans do not have to take up matters with Sears, Roebuck. There are New Deal fellows like Hopkins that have to go to Sears, Roebuck to get their brains, like they did when they went to Sears, Roebuck to get General Wood.

Mr. SMITH of Ohio. Let me again try to make clear how the Mexican people get the American dollar. They have to buy it either with silver or Mexican goods, and it eventually amounts to the same thing because Mexican goods are valued in their silver. So if we vote for this bill we are simply expropriating—assuming we get this money from Mexico—at least $500,000 a year from the American taxpayers.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. LUTHER A. JOHNSON. I would like to know on what ground the gentleman bases the statement that the passage of this bill is going to affect the American taxpayer adversely.

The gentleman talked about the matter of purchasing silver when the bill was being considered under the 5-minute rule, and now the gentleman is talking about the purchase of silver which is not involved in this bill. The gentleman's point should be taken up and considered in connection with other legislation, because it has nothing to do with this measure, as the gentleman well knows if he has read the bill.

Mr. SMITH of Ohio. Almost anyone should be able to figure out, I believe, that Mexicans will have to pay for this in something, and they have only silver or commodities with which to pay it. Their commodities are ultimately valued in silver, so it does not make any difference whether we take silver or commodities; it is valued at 43 cents an ounce; and if that silver is worth only 43 cents an ounce or less, who pays the difference, if it is not the American taxpayer? I want to call your attention again to the fact that if silver certificates are issued against silver taken in to pay these claims, it simply means that the American taxpayer is taxed an additionl 86 cents for every $1.29 which the claimant receives from the Mexican Government. How can we justly do a thing of this sort?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. SMITH of Ohio. Mr. Chairman, I ask unanimous consent to withdraw the pro forma amendment.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MURDOCK of Arizona. Mr. Chairman, I move to strike out the last word and ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MURDOCK of Arizona. Mr. Chairman, I am heartily in favor of the good-neighbor policy toward Mexico and other countries, especially on this hemisphere. I have no sympathy with the dollar diplomacy which used to characterize this Nation's affairs in dealing with nations south of the Rio Grande. However, I do believe that we can carry on a good-neighbor policy without sacrificing too much. I love my neighbor, but how much—not enough to give up my own rights and all benefits for the benefit of my neighbor. Good neighborliness merely means fair dealing and mutual concessions and helpfulness.

I live down near the border and know something first-hand of this matter. I have, during the years, seen hundreds of refugees, our own citizens, who had property in Mexico, coming back to the State of Arizona and to our border States, stripped of all of their possessions. Of course, you say that was under a revolutionary regime and is a matter for another claims commission to consider. I do know that although many of these cases have been considered, and some awards have been made, yet I believe there are other real cases of merited help the commission has not given those who have lost their all in Mexico. I am convinced a full accounting has not been made.

I am not so much concerned about the big landowners, especially those California land barons who went down into Old Mexico and acquired land in the delta of the Colorado River at 5 cents an acre. I am not caring so much about them. I am not shedding any tears about Mexicans expropriating such land under their agrarian policy, if they will only settle for them fairly, but I am thinking of hundreds and hundreds of American citizens who have lost their holdings in Old Mexico. The Mormon people, as agriculturalists and missionaries, were the heaviest losers in this class.

Mr. SHORT. Mr. Chairman, will the gentleman yield at that point?

Mr. MURDOCK of Arizona. Not now, as I fear I shall not have time to bring out one or two other things. What is our attitude toward our neighbors to the south? Toward the Republic of Mexico? I want it to be a friendly attitude, but it also ought to be a fair attitude.

A friend of mine who had spent many years in Old Mexico lectured before a group of us one day some years ago and he brought out this odd contrast between those Latins and us

Anglo-Americans living only a few miles apart. The old gentleman, a philosopher, said, "I came down Mill Avenue to the college campus, and while on the way here I saw an unused building with all window panes broken out. That is the way you do in this country. Small boys throw stones through window panes of unused buildings. The police are not there, and if the police ever arrive, the boys are gone, and the owner of the building suffers a loss. Your police have done their duty if they prevent or seek to prevent such damage." He said further, "If that had occurred in Old Mexico, the procedure would have been different. It might have been that small boys would have thrown stones through the window panes, and they might have fled before the policemen arrived, but within a few hours afterward the policemen in Mexico would have come around to the owner, having put in the window panes, and they would apologize to the owner of the property for having permitted the thing to occur.

If such is their custom, Mr. Chairman, I think I favor the Mexican plan. If their police, representing the government, feel it their function to protect property, and that is what we feel, too, about it, to the extent of repairing damages done, that is a pretty good idea. If that is the Mexican law, if that is the Mexican philosophy, we might well copy it. However, I would say that if that is "good for the goose, it is also good for the gander." If they indemnify their own people when destruction of property has taken place, then in fairness to their neighbors, our citizens who have lost property there, they ought to indemnify them. I notice that our neighbors in Mexico are quick to avail themselves of our law when it is to their advantage.

One notable case in which Mexico takes advantage of the principle of our law, which, incidentally, is a principle they themselves have, is concerning the use of water in an arid land. Indeed, it is quite possible that we Americans in the Southwest took a few hints from the early Spaniards and Mexicans when we established the water law common to the arid portion of our country, which law is known as the law of prior appropriation, or beneficial use. At any rate, the water law which prevails in the intermountain country of our West differs from the water law in the eastern portion of our country and is very similar to the water law of Mexico. Whether our Anglo-Saxon pioneers, finding themselves in an arid land out West, changed their water law to suit the new conditions under which they were to live or whether they borrowed such a sensible law from their Latin neighbors is an academic question which I do not care to discuss. In any event, our arid West and the Republic of Mexico have the same legal principles and philosophy concerning the use of water.

I cannot too frequently call to your attention the fact that the Mexicans are applying water from the Colorado River right now to the rich delta lands at the head of the Gulf of California. This they could not do until after we completed Boulder Dam, regulating the stream flow for their convenience and saving them from the former hazard of annual floods. We can protect our legal rights to the waters of the lower Colorado River only by using it on our own lands or by taking due diligence to show the world that we intend to use it as soon as possible and how much we contemplate using.

Without envy I am willing that Mexicans shall get all the benefits possible out of our expenditure of more than a hundred million dollars in building Boulder Dam, provided they do not thereby impinge upon our rights and privileges. We must, to be consistent, recognize their right to take advantage of the water law of prior appropriation for beneficial use just exactly as we apply that principle in our own country and no further. On the other hand, Mexico should regard property rights of Americans who have acquired property in Mexico with the same respect and sancitity as they regard property rights of Mexican citizens, and, to be good neighbors, should pay for any property taken from our citizens. Nothing short of that is good neighborliness.

I believe this bill aims to carry out this policy of good neighborliness in a way that is recognized as equitable, and I believe that the work of such a Commission as is provided herein will do much toward sifting out spurious claims and listing the valid claims. Thus we may have a full accounting and all may know how much is rightfully due our citizens. Of course, we have heard the complaint made here today that if Mexico ever pays us anything, it will be paid in silver, which is probably true. However, I have no objections to such payments in the real money of Mexico which is also the real money of the United States. The important thing is to get fair payment for our citizens, and in order to do that a proper accounting is necessary of what is due American citizens.

Mr. GIFFORD. Mr. Chairman, there are some here who consider this bill a very important matter. While I also consider it important, I don't know that I should oppose it very strenuously as it is a unanimous report. As a representative of the Committee on Expenditures, I could not help casting my eye over the unusual permission for seemingly extravagant expenses granted. We have here a Commission that may sit for years, with all sorts of expenditures allowed, no limitations, and we may well wonder if there will be any money left to pay anybody for their small claims. Its framers were broad-minded. Altogether too broad-minded to suit me. The Government must advance the money for expenses out of any moneys in the Treasury not yet appropriated and that should of course read "out of any money not yet borrowed." This bill ought to be somewhat amended. Commissioners ought not to be appointed without limit of tenure. This trouble of settling damages with Mexico is an old story and results have been most unsatisfactory. We may well contend it will be many years before the job is concluded.

Secondly, will they then want the Export-Import Bank to pay our nationals with our own money? This is nowadays the way to accomplish the good-neighbor policy.

I submitted in the first instance that this was a very questionable procedure. I have read extracts from the agreement of November 1938. One clause reads:

> While upholding the Government's position, we will appoint a commission to settle the damages.

It is one thing to expropriate by eminent domain the property of our own people, but should we in this country expropriate the lands or property of nationals of a foreign country we would expect a protest to be made.

It is said that acquiescence in such a matter might lead to an era of international robbery on a large scale. It must not be accepted as a principle; rather, it should be violently protested. What really is the Government's position at the moment?

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield. I want the gentleman to tell me about this commission and how I can get on it.

Mr. BLOOM. Would the gentleman be interested in knowing what this $100,000 is for? I have a break-down of it if it would be enlightening to the gentleman.

Mr. GIFFORD. Oh, I do not care for the break-down. I can read writing. You have provided for all kinds of entertainment, drinking water, and other unusual things. The drinking water may have to have spirit preservatives in it, I suppose, but it does seem an unusual grant of power for any commission.

Mr. BLOOM. Will the gentleman yield further?

Mr. GIFFORD. I yield, yes.

Mr. BLOOM. I do not like to take up the gentleman's time, but the gentleman has been here so long and the gentleman knows that what he has just read is the regular form of every resolution that has been brought to the floor of the House.

Mr. GIFFORD. It does run true to the form of resolution the gentleman from New York reports. He has had much experience and would leave out nothing.

Mr. KITCHENS. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. KITCHENS. Something was said about a commission that was formed in 1868, I believe. Does the gentleman know if that commission is still functioning?

Mr. GIFFORD. I would not be surprised if it was created under language similar to that used in this resolution.

Mr. BLOOM. Well, there is no appropriation made for any other commission, I will say.

Mr. GIFFORD. It would be at a very great sacrifice for any commission ever to finish the job, under this umbrella of high living and full authority.

Mr. BLOOM. Can the gentleman not trust the Secretary of State? All this money is expended under his supervision.

Mr. GIFFORD. Oh, I trust this Secretary of State, but I do not know who may be the next one.

Mr. BLOOM. Well, I do.

Mr. GIFFORD. But the Secretary of State has very little authority. The sky seems to be the limit under this resolution.

Therefore, representing the Committee on Expenditures of the House, I felt compelled to comment upon it.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER of Wisconsin: On page 2, lines 4 and 5, strike out "without reference to" and insert in lieu thereof "in compliance with."

Mr. LUTHER A. JOHNSON. Mr. Chairman, I could not hear the amendment, but I reserve a point of order.

Mr. SCHAFER of Wisconsin. I yield if the gentleman wants to make a point of order.

Mr. LUTHER A. JOHNSON. I could not hear the amendment as it was read.

The Clerk again reported the amendment offered by Mr. SCHAFER of Wisconsin.

Mr. SCHAFER of Wisconsin. Mr. Chairman, the amendment is self-explanatory. It strikes language from the bill which excludes employees from the provisions of the Civil Service Act and requires that those employed under the provisions of the bill be appointed in compliance with said act. I sincerely hope that those in charge of this bill will accept the amendment, and let us put into actual practice the preaching which we hear from day to day in the Well of the House and in newspaper headlines, that the Congress is in favor of the merit system.

Why is it that Members of Congress who continually prate and wax eloquent in defense of the civil-service merit system continue to support and vote for legislation which excludes the merit system and provides for a political spoils system of appointments? I certainly hope that this amendment will be accepted, in order to expedite the passage of this bill today. The New Deal proponents have told us that this bill carries out a friendly neighbor policy. This is the first New Deal friendly neighbor policy which I have seen where Uncle Sam is going to get something. Generally the New Deal friendly neighbor policies require Uncle Sam to be a Santa Claus when the friendly neighbors knock at the Treasury door. I want this bill to get over to the Senate as soon as possible before the friendly neighbor changes his mind and asks Uncle Sam to give instead of to receive.

I sincerely hope that our good-natured colleague from Texas, the neighboring State to Mexico, will rise in his place and accept this amendment and let the country know that this Congress, particularly the New Deal majority, acts as well as talks in favor of the merit system and in opposition to the spoils system which they have followed for 6 long years.

[Here the gavel fell.]

Mr. BLOOM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the people to be employed by this commission must understand the particular type of work it is doing. There must be an engineer and others possessing technical knowledge. As I said in the beginning, this commission has been operating for several months, and the Mexican commission has been operating for several months. We have translators, stenographers, engineers, and special people doing this kind of work; people who have had experience in doing similar work. You cannot apply to the Civil Service Commission at this time and expect to get the people qualified to do this particular kind of work—translators, legal advisers, agricultural experts, and others.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. SCHAFER of Wisconsin. Does the gentleman from New York mean to stand in his place on the floor of the House and tell us that it is impossible to select qualified people under the merit system through the Civil Service Commission for these insignificant positions—insignificant when compared to the responsible positions that are filled by the civil-service system?

Mr. BLOOM. I do not say that, but I say that in the case of this particular work, where these people have been functioning for 3 months, where they are doing a highly specialized type of work, people who are trained in this work, to make such a requirement would defeat the very object we are trying to bring about by the passage of this resolution.

Mr. Chairman, I hope the amendment will be voted down.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall support this amendment. This is just another example of trying to force upon the country a bill that does not contain the civil-service provisions. We know that the administration is talking in season and out of season about the merit system, about civil service, yet measure after measure after measure comes before us without any civil-service provision in it. Do you realize today that in certain services, especially the Post Office Service, there is open disregard of the civil service? For instance, especially at Christmas time people are blanketed in for special work in the Post Office Department, and they are continued long after the work is over, while people who have civil-service ratings have been given no work at all and though on the civil-service rolls have not been employed for a long period.

Mr. Chairman, I earnestly hope that the amendment offered by the gentleman from Wisconsin will be agreed to. Let us see whether this administration means what it says when it states that it believes in the merit system. I am sick and tired of hearing the administration talk about the merit system and then have to realize that both the Executive and legislators are not willing to support the merit system. I have begun to think that we can accomplish nothing until the Republicans come into power again, then the merit system marches forward.

I am extremely glad, Mr. Chairman, that there is an opportunity for free and open discussion today upon our foreign policy. The members of the Foreign Affairs Committee have literally starved for important information from officials in the State Department and from our representatives in foreign countries regarding international affairs. Those of us who have been in Washington for years have many contacts, but it is a shortsighted policy that keeps important news from the members of the Foreign Affairs Committee. There are many new members on the committee, men of ability, men who can be very useful in solving our international problems. I rejoice that after weeks of requests for hearings such hearings will be held next week to consider so-called neutrality measures. At no time in my knowledge has the country been more interested in the protection of American people and our foreign affairs and at no time in the history of the country has the information from informed sources been so meager. [Applause.]

[Here the gavel fell.]

Mr. SHORT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I ask unanimous consent that I may proceed for 5 additional minutes in order to read a letter from a fellow citizen of Missouri which I am sure will interest every Member.

Mr. BLOOM. Mr. Chairman, reserving the right to object, is it on this particular resolution?

Mr. SHORT. It is.

Mr. BLOOM. I have no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BLOOM. Mr. Chairman, I ask unanimous consent that all debate on this amendment to this resolution be limited to 15 minutes, including the 10 minutes granted to the gentleman from Missouri.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SHORT. Mr. Chairman, on October 11, 1938, I received the following letter, which I am sure will interest every Member of this body:

SHAPLEIGH'S
St. Louis, October 11, 1938.

Hon. DEWEY SHORT,
House of Representatives, Washington, D. C.

MY DEAR DEWEY: Some fifty-odd years ago my father, in company with other men in St. Louis, acquired a large tract of land in Old Mexico, bordering on the Mexican side of the Rio Grande River and extending back through the major portion for a distance of 2 leagues, or about 7 miles, and through the minor portion for a distance of about 1 league. In all, close to 200 miles of land bordering on the Rio Grande.

Taxes were paid regularly on this property, and the receipts are in my files.

Mexico has a law that titles cannot be held by foreigners on land within 50 leagues of the border, except by consent of the Mexican Government through its President.

About 1895, I think it was, I went to the city of Mexico and obtained such a concession from President Diaz.

Under the provisions of the Mexican agrarian law, with which you are no doubt familiar, all this Mexican land was expropriated, and we were not even allowed to pay taxes on it.

A claim has been filed upon our part with the Mexican-American Claims Commission and our claim has been proved both by our titles and by their admissions.

Now, we have had the best legal advice in all these matters. I am today in receipt of a letter from our principal legal advisor, and I feel that possibly you would be interested in getting a slant on how people in position to know feel about the way Mexico has failed to acknowledge responsibility for their actions. The letter is as follows:

"MY DEAR MR. SHAPLEIGH: You no doubt have seen the recent correspondence between Secretary Cordell Hull and the secretary of foreign relations of the Mexican Government regarding the obligation of Mexico to pay for the agricultural land of American citizens that has been confiscated by the Mexican Government. The only difficulty facing Secretary Hull is the fact that the strong stand he has taken was begun 25 years too late. Mexico has adopted the policy of sheer confiscation of all agricultural land owned by foreigners in Mexico, and since President Roosevelt has adopted his good-neighbor policy Mexico has decided boldly to announce its intentions. The good-neighbor policy of Roosevelt means to Mexicans and all Latin-American countries that they will be permitted to do what they wish to foreigners in Mexico, and particularly to Americans, and they will not be interfered with by our Government.

"Mexico does not intend to pay for the oil properties taken by violence nor for $10,000,000 worth of stolen American agricultural, oil, and coal lands. Mexico's next move will be against mining properties in Mexico owned by Americans. Mexico has not paid one cent of her debts of any kind or interest on them since the fall of General Diaz's administration. How can Mr. Hull expect Mexico to begin now?

"Mexico made an agreement with the United States in 1923 that all oil properties or products of the subsoil actually developed should remain the property of the owners of the surface. No attention has been paid by the present head of Mexico's Government to that agreement. Carranza promised to respect titles of properties held by foreigners, but one by one their promises have been repudiated, particularly since the present Government of the United States demonetized gold and reduced the value of our dollar almost 50 percent, a clear steal by our Government. So now when we find fault with Mexico for stealing the land of Americans, Mexico replies, 'You're another; we are simply following your example.' Even now our Government could protect American properties, but not by simply scolding and threatening.

"Now, until we know what policy our Government will ultimately pursue, there is no hope of getting compensation for the lands belonging to yourself and associates that have been confiscated by Mexico. There is one good thing about it and that is that our claim has been filed and proved both by our titles and by their admissions, and if Hull succeeds in making any arrangement with Mexico to pay for them, we will be in position to take advantage of it."

I do not know if there is anything you can do in this situation, but I am sure at least you will be glad to have the information I have given you above.

Very truly yours,

A. L. SHAPLEIGH.

P. S.—Our claim amounts to approximately $1,000,000.

Mr. Chairman, I am sure that many Members of this House know Mr. Shapleigh, who is the head of the Shapleigh Hardware Co., a man of unimpeachable integrity, of an honest character, who has told us the true story of this particular situation as it affects him and some of his colleagues in the city of St. Louis, in my State.

I, along with practically every other Member of this House, believe in the intent of this joint resolution, but the thing I regret about it is the provision appearing at the bottom of page 2 and the top of page 3, reading:

Provided, That any expenditures from the amount herein authorized to be appropriated shall become a first charge upon any moneys received from the Government of Mexico in settlement of the respective claims, and the amount of such expenditures shall be deducted from the first payment by the Mexican Government and deposited in the Treasury of the United States as miscellaneous receipts.

In other words, if these claimants, these Americans, who have invested their own good money down in Mexico in all good faith and have developed these properties only to have them seized unlawfully by the Mexican Government, violating the sanctity of contract and repudiating solemnity of obligations, if they are to lose these lands and on top of that be required to pay the expenses of this Commission and the cost of its operations, which give promise of being interminable, there being no limitation put upon them, how long they shall sit or upon the amount of money they shall spend, it simply means that a very small proportion of the money collected will get back to these claimants. I shall vote for the joint resolution in the hope that American citizens will receive something approximating justice, but I shall be surprised if enough money is collected from the present Mexican Government to pay the expenses of the proposed commission. Of course, a little is better than nothing.

I heartily concur in the opinion expressed by the gentleman from Arizona [Mr. MURDOCK]. We all believe in the good neighbor policy, but, Mr. Chairman, it is not playing the good neighbor to surrender your rights without registering a protest; it is not being a good neighbor and it is a very unwise policy to sanction wrongdoing, and certainly we should demand for ourselves that which we are willing to grant unto others. I love our friends to the south, but I want to say that we have pursued a weak, vacillating, mollycoddle policy so far as the expropriation of these lands by Mexico is concerned. Instead of demanding justice we sanction injustice; instead of standing for law and order we invite anarchy and disaster.

Mr. LUTHER A. JOHNSON. Will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. Does the gentleman know that the provision herein contained with reference to deducting the cost involved in collecting this money is the usual, customary clause? In other words, the Government of the United States goes out and makes this agreement and collects the money. The expenses come out of the claims. That has been the rule heretofore in all other similar matters. It is not unusual. It is the custom.

Mr. SHORT. That is news to me.

Mr. LUTHER A. JOHNSON. The gentleman has not studied these matters then.

Mr. SHORT. We warn Americans who invest their money in any country that this Government is not going to collect it for them.

Mr. LUTHER A. JOHNSON. The United States Government is not a collection agency for Americans who go abroad and make investment. All it can do is try to get the money back, and I think the expenses should be paid by the people who took the risk. The Government has been very generous with these people.

Mr. BLOOM. Will the gentleman yield?

Mr. SHORT. I yield to the gentleman from New York.

Mr. BLOOM. When this bill was being considered by the committee, at no time was there any objection so far as civil-service employees are concerned or so far as the amount of money to be expended was concerned. The bill was reported by the committee unanimously. I have here a list of the total to be expended for the collection of these claims. On May 31 the Government of the United States will receive $1,000,000. The expenses will be deducted from that, and it will not amount to more than that, because I have a statement show-

ing the total expenses, which I would like to put in the RECORD, and I will read it to the gentleman if he wants to hear it.

[Here the gavel fell.]

Mr. BLOOM. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the members of this commission are taken from the regular personnel of the State Department and receive no additional salary from the commission. The expenses shown include communications, $2,000; rent, supplies, office, and so forth, traveling, per diem, and everything else, totaling $100,000. This is taken out of the $1,000,000.

I have not heard an argument made against this bill today. Everyone has simply presented abstract theories. If this plan is not acceptable, I would like to have someone suggest to this committee what plan can be put forth which will give to these claimants the money that will be due them after the Joint Committee from Mexico and the United States has arrived at a settlement.

What plan can be formulated that will take the place of this plan? How are these people going to get their money in any other way but through this method? Is it going to help matters for Members to stand on the floor of the House here and call the Mexican Government and the people of Mexico various names? I do not see how you are going to help this situation or encourage trade with foreign governments by so doing. I would like to have an answer to that.

Mr. SHORT. I may say that many people in this country are calling everybody bad names. I do not think we should.

As much as I believe in the civil service, I believe that because of the peculiar nature of this problem it is necessary to have the commission free to take along whatever help it wants, regardless of the civil service. Let me say to the gentleman that I favor the intent and purpose of this resolution; however, I hope and pray that whoever composes this commission, when they get down to Mexico, will insist upon our American rights and try to collect somewhere near the amount of money that American people have invested down there. It is time Uncle Sam showed a little backbone and not play the international "boob" forever. As Will Rogers once said, "We never lost a war, but we never won a treaty." Conferences are bad things for Americans.

Mr. BLOOM. Suppose the gentleman and I go down there?

Mr. SHORT. I think it would be a very lovely trip. Mexico is an enchanting country, but I do not like the idea of the other fellow having to pay my expenses.

Mr. McGRANERY. Will the gentleman yield?

Mr. BLOOM. I yield to the gentleman from Pennsylvania.

Mr. McGRANERY. My good friend, the distinguished gentleman from Missouri [Mr. SHORT], seems concerned about his constituent who has had a claim exsting since 1895. Is it not a fact there have been several Republican administrations in control of the Government since that time, but this is the first time a real friendly effort has been made to conciliate our differences with the Mexican Government?

Mr. SHORT. The gentleman is introducing politics into the discussion now. We have had Republican administrations since that time, but this is the first time that lands have been expropriated and our property seized.

Mr. McGRANERY. I understood the gentleman to say his constituent's land was expropriated in 1895.

Mr. HOOK. Will the gentleman yield?

Mr. BLOOM. I yield to the gentleman from Michigan.

Mr. HOOK. I think the gentleman has made a very serious statement here this afternoon. Is it reasonable to deduce from his statement that he would suggest the United States should declare war and send an army down there?

Mr. SHORT. You Democrats during the Wilson administration tried that once without any great success.

Mr. HOOK. I am just asking whether that is what you intend to do?

Mr. BLOOM. He says "no."

Mr. MOSER. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. I yield to the gentleman from Pennsylvania.

Mr. MOSER. I should like to ask the gentleman from New York [Mr. BLOOM], since he has suggested that he himself and the gentleman from Missouri [Mr. SHORT] go to Mexico on this commission, whether or not by way of appeasement he would not include our genial friend, the gentleman from Massachusetts, because the gentleman from Massachusetts is the one who has been asking how he could go along on that commission.

Mr. BLOOM. Mr. Chairman, it was understood that I did intend to invite especially the gentleman from Massachusetts.

Mr. MOSER. I am pleased the gentleman has not slighted him.

[Here the gavel fell.]

Mr. SCHAFER of Wisconsin. Mr. Chairman, may we have the amendment again reported?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk again reported the amendment of Mr. SCHAFER of Wisconsin.

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 32, noes 40.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARTER of Ohio, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the joint resolution (H. J. Res. 114) authorizing appropriation for expenses of a representative of the United States and of his assistants, and for one-half of the joint expenses of this Government and the Government of Mexico, in giving effect to the agreement of November 9–12, 1938, between the two Governments providing for the settlement of American claims for damages resulting from expropriations of agrarian properties since August 30, 1927, pursuant to House resolution 148, he reported the same back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent that an identical Senate joint resolution (S. J. Res. 46) may be considered in lieu of the House joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The joint resolution was ordered to be read a third time, and was read the third time.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I offer a motion to recommit, which I send to the Clerk's desk.

The SPEAKER. Is the gentleman opposed to the joint resolution?

Mr. SCHAFER of Wisconsin. I am opposed to it with the spoils-system provision in it.

The SPEAKER. The gentleman must qualify in opposition.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SCHAFER of Wisconsin moves that the pending resolution be recommitted to the committee with instructions to report it back forthwith with an amendment, as follows: "Page 2, lines 4 and 5, strike out 'without reference to' and insert 'in compliance with.'"

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 31, noes 49.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the Senate joint resolution.

The Senate joint resolution was passed, and a motion to reconsider was laid on the table.

A House joint resolution (H. J. Res. 114) was laid on the table.

J. D. WARLICK

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to return to Calendar No. 125 of the Private Calendar that was called today, the bill H. R. 3784, for the relief of the estate of J. D. Warlick.

Mr. Speaker, when this bill was called on the calendar the gentlemen from Tennesseee [Mr. BYRNS and Mr. GORE] were sitting over here, and the gentleman from Washington [Mr. COFFEE] was back of us. When the bill was called, as we understood, no one objected except the gentleman from California [Mr. COSTELLO], who has been very patient and splendidly courteous in this matter.

Mr. MARTIN of Massachusetts. Who is "we"?

Mr. PATRICK. I and those who were present regarded the bill as having passed. I started to wire home that the bill was passed but decided first to consult the reporters. The reporters found there had been another objection, and it was stated that the gentleman from Tennessee [Mr. BYRNS] had objected. I went to the gentleman from Tennessee and was told that he did not object. It developed that the gentleman from Indiana [Mr. GRANT] had been recorded by two of the reporters as having objected. I went to the gentleman from Indiana, and he said he did not object, but both the reporters had him so marked on their records. I wish to bring the matter up at this time in order to clear up the situation. All I wish is to get the record clear if there has been an error, and if there has been an error it can be corrected.

This is a case in which an old gentleman from Alabama was killed when a C. C. C. ambulance ran over him. We believe this is a case in which there is clear civil liability, although the driver of the C. C. C. truck was not held criminally. He had a trial, but as far as I can get the facts, no effort was made to put him in jail for the balance of his days, whether that should have happened to him or not. It happened that he was in the hands of Democrats—he was a C. C. C. truck driver—and was not put in jail. Anyway, this is a very serious case, and it has been hanging fire since 1937, when I believe the bill was first introduced. We had hoped under what looked to us like undisputed facts that the bill would go through and not be objected to.

Mr. MARTIN of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARTIN of Massachusetts. Just how is the gentleman from Alabama getting time to speak, and what is his request?

The SPEAKER. The Chair understood that the gentleman from Alabama, after making the preliminary statement he has made, desired to ask unanimous consent, under the circumstances stated by him, for the present consideration of a bill which was on today's Private Calendar.

Mr. MARTIN of Massachusetts. Has the gentleman been granted time to speak?

The SPEAKER. No. The gentleman was recognized by the Chair to submit a request.

Mr. PATRICK. I am taking a lot of time, I will admit, to submit a unanimous-consent request.

Mr. Speaker, I ask unanimous consent to return to Calendar No. 125, on the Private Calendar, the bill H. R. 3784, for its present consideration.

The SPEAKER. The gentleman from Alabama asks unanimous consent for the present consideration of the bill referred to by him, which the Clerk will report by title.

The Clerk read as follows:

Private Calendar No. 125 (H. R. 3784), a bill for the relief of the estate of J. D. Warlick.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, this calendar has been called and the record apparently shows that there were two objections. I am not going to permit a return to the calendar or have the record corrected at this time. The men who are in charge of this calendar have gone to their offices and are not here to express for themselves just what their attitude may be. Therefore I would suggest to the gentleman from Alabama that he submit his request tomorrow morning, when there will be an opportunity for the objectors to be present.

Mr. PATRICK. Mr. Speaker, I do not want to take any more time than is absolutely necessary.

Mr. BLOOM. Mr. Speaker, as I understand it, the gentleman wants to go back and have this bill reconsidered. The gentleman is not objecting to what is in the RECORD.

Mr. MARTIN of Massachusetts. I understand the gentleman wants to go back and have the bill reconsidered, but I cannot permit that until the regular objectors are on the floor and in position to state whether they are willing to agree to this or not.

The SPEAKER. Will the gentleman from Alabama temporarily withdraw his request under the circumstances stated by the gentleman from Massachusetts?

Mr. PATRICK. Yes, Mr. Speaker; I withdraw the request.

EXTENSION OF REMARKS

Mr. BLOOM. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill we have had under consideration this afternoon may have 5 calendar days within which to extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a compilation and statement by John Clark, secretary-treasurer of the Great Falls Mill and Smeltermen Union, of Great Falls, Mont., advocating the use of copper, a 100-percent American product, on Government projects, and particularly on Rural Electrification Administration projects.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter I received from the master of the Idaho State Grange and my reply thereto.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. LANDIS and Mr. SHORT asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point and to include some excerpts from the CONGRESSIONAL RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. THORKELSON. Mr. Speaker, to enlighten my colleagues who are wielding the ill-clothed, ill-housed, and ill-fed as a weapon for public sympathy and appeal in debate on this floor, to be recorded and sent home as evidence of their humanitarianism and incidentally a bid for votes, it is my desire to say that I have qualified in all three groups.

My first experience was in a Grover Cleveland panic, when I was stranded in Boston and forced to subsist on one plate of beans a day, which cost me a dime. I am also familiar with conditions among the laboring groups, having been a sailor and longshoreman and a member of both unions.

I am not making this statement as a fractional history of my life, but instead as a reminder to those who cry for the "have-nots," that I, having been one of the ill-housed, ill-clothed, and ill-fed, can shed larger and more realistic tears because of my more intimate experience, if we must resort to such theatricals.

For 6 years the New Deal has drenched the public with tears and many of us feel so badly now that we will soon begin to cry with the New Dealers for the greater glory of socialism and destruction of constitutional government. It is hard to believe that so many hypocrites can lead a party for 6 years without being discovered.

Twenty-six years of my life as a doctor of medicine has allowed me a more intimate acquaintanceship with people

who lack many comforts, yet these men and women did not complain except when they were denied work. With rare exceptions, these men and women are willing to make their own way in life without charity or special aid from Congress or anyone else. They are not beggars. They are instead real, patriotic American citizens, much more sincere than many Members of Congress who are continually holding them up as objects of charity. These unfortunate people we are quibbling about on the floor of this House are unemployed because they cannot obtain work. It is not their fault. It is instead the fault of Congress for having allowed such a condition to come about.

It is well for the Members of Congress to bear in mind that we will be held responsible and we are responsible for the chaotic state we find ourselves in today. These unemployed people I speak of are an integral part of our Nation's industrial structure, and must be returned to it so they can be employed in private enterprises of which they are a part. It is the only way in which we can regain prosperity and security.

The New Deal Members in Congress who favor greater Federal control, more taxes, more regulation, more restriction upon industry, more meddling in business, and more laws, are responsible for the present industrial stagnation which like an evil disease is destroying our Nation today, and the same party must, therefore, be held accountable for the liquidation of tomorrow.

These new dealers have been chasing the end of the rainbow for 7 years, trying to find the pot of recovery, only to meet with the same success that others have when they look for the pot of gold. For the past 7 years the Chairman of the Federal Reserve Board and others have primed and pumped and given shots in the arm to revive business, only with nearly fatal results, because business is practically dead.

The New Deal and its leaders have at no time shown the slightest familiarity with sound business principles. Our factories are working today only because of the export of machinery and war materials, and it is my opinion that if peace is consummated in Europe, internal strife will begin here. No one will deny that there is greater unemployment when factories are closed, and such idleness can bring about only dissension and strife.

Along this line of thought we may also include our abnormal agricultural program, not only in its regulation at home but also in our trade pacts which are dealing the final destructive blows to the whole farm industry. Evidence of this may be found in our surplus farm commodities, such as cotton, wheat, and other staple farm products. These surpluses are bound to accumulate year by year until the present trade policy is changed. This condition can no longer be corrected by Congress, because it has delegated such power to the State Department. The Secretary of State seems to be more interested in developing the welfare of foreign agriculture than he is in looking after the welfare of the farmers in the United States.

The President in his tariff letter appears to be apprehensive about tariffs which may interfere with trade agreements, and he reminds the chairman of the committee:

> When, for example, our exports of automobiles to Brazil under a trade-agreement concession increase, as they have done by $4,500,000,000 (?), there is more purchasing power available for our workers to buy meat, butter, milk, eggs, fruits, and vegetables.

The President, however, conveniently forgets that Swift, Armour, Libby, and other American meat packers are shipping meat in from South America to us at the expense of our own stockmen. He also forgets that the cans used in the packing of such meat are also manufactured in Argentina, Brazil, and other South American Republics at the expense of American labor.

He further forgets that butter, eggs, fruit, and vegetables are also imported into the United States from foreign countries, denying to our own farmers the opportunity to supply our own people with food. The Secretary of State and the President conveniently fail to inform the public that foreign markets have been lost to American agriculture and that our export trade consists mainly of automobiles, airplanes, machinery, war materials, and metals. The same distinguished gentlemen further fail to inform the American public that when these commodities are no longer required by foreign nations all markets will be denied to the American producer, with the ultimate and final collapse of our total industrial structure. When this happens we may develop a very unfavorable trade balance, which will deplete our Treasury of gold much more rapidly than it came in. If this should happen, our own people, having already been deprived of gold as security and money, will become victims of another New Deal colossal blunder; that is, the Gold Reserve Act of 1934. No; nothing is said about the eventual outcome of these foolhardy experiments. They will, instead, descend upon our people at some future date in an avalanche which will bury our Nation in poverty and suffering. In the midst of all this the New Deal majority in Congress sits idly by and plays its fiddles to amuse the leaders in the Federal Government.

The New Deal is guilty of another strange activity which the people should not forget. It is the socialistic philosophy which exists from the highest to the lowest, a philosophy which is the foundation of all socialistic governments such as those in Europe. It is the same philosophy which dominates those who follow the President and the administration, instead of the Constitution of the United States. It is a curse which is going to destroy our Nation if each State does not immediately resume its sovereign power and correct the Federal Government. Nothing can be expected from Congress, because it is not composed of statesmen but is instead made up mainly of incompetent followers tagging behind inexperienced and wabbling New Deal leaders.

Much was said on Thursday and Friday of a very significant meaning, something to which our people should give serious consideration for the future welfare of the United States. I shall take the liberty to discuss the President's article first. He said: "All that needs to be done in the future is to conserve the soil of the South," and he asserted that much remained to be done to "get the South out of hock to the North."

This in my opinion is a very queer remark to come from the President of the United States. No one has denied the South its right to conserve the soil, or the right to engage in the same business as the North. This statement is no more than a childish slap at the North to curry favor in the South.

Further, declaring that when he first came to Warm Springs nearly 16 years ago he had to buy milk and cream, apples, meat, and shoes that originated in the North and West, he went on to say there "wasn't very much change in that system of economy until about 6 years ago. It was then we began to ask ourselves, Why is all this necessary?"

This is another strange remark because certain commodities are indigenous to the South as others are to the North. Most all of us poor folks know that we cannot raise oranges, lemons, and other semitropical fruit in the North, and the same people in the South know that they cannot produce the same quality of beef, apples, wheat, and other farm products in the South. For this reason, an exchange takes place between the North and the South which furnishes employment to our transportation systems—for the general welfare of all the States.

In referring to shoes, the President neglected to inform the people in the South that many shoe factories in the North are idle because we are importing shoes from Europe—destructive to both North and South.

I quote again:

> Balanced economy. I think that we have done more in those 6 years than in the previous 60 years all through these Southern States to make them self-supporting, to give them a balanced economy that will spell a higher wage scale, a greater purchasing power, and a more abundant life than they have had in all their history.

This statement may be right because the New Deal has destroyed in the last 6 years the wonderful business structure and prosperity that we had accumulated in the last 144 years. I would like to know, as a matter of general interest,

how many employees in the Federal Government have been or are at the present time engaged in productive private industry, operated with their own capital. I hold in profound respect anyone who is now operating private industry and able to meet a weekly pay roll. The American people should ask themselves this question because it means so much to our future welfare.

The now popular phrases of "balanced economy," "consuming power," "increased consumption," "velocity of money," and many other vacuolated phrases are nothing but a mass of empty words—the credo of the New Deal.

"Students' responsibility." The President said the students had a great responsibility to devise "new methods, new means—experiments, if you like—in order to improve the conditions during your own lifetime." I can only say in criticism of this statement that professors and students ran Mr. Wilson's administration, which led us into a war and in the end left us with a dollar worth 64 cents and a national debt of $28,000,000,000.

Students and professors predominate in the present administration, and their ability is clearly demonstrated in the fact that we have a national debt of over $40,000,000,000, valueless currency, stagnant industry, paralyzed agriculture, broken-down and bankrupt railroad and transportation systems. We have dissension in labor, meddling in business, invasion of State rights, destructive taxation, and a nation saturated and infiltrated with socialism and communism to the point where constitutional government is no longer recognized; and, to conclude, our distinguished President says:

> I believe this country is going somewhere, but it must depend for its future progress and prosperity very largely on the younger generation, the people under 30, the people who have got American ideals and are not afraid of trying new things.

This paragraph is astonishing because it does not recognize the value of industry, commerce, business, and labor as a factor in producing national prosperity. The President leaves it up to the people under 30 years, who are entirely unfamiliar with the operation of business, like those who are now leading the New Deal.

The President, however, makes one statement: "I believe this country is going somewhere," and in my opinion this is very pertinent, because we are going toward destruction so fast that it will take the Army and the Navy to control the social structure under a state of martial law to prevent bloodshed on the final day of liquidation.

Before discussing more important problems it is my desire to call the Members' attention to other things which have transpired in the last 2 days. According to information in the newspapers, considerable discussion arose on the Senate side from statements made by the distinguished Senator from South Carolina [Mr. SMITH], when he evidently reaffirmed his belief in the Constitution of the United States. This would be of little interest except for its relation to a statement made by the distinguished Senator from Florida [Mr. PEPPER]:

> I want to say in conclusion to the Senator from South Carolina [Mr. SMITH], for the integrity of whose view I have a very high regard, that in my personal opinion the Senator belongs to an old day in his country. His opinions have ceased to be the current opinions of his country. He has an attitude toward public questions that was appropriate to a certain era in the country's development, and I never saw a man who in his heart entertained those views more honestly or expressed them more ably than does the Senator from South Carolina. There may be temporary occasions of short duration when the pendulum will swing toward the Senator's point of view, but I entertain the belief that it will never actually get there, and that when it approaches that point it will not stay there long because of the complexity of our country.
>
> The only effective way by which the numerous economic forces which play upon our section can be brought into anything like harmony with the remainder of the country is through the Federal system, which is a unit of economy, and to assist us as an integral part of the whole for the legitimate benefit of the whole. * * *
>
> My election is over for 6 years, just like the Senator's election. He was elected against the administration. I was elected for it. Let posterity determine which one was the wiser appeal that was made.

Personally I am not interested in these statements except in relation to the New Deal philosophy. I agree with the able Senator from South Carolina and believe as he does in constitutional government. I shall even go a little further than that and predict that if we do not return to it our end is not far off.

It will not take 6 years to find out who is right and who is wrong, because I anticipate a climax sooner than that. I am, however, under the impression that all Members of Congress and the President have assumed an obligation "to preserve, to protect, and to defend the Constitution of the United States." In view of this, I cannot understand how anyone can violate this solemn obligation.

The 48 States in our Union must for the safety and for the perpetuation of the United States meet upon a common ground and it is the Constitution of the United States. If a State elects a Representative to Congress to follow the New Deal or the Executive instead of the Constitution, such State is not keeping faith with the remaining 47 States. I realize constitutional government is hanging in the balance, but I do not believe it can be disregarded with the approval of the majority of our people.

We, the Members of Congress, should always bear in mind that we are elected as representatives of the people and guardians of their liberty and rights. When we fail in this protection we have betrayed our trust. Partition of public property, which is now prevalent in Congress, can only end in complete destruction of the Government. If Congress continues in this unsound procedure, our end will not be different from that of other governments which have pursued the same course. The evidence of our folly will be found in the ruins left where we departed from sound fundamental principles.

This strange socialistic philosophy may be found in both Houses, and is a factor in our Government. It is not my intention to criticize any Member for such opinions, even though I deny the right of tolerance of such ideas in our Government.

I shall in future discussions express my viewpoint in the hope that the States and the people will act in their own interest.

On March 30 and 31, 1939, we discussed the emergency relief appropriation of $150,000,000. I supported the full amount of this appropriation—not because I believe the W. P. A. is sound or economical, for it is neither. I voted for this appropriation because our unemployed people are not in any sense responsible for national unemployment. Congress alone is responsible for that in its failure to support business. I realize we cannot continue to appropriate money. Neither can we continue to restrict and destroy operation of sound business without causing more unemployment, and that will bring about a decrease in Federal income and a proportionate increase in our national debt, with the ultimate result that we will be bankrupt.

My greatest fear, however, is in the failure of the majority to recognize the threatening danger and to institute proper corrective measures before the collapse. However, the responsibility rests upon the New Deal, and it must accept the blame.

PERMISSION TO ADDRESS THE HOUSE

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent that on tomorrow, Wednesday, after the previous special orders, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], be permitted to address the House for 20 minutes on Wednesday of next week following the legislative business of the day and the special orders heretofore made.

The SPEAKER. Is there objection?

There was no objection.

RESIGNATION

The SPEAKER laid before the House the following resignation, which was read:

APRIL 3, 1939.

Hon. WILLIAM B. BANKHEAD,
Speaker of the House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: I herewith tender my resignation as a member of the Board of Regents of the Smithsonian Institution.

I have enjoyed this association very much indeed, and I am deeply grateful to you for appointing me to such a high and dignified service.

As I am sure you know, I am resigning only because of the fact that I am leaving the House of Representatives.

With kindest regards, I am,

Very sincerely yours,

T. ALAN GOLDSBOROUGH.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. SCRUGHAM for 10 days on account of official business.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1514. An act providing in the interest of the general welfare for an appropriate reduction of the burdensome oversupply of American cotton and for further encouragement of soil conservation and soil improvement by making payments in kind in cotton, and for other purposes; to the Committee on Agriculture; and

S. J. Res. 90. Joint resolution to amend the joint resolution approved June 16, 1938, entitled "Joint resolution to create a Temporary National Economic Committee"; to the Committee on the Judiciary.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1019. An act to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Twelfth Olympic Games;

S. 1363. An act to repeal subsection (4) of subsection (c) of section 101 of the Agricultural Adjustment Act of 1938; and

S. 917. An act authorizing the Library of Congress to acquire by purchase, or otherwise, the whole, or any part, of the papers of Charles Cotesworth Pinckney and Thomas Pinckney, including therewith a group of documents relating to the Constitutional Convention of 1787, now in the possession of Harry Stone, of New York City.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 2 minutes p. m.) the House adjourned until tomorrow, Wednesday, April 5, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue on Wednesday, April 5, 1939, at 10 a. m., on social-security legislation in the Ways and Means Committee room in the New House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the subcommittee of the Interstate and Foreign Commerce Committee on the trust-indenture bill (H. R. 5220). The hearings are being held in the Interstate and Foreign Commerce Committee room and began April 4, 1939, at 10 a. m. The hearings will be continued on April 5 and 6. Proponents of the bill were heard on the 4th and opponents will be heard on the 5th and 6th.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Wednesday, April 5, 1939, at 10:30 a. m., to continue hearings on the project for the Connecticut River, Conn. and Mass.

COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be an executive session of the full Committee on the Post Office and Post Roads at 10 a. m., Wednesday, April 5, 1939, to consider custodial and substitute postal employees' bills.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, April 5, 1939, at 10:30 a. m., for the public consideration of H. R. 2777, H. R. 3824, H. R. 4096, H. R. 5409, H. R. 5451, H. J. Res. 117, and S. 18.

COMMITTEE ON THE JUDICIARY

There will be a public hearing before Subcommittee No. 4 of the Committee on the Judiciary at 10 a. m. on Wednesday, April 5, 1939, on the bill (H. R. 4236) to provide for the more expeditious settlement of disputes with the United States, and for other purposes. The hearing will be held in the Judiciary Committee room, 346 House Office Building.

There will be a public hearing before Subcommittee No. 3 of the Committee on the Judiciary at 10 a. m. Wednesday, April 12, 1939, on the bill (H. R. 5138) to make unlawful attempts to overthrow the Government of the United States, to require licensing of civilian military organizations, to make unlawful attempts to interfere with the discipline of the Army and Navy, to require registration and fingerprinting of aliens, to enlarge the jurisdiction of the United States Circuit Court of Appeals in certain cases, and for other purposes. The hearing will be held in the Judiciary Committee room, 346 House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

Wednesday, April 5, 1939:

H. R. 3052, uniform insignia for Naval Reserve radio operators; H. R. 1010, intercoastal subsidy bill (WELCH).

Thursday, April 6, 1939:

H. R. 1011, acquisition of drydock facilities for United States Maritime Commission on San Francisco Bay (WELCH); H. R. 2870, acquisition of drydock facilities for United States Maritime Commission at Los Angeles (THOMAS F. FORD); H. R. 3040, acquisition of drydock facilities for United States Maritime Commission at Los Angeles (GEYER of California).

Tuesday, April 11, 1939:

H. R. 1783, inspection of hulls of sail vessels and barges (BLAND); H. R. 1785, motorboat bill (BLAND); H. R. 1795, motorboat bill (HENDRICKS); H. R. 1809, inspection of motorboats, 15 gross tons up (MAGNUSON); H. R. 2398, regarding pilots on yachts (ANGELL); H. R. 3837, inspection of motorboats, 15 gross tons up (CONNERY).

Thursday, April 13, 1939:

H. R. 4220, load-line bill for seagoing vessels (BLAND).

Tuesday, April 18, 1939:

H. R. 2404, surgeon and hospital on vessels (SIROVICH); H. R. 2660, limitation of liability (SIROVICH); House Joint Resolution 153 and House Joint Resolution 194, investigate conditions pertaining to lascar seamen (SIROVICH).

On Wednesday, April 19, 1939, at 10 a. m., the Committee on Merchant Marine and Fisheries will resume hearings on the bill H. R. 5130, to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 11, 1939, at 10:30 a. m., to begin hearings on the project for the Lake Erie and Ohio River Canal.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

598. A letter from the Secretary of Agriculture, transmitting a report on the agricultural experiment stations of 1938; to the Committee on Agriculture.

599. A letter from the Acting Secretary of War, transmitting the draft of a proposed bill to amend the Canal Zone Act; to the Committee on Merchant Marine and Fisheries.

600. A letter from the Acting Postmaster General, transmitting the draft of a proposed amendment to section 194 of an act entitled "An act to codify, revise, and amend the penal laws of the United States"; to the Committee on the Judiciary.

601. A letter from the Acting Postmaster General, transmitting a recommendation for special legislation to credit James D. Larry, Sr., postmaster at Melrose Park, Ill., in his accounts with $10,314.79; to the Committee on Claims.

602. A letter from the national president of the American War Mothers, transmitting a report of American War Mothers for the year ending October 1, 1938; to the Committee on World War Veterans' Legislation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DOUGHTON: Committee on Ways and Means. H. R. 5482. A bill to increase the authorization for appropriations for the administration of State unemployment compensation laws; without amendment (Rept. No. 368). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 199. A bill to amend section 10 (b), (c), and (d) of the act of June 26, 1884, as amended (U. S. C., 1934 edition, title 46, sec. 599), relative to the allotment of wages by seamen; without amendment (Rept. No. 369). Referred to the House Calendar.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 1784. A bill to amend section 4498 of the Revised Statutes of the United States, as amended, relative to the renewal of licenses of vessels; without amendment (Rept. No. 370). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 1786. A bill to amend section 4325 of the Revised Statutes of the United States, as amended, relative to renewal of licenses of vessels; without amendment (Rept. No. 371). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 4982. A bill to readjust the commissioned personnel of the Coast Guard, and for other purposes; without amendment (Rept. No. 372). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. S. 50. A bill to provide for recognizing the services rendered by civilian officers and employees in the construction and establishment of the Panama Canal and the Canal Zone; without amendment (Rept. No. 373). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 1782. A bill to amend section 4335 of the Revised Statutes of the United States, relative to change of masters of vessels; with amendment (Rept. No. 374). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Missouri:

H. R. 5519. A bill to confer certain benefits on commissioned officers and enlisted men in the Army, Navy, Marine Corps, Coast Guard, Geodetic Survey, or Public Health Service of the United States who are placed on the retired list for physical disability incident to flying duty; to the Committee on Military Affairs.

By Mr. GOLDSBOROUGH:

H. R. 5520. A bill to provide a national monetary policy which will have a definite relationship to the requirements of domestic industry and trade under the conditions imposed by our power economy, which will increase production and consumption to the limit of the country's power to produce, and for other purposes; to the Committee on Banking and Currency.

By Mr. MOTT:

H. R. 5521. A bill to amend paragraph 757 of the Tariff Act of 1930 to increase duty on filberts; to the Committee on Ways and Means.

By Mr. BURCH:

H. R. 5522. A bill to provide for the acquisition by the United States of the estate of Patrick Henry in Charlotte County, Va., known as Red Hill; to the Committee on the Public Lands.

By Mr. GEHRMANN:

H. R. 5523. A bill authorizing the States of Minnesota and Wisconsin to construct, maintain, and operate a free highway bridge across the St. Croix River at or near Osceola, Wis., and Chisago County, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. GRISWOLD:

H. R. 5524. A bill to repeal section 350 of the Tariff Act of 1930, as amended; to the Committee on Ways and Means.

By Mr. DIES:

H. R. 5525. A bill to extend the times for commencing and completing the construction of a bridge over Lake Sabine at or near Port Arthur, Tex., to amend the act of June 18, 1934 (48 Stat. 1008), and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOBBS:

H. R. 5526. A bill to vest in the circuit courts of appeals of the United States original and exclusive jurisdiction to review the order of detention of any alien found subject to deportation from the United States who cannot be deported within 90 days thereafter because of the failure or refusal of the authorities of the alien's nationality to grant passport or similar authorization; to authorize such detention orders in certain cases; to authorize provision of suitable places for such detention; and for other purposes; to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 5527. A bill relating to the retired pay of certain retired Army officers; to the Committee on Military Affairs.

By Mr. McLEOD:

H. R. 5528. A bill for the relief of the State of Michigan; to the Committee on the Judiciary.

By Mr. REED of Illinois:

H. R. 5529. A bill to amend sections 81, 82, and 83 of chapter IX of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. SOMERS of New York:

H. R. 5530. A bill to fix standards for till baskets and boxes, climax baskets, hampers, round-stave baskets, drums, market baskets, barrels, cartons, crates, boxes, sacks, and other containers for fruits and vegetables, to consolidate existing laws on this subject, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. DIMOND:

H. R. 5531. A bill to provide for the refunding of the negotiable bonded indebtedness of municipal corporations and public-utility districts in the Territory of Alaska; to the Committee on the Territories.

By Mr. O'TOOLE:

H. R. 5532. A bill to prohibit transporting of strikebreakers from one State to another during the progress of industrial strife; to the Committee on the Judiciary.

By Mr. O'CONNOR:

H. R. 5533. A bill to authorize advance of the amounts due on delinquent homestead entries on certain Indian reservations; to the Committee on Indian Affairs.

By Mr. REED of Illinois:

H. R. 5534. A bill to provide expedient facilities to enable small industries to secure insured long-term and working capital; to provide immediate employment for the unemployed; to revive the building trades; to establish cooperation between local banks and local industries; to establish permanent credit facilities for small industries; to resuscitate the capital-goods industries; to enable small industries to modernize their machinery, equipment, and buildings; to release idle funds from State and national banks and divert the same into the channels of business; to protect the industrial worker now employed; to encourage development of new ideas and inventions for the enjoyment of a fuller life for all; and for other purposes; to the Committee on Banking and Currency.

By Mr. STEAGALL:

H. R. 5535. A bill to amend the Federal Home Loan Bank Act, Home Owners' Loan Act of 1933, title IV of the National Housing Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. SUMNERS of Texas:

H. J. Res. 257. Joint resolution proposing an amendment to the Constitution of the United States providing for national representation for the people of the District of Columbia; to the Committee on the Judiciary.

By Mr. JONES of Texas:

H. J. Res. 258. Joint resolution to amend section 8 (f) of the Soil Conservation and Domestic Allotment Act, as amended; to the Committee on Agriculture.

By Mr. GRISWOLD:

H. Con. Res. 15. Concurrent resolution requesting and urging the President to terminate the trade agreement with Canada insofar as it relates to farm products; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Kansas, memorializing the President and the Congress of the United States to consider their House Concurrent Resolutions Nos. 10, 12, and 16, with reference to House bill 8730, National Housing Act amendments of 1938, also Senate bill 845, antilynching bill, and embargo on Argentina livestock; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to consider their House Concurrent Resolution No. 19, with reference to the development of the water resources of the island of Molokai, Territory of Hawaii; to the Committee on Irrigation and Reclamation.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to consider their resolutions and Senate bill No. 69, known as the sugar bill, and Agricultural Department appropriations bill; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Nebraska, memorializing the President and the Congress of the United States to consider their Resolution No. 23, with reference to the Republican Valley flood control; to the Committee on Flood Control.

Also, memorial of the Legislature of the State of Kansas, memorializing the President and the Congress of the United States to consider their Senate Concurrent Resolution No. 28, concerning deportation of all alien residents of this country who do not within reasonable time signify their willingness, desire, and intention, and qualify, to assume the obligations of citizenship of the United States of America; to the Committee on Immigration and Naturalization.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHAPMAN:

H. R. 5536. A bill granting an increase of pension to Mary Reynolds; to the Committee on Invalid Pensions.

H. R. 5537. A bill granting an increase of pension to Mary Newton; to the Committee on Invalid Pensions.

H. R. 5538. A bill for the relief of Maggie Standeffer; to the Committee on Military Affairs.

H. R. 5539. A bill for the relief of Russell Baber; to the Committee on Naval Affairs.

H. R. 5540. A bill for the relief of Charles M. Haggan; to the Committee on Naval Affairs.

H. R. 5541. A bill for the relief of Forrest Mobley; to the Committee on Naval Affairs.

H. R. 5542. A bill for the relief of J. E. Kearney; to the Committee on Naval Affairs.

H. R. 5543. A bill for the relief of R. L. Lakes; to the Committee on Claims.

H. R. 5544. A bill granting a pension to Emily Cecil; to the Committee on Pensions.

H. R. 5545. A bill granting a pension to Maggie Laughlin; to the Committee on Pensions.

H. R. 5546. A bill granting a pension to Nannie Floyd; to the Committee on Invalid Pensions.

H. R. 5547. A bill granting a pension to Mary E. Peterson; to the Committee on Pensions.

H. R. 5548. A bill granting an increase of pension to Ellar Bales; to the Committee on Invalid Pensions.

H. R. 5549. A bill for the relief of Robert Sievers Rubarts; to the Committee on Naval Affairs.

H. R. 5550. A bill granting a pension to Richard O'Hearn; to the Committee on Pensions.

H. R. 5551. A bill granting a pension to Wade Golden; to the Committee on Pensions.

H. R. 5552. A bill granting a pension to Maggie Berry; to the Committee on Invalid Pensions.

H. R. 5553. A bill extending the provisions of an act entitled "An act to amend the act entitled 'An act for the retirement of employees in the classified civil service, and for other purposes,' approved May 22, 1920, and acts in amendment thereof," to Joseph M. Tanner; to the Committee on the Civil Service.

By Mr. CHURCH:

H. R. 5554. A bill for the relief of Josephine Matson; to the Committee on Claims.

By Mr. THOMAS F. FORD:

H. R. 5555. A bill granting an increase of pension to Harry Breese Johnson; to the Committee on Pensions.

By Mr. GEHRMANN:

H. R. 5556. A bill for the relief of Robert Beckwith; to the Committee on Claims.

By Mr. JENSEN:

H. R. 5557. A bill for the relief of V. H. Scheuring, Elmer Eggers, and Thomas Fahey; to the Committee on Claims.

By Mr. JOHNSON of West Virginia:

H. R. 5558. A bill granting an increase of pension to Mary M. Lewis; to the Committee on Invalid Pensions.

By Mr. KRAMER:

H. R. 5559. A bill for the relief of Laszlo Vadnai and his wife, Clara; to the Committee on Immigration and Naturalization.

H. R. 5560. A bill for the relief of James Newton; to the Committee on Military Affairs.

H. R. 5561. A bill granting a pension to Pearl Bouchie; to the Committee on Pensions.

By Mr. McGRANERY:

H. R. 5562. A bill for the relief of Clyde E. Malle; to the Committee on Claims.

By Mr. McLEOD:

H. R. 5563. A bill to extend the emergency officers' retirement benefits to Edward G. Heckel, formerly colonel, United States Army; to the Committee on Military Affairs.

By Mr. MICHAEL J. KENNEDY:

H. R. 5564. A bill authorizing the President of the United States to present, in the name of Congress, a Medal of Honor to Rev. Francis X. Quinn; to the Committee on Coinage, Weights, and Measures.

By Mr. NICHOLS:

H. R. 5565. A bill for the relief of Mary McCutcheon; to the Committee on Claims.

H. R. 5566. A bill for the relief of Charles Henry Wilson; to the Committee on Military Affairs.

By Mr. O'TOOLE:

H. R. 5567. A bill granting a pension to Mary Harper; to the Committee on Invalid Pensions.

By Mr. PITTENGER:

H. R. 5568. A bill for the relief of Rev. C. G. Eidnes; to the Committee on Claims.

By Mr. RISK:

H. R. 5569. A bill for the relief of Stuart Bastow; to the Committee on Claims.

H. R. 5570. A bill for the relief of Edmond D. Griffin; to the Committee on Claims.

By Mr. SUMNERS of Texas:

H. R. 5571. A bill for the relief of Minnie Lowery and Winell Lowery; to the Committee on Claims.

By Mr. SASSCER:

H. R. 5572. A bill for the relief of the present leader of the Naval Academy Band; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2303. By Mr. BROOKS: Petition of the Louisiana State Board for the Blind, in reference to House bill 4927, asking that economic opportunities of the blind be increased; to the Committee on Labor.

2304. By Mr. FLAHERTY: Petition of the Chamber of Commerce of Chelsea, Mass., supporting House bill 3232, which provides to amend the National Housing Act, and for other purposes; to the Committee on Banking and Currency.

2305. By Mr. HOUSTON: Petition of the Kansas State Legislature, requesting consideration of Senate Concurrent Resolution No. 28 and House Concurrent Resolutions Nos. 10, 12, and 16; to the Committee on the Judiciary.

2306. By Mr. MARTIN J. KENNEDY: Petition of Railroad Lodge, No. 793, International Association of Machinists, Rochester, N. Y., urging passage of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2307. Also, petition of Stone City Lodge, No. 124, International Association of Machinists, Joliet, Ill., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2308. Also, petition of Lodge No. 736, International Association of Machinists, Brownsville, Tex., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2309. Also, petition of the International Association of Machinists, District No. 9, St. Louis, Mo., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2310. Also, petition of Minnehaha Lodge, No. 827, International Association of Machinists, Minneapolis, Minn., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2311. By Mr. KEOGH: Petition of the United Instrument Workers Local 425, Brooklyn, N. Y., opposing amendments to the National Labor Relations Act; to the Committee on Labor.

2312. Also, petition of Local 802, American Federation of Labor, New York City, protesting against the passage of the James F. Byrnes bill; to the Committee on Labor.

2313. By Mr. PFEIFER: Petition of the National Association of Special Delivery Messengers, Local No. 62, Brooklyn, N. Y., urging consideration of House bill 4223; to the Committee on the Civil Service.

2314. Also, petition of the United Instrument Workers Local No. 425, of the United Electrical Radio and Machine Workers of America, Brooklyn, N. Y., opposing any amendments to the National Labor Relations Act; to the Committee on Labor.

2315. By Mr. SANDAGER: Memorial of the American Legion, Department of Rhode Island, Providence, R. I., favoring the retention of the United States Employment Service and the Veterans' Placement Service as now constituted; to the Committee on Labor.

2316. Also, memorial of the American Legion, Department of Rhode Island, Providence, R. I., favoring House bill 4091, to authorize the erection of a United States Veterans' Administration neuropsychiatric hospital and domiciliary facility within and for the State of Rhode Island; to the Committee on World War Veterans' Legislation.

2317. By the SPEAKER: Petition of the school administrators of the State of Utah, petitioning consideration of their resolution with reference to Senate bill 1305, concerning education; to the Committee on Education.

2318. Also, petition of the American Lithuanian Council, Brooklyn, N. Y., petitioning consideration of their resolution with reference to the annexation of the Klaipeda-Memel territory of the Republic of Lithuania by the German Reich; to the Committee on Foreign Affairs.

2319. Also, petition of the Trainservice Brotherhoods, by Roy T. Cawley, Division No. 393, petitioning consideration of their resolution with reference to labor; to the Committee on Interstate and Foreign Commerce.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 5, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou eternal Christ of God, from Olivet to Calvary in lonely pomp ride on; in the hush about the cross we wait for Thee; may Thy love and forgiveness lay compulsions on our souls. Anthems will soon be changed into dirges, the sun unstreaked by midnight will die at midday. Oh, may we not remain in the desperate silence untouched and unmoved; help us to see deeper and deeper into that sacrificial love which is the heart of all. Be Thou the climax of our hopes, the height of our aspirations, and the ideal of all we would like to be. In the dearth of our prayers, in the paralysis of our praise, in the valley of our doubts, Oh, read our hearts; let the tidings of Thy peace come from the tempest's approaching storm; we beseech Thee to fill the void places in our breasts. Graciously pity all who suffer from that ingratitude which freezes the emotions of the heart and all who have been wounded by some tragic sorrow. Be with all, that we may be living disciples of Jesus and minstrels of God—bearing the cross and sharing the redeeming love and power of the Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3790. An act relating to the taxation of the compensation of public officers and employees.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 964) entitled "An act creating the Arkansas-Mississippi Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses

thereon, and appoints Mrs. CARAWAY, Mr. OVERTON, and Mr. VANDENBERG to be the conferees on the part of the Senate.

W. P. A. INVESTIGATION BY COMMITTEE ON APPROPRIATIONS

Mr. WARREN. Mr. Speaker, I offer a privileged resolution (H. Res. 152) from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 152

Resolved, That the expenses of conducting the investigation and study authorized by House Resolution 130 of the present Congress, incurred by the Committee on Appropriations, acting as a whole or by subcommittee, not to exceed $25,000, including expenditures for the employment of clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee thereof conducting such investigation and study or any part thereof, signed by the chairman of the committee or subcommittee and approved by the Committee on Accounts.

SEC. 2. The official stenographers to committees may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

SEC. 3. The heads of the executive departments and other executive agencies are requested to detail personnel temporarily to assist the committee or subcommittee upon request of the chairman thereof.

The resolution was agreed to, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA MILK INVESTIGATION

Mr. WARREN. Mr. Speaker, I offer a further privileged resolution (H. Res. 146) and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 146

Resolved, That the expenses of conducting the investigation and study authorized by House Resolution 113, incurred by the Committee on the District of Columbia, acting as a whole or by subcommittee, not to exceed $10,000, including expenditures for the employment of experts, clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or any subcommittee thereof conducting such investigation and study or any part thereof, signed by the chairman of the committee and approved by the Committee on Accounts.

SEC. 2. That the official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendment:

Strike out in line 4 the figures "$10,000" and insert in lieu thereof the figures "$2,500."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF HEARINGS BEFORE NATIONAL ECONOMIC COMMITTEE

Mr. JARMAN. Mr. Speaker, from the Committee on Printing I report back favorably (Rept. No. 377) a concurrent resolution (S. Con. Res. 3), and ask for its immediate consideration.

The Clerk read as follows:

Senate Concurrent Resolution 3

Resolved by the Senate (the House of Representatives concurring), That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Temporary National Economic Committee of the Congress be, and is hereby, empowered to procure the printing of 5,000 additional copies of part 1 and each subsequent part of the hearings held before the said committee, who are directed by Public Resolution No. 113, approved June 16, 1938, to make a full and complete study and investigation with respect to the concentration of economic power in, and financial control over, production and distribution of goods and services.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter received from Mr. William Green, president of the American Federation of Labor.

The SPEAKER. Is there objection?

There was no objection.

Mr. COLMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a statement which I made before the Ways and Means Committee on the subject of pensions for the aged.

The SPEAKER. Is there objection?

There was no objection.

Mr. HARE. Mr. Speaker, I ask unanimous consent to extend my own remarks by inserting a speech made by Hon. J. Roy Jones, commissioner of agriculture, before the Carolina Warehouse Association on March 30.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMAS F. FORD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a letter from the Right Reverend Monsignor Thomas J. O'Dwyer.

The SPEAKER. Is there objection?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein some documents from the Legislature of Puerto Rico.

The SPEAKER. Is there objection?

There was no objection.

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by Dr. Fechner, Director of the Civilian Conservation Corps.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that on Thursday of next week, after the disposal of the legislative business of the day, I may address the House for 20 minutes.

The SPEAKER. Is there objection?

There was no objection.

INVESTIGATING COMMITTEES OF CONGRESS

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, I rise at this time to call attention to the methods used by one of the investigating committees of this Congress. A wire received from California was inserted in the RECORD yesterday. I ask that all Members of this House who believe in fair play and the sacred right of American citizens to a fair hearing on charges made against them read this telegram. It will be found on pages 3761–3762 of the CONGRESSIONAL RECORD. I further submit that if the California farmers ever bow their heads to the despotic rule of one man, that man will be a citizen of the United States and not a foreign trouble maker.

The SPEAKER. Under special order of the House heretofore made, the gentleman from Maryland [Mr. GOLDSBOROUGH] is recognized for 1 hour. [Applause.]

SERVICE IN THE HOUSE

Mr. GOLDSBOROUGH. Mr. Speaker, in looking through the Congressional Directory yesterday I found that of the 102 men who were elected to the Sixty-seventh Congress only 3 have served continuously since that time: The gentleman from South Carolina [Mr. FULMER], the gentleman from Mississippi [Mr. RANKIN], and myself. My remarks, naturally, will be somewhat reminiscent and in the minds of most of the Members largely historical. It may be of interest to the Members to know how I happened to come to the American Congress.

In 1920 my district was represented by a Republican, and in the years prior to that time it had been represented by a Republican more than half of the time.

Mr. RANKIN. Mr. Speaker, will the gentleman yield at that point?

Mr. GOLDSBOROUGH. I yield.

Mr. RANKIN. The gentleman from Maryland was the only Democrat who defeated a sitting Republican for Congress that year; so he has that to his credit.

Mr. GOLDSBOROUGH. I thank the gentleman.

There was no demand for the Democratic nomination as it was conceded that the country and, of course that district, would go Republican. I had been in the very active practice of law for 19 years and felt that I saw an opportunity to enter into a service which would be of great interest to me, of great service to me, and I hoped of service to the country. The consequence is that the American Congress has been burdened with my presence for the last 18 years. I am now beginning my tenth term.

It is not an easy thing to be wrenched away from associations that have existed so long and that have always been so satisfactory and so kindly. As I think of the men and the women in the Congress I know, there is no one, there is no Member of Congress with whom I am acquainted, that I would not be glad to trust with the most sacred affairs of my own life or of the life of my family after I pass away. This applies equally, of course, to both sides of this House.

When I came here Mr. Claude Kitchin was the minority leader. He sent for me and called my attention to the fact that my colleague from Mississippi has mentioned, that I was the only Democrat in the United States who was elected in 1920 to succeed a Republican who was running to succeed himself, and he said I could have any committee I preferred. I had for many years studied the monetary situation of the country and of the world. I immediately told him that I would be very happy if I could become a member of the Committee on Banking and Currency. He was kind enough to see that I obtained an assignment on that committee, and it has certainly been a very happy one both in its associations and in the tremendously important matters which have engaged its attention.

Before I discuss some of the proposed legislation that I have attempted to advance let me call especial attention to a piece of legislation which was actually accomplished.

My colleague on the Committee of Banking and Currency, the present chairman of the committee, had for 15 years been continuously introducing a bill providing for the insurance of bank deposits. Conditions were such that it had always been impossible to get anywhere with that legislation; but in 1933 the conditions which existed, the closing of the banks, the demoralization of credit, seemed to give that proposed legislation an opportunity; and the gentleman from Alabama [Mr. STEAGALL] called his colleagues together to arm and fight that battle. We know that Federal deposit insurance is now a matter of history. Temporary legislation was passed in 1933, and the permanent legislation in 1935. That legislation could not have been passed without the leadership of the chairman of the Committee on Banking and Currency, the gentleman from Alabama [Mr. STEAGALL]; I could not have done it. Whether he could have done it without me I am not absolutely certain, but it certainly could not have been done without his leadership. And there is another distinguished Member of this House who should be especially mentioned in connection with that piece of legislation which has meant so much to the country for all these years. That year was the first that the Democratic Party had a steering committee, and the gentleman from Ohio [Mr. CROSSER] was the chairman of the steering committee that year, the dark days of the proposed legislation when every possible political device was needed in order to encourage it and to help carry it through.

I went to see the gentleman from Ohio [Mr. CROSSER], and I told him that we needed the assistance of the steering committee of the Democratic Party. The gentleman from Ohio [Mr. CROSSER] paid me one of the highest compliments I ever had paid me in my life. He simply asked me the question: "Is it the right thing to do?" My answer, of course, was: "It is, in my judgment." Under his leadership the steering committee of the Democratic Party performed yeoman service, a tremendous service, in the passage of that legislation. The citizens of every State in the Union have been benefited by it, and I know that my friends from New Jersey will be especially anxious to join in my commendation of this measure, because that great State has been a particular beneficiary of that legislation very recently.

In 1922 I introduced a bill providing for a stable value for money. Other bills of like character had been introduced in the past, but in 1922 the first hearing in the history of any national assembly in any civilized country in the world was held in the Committee on Banking and Currency on that bill. Other hearings were held in 1924, and in 1926 we had been enabled to obtain the interest of a Republican Member, the gentleman from Kansas [Mr. STRONG]. We were in the minority, of course, and we were glad to get the cooperation of the majority side in that year to take hold of this proposed legislation. These hearings were continued for several years.

In 1932 a bill introduced by me providing for stabilization of the currency passed the House by a vote of 289 to 60; but when it got over to the Senate a substitute, which was meaningless, was offered, and the legislation did not become law. Since that time many distinguished Members of this House have not only offered but have pressed at hearings proposed legislation having a similar purpose, as you all know.

Mr. Speaker, no specific legislation of the indicated kind which any Member of Congress has proposed has become law. We have a right to hope and we have a right to believe that the tremendous educational influence of the hearings on all these bills have had a profound effect in educating the American people on the proper application and on the legitimate use of the circulating medium of the country.

On June 1, 1936, I spoke in the House on this subject. This speech begins on page 8624 of the CONGRESSIONAL RECORD of June 1, 1936. In this speech I undertook to collect 19 remedial monetary measures which had been passed and to discuss in section 20 the value of the various pieces of emergency legislation which had been passed in addition to the monetary legislation.

Before I leave I want to express a very definite opinion reached after the very best thought I have on the future of the democratic method. As time goes by, as trouble in Europe increases, as totalitarian governments seem to gradually rise in ascendancy, I seem to become more convinced that the democratic method will forever survive. [Applause.]

In the New York Times Magazine of a few Sundays ago there appeared an article by David S. Muzzey, professor of American history, Columbia University, in which the following statement is made:

> Moreover, no country enjoying a fair amount of economic prosperity and security has given itself over to the dictators. They are the product of misery, jealousy, bankruptcy, and desperation—adventurers whom civil disorder and social confusion have thrown to the top to strut for a brief time as heaven-sent deliverers. If history has any lesson at all, it is that their day will be short. Even wise Thales, more than 25 centuries ago, declared that one sight the world would never see was "a tyrant growing old."
>
> Napoleon, with more political and military genius in his little finger than the "sawdust Caesars" of today have in their whole bodies, lasted about 20 years. When the first cracks appeared in the edifice of despotism which Napoleon had raised, the people from Spain to Russia rose to demolish that edifice and send its architect to die in exile on the barren island of St. Helena. Drunk with power which breeds ambition for more power, he had dared to challenge the historic process of the emergence of political, religious, and economic liberty. For all his great gifts, he failed. And are we to believe that his feeble imitators, fighting with the noble weapons of purges, persecutions, confiscations, concentration camps, and castor oil, will succeed where he failed?

Nor do I share in any manner or to any extent the fears of great bodies of our people in this country that the United States is in danger of any sort of dictatorship, is in danger of any sort of bankruptcy, is in danger of any sort of failure in its credit, is in any danger of inflation, or is in danger of any condition which is not better than the condition which has existed in this country since 1932.

My views on what should be done are embodied in a bill, H. R. 5520, this Congress, in support of which I made a speech in this House on January 12, 1937, also a speech made by me in this House on June 8, 1937, and in a statement made by me before the Committee on Banking and Currency on July 8,

1937, which appears in the CONGRESSIONAL RECORD of July 9, 1937; but I am not here today for the purpose of discussing my proposal.

As I indicated a few minutes ago, I do not share the fears of those who believe that the social legislation which this Government has engaged in since 1933 is inimical to the public interest. On the contrary, I believe it is a sounder policy than any other now suggested to the public in a politically broad way. Some of the suggestions which have been made and which are being made, suggestions that we arbitrarily balance the Budget regardless of the country's condition, suggestions that we reduce relief expenditures, suggestions that we retard the progress of the W. P. A. and the P. W. A., are in my judgment demonstrably contrary to the public interest, and I hope to be able to demonstrate this within the time allotted me.

The habit of mind which began in this country on the 4th of March 1921 and existed until the 4th of March 1933 and which resulted in economic collapse is the same as that which is continually complaining about the method of the present administration.

Mr. Speaker, New England has always been considered the most conservative part of the United States, and when I use the word "conservative" or when I use the word "liberal" I use them in their very vague political sense, because everyone ought to be a conservative and everyone ought to be a liberal, but even New England is rapidly emerging from that school of thought which says, "I am rich in power; I represent interests which have a commanding influence in Washington, and when I get into financial trouble I propose to go to Washington to get relief out of the Public Treasury, and after I have obtained my relief the Public Treasury shall be closed to every other element of society." I say even New England is fast emerging from such a school of thought as that.

I have in my hand a book called An Economic Program for American Democracy, by seven Harvard and Tufts economists: Richard V. Gilbert, George H. Hildebrand, Jr., Arthur W. Stuart, Maxine Yaple Sweezy, Paul M. Sweezy, Lorie Tarshis, and John D. Wilson.

When I read this book and when I considered the vast gap between the thinking involved in this book and the thinking which was common in the Northeast some 30 or 40 years ago I recalled the lines of the Harvard song:

> Fair Harvard! Thy sons to thy jubilee throng,
> And with blessings surrender thee o'er,
> By these festival rites, from the days that are past,
> To the days that are waiting before.

I read beginning on page 24, and I wish every Member of the House could read this little book:

> One of the lessons of the past 5 years has been the striking demonstration of the efficacy of public spending in promoting national well-being. Viewed merely in terms of the direct objects of expenditure—the provision of relief and temporary jobs to the unemployed, benefit payments to farmers, the development of useful public projects, and the restoration of the Nation's financial structure to solvency—the Federal Government's program of increased expenditures has been of inestimable social benefit. But these direct gains, important though they were, were less significant than the secondary effects of deficit spending in producing a marked expansion of general industrial activity and private employment. On the basis of a careful study of Government receipts and disbursements, it has been computed that the net expenditures of the Federal Government tending directly to expand the Nation's income averaged $3,000,000,000 a year from the middle of 1933 to the middle of 1936, as compared with an annual average of only $1,300,000,000 in the preceding 3½ years. By the latter part of 1936 the national income had reached a level equivalent to about $70,000,000,000 per annum as compared with $41,000,000,000 in 1932–33; both the physical output of mines and factories and the average prices received by farmers for their produce had more than doubled; and some 8,000,000, more workers were employed in private jobs than at the depth of the depression.

Reading from page 64:

> From 1932 to 1937, while the Federal debt was increasing by $15,500,000,000, the State and local governments actually reduced their debt slightly, and the net increase in total corporate debt was probably not more than $1,000,000,000. Taking $16,000,000,000 as a rough estimate of the increase in debt from 1932 through 1937, we get an annual average increase of $3,200,000,000.

The increase in the national debt from 1932 to 1937, a period of 5 years, on an average was $3,200,000,000.

> This must be compared with the annual average increase of over $6,000,000,000 in the prosperous decade of the twenties.

Under the previous administration, from 1921 to 1929, the debt increased from $75,000,000,000 to $126,000,000,000—that is public and private debt—an average of $6,000,000,000 a year from 1921 to 1929, whereas during this period which is so complained of by those who are opposed to the administration, the annual increase has been less than half, that is, less than $3,200,000,000.

> Clearly the total debt, corporate and public, has not increased by an excessive amount since 1932, if the experience of former years is taken as a basis of comparison.

Mr. Speaker, the expression "national debt" is found in every newspaper and in every magazine in the United States in every issue, and it is complained about in the face of the fact that we have no national debt. What does Austria mean by a national debt? Austria cannot produce enough to feed and clothe and house and transport its own people. Austria is compelled to get a large part of its food and clothing and housing from outside the country. Therefore, it has to borrow from outside the country and must have a low standard of living in order to have something left of its own manufactured products to pay this outside debt. That is a national debt. It is a national debt when you owe what you owe outside of your country. But when you owe what you owe inside of your country it is not a national debt.

A distinguished United States Senator complained the other day that every national in the United States had a mortgage around his neck of $430. I say to him that not one dollar of that money is owed outside of the confines of the United States and therefore the same individuals who are mortgagors in the amount of $430 apiece are also mortgagees. One obligation absolutely cancels the other. Then talk to me about an increased national debt, when everything we are using this money for is to save food and clothing and housing and transportation and what not which would otherwise be wasted.

What is better, to have a $40,000,000,000 income in 1933 and taxes collected amounting to just a little over $2,000,000,000, or an income in 1937 of $70,000,000,000, an increase of $30,000,000,000, and an increase in taxes to $6,000,000,000? Why, when the national debt was half as much as it is now, in 1932, Government bonds were selling at 83. Now, with a national debt of $39,000,000,000, Government bonds are selling at 102. Why is that? It is because of the tremendously increased national production. For every dollar we put into circulation we have received in actual production of wanted goods and services of over five times as much.

It has been conservatively estimated that if we were able to distribute all the wanted goods and services that we can produce; in other words, if our people had adequate buying power, we could produce in this country $120,000,000,000 worth of consumers' goods and capital goods a year. Let us assume that in order to do this we have to increase the national debt—that is, the so-called national debt, because we do not have any national debt—suppose we have to increase the borrowing in this country and have to borrow $1 to increase the national production and distribute $5. Is that a business proposition or is it not?

Not long ago Collier's Weekly published an editorial attempting to answer this argument, and the answer was this. They said:

> That is true, the debt is owed within the country. It is not the same as a national debt. But these bonds, this borrowing, is all owned by the rich, and therefore, the poor have to pay the rich.

In the first place, you will want to find out who Collier's Weekly is, and one way to find that out is to look at the book called Sixty Families, and you will find in that book a chapter entitled "Press of the Plutocracy," and on page 256 we find this paragraph, speaking of Mr. Thomas Lamont:

> Lamont, however, has been less important as a newspaper owner than as a silent manipulator of the press. For many years he was a director of the Crowell Publishing Co., which publishes the American magazine, the Country Home, Collier's Weekly, and Woman's

Home Companion, all with huge national circulations. Since Lamont's departure the Morgan interest in Crowell has been represented by Director A. H. Lockett—

And so forth. Now, naturally you would expect Collier's Weekly to make that statement, but let us see how true it is, and these are calculations made for me by the Federal Reserve System and the Department of Commerce, and I also got some of the data from Harvard research workers.

Savings depositors and insurance policyholders hold $20,000,000,000. Of baby bonds, there is $1,500,000,000. Of Government trust accounts, Social Security accounts, and so on, $7,000,000,000, aggregating $29,000,000,000 of those bonds either directly or indirectly owned by the common people out of the $39,000,000,000.

Then philanthropic foundations, educational institutions, and people of moderate means own some part of the remaining $10,000,000,000.

It is absolutely impossible to make any mistake about Government expenditures through a process of borrowing as long as you have not exhausted the productive capacity of your country, because you will always get more back in real wealth than the amount of the expenditure. Is it not perfectly evident that if you have 50 bushels of wheat and it is represented by $50, you can put $50 more into the market provided you have 50 more bushels of wheat to match the extra $50, and this is what happens when government borrowing is used to increase the national production.

There is another thing that is being said continuously, and that is that we are placing a burden of debt on posterity, on our children and our grandchildren and our great-grandchildren. This to me, as I said before, as long as we keep the debt within the country, is the most absurd statement that could be made. If our children and grandchildren owe this debt, they also own it. If they owe it, they own it. There is an asset always and absolutely against a liability.

The other day there was a letter written by a lady living in Virginia, and I did not use this letter until I verified the fact that the woman is living, and living in the town where she says she is living and that the letter is absolutely authentic. The letter was written to a distinguished Member of the United States Senate whose views are not like mine at all, and this is what she says:

Why should this generation hand down any debt or burden at all to the next generation? Our children and our grandchildren are in no way concerned, as far as I can see. Every morsel of food that has been eaten by the hungry bellies of this generation was grown before it was eaten. The labor, time, and resources of this generation were used to produce it—why should not this generation's hungry consume it? Why should our children or our grandchildren even be concerned, much less pay for it? Had it not been eaten, what would have happened to it?

One of the natural laws is that nothing remains static, everything is in a constant state of change. The moment any article or thing is made or created it starts to deteriorate. Food grows until it is ripe and at that instant it starts to decay. Instead of weeping bitter tears over the "waste" of feeding hungry people with food that is already in existence, we should weep for the millions of meals that rot and decay for want of human consumption, all because our sacred financial system, consisting of hard, glittering metal and dry nonnourishing paper, will not permit the rotting food to reach the hungry people.

If our children and their grandchildren must pay for this food that has already been grown and eaten before they were born, why should we not say that they must also pay for all that which rots and decays? It is a crazy and a rotten-to-the-core system that says someone must pay for food that is eaten, but that there is no loss if it rots in uselessness. In both cases it has already been produced and is in existence; it must be consumed in some manner, either by nature or by human beings. The same argument holds true for clothing or anything else that this generation has consumed or used. It is self-evident that anything we have used or consumed was produced by us before we could use or consume it. Where, then, is the logic or justice of saying that children yet unborn are concerned, or that they must pay?

This lady says in conclusion:

If some of my reasoning seems radical, I did not get it from Karl Marx; it was drilled into me from an early age and from the teachings of Jesus Christ. I hope He is not considered a Communist or dangerous radical in this materialistic age.

Mr. Speaker, it seems true that we all prefer the inductive process of reasoning to the deductive. We prefer the facts of experience rather than the argument of logic. In the following statement, which is to all practical purposes accurate, the national debt of the United States is contrasted with the national debt of Great Britain. This is an article written by Ernest K. Lindley and it appeared in the Washington Post of March 10, 1939, extracts from which I shall quote:

The present Federal debt is somewhat less than $40,000,000,000. This is a little more than $300 for every person in the United States.

A debt is large or small, of course, only in relation to the income or earning capacity of the debtor. The total income produced by the Nation last year was about $62,000,000,000. This year it may run up to $68,000,000,000 or $70,000,000,000. So our total Federal debt is, roughly, between 57 and 63 percent of our national income.

Across the Atlantic is another nation with an economic system similar to ours, a nation long experienced in public and private finance and one which has not suffered from inflation, Great Britain.

The United Kingdom has a national debt of $35,000,000,000, excluding the war debt owed to us and debts which it owes to other governments. Last year the United Kingdom had a total national income of about $25,000,000,000. So its national debt was about 140 percent of its national income.

If our national debt were as large in relation to our income as the United Kingdom's debt is in relation to its income, it would be between $89,000,000,000 and $98,000,000,000, instead of $40,000,000,000.

Our States and localities have total debts of about $19,000,000,000. You can add this to our Federal debt to obtain a total of almost $59,000,000,000 of debts for our Federal, State, and local governments.

Localities in the United Kingdom have a total debt of about $9,000,000,000, according to the latest figures available, making a total public debt, national and local, of about $44,000,000,000. This is 176 percent of the national income of the United Kingdom. If the combined debts of our Federal, State, and local governments were 176 percent of our national income, they would total between $109,000,000,000 and $123,000,000,000 instead of $59,000,000,000.

The interest charges on the national debt of the United Kingdom amount to 4 percent of the national income.

The interest charges on our national debt amount to about 1½ percent of our national income.

Moreover, the British economic plant was operating almost at capacity last year, while ours is working at only two-thirds capacity, or a little better. On a national income of $80,000,000,000 we would need a total public debt—Federal State, and local—of $140,000,000,000 to match the British.

The experience of the British should be a conclusive answer to those who fear that our public debt is nearing the danger point.

Mr. Speaker, of course, I am not at all confident that these remarks will change anyone's opinion, but they are made by me at one of the most serious periods of my life. They are made by me at a time when I am closing a career. They are made by me at a time when I believe I am fully aware of the mental uneasiness of the people of this country, and I never was more sincere in my life than I have been today in expressing the opinions that I have expressed. No country is in any danger of having its credit blasted or in any danger of an inflationary condition as long as its production is not up to its capacity. As long as we are able to produce more than we can produce now of wanted goods and services, we cannot have any inflation. If we put more money into circulation and still more money in circulation until our production reaches 100-percent capacity, and then through some foolish, inconceivable process we should continue to put more money into the market, we would then have true inflation. We cannot have it by any other process except that one which I have indicated.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield for, I hope, a pleasant remark?

Mr. GOLDSBOROUGH. Certainly.

Mr. GIFFORD. Mr. Speaker, coming from the minority on this committee, we are about to lose a most delightful personality, and the only real satisfaction in New England to which the gentleman made reference is that the New England viewpoint will lose one of its strongest opponents, and therefore we shall expect to prevail very much more hereafter.

Mr. GOLDSBOROUGH. Mr. Speaker, I thank the gentleman very much. That remark is characteristic of the kindly disposition of my colleague from Massachusetts, who has always been most kind and considerate and thoughtful of me in spite of the fact that we have never been able to agree.

Mr. COLE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. COLE of Maryland. The Eastern Shore of Maryland comprises the First Congressional District of our State. Rich in tradition, wholesome and big in hospitality, when the people of that section of Maryland call into public service one of her distinguished sons, it is evidence of the respect and esteem with which such public servant is held by her people. Such is especially true of the distinguished gentleman now occupying the Well of the House and who has been a Member of Congress for nearly 18 years. Certainly no man has received greater honor at the hands of the famous Eastern Shore section of our State than has Congressman GOLDSBOROUGH.

As he leaves to take his place in the judiciary branch of our Government I step into his shoes as dean of our State delegation. I do this after nearly 12 years of service and association with him. Not only on the Hill, so to speak, but socially as well, have I become a close friend of Congressman GOLDSBOROUGH, and along with his many associates in the House I am going to miss him very, very much.

Few men in Congress have displayed more devotion to the many and complex problems before the Congress, few men are looked upon as harder or more indefatigable workers than Congressman GOLDSBOROUGH. He has been a deep student, especially along the lines he has discussed today so intelligently as his farewell address. I arise, Mr. Speaker, for the purpose of injecting at this point a word as evidence of my own personal regret at Congressman GOLDSBOROUGH's leaving us, and at the same time express the hope that his service as a distinguished jurist will be met with the same measure of esteem and regard with which his service in this body has always been regarded during the long tenure which is coming to a close today.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the time of the gentleman from Maryland be extended 10 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. STEAGALL. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. STEAGALL. Mr. Speaker, it has been my pleasure to serve for 18 years with the gentleman from Maryland [Mr. GOLDSBOROUGH] as a Member of this House and as a member of the Committee on Banking and Currency. Certainly I have had ample opportunity to know him. I have benefited greatly in my attempted service on that committee by his great learning, his splendid legal attainments, and his unfailing loyalty. I rejoice in the new honor that has been bestowed upon him by his appointment to the bench. I do not regard it as a promotion for him. I believe that his change in public service represents a loss to the country. I believe that his opportunities are greater in this body, as a representative of the people, which expresses as does no other assemblage on earth those ideals of human liberty that have blessed this Republic for 150 years. But he will add luster to the great judiciary of this Nation. His record there, I have no doubt, will be marked as has his service as a Member of this House, by great ability, deep devotion to duty, and by unflinching loyalty to all the best traditions of our national life. Not the least among the great qualities he possesses is that of superb courage, which has had much to do with attaining the enviable place which he holds in the esteem and confidence of his associates.

His departure is a loss to this body, a great loss to the committee on which he has served with such distinction, and to whose work he has made able and lasting contribution.

Alan, we love you. Your departure, to many of us—and I speak for both sides of the aisle in this House—will be regarded as a personal loss. We bid you Godspeed and wish you the full measure of happiness and success that you so richly deserve. [Applause.]

Mr. GOLDSBOROUGH. Mr. Speaker, I do not know how to thank my colleagues for what they have said. I am not going to endeavor to do that. I am not going to say anything personal, except that I have received nothing since I have been in the American Congress but kindness and consideration from my colleagues. As Mr. COLE has said, I have been dean of the Maryland delegation for several years and have always received the most loyal and full cooperation, and I thank my colleague from Maryland especially for what he has said; also the distinguished chairman of the Committee on Banking and Currency, Mr. STEAGALL.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. MARTIN of Colorado. Before the gentleman passes on, will he permit a very brief interjection?

Mr. GOLDSBOROUGH. I yield to the gentleman.

Mr. MARTIN of Colorado. The gentleman has mentioned as one of the principal contributions of his long and distinguished congressional career, in collaboration with the gentleman from Alabama [Mr. STEAGALL], the Federal insurance of bank deposits. In that connection I want to call attention to the fact, established by the CONGRESSIONAL RECORD, that after that measure had passed the House of Representatives and the Senate and was in conference it was detained so long that a report became current in Congress that the bill would die there. As a result of that report, 100 Members signed a pledge to vote against adjournment of Congress until the conference report was brought in and the legislation was passed. How authentic that report was thought to be is attested by the fact that among the signers of the petition are to be found the names of the gentleman from Alabama, Mr. HENRY B. STEAGALL, and the gentleman from Maryland, Mr. T. ALAN GOLDSBOROUGH, who were House conferees. That pledge reads as follows:

> We, the undersigned Members of Congress, hereby pledge and obligate ourselves to vote against any motion to adjourn this special session of the Seventy-third Congress until the bank guaranty deposits bill is brought out from conference and placed upon its passage by the Congress, or until we have bank guaranty legislation.

That pledge was placed in the CONGRESSIONAL RECORD by the gentleman from Mississippi [Mr. RANKIN] and is to be found in the RECORD of June 12, 1933, on page 5826, and it got action. I am proud to have been one of the 100 signers.

Mr. GOLDSBOROUGH. I thank the gentleman very much for his contribution.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. WOLCOTT. Mr. Speaker, sincerely I believe that Republicans and Democrats alike feel this is a sad day. I know the minority members of the Committee on Banking and Currency are sad today in the knowledge that their mentor on money matters is leaving this Congress. We rejoice, of course, that he is being promoted into a field of endeavor for which he is eminently qualified by temperament and education. We know that he will be respected in this new field as he has been respected in the Congress during the 18 years of his service here.

There has been a great deal said about money during the comparatively short time I have been in Congress. We have probably had two or three hundred bills introduced on the question of money. Money is considered by some people to be the source of all our happiness as well as the reason for all of our misery. The gentleman from Maryland [Mr. GOLDSBOROUGH] has given more honest, conscientious, serious, and intelligent study to the question of money and the relationship between money and prices than any other Member of this Congress. We have respect for his judgment in this and all other respects.

I want to say to the gentleman from Maryland and to this House today that we all regret that this Congress is to be denied this judgment and this intelligence which he has brought not only to the committee but to this House.

My personal experience with him dates back only to 1933, but it was my pleasure at that time to sit on a subcommittee of the Committee on Banking and Currency and to listen to hearings on a bill which the gentleman from Maryland introduced to establish a Federal monetary authority for the purpose of stabilizing prices. The subject appealed to me. I literally went to school to the gentleman from Maryland. Since then I have been a little impatient with several

of the schemes for manipulating our currency and stabilizing our prices, because although I was somewhat criticized in certain sources for the attitude which I took, I saw that the bill of the gentleman from Maryland had much merit and that possibly we were on the right road to effect stabilization. I wish we might have continued that study. Had we done so, I think we would have found the answer to the instability in the commodity price index before now.

Let me say again that we on the minority side of the Committee on Banking and Currency deeply regret that ALAN GOLDSBOROUGH has seen fit to resign from the Congress of the United States, but we wish him every success and we know he will be successful; and, Alan, we know that to your career you are bringing intelligence, we know that you are bringing sincerity, and conscienciousness. You have exhibited on this floor today that you are a man of principle and integrity. It would have been an easy thing for you to have eased out of this Congress without saying anything about the program for which you have fought so valiantly if you had not been sincere.

The Nation and your district, Alan, are to be congratulated that a man of your type, character, and intelligence is to be elevated to this high position to which you go. We wish you Godspeed and will miss you. [Applause.]

Mr. CROSSER. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. CROSSER. Mr. Speaker, not for the purpose of indulging in any lengthy encomium—for the gentleman needs none such from me—but my purpose in interrupting is to say that since 1923 until now I have been in almost daily contact with the gentleman from Maryland. During all the time while Congress has been in session since 1923 until today I have been in touch with him. It also happened that during several years, beginning with 1923, we roomed at the same hotel and so had an opportunity during the evenings to discuss at length subjects of mutual interest. We discussed economics, metaphysics, sociology, and all of the other subjects that would engage the minds of those interested in matters of a serious nature.

I could not let the opportunity pass without mentioning the fact that Mr. GOLDSBOROUGH discussed such subjects with an open mind. I do not overly enthuse about those who are constantly concerned about being conventional in their thought and actions. What I liked about my friend was that he did not hesitate to take what might seem to be at the moment an unpopular or unfashionable stand. He approached abstruse questions which we discussed at great length at time with an unbiased mind and that, in my opinion, is absolutely necessary in the search for truth. It was Ptolemy who said, "He that is to follow philosophy must be a free man in mind." ALAN GOLDSBOROUGH, I desire to say what I regard as a great compliment to you, when I assure you that you complied with the requirements which Ptolemy said were necessary to follow philosophy; you were a free man in mind.

I very much regret to see you leaving this body. I believe that here is where you could render the greatest service, all things considered. But you have made the choice and I have no hesitation in saying that you will perform the duties of your new office as well as you have performed your duties here.

I wish you a fond farewell, my friend. [Applause.]

Mr. GOLDSBOROUGH. Mr. Speaker, I thank most sincerely my distinguished friend from Michigan and my distinguished friend from Ohio.

Mr. RAYBURN. Mr. Speaker, before the gentleman yields the floor, will he yield to me?

Mr. GOLDSBOROUGH. I yield, Mr. Speaker.

Mr. RAYBURN. Mr. Speaker, I feel a deep personal loss in the retirement of my long-time and my dear friend ALAN GOLDSBOROUGH from the House of Representatives. Above and beyond all that, however, I feel that the House of Representatives is losing a Member of a high degree of intelligence, of a supreme passion for service to his day and to his generation. He has in him the elements so mixed that he is an ideal legislator. Whatever the future may hold for him in distinction, I think his career on the bench will hardly equal—it certainly will not excel—the fine record he has made as a statesman and as a legislator.

Let me say to you, Alan, that wherever you go—I hope not far away—be assured that you will have my affectionate regard and my friendship. [Applause.]

The SPEAKER. The time of the gentleman from Maryland has expired.

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GOLDSBOROUGH. Mr. Speaker, I take this minute in order that I may thank especially the distinguished Democratic floor leader not only for his complimentary remarks about me today but for the friendship and consideration he has always shown me. [Applause, the Members rising.]

TAXATION OF COMPENSATION OF PUBLIC OFFICERS AND EMPLOYEES

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees on the part of the House: Messrs. DOUGHTON, CULLEN, MCCORMACK, COOPER, TREADWAY, CROWTHER, and KNUTSON.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his own remarks in the RECORD.

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

Mr. RAYBURN (when the Committee on Coinage, Weights, and Measures was called). Mr. Speaker, I ask unanimous consent that further proceedings under the call be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

There was no objection.

EXTENSION OF REMARKS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to insert a brief editorial from the Montreal Daily Herald.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. SPENCE asked and was given permission to extend his own remarks in the RECORD.

Mr. MAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein the proclamation of the President of the United States with reference to Army Day.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

There was no objection.

The SPEAKER. Under an order heretofore entered, the gentleman from New York [Mr. DICKSTEIN] is recognized for 20 minutes.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to proceed for an additional 5 minutes to the 20 minutes already given me.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. DICKSTEIN]?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, it is absolutely essential, in view of the present conditions prevailing in the world, that the deficiency appropriation for the Bureau of Investigation should not be eliminated—or be restored, as the case may be.

Under the able guidance of J. Edgar Hoover the Bureau of Investigation of the Department of Justice has been doing yeoman work of a type in character rarely duplicated throughout the world. Scotland Yard, in Europe, has not produced as able a set of investigators as our own Federal Bureau of Investigation has.

A comparatively small number of men are engaged in activity which is not only not duplicated anywhere else but evoking the admiration of the whole world. At the present time there is a great deal of espionage going on by foreign governments seeking to penetrate into our military secrets and making a thorough study of our means of national defense, in order to cripple our own efforts in the event of a world war.

I do not wish to appear as an alarmist, nor do I wish to single out any particular nation as being the culprit in these matters, but it seems that all of Europe is employing paid spies to ferret out secrets of our national defense. The work of the F. B. I. in connection with this investigation cannot be checked, and it would be a tremendous calamity if, due to a niggardly policy of refusing proper appropriations, the F. B. I. should be unable to save this country from foreign spies.

I hereby beseech this House not to stint the Department at the present time, and I should like to call your attention to the fact that when some years ago the Department of Justice obtained an appropriation for the F. B. I. in excess of its needs it turned back to the Government $200,000, something no other department has been able to accomplish in a good many years.

After all, at the beginning of a fiscal year we cannot possibly know how much money there will be required by the Department of Justice because of a situation over which it has no control, and we all know that the unsettled conditions in Europe have placed upon the F. B. I. a burden which it could not possibly foresee when the appropriation bill was before the House a year ago.

Mr. Speaker, not only has the Department of Justice been in charge of this particular work but the Congress has also loaded onto that agency quite a number of statutes and laws to be enforced. Not only does the Department of Justice deal with espionage, bankruptcies, interstate, and other provisions of the laws that we have imposed upon it, but the Department of Justice also has to do with aliens, whether they are here illegally through smuggling operations or for other reasons.

The majority of the Members of the Congress know very little about this subject. It is difficult to understand. The best illustration I can give you of this fact is that yesterday when bills on the Private Calendar were being called, a group of objectors, without knowing the merit or demerit of any of the bills reported by the Committee on Immigration, made objections to all these bills. I do not think there is an objector, with possibly one or two exceptions, who could tell the House on what basis he made the objection.

Mr. Speaker, this is not the way to legislate. It is not the way to treat a committee that toils and works hard listening to the evidence of witnesses and finally brings a bill onto this floor for consideration.

The reason is we do not know what the policy of this Congress or any other Congress may be so far as immigration is concerned. Some people write about immigrants who have never seen an immigrant. Some people talk about immigrants who have never had the opportunity of associating with them. Some people talk about immigration when they should take the trouble and opportunity to study the problem as I and others have for many years.

I want this country to be as safe as it can be from espionage activities, whether it be by aliens or citizens. I do not want people in this country who do not belong here. I would like to see all persons who should be removed from this country deported. However, when the Committee on Immigration, which consists of 21 members, has given a question very careful study and consideration and has brought a matter onto the floor of this House, it should receive proper treatment. You will see Member after Member coming from sections that never saw an immigrant object just because it is an immigrant. I say that system is wrong and should be corrected.

The Committee on Immigration and Naturalization has tried to correct this matter. How? After 2 or 3 years of study the Committee on Immigration and Naturalization unanimously reported a resolution which would authorize it to conduct an investigation of all our immigration laws, which are complicated, and of all our deportation laws, which are complicated, and the other questions involved in our code. As I stated, the report from that committee was unanimous. We feel that we ought to have the opportunity of studying this matter and bringing back to the Congress a policy which will forever stop the smuggling of aliens into the United States. We feel we should be able to present a law which you and I will understand. We cannot possibly understand the law as the code stands today.

We appeared before the Rules Committee in connection with House Resolution 115, introduced by my colleague the gentleman from Indiana [Mr. SCHULTE], the ranking member of the Committee on Immigration and Naturalization. After presenting our views to the Rules Committee it unanimously reported a resolution which would authorize the Committee on Immigration to make a study of all these problems not only with reference to the code but with reference to the smuggling of aliens through the back door.

You have closed the front door, and in some instances you have refused to unite a father and a mother or a sister and a brother. In some instances you have practically barred immigration into this country of white people. However, the back door is wide open. Thousands of undesirable aliens are coming in through the back door from Mexico and Canada. The committee is trying to correct this situation.

The Committee on Rules gave us a rule. What happened? After manipulations lasting about a week or 10 days—and I do not know who the manipulators are—the resolution was brought back to the Committee on Rules and objection was made by my distinguished friend the gentleman from Texas [Mr. DIES] that the language in a certain portion of the resolution might result in activities overlapping the work of his committee investigating un-American activities. In order to convince the Committee on Rules and the Congress that it was not the purpose of the Committee on Immigration to interfere with any of the problems concerned in investigating un-American activities the Committee on Immigration agreed to withdraw the entire resolution, eliminate the objectionable features, and deal solely with the questions that relate to the problems of immigration and naturalization, deportation, and expatriation. We had a hearing on that resolution, which I believe is House Resolution 144. After convincing everybody in the room, as we thought, that it is most essential that the committee have the power to subpena and the power to go into all these questions and problems, one man was able to hold back the report of the Committee on Rules. He wants to study three lines. He wants to know why we should recodify the naturalization and deportation laws.

It is impossible today for any lawyer to understand the naturalization and deportation law, not to speak of the difficulty it presents to ordinary people. This law has not been changed, but has been added to, and nothing has been repealed. Since 1907 one section after another has been added to the law, and by the time you get through reading the law you do not know where you are. This gentleman did not see why we should go into the question of a recodification of the law. I believe that is within the province and power of the committee. I do not care how hard it is to do, but something must be done. We ought to have a definite policy. You and I and everyone should know who is deportable and who is not deportable. Everyone should know who is entitled to naturalization and who is not. It is impossible today to know these things.

There has been a sort of a fight between the smugglers, and one has written to the committee. Everyone is giving

us some kind of information as to how smuggling is going on. They are willing to testify before the committee if they can get some sort of immunity and tell us who the smugglers are and how they operate.

To bring out my point, I call your attention to an article in the New York Daily Mirror relating that one Satirios Syrkos, a Greek, 58 years of age, from Montreal, has been convicted of smuggling in three persons. He is only part of a ring of over 100 operating on both the Mexican and Canadian borders. When being interviewed by Federal officials, he boasted to the Federal agents that he had smuggled 25,000 Chinese, Greeks, and other aliens across the border into New York and Vermont. The Department of Labor officials who worked the case up considered that an exaggeration, but do believe he has smuggled at least a couple hundred aliens across that border. He charged $250 a person, and his average earnings were $500 a day. The Department of Labor, through some very clever work, secured a conviction in this case and succeeded in having him sent to prison for 7 years. This is only one. No one knows how many others there are like him.

This goes to illustrate that unless you get a squeal in these cases you cannot possibly find out who the culprits are. If the Committee on Immigration can obtain this resolution from the Committee on Rules without any further pussyfooting or without hemming and hawing as to who is going to conduct the investigation, we can get to the root of this smuggling racket that is going on and has been going on for years. In fact, they have a scale of prices which starts at $250 and goes up to $1,500. A Chinese girl brings a top price of $1,500, while a Chinese man is charged just $1,000. There is an international group that has been operating on these two borders, and the Department, with all its force—and I am not criticizing the Department of Labor, which is doing all in its power to prevent these occurrences—is unable to stop the smuggling. How can you prevent smuggling when we have a border 9,000 miles long, counting both the Canadian and Mexican borders? We have 850 enforcing officers known as the border patrol. Of this force there are 68 maintenance employees, leaving about 775 actually doing patrol work. When you bear in mind that the borders are open 24 hours a day, you will see it requires 3 shifts; we must divide that 775 three ways, leaving about 290 shifts, if the men could work 24 hours a day, 365 days a year. However, you must remember that they only work on a basis of 5½ days a week and must have necessary time off for vacations and sick leave. When you have what is left, you must divide that in two, because the nature of the work is so dangerous that the men have to patrol the borders in teams of two. You might be interested in knowing that since the border patrol was created in 1924, 23 officers have been killed in battles with smugglers of aliens. This shows that there is no limit to which smugglers will go to attain their end. It is difficult to prevent smuggling entirely with such a force.

The Committee on Immigration and Naturalization should be given the right to study this problem and should have the right to see what can be done to close our borders. If necessary, I would create a real organization of veterans of the World War and put more men on the border to stop the smuggling of aliens. Two years ago hundreds of Chinamen were brought from Mexico into the United States, and a lot of money was required to send these Chinamen back. This group of men has fixed a price of $1,000 for smuggling in one Chinaman, so it is difficult to enforce the law. We have our front door closed, but the back door is open.

If my information is correct, some persons do not like the idea of our making an investigation. Why? Because they represent certain interests who bring in cheap peon labor from Mexico to the United States during the harvesting of certain seasonal crops. When these laborers are ready to leave they lose themselves within the United States, and it is humanly impossible to get them out of the country.

What objection does anyone see to this committee's having the right to go into these questions? What are we doing about it? What does the average Member of the House know about these matters unless he actually deals with them every day in the committee room? It seems to me there is no room for argument. If we can do the job, the results would be priceless. One Member asked me how much it would cost, and I said, "I do not know; something like $20,000, $30,000, or $50,000." He said, "Well, that is a lot of money." It is not a lot of money, Mr. Speaker. It is worth all kinds of money if we can clean house and expose all these criminals who make it a practice to smuggle aliens into this country for a price.

I have right in my files now information which gives me the names of at least two dozen persons who have been engaging in this smuggling, not only by land and water but also by plane, and I will give you another illustration of how far they go. About 4 years ago a little boat had about 100 persons on board, and there was a revenue cutter going in the opposite direction from where the boat with the group of smugglers was going. Do you know what happened? The captain of that little fishing boat thought that was his cue to clean the ship, and he put a number of men in a burlap bag, tied them up, and told them, "Wait until this little Government boat gets away and we will open the bag and let you out." They threw dozens of men in the water or in the ocean to the sharks. This is how far they go in this smuggling racket.

Let me tell you something more. They are bringing in quite a number of colored people from some place through the keys of Florida. We could secure this information if we only had the power of subpena to force these people to testify.

Then there are the trans-Atlantic boats that bring in sailors and seamen. Do you know how the members of the espionage and spy systems come in? They do not get any visa to come to the United States. They do not get any passport to come into the United States. All of your spy system is established as a result of boats bringing in more sailors than they need to man the ship; in other words, they add on almost 100, and when they get in, under the La Follette Seaman Act, I understand they have a right to remain for 60 days in the United States. Then they lose themselves and afterward they do their dirty work.

We ought to go into all of these things and I do not know of any man in this House or in this country who can deny the right to the committee to go into these problems. Oh, I have heard certain things said, perhaps, unkindly toward the committee, but that is not going to meet the problem of the smuggling of aliens or going into the question in the interest of the American people.

Do you know, Mr. Speaker, that under our immigration laws there is hardly anyone coming in? With a quota of 153,000, this fiscal year will only have 41,000 or 42,000 more persons coming here for permanent residence than have emigrated from the United States, and these people must qualify physically, mentally, and financially that they will not become a public charge, but by the same token there are thousands of men being brought across both borders at a price of $250, who are undesirable aliens and who are a menace to any democracy.

I appeal to the chairman and the members of the Rules Committee, in the name of our own country to let me have this resolution. Do not have me come back here next week or the week afterward and say, "I told you so."

I have referred to many things on the floor of this House. I recall 4 or 5 years ago I stood here and pleaded and begged and told you about the system of espionage of foreign countries seeking to undermine our Government, and you paid no attention until 3 or 4 years afterward, when you saw the living exhibits and everybody wakened up and everybody was hollering about it, and we created the Dies committee, and I hope they do a good job, because they have a big job before them.

Mr. MAPES. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. MAPES. We all realize that the gentleman is an authority on immigration matters. This question is sometimes

asked: In view of the situation which the gentleman has called attention to, particularly with respect to the smuggling of aliens and the bringing in the country of an excess number on the crews of ships, why is it that the Department of Labor cannot take care of that situation without further investigation on the part of the Committee on Immigration and Naturalization of the House?

[Here the gavel fell.]

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER pro tempore (Mr. MAHON). Under the previous order of the House, the gentleman from Pennsylvania [Mr. FADDIS] is entitled to recognition for 20 minutes. Is the request agreeable to the gentleman from Pennsylvania?

Mr. FADDIS. Yes, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I say to the gentleman that the committee in making this study has not consulted the Department of Labor. We have made our own study and survey as best we knew how. Racketeers and smugglers will not advise the Labor Department that they are smuggling. We have information, and if we had the power of subpena, we could produce 100 or more persons who will give us information about how this smuggling racket is going on. We want to go into the whole subject, and, if we can, close up that 9,000 miles of border so that we are safe from enemy aliens, spies, or whatever you want to call them. We do not know. We have the information. If we had the right to subpena and bring the persons here under oath to tell us about the enemies, about how it is done, and who is behind it all, then we can bring in laws that will make it a felony, punishable, if necessary, by death, because this matter has gone too far.

On the next point, the gentleman asks about seamen. Here is a boat that comes in from Europe with 900 sailors. I am advised by experts it needs only about 700 or 750. We have to devise some system to stop that. We want to study the matter at first hand, so we will know exactly what laws to put on the statute books to make the steamship companies do what the law requires them to do. At present there is no such law.

Mr. MAPES. My understanding was, until the hearings before the Committee on Rules, that the penalty imposed on steamship companies for doing that sort of thing was so great that there was not much of it being done.

Mr. DICKSTEIN. The penalties the gentleman refers to are where they bring in an alien who is not qualified to enter the United States, and then they are fined $1,000 and the steamship passage back to his native country.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. MAPES. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 2 minutes more.

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. FADDIS] has a special order. Does he consent to this?

Mr. FADDIS. If it does not come out of my time, I am willing to have the gentleman get more time to answer the question of the gentleman from Michigan.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MAPES. Mr. Speaker, does the gentleman think that the smuggling to which he refers could be prevented if the Congress appropriated more money for the Labor Department to take care of that situation?

Mr. DICKSTEIN. I do not think so.

Mr. MAPES. Why not?

Mr. DICKSTEIN. Because the present laws are defective. Something is wrong with the law and we want to find out what is wrong with the law. We want to get first-hand information.

Mr. MAPES. The present law prohibits immigration, except under certain conditions, and it prohibits smuggling. If the Department of Labor has the disposition and the necessary men to see to it that the law is complied with, why would not that take care of the situation?

Mr. DICKSTEIN. I am afraid that the gentleman did not get my point in the beginning of my discussion. I then said that there is a group of international smugglers operating between Mexico, the United States, and Canada.

Mr. COX. Is not this whole thing simply an anodyne the gentleman's committee is trying to set up for the inactivity of his committee and of the Labor Department?

Mr. DICKSTEIN. Oh, I beg the gentleman's pardon.

Mr. COX. If the law is defective, then the gentleman knows it, and if he knows it, why does he not propose an amendment?

Mr. DICKSTEIN. We do not know it, and that is what we want to know.

Mr. COX. I thought the gentleman was stating to the gentleman from Michigan that the law was bad.

Mr. DICKSTEIN. I told the gentleman from Michigan that the present law is bad, but we can put teeth into the law.

Mr. COX. Why not put teeth into it then?

Mr. DICKSTEIN. We do not know the facts. We want the facts first-hand from persons who do this thing.

Mr. COX. The gentleman has been before the House relating what he says are facts, stating the manner of the admission of these aliens, contrary to law, and he criticizes the Committee on Rules——

Mr. DICKSTEIN. I do not criticize it.

Mr. COX. For not reporting a rule making in order the consideration of the gentleman's resolution to authorize him to conduct an investigation covering some indefinite period of time in order that he may ascertain information that will enable him to determine, first, whether the law is defective, and then, if defective, in what manner he can correct it.

Mr. DICKSTEIN. If we had the power to subpena, we could subpena over 100 or more persons who will divulge a certain international smuggling ring in this country. We will then turn that over to the Department of Justice for prosecution, and we will then study the whole problem, and the committee should have the right to do it.

The SPEAKER. The time of the gentleman from New York has again expired.

LEAVE TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that at the conclusion of the special orders today I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none, and it is so ordered.

RESIGNATION FROM THE HOUSE

The SPEAKER. The Chair lays before the House the following resignation:

APRIL 5, 1939.

Hon. WILLIAM B. BANKHEAD,
Speaker of the House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: I hereby submit my resignation as a Member of the House of Representatives from the First Congressional District of Maryland.

With my kindest regards, I am,

Very sincerely yours,

T. ALAN GOLDSBOROUGH.

The SPEAKER. Under previous order of the House the gentleman from Pennsylvania [Mr. FADDIS] is recognized for 25 minutes.

WHO SHALL DECLARE WAR?

Mr. FADDIS. Mr. Speaker, once more we have before us the proposal to provide for a referendum to the people before this Nation can engage in a foreign war. True enough, the question has been amended so as to satisfy the demands of the time-honored Monroe Doctrine. This, of course, is only to win more support for the proposal, for after all a war is a war no matter on what continent it is fought or over what matter. There is sure to be the same expense involved, the same casualty list, and the same disastrous aftermath—the period of deflation and readjustment. A man killed in the

defense of American trade in Brazil or of democratic principles, which exist only in name, in Argentina, is just as dead as though he were killed in defense of trade in China or democracy in France. Why, then, this bit of subtle demagoguery in exempting wars in the Western Hemisphere?

Mr. Speaker, too often the wish is father to the thought and this is, I believe, true in respect to this honest, well intended but misguided attempt to keep this Nation out of war. To all intents and purposes this is the same proposition which was defeated by the House a year ago. If the original proposal was undesirable what, I ask, is there in this modified proposal to recommend it? The gist of the argument in favor of the proposal, is that the people of this Nation are more competent to say whether or not the Nation should go to war, than is the Congress, which is composed of the direct representatives of the people. In this matter these theorists would have us entrust our national security to a system of government almost identical to that used by the aborigines of America, and where are they today? Gone with the wind—and their most famous statute, The End of the Trail.

The most essential power of government is the power to wage war and to have supreme control over the entire conduct of the war. That power is the basic power upon which are builded other powers necessary to the building and maintenance of a nation. Without this power none of the other powers of the Government could be exercised. Without this power the government of any nation would be emasculated and that nation would stand as a eunuch among nations. This power is even more necessary to government than the power to tax and not nearly so liable to abuse.

When a people desire to form a nation the power to make war is the first power they seize. There is not a nation of any importance on the face of the globe which was not born of warfare and not one which could stand if robbed of this power.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. WHITE of Idaho. Does the gentleman remember reading the history of Sweden and Norway, when there was a dispute as to the right of Norway to secede from Sweden, and the people of both countries decided that instead of being involved in war and killing each other off, they would just strike and stop and let the leaders settle it, and the country was spared the devastation of war? Does the gentleman recall that?

Mr. FADDIS. Of course I do.

Mr. WHITE of Idaho. Does not the gentleman think it was the smartest thing ever done in history?

Mr. FADDIS. I certainly believe it was. I believe wherever it is practicable it is a fitting and just substitute for war, but nevertheless for every incident of that kind in history there are literally thousands of incidents where it was impossible to settle differences in any manner except by warfare.

Mr. WHITE of Idaho. The gentleman speaks of the right of the Government to declare war. The Ludlow referendum on war does not take away from the people the right to wage war, but gives the people themselves the right to express their wishes about it, rather than a few selected representatives.

Mr. FADDIS. Yes. Later on in my remarks I will reach that point and answer the gentleman.

Let us compare the fortunes of two very similar peoples—the American Indians of western United States, during the nineteenth century, and the Mongols of Asia, during the thirteenth century. Both were nomadic tribes of horsemen of about the same degree of civilization and probably of the same ethnological derivation. Both were warlike people and developed a very high type of light cavalry. Both were addicted to intertribal warfare. The American Indian decided whether or not he would engage in war by a referendum to the people which was influenced by demagoguery, the incantations of medicine men, and the prophecies of diviners. As a consequence, some of them went to war to fight against the whites, some of them to fight with the whites, and some of them went hunting and fishing. The war was continually carried into their country, and they were always on the defensive. Their own method of handling the question of declaring war divided them at the outset, and they were then easily defeated in detail. When it came to attacking fortified centers, they were helpless, because they had no strong leadership to hold them to prolonged effort. They were tribal or individualist fighters and never had a planned campaign, or reserves of material resources or manpower. They never attained a national status, for the reason that they had no central head to say whether there should be peace or war. They frittered away their resources in sporadic raids and won very few battles and no wars.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. WHITE of Idaho. The gentleman does not contend that there is any comparison between aboriginal tribes, with inferior armament, and the superior arms and superior organization of the white race, does he?

Mr. FADDIS. I contend that human nature is the same today as it was in the time of Genesis, and that the mechanical advancement or improvement in arms has made absolutely no difference in human nature in the human race.

The Mongols or Tarters were different. Although they were divided into tribes, they had a central government which had authority to raise, organize, and command a common army and to make war or peace. This central government at first had little or no power other than the military power. Upon this power was builded the Mongol Empire of Genghis Khan and Tamarlane; and the other powers of government necessary for the transition of a barbarous people to a civilized people followed as a matter of course. These men were unlettered but, nevertheless, military geniuses, because they had the power to exercise the primary protective instincts of mankind unhampered by any restrictions. They formed a vast empire, progressive for its time.

First, they always carried the war into the country of the enemy as swiftly and unexpectedly as possible. This saved their own country from the ravages of war. Second, they took the offensive at the beginning, and kept it, because they knew that an attacking enemy is always much more terrifying than an enemy attacked. Third, during even those early days their supreme command gave them the necessary power to reduce fortified cities, which they reduced as they came to them and carried the spoil home to enrich their own nation. Fourth, they possessed the police power to levy and collect taxes and to administer and enforce a code of laws.

Many of the founders of this Republic came from sections where the town meeting was in vogue, most of them were acquainted with the history of former pure democracies, yet they gave to us a representative form of government. They believed that this was the form of government best calculated to preserve the liberties of the people and the security of the Nation. Our experiences during the past 150 years have proven the wisdom of their judgment. When we examine the records of the Constitutional Convention in respect to the power to declare war, we find a remarkably harmonious chapter. The question regarding where this power should reside provoked almost no discussion, as opinion was almost unanimous that it should reside in Congress. Practically all of these men had actively participated in the Revolutionary War and were only too well aware of the difficulties of waging war without a supreme head empowered to act swiftly at all times.

Now, I am perfectly aware of the argument advanced by the proponents of this measure that times have changed and modern means of communication have made it possible to dispense information much more rapidly than was possible 150 years ago. That is very true, but this argument is builded upon the supposition that misinformation will not be dispensed as well. After all, the question is not one of communication. It is one of the exercise of unbiased judgment, based upon the consideration of concrete facts an-

alyzed in a dispassionate manner. A decision to go to war or not to go to war must be arrived at only after viewing the present and future interest of the Nation as a whole, and not from the viewpoint of any class, color, or creed. It is a solemn, awesome responsibility, the most momentous decision a statesman can make, and one only to be arrived at by the most careful and prayerful consideration of all facts, foreign and domestic.

This is, to say the least, an experiment; and one which if given a trial might very easily result in national disaster in more ways than one. The loyalists of Spain tried operating by a method of remote popular control. They had two wars going on at the same time—one with the forces of Franco and one within their own ranks. While they had a chance to win against Franco they were too busy fighting among themselves to take advantage of the situation. When Franco had them decisively defeated for a year they were so occupied fighting over who should be allowed to make peace that they could not end the war.

The proponents of this referendum plan maintain that there would be very little delay occasioned by submitting this question to the people. They claim, with our modern facilities of communication, an election can be held almost overnight. No one denies the truth of that statement. Unfortunately, the matter is not as simple as that. It is not a matter of mechanical achievement at all. The claims of the proponents as to the speed with which the ballot can be taken is ample proof of their highly theoretical viewpoint and their lack of understanding of the matter. Some of the real questions involved are as follows:

How long would it require to correctly inform the voters regarding the true facts, in order that they would be qualified to vote upon the question? Such questions must not be decided by snap judgment. There are many facts bearing on such issues which it is not wise to make public. It is not possible for the general run of voters to meet and talk with the other officials of government, diplomatic officials, and officers of the Army and Navy, as it is for Members of Congress. Neither is it as possible for the general public to view the question from all angles as it is for the Members of Congress to keep up to date on such situations all the time.

To what extent would false and misleading information enter into the question? Under our Constitution we would have no way to prevent any irresponsible demagogue from getting into the fight on either side. There could be no means of controlling what was said on the subject. Since the issue was being fought out along this line first, what a fertile field it would furnish for paid propagandists. What a riot such a vote would cause among our population of such heterogeneous origin. The men of military age who would survive the referendum would be experienced in a domestic guerrilla warfare. The National Guard of the various States would be exhausted and depleted before they met the common enemy.

What percent of the voters would be able to cast their ballot without giving purely personal reasons undue consideration? It is almost unnatural to expect a mother to vote for a war in which she knows her son must fight, however pressing the need may be. The same would be true of many men of military age, who would make splendid soldiers once in the army. It would be just as reasonable to expect the electorate to vote unbiased upon the taxes to be raised within the Nation. Everyone knows that it is always the other man and his effects which should be taxed.

What would be the psychological effect upon a potential enemy? It would amount to an open invitation to any nation seeking conquest to harass our national interests, just as did the Barbary pirates. Wars are not declared today. They are fought. Any indecision or wavering is certain to be fatal, as has been proven by Hitler's advances since the Munich conference. Does anyone believe that Japan would have invaded China had she not believed that China was lacking a strong central government capable of making war swiftly and surely? They thought that China was much more handicapped than the ordinary democracy in the matter of making war. When confronted by a war, a democracy, by virtue of the fact that by the very theory of democracy the war must meet popular approval or it cannot be successfully prosecuted, is handicapped when confronted by a monarchy or dictatorship, which can make war to satisfy a whim or ambition. The adoption of a constitutional amendment such as this would hopelessly cripple a democracy.

To what extent would we be able to divorce the question from partisan politics? Not at all. We are a political people, and any or all parties would begin to jockey for position in the next Presidential election immediately upon the rise of the issue.

From an examination of the hearings before a subcommittee of the Committee on the Judiciary of the first session of the Seventy-fourth Congress upon this subject, which hearings were very complete, the idea behind this referendum seems to be predicated upon the entirely unwarranted assumption that there exist in this Nation influences which would drag the Nation into war in order that they might profit financially by the sale of munitions. This has often been implied, and, indeed, has been made as an assertion so often that it is generally believed to be true. This in itself is a good illustration of the power of propaganda, where, without one iota of proof being advanced, an often-repeated statement begins to be accepted as truth. Certainly such procedure is detrimental to the public interest. It seems to me that the testimony is an impeachment upon our system of government, because the thought there prevails that Congress would act wholly as a result of insidious pressure and be carried off by theory. Those in favor of the proposition seem to believe themselves to be very practical and above being influenced by any sentimental ideas. Our witness admits that war was once "strictly necessary and even helpful." She says, however, that various devices for settling disputes by peaceful means have developed, but she does not say what these means are. She also cites the pledges of all civilized nations to use peaceful means to settle disputes. She is one who fears Congress will be "carried off by theory" or yield to insidious pressure.

The opinion seemed to prevail among the proponents of this plan that the attitude of the press would be influenced by only the worst motives. The question of why we entered the World War comes into the hearings colored by the sympathies of the witnesses. Indeed, those who appeared in favor of this resolution seem to suspicion the good faith, good judgment, and good intentions of everyone except themselves and those whom they call the people. They assume from the start that the officials of the Government, those concerned with the press and radio, the industrialists, and all foreign nations will be actuated only by unworthy motives. One witness believed that the vote should be restricted to those men of military age plus one woman for each. It was generally admitted that the proposition was an experiment. There was a general haziness regarding what might constitute war and the manner in which the plan would function. The statement of every witness showed that they were giving more consideration to the hysterical and sentimental side of the question than they were to the extent which it might hamper the defense of the Nation.

There has been entirely too much irresponsible talk regarding this country being led into war by industrial interests, international bankers, or by an imperialistic-minded President, Secretary of State, or Congress. There is nothing in our history, past or present, to bear out such imputations. From a practical viewpoint and from the history of similar lines of action in other nations in various times throughout the past, there is every reason to believe that the amending of the Constitution in this respect would not be a deterrent to war and that it would seriously threaten our national security. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a statement of Dr. Baker, of the Audubon Society.

The SPEAKER pro tempore (Mr. SPARKMAN). Is there objection?

There was no objection.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Georgia [Mr. COX] is recognized for 30 minutes.

NATIONAL LABOR RELATIONS BOARD

Mr. COX. Mr. Speaker, under the circumstances, I am not going to detain my colleagues for the full 30 minutes which have been assigned to me.

On July 5, 1935, when President Roosevelt signed the so-called Wagner Act he issued a formal statement covering his interpretation of its terms and his understanding of the policy of the act and the function of the National Labor Relations Board.

It is interesting now, after the lapse of almost 4 years, to consider how this Board has operated and whether it has adhered to the purposes in the minds of Congress and the President, and whether it has done anything to secure the results contemplated by the legislation.

Primarily the purpose of the Wagner Act, and even the constitutional theory upon which it was adopted and upon which, in the Jones & Laughlin decision, the Supreme Court of the United States upheld it, was that—

> Industrial disputes precipitated by the denial of employers of the right of their employees to organize and bargain collectively created a "burden upon interstate commerce."

The administration of the act by the National Labor Relations Board has not been satisfactory. There is insistent demand to investigate the Board to ascertain whether the increasing volume of criticism and protest from employers and the general public, and even the American Federation of Labor, against the activities of the Board and its members is justified.

Admittedly the act is not reciprocal. It provides no opportunity for the employer to make a complaint to the Board covering alleged unfair practices in connection with labor-union activities; furthermore, there is great criticism as to the provision of the act under which, in the event of there being "evidence" in a record to sustain the finding of the Board—without specification as to its being reasonably preponderant—the findings of the Board as to facts are to govern and control in any appeal to the United States Circuit Court of Appeals.

The purpose of an investigating resolution would not be to get at, or to consider possible defects in, or amendments to, the Wagner Act itself. This is properly the function of the House Committee on Labor. Even if the act were quite perfect, and substantially fair as regards all parties considered from the standpoint of the general public welfare, and the promotion of industrial peace, there would still arise the question as to how the act had been administered by the National Labor Relations Board. This is also a question which the Committee on Labor might handle if it so desired.

Of course, I realize the difficulties of a new Board endeavoring to organize on a national basis, especially in a field as difficult as labor conflict throughout all the industries—with a few exceptions—and giving attention to major items of importance in the entire United States.

But the charge and criticism of recent years has been directed chiefly against the Board itself, and its employees, and mainly at the point of their nonjudicial and prejudicial attitude toward employers indiscriminately. It is even claimed that the Board and its various employees have used the opportunities and authority of their official position to promote the organizing efforts of the C. I. O. against pre-existing unions affiliated with the American Federation of Labor.

And I think it is highly important that an investigation be had, either by the Committee on Labor, acting upon its own responsibility, or by a special committee of the House, as a result of which the fairness of these criticisms and the actual facts may be ascertained, thereby throwing considerable light upon the proposition as to whether or not the act itself should be amended.

If the House Committee on Labor should promptly open hearings on proposed amendments to the Wagner Act, in which full consideration is given to alleged defects in the law and maladministration by the Board, the demand for investigation by special committee would probably lighten up. Of course, as to what the Committee on Labor might do is for the determination of the committee itself. I am making no suggestions.

As stated previously, when the National Labor Relations Act was signed by the President he issued a statement covering his interpretation of its objective and of the functions of the National Labor Relations Board. Here is what the President said:

> This act defines, as a part of our substantive law, the right of self-organization of employees in industry for the purpose of collective bargaining and provides methods by which the Government can safeguard that legal right. It establishes a National Labor Relations Board to hear and determine cases in which it is charged that this legal right is abridged or denied and to hold fair elections to ascertain who are the chosen representatives of employees.
>
> A better relationship between labor and management is the high purpose of this act. By assuring the employees the right of collective bargaining it fosters the development of the employment contract on a sound equitable basis. By providing an orderly procedure for determining who is entitled to represent the employees, it aims to remove one of the chief causes of wasteful economic strife. By preventing practices which tend to destroy the independence it seeks for every worker within its scope that freedom of choice and action which is justly his.
>
> The National Labor Relations Board will be an independent quasi-judicial body. It should be clearly understood that it will not act as mediator or conciliator in labor disputes. The function of mediation remains, under this act, the duty of the Secretary of Labor and of the Conciliation Service of the Department of Labor. It is important that the judicial function and the mediation function should not be confused. Compromise, the essence of mediation, has no place in the interpretation and enforcement of the law.
>
> This act, defining rights, the enforcement of which is recognized by the Congress to be necessary as both an act of common justice and economic advance, must not be misinterpreted. It may eventually eliminate one major cause of labor disputes, but it will not stop all labor disputes. Accepted by management, labor, and the public with a sense of sober responsibility and of willing cooperation, however, it should serve as an important step toward the achievement of just and peaceful labor relations in industry.

It is my opinion that the objectives have not been realized, and that the functions of the Board have been maladministered by its members and their employees. However, this is simply my own impression, and it would appear to me that a fair and impartial investigation by a committee of the House of Representatives, with its facilities for investigation, could very easily ascertain whether the charges have any basis or are justified.

And now it may be well to state some of these specific criticisms, which are in increasing volume being made throughout the country, as regards the operations of the Labor Board. These criticisms are in such volume and are so numerous and diverse, that in order to clarify them and at the same time to emphasize the necessity of the proposed investigation, I think they should be analyzed and grouped.

As I have endeavored to study the field, it seems to me the criticisms boil down somewhat as follows:

(1) Against the Board itself and its membership:

A. That it and they are prejudiced against the employers.

B. That it and they, by their activity and decisions, display and evidence partiality in favor of one type of union organization as against another.

C. That it and they are avowedly hostile to what is called an "independent union," regardless of the fact as to whether or not such union is dominated by or organized through pressure by the employer.

D. That it and they, by their public announcements, do not display a correct or respectful attitude toward courts and the decisions of the courts.

(2) That in the existing set-up of regional offices and directors the Board, through its employees:

A. In certain areas actively fosters and promotes C. I. O. organization.

B. Allows or permits its employees to attend organization meetings and to advocate strikes and other methods as a means of promoting union organization.

C. Actively collaborate with C. I. O. organizers, not only in the preparation of complaints to be filed before the Board itself but in the creating of incidents and situations which, in the opinion of the Board's attorneys and employees, would be sufficient proof to justify the decision of the Board adverse to the particular employer.

D. That in the conduct of hearings the attorneys and employees of the Board do not exhibit a fair and impartial attitude, but are partisan, arbitrary, and prejudiced against the respondent employers, and particularly also against independent unions, or attorneys and others representing them.

E. That it is the manifest policy of the trial examiner and attorneys of the Board, after a case is closed, and in connection with the work of preparing a report and recommended findings, to search the record for items of supposed evidence which would justify a ruling adverse to the employer, and to entirely ignore in general the weight of evidence to the contrary.

F. The regional directors are frequently engaged in politics in their localities, and are zealous in so using their authority as to influence and compel political activities—satsfactory to them—on the part of union leaders and others; and even in the case of the prospect of consideration by Congress of amendments to the National Labor Relations Act these regional offices and their employees are zealous in suggesting and promoting resolutions of protest and such political conflict and activities among union leaders in the endeavor to discredit the movement for amendment, and to prevent consideration by the Congress on the merits of such suggestions.

While incidents could be cited which would tend to justify criticisms of the nature just outlined, it would seem to me that they should not be considered as of any very great importance at the present time. It seems to me that if an investigation by a special committee should be authorized by the House, it goes without saying that it should be fair and impartial and in the effort to seek the truth, realizing the manifest difficulties under which the Board has had to act. On the other hand, I feel sure that it is proper that I should suggest—largely from the standpoint of an endeavor to show the probable cause—a number of incidents in various proceedings throughout the country where, in the public press and otherwise, illustrations appear of rather flagrant conduct on the part of trial examiners and Board attorneys in the badgering of witnesses and in the effort to prevent attorneys for respondents from making proper records. We have all read about the long protracted Wierton Steel case, the Ford Motor case, the Electric Boat case, the Fansteel case, and numerous others.

Equally, we are all familiar with political speeches and activities in our own localities on the part of regional directors and their employees. As regards members of the Board, of this—and especially as regards their attitude of indicating prejudice against employers, also against courts—we need but to cite a few instances shown by releases of various speeches and addresses by members of the Board and their employees.

And, finally, as a part of the investigation, it would seem to me there is a very considerable field to cover in ascertaining who these employees of the Board are, and what their background and experience or prejudices may be, and what general political trends they may be seeking to serve.

The pages of the CONGRESSIONAL RECORD throughout the last 2 years contain sufficient claims or statements and criticism by Members of Congress to indicate how justifiable a general investigation of the members of the Board itself, and all their employees and all their activities is.

And an investigation of the facts and details as narrated by the Board itself in their own annual reports will show a field of investigation which it seems to me is necessary in the effort to determine whether or not the things they have been doing, and the methods which they have used have been in any sense those expected of them by Congress and granted to them by the National Labor Relations Act itself. The President said:

> It should be clearly understood that it—the Board—will not act as mediator or conciliator in labor disputes; compromise, the essence of mediation, has no place in the interpretation and enforcement of the law.

I make bold to say a major portion of the work of this Board has been directed at forcing settlements and the granting of union recognition by employers who, subject to the threat of the expense, publicity, and disruptions of business by Labor Board proceedings, have seen fit to yield to the demands of the employees of the Board rather than to subject themselves to the vicissitudes of a proceeding, or to such other industrial conflict as is threatened them, even by the employees of the Board, in the event they do not yield. The various statistics of the Board, shown by their annual reports, show how numerous these compromises and adjustments have been.

If this Board has been impartial in its enforcement of the act, and if its results have been in the public welfare and toward peaceful industry, an investigation would present an opportunity for the Board and its members to clear up the many doubts and criticisms which are being so constantly presented to us.

Mr. FISH. Mr. Speaker, will the gentleman yield for a question.

Mr. COX. Yes; I yield.

Mr. FISH. I would like to ask the gentleman if he knows any reason why proper consideration and proper amendments of the National Labor Relations Act should be blocked in the committees of the House?

Mr. COX. None whatever, sir. I am not charging that any committee of the House is blocking consideration of such amendments, but I do join with others in declaring that there is great need for amendment to the law and that they ought to come without further delay.

Mr. FISH. I would like to ask the gentleman if it is not true that William Green, president of the American Federation of Labor, has stated that the actions of the Board were unfair and prejudicial to the interests of the American Federation of Labor?

Mr. COX. I am not prepared to make answer one way or the other to the gentleman's question. I may say, however, that it is not necessary that I consult what Mr. Green may have said with regard to the behavior of the Board for me to know that their performances have been shameful. In other words, if anyone wants a true picture of that Board, let him read the releases they have given, the reports that the Board have made, the speeches that members have made, the orders they have issued, the decisions they have rendered; and if he is not prepared to admit that they are plain highjackers then I shall have serious concern as to the state of his health. [Applause.]

Mr. FISH. Mr. Speaker, will the gentleman yield for a further question?

Mr. COX. I yield.

Mr. FISH. I am sure the gentleman will agree with me that employers of labor who have also claimed that this Board has been discriminatory and unjust in its dealings have a right, through their spokesmen, to be heard and propose proper and adequate amendments. I am sure the gentleman will agree that there will be no restoration of business confidence in America until this act is properly modified.

Mr. COX. Answering the gentleman, let me say that I feel that some forum ought to be set up where complaining parties might have the right to be heard. Will the gentleman not accept that as my answer to his question?

Mr. FISH. One more question. I want to call the gentleman's attention to the headlines in this afternoon's paper, which are to the effect that peace talks have been indefinitely postponed by labor. It goes on to say that C. I. O. President John L. Lewis announced today that resumption of peace conferences between the C. I. O. and the A. F. of L. have been postponed indefinitely because of the Senate hearings on the Labor Act amendment to begin next Tuesday.

I ask the gentleman, in view of the fact that the Senate is to take up consideration of this issue, if there is any reason why the Rules Committee should not report out the Anderson resolution for investigation?

Mr. COX. I refer the gentleman to the remarks I have just made and shall ask him to accept them as my answer to the question he now propounds.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SPARKMAN). Under the special order of the House heretofore made, the gentleman from Michigan [Mr. CRAWFORD] is recognized for 10 minutes.

THE FIFTY MILLION DOLLAR DRY EDIBLE BEAN INDUSTRY

Mr. CRAWFORD. Mr. Speaker, in the States of Michigan, California, New York and Nebraska, Minnesota and Oregon, Idaho and Kansas, Montana and New Mexico, Vermont and Wisconsin, Colorado and Maine, and Wyoming and Arizona we are growing the principal portion of the dry edible beans produced in the United States. In many States of the South, however, we find the production of the delicious black-eyed pea which is consumed in both the green and dried form.

LOCATION OF PRODUCTION

In the classification we find among others, the pea and medium white beans, the pintos, the great northerns, standard limas, baby limas, red kidneys, pinks, black eyes, and California small whites. Approximately 90 percent of pea beans, the most important commercial class, are grown in Michigan. Pintos are grown mainly in Colorado and New Mexico. About 58 percent of great northerns are produced in Idaho, with Wyoming, Montana, Nebraska averaging, respectively, 21, 14, and 6 percent of great northern production. With the exception of red kidneys most of the other named commercial varieties are grown in California and we find New York, Michigan, and California averaging 56, 32, and 9 percent, respectively, of red kidney production.

METHOD OF MARKETING

Most of the dry beans are sold through established trade outlets, from grower to consumer, and usually on fairly uniform grade bases. We find that in the principal bean-producing States fairly large numbers of growers and dealers belong to their respective cooperative and marketing organizations. The associations and Mr. Reed K. Pond, economist of the general crops section, United States Department of Agriculture, and Mr. K. T. Wright, of the Michigan State College, and Mr. William P. Smith, of Washington, D. C., have been very helpful in furnishing information contained in this presentation and in preparing publications for reference of those who are interested in obtaining data on this $50,000,000 industry.

BEANS AND SUGAR BEETS

To many of the Members of the House it will be of interest to know that a very high proportion of the dry edible beans are grown in States which constitute important sugar-beet areas. To a great extent the production of beans can be substituted for sugar beets and in turn sugar beets for beans. Therefore, those who are interested in the production and marketing problems of sugar beets are certain to be concerned about the conditions which govern the production, processing, and marketing of dry beans. Out of an average—5-year, 1932–36—crop of beans of 12,179,000 bags Colorado produced 1,327,000 bags and California 3,547,000 bags and Michigan 5,374,000 bags. In the production of beet sugar in the year just closed Colorado produced 6,184,596 bags of sugar—100 pounds—and California 6,742,150 bags, and Michigan 3,427,364 bags. We also find that Utah, Idaho, Oregon, Montana, Nebraska, Minnesota, Iowa, and other States which grow beans contributed considerable sugar beets and beet sugar.

PRICES RECEIVED FOR BEAN CROPS

This is a $50,000,000 industry. In some localities it is one of the most important cash farm crops and has a definite place in rotation. The acreage planted ranges from one and five-tenths million to 2,000,000 acres annually, and on this acreage there are from 12,000,000 to 15,000,000 bags of 100 pounds each produced, practically all for domestic consumption. There are some 20 distinct types, so "beans" are not just "beans." These commercial types are produced in fairly well-defined areas and consumed by persons with a preference for the respective types. Per capita consumption annually is about 10 pounds. The leading type is the white navy or pea bean, 90 percent produced in Michigan, most of the remainder in New York State. This type comprises about one-third of the total supply of all beans and is sold largely to canners and then to consumers in the form of pork and beans or canned baked beans. A total production of 15,839,000 bags of dry edible beans in 1937—being an all-time high production record—followed by another crop of 15,268,000 bags in 1938 has contributed to a price decline which is averaging far below past price levels. The 5-year average, 1927–31, amounted to $5.20 per bag of 100 pounds and for the 5-year average, 1932–36, the price was $3.32, while the 1938 average price was only $2.63. The March 1939 price was only $2.54 with no material improvement indicated in the market at the present time.

FARMERS' MARKETING METHODS

Throughout the bean-producing areas there are located processing plants and elevators. The farmers deliver their beans to the receiving stations and the beans are then processed through having foreign substance, such as dirt, gravel, clay, and defective beans, screened and hand-picked out of the product that is to later move into the channels of commerce. The beans, when threshed, contain stems, pods, pellets of earth, and cracked, misformed, and discolored beans—this foreign substance and imperfectly formed beans the trade calls "dockage." The service of elevators and processing machinery and hand pickers are required to remove the dockage before the beans are ready to pass into the regular bean trade. The elevators and processing equipment are required to be located within both the economic and geographical area of production, as that term is commonly used and understood. It is of prime importance to have the product free of foreign substance, and accordingly strict grading policies are followed.

The State of Michigan, producing approximately 90 percent of the total navy beans grown in the United States—and this type bean constitutes about 93 percent of Michigan's total bean crop—is the only bean-producing State which has adopted standard grades for dry, edible beans differing from the Federal standards of the United States Department of Agriculture. Other bean-producing States have adopted the Federal standards. For example, Michigan navy beans are graded as Choice Hand Picked, Prime Hand Picked, Choice Recleaned, and Fancy Screened Navy Beans.

The official United States standards for beans, effective elsewhere for grading requirements, are United States No. 1, United States No. 2, United States No. 3, and United States Sample Grade. Handbooks of Official United States Standards for Beans are available for the trade. In all cases official inspection certificates, certifying as to the grade of each car of beans shipped, are issued by the agency in charge within each State. Without this official certificate, and, hence, without the grading, the beans could not be moved to the consumptive market. This is absolutely compelled everywhere by the consumer demand, but, in addition, in Michigan, the recent order of the commissioner of agriculture makes such a certificate, as to navy beans, mandatory.

In the first place, beans, unlike other farm products such as cotton, butter, tobacco, and the grains, have only a single grade upon which the price is quoted in the market news and by which the commodity is known. The market price per hundredweight for top-grade beans becomes the basis in arriving at the price of beans paid to the farmers. The consumptive trade buys beans only on the basis of this grading, starting with the top-grade price and scaling the price as the certified grades descend in the quality scale.

The farmers of the State of Michigan are prohibited by the regulations of the State department of agriculture from even moving their picking stock or field-run beans outside the State of Michigan for use by consumers in that condition. Michigan beans are sold all over the eastern half of America, from Canada to the Gulf, and few devices have helped this distribution more than the system of grades established some 40 years ago. Buyers have learned they can rely on the grading maintaining a high class of beans in the market. The Michigan State Agricultural Department maintains a system of inspection which is so rigidly enforced that field-run beans cannot get into the channels of interstate commerce. In view of the competition of beans from the several States in the trading market it is clear to a demonstration, that the grade and, hence, the handpicking, of beans is an essential prerequisite to the farmer's crop having any market at all in the present day and age. Elevators do not buy the beans for their own use. The farmer does not prepare his crop for sale to the elevator but of necessity, must take whatever steps as are necessary to see that the quality and type of bean shipped meets the demand of the consuming trade. For this work in preparing the crop, the farmer must pay.

The operations are performed by the elevator on behalf of the farmer—for his account—at his expense. This often occurs in an elevator in which the actual bean grower is a part owner. The beans, we may say, are prepared for the market in their raw and natural state and the proportion of the product which moves beyond the elevator screens and the hands of the pickers, is not changed in form or substance. This is a physical condition which all House Members from bean-producing States should consider in the light of recent rulings which have been made by the Administrator of the Wage and Hour Division.

AMENDMENTS NECESSARY TO WAGE AND HOUR ACT

For the purpose of assisting House Members to get a grasp of discriminatory rulings which have been made against bean growers, and in my opinion in violation of the intents and purposes of the Wage and Hour Act, I wish to submit the following information which deals specifically with the Michigan situation. By using this formula other Members of the House can inform themselves with reference to their own State's bean industry:

Quotations from page 15 of Memorandum Submitted by the Administrator of the Wage and Hour Division to Senator THOMAS, Chairman of the Committee on Education and Labor, in the Senate as a Report on S. 2008:

"In general the application of the minimum wage rates to employers engaged in such operations (i. e., agricultural industries) will not decrease the price paid the farmer for his produce."

This broad statement is not applicable to the dry edible bean industry, where the amount paid for handpicking or sorting the beans to standard commercial grades required for marketing is directly deducted from the price paid the farmer for his beans, delivered by him in "thresher run" condition.

But the Administrator of the Wage and Hour Division further says:

"Even if most of the increased cost were theoretically to be deducted from the price paid the farmer, the proportion of the increased cost to total cost is so minute that it could not be practically translated into a lower price to the farmer per unit expressed in normal fractions of a cent."

In the dry edible bean industry it does not require the use of fractions to show the lower price the farmer will receive for his beans.

Recently posted farm price for pea or navy beans in Michigan and New York State, $1.70.

But this price is for choice hand picked, and the beans are delivered by the farmer in "thresher run" or "field run" condition. This means they have a certain percentage of culls which must be sorted out before the beans can enter the consuming market.

This percentage of culls, known as "pickage," may run from 2 percent to 10, 15, or 20 percent, depending upon the weather during the growing season and harvesting. In Michigan in 1936 it averaged 10 percent for the entire State.

Women bean pickers are paid 7 cents per pound for the culls they pick out, and this amount is deducted from the price paid the farmer. That is, if his beans have 10 pounds of culls per hundredweight, the sum of 10 times 7 cents, or 70 cents, will be deducted from the posted farm price, and he will receive $1.

Marketing specialists of the economics department, Michigan State College, after careful study, have computed that application of the minimum-wage provisions to these bean pickers will have the following results:

If required to pay 25 cents per hour, the elevator must deduct 9.6 cents per pound of culls. On a 10-pound pick this means the farmer will have deducted the sum of 96 cents per hundredweight, and will receive 74 cents.

If required to pay 30 cents per hour, the elevator must deduct 11.5 cents per pound of culls. On a 10-pound pick this means the farmer will have deducted the sum of $1.15 per hundredweight, and will receive 55 cents.

If required to pay 40 cents per hour, the elevator must deduct 15.4 cents per pound of culls. On a 10-pound pick this means the farmer will have deducted the sum of $1.54 per hundredweight, and will receive 16 cents.

Production data of beans—Average pick (percent culls, etc.), Michigan, 1914–38

Year:	*Percent pick*
1914	9.2
1915	17.7
1916	11.0
1917	22.6
1918	8.0
1919	4.5
1920	3.5
1921	7.0
1922	8.5
1923	8.0
1924	6.5
1925	10.7
1926	17.9
1927	7.0
1928	5.5
1929	2.5
1930	2.5
1931	5.0
1932	3.5
1933	3.5
1934	6.7
1935	4.0
1936	10.0
1937	2.0
1938	[1] 6.0

[1] Preliminary estimate.

The incidence of the picking charge on the pea or navy beans

[Posted farm price per hundredweight, $1.70: 10-pound "pick" or culls—Michigan average, 1936]

Wage minimum, Fair Labor Standards Act	Pay pickers per pound	Deduct from farmer per pound	Total deducted from farmer	Farmer receives for his beans
	Cents	*Cents*		
	7.0	7.0	$0.70	$1.00
25 cents per hour	9.6	9.6	.96	.74
30 cents per hour	11.5	11.5	1.15	.55
40 cents per hour	15.4	15.4	1.54	.16

Dry edible beans

Commercial classes	Total United States production: Year	Total United States production: Thousand bags	Leading State	Production in class (thousand bags)
Pea and Medium White	1937	4,471	Michigan	3,878
	1938	4,676	do	4,024
Great Northern	1937	2,162	Idaho	1,316
	1938	1,671	do	991
Limas	1937	2,561	California	2,561
	1938	2,259	do	2,259
Pintos	1937	1,684	Colorado	687
	1938	2,344	do	1,408
Others	1937	4,704	Others and above States.	7,140
	1938	4,318		6,586
Total, United States	1937	15,582		15,582
	1938	15,268		15,268

Acreage harvested and acreage production

State	Acreage harvested (acres)			Production (bags) [1]		
	Average, 1927–36	1937	1938	Average, 1927–36	1937	1938
Maine	8,000	9,000	11,000	63,000	80,000	101,000
Vermont	3,000	3,000	3,000	20,000	20,000	19,000
New York	124,000	158,000	161,000	907,000	1,264,000	1,449,000
Michigan	577,000	461,000	466,000	3,734,000	4,333,000	4,567,000
Wisconsin	6,000	4,000	2,000	24,000	15,000	8,000
Minnesota	6,000	5,000	3,000	20,000	12,000	14,000
Nebraska	11,000	22,000	19,000	70,000	231,000	190,000
Kansas [2]	9,000			34,000		
Montana	29,000	21,000	16,000	295,000	252,000	216,000
Idaho	117,000	135,000	108,000	1,404,000	1,836,000	1,566,000
Wyoming	31,000	59,000	48,000	325,000	649,000	470,000
Colorado	336,000	244,000	312,000	1,107,000	781,000	1,498,000
New Mexico	154,000	184,000	166,000	530,000	681,000	531,000
Arizona	8,000	9,000	11,000	38,000	45,000	64,000
Oregon	2,000	2,000	2,000	10,000	14,000	12,000
California	312,000	386,000	343,000	3,479,000	5,369,000	4,563,000
Total, United States	1,731,000	1,700,000	1,671,000	12,053,000	15,882,000	15,268,000

[1] Bags of 100 pounds. [2] Short-time average.

THE LAW, REGULATIONS, AND LEGISLATIVE HISTORY

The Fair Labor Standards Act of 1938 provides in section 13:

"(a) The provisions of sections 6 and 7 shall not apply with respect—

* * * * * * *

(10) to any individual employed within the area of production (as defined by the Administrator), engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products."

Under authority of the above congressional direction to define the "area of production," the Administrator on October 20, 1938, issued part 536 of his regulations, which, insofar as pertinent here, provide:

"SEC. 536.2. 'Area of production' as used in section 13 (a) (10) of the Fair Labor Standards Act: An individual shall be regarded as employed in the 'area of production' within the meaning of section 13 (a) (10) in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products.

* * * * * * *

"(b) If the agricultural or horticultural commodities are obtained by the establishment where he is employed from farms in the immediate locality and the number of employees in such establishment does not exceed seven."

In the first place, it must be conceded by all concerned that there is no basis provided anywhere in the act for that portion of the above-quoted regulation limiting application of the exemption to establishments within the "area of production" which have not in excess of seven employees.

The fallacy of such a numerical restriction is well illustrated by this exact proceeding. The testimony at the public hearing showed numerous instances wherein there were from 5 to 10 or more elevators located within a radius of 10 miles and all drawing beans to some extent from that single area. None of them employed as few as seven individuals in picking beans; but assuming one of them did, what possible justification is there in law, equity, or reason to say that such elevator is within the area of bean production, while the elevator located across the street, perhaps, or next door, but having eight employees, is outside the area of production? The mere statement of the question is itself sufficient to show the answer; any argument is wholly specious. Obviously, the Administrator has no power, under the direction given him by Congress, to alter, amend, or render meaningless the statutory provisions. But this certainly is what he has done here, for the "area of production" of agricultural commodities patently has no reference to number of employees. An executive officer cannot write into a statute something which is not there.

Mr. PACE. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Georgia.

Mr. PACE. Is the gentleman familiar with the so-called Barden amendments to the Wage Hour Act?

Mr. CRAWFORD. I am referring only to the amendments offered by the Labor Committee.

Mr. HAWKS. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Wisconsin.

Mr. HAWKS. I have seen the Barden amendments, and they will correct this situation almost entirely. What applies to beans, I am sure the gentleman from Michigan will agree with me, applies to every farm product that comes within the provisions of this act?

Mr. CRAWFORD. And particularly those farm products which are passed from the processing plant to the consumer's table without material change in form.

Mr. HAWKS. And the farmer is the one who is going to suffer the most?

Mr. CRAWFORD. Exactly.

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. BENDER. Mr. Speaker, at the conclusion of the special orders today, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio [Mr. BENDER]?

There was no objection.

Mr. PATMAN. Mr. Speaker, at the conclusion of the address by the distinguished gentleman from Ohio [Mr. BENDER] I ask unanimous consent to proceed for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

Mr. GRISWOLD. Mr. Speaker, at the conclusion of the address by the gentleman from Texas [Mr. PATMAN] I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin [Mr. GRISWOLD]?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes at the conclusion of the address by the gentleman from Wisconsin [Mr. GRISWOLD].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. Under a special order previously entered, the gentleman from Mississippi [Mr. RANKIN] is recognized for 30 minutes.

T. V. A. VINDICATED

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein certain data which I have had prepared.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

Mr. RANKIN. Mr. Speaker, at last the T. V. A. has been vindicated.

The Joint Committee Investigating the Tennessee Valley Authority, after 9 months of critical scrutiny, has filed its report, giving the T. V. A. a clean bill of health.

Unfortunately three minority members of the committee, Senator JAMES J. DAVIS, of Pennsylvania, Representative CHARLES A. WOLVERTON, of New Jersey, and Representative THOMAS A. JENKINS, of Ohio have filed a minority report, which attacks the T. V. A. yardstick. It is principally a rehash of the propaganda that has been spread by private power interests and holding-company propagandists ever since the Tennessee Valley Authority was created.

It is even charged by certain news writers that this minority report was prepared by a utility ghost writer. Whether that is true or not, I do not know, but it certainly sounds like it.

Its attack on the T. V. A. yardstick ought to carry the heading "The Hand of Esau and the Voice of Jacob." From this minority report it is plain that these gentlemen would destroy this yardstick and deliver to the Power Trust the birthright, not only of the people of Pennsylvania, New Jersey, and Ohio, but that of all the people of the entire United States who have to pay electric light and power bills, now and for generations to come.

Let me repeat what I have said before: The T. V. A. is the greatest development of ancient or modern times. Its yardstick is a golden wand for the protection of the electric light and power consumers in every State of this Union.

That is the reason the Power Trust wants to get rid of it; it is showing the American people what electricity is really worth, and by its very example is forcing reductions of light and power rates in every community in America.

It is saving the American people now $625,000,000 a year on their light and power bills, which is more than twice the amount of all the money expended, or to be expended, in the construction and development of the T. V. A.

Here is the proof of that statement: In 1932, the year before the Tennessee Valley Authority was created, the American people used 62,000,000,000 kilowatt-hours of electricity for which they paid $1,803,000,000.

In 1933 the Tennessee Valley Authority was created, and its yardstick rates were promulgated. The Power Trust went into a frenzy of excitement. For the first time in history a yardstick had been established to show the people of this country what electricity is really worth. The people began to demand relief, with the result that rates were gradually forced down.

In 1937 the American people used 99,446,000,000 kilowatt-hours of electricity for which they paid $2,229,922,000. Under the rates paid by them for the 62,000,000,000 kilowatt-hours in 1932 the cost of this 99,446,000,000 kilowatt-hours would have been $2,854,000,000—or $625,000,000 more than they actually paid.

This saving of $625,000,000 a year was brought about by the rate reductions for which the T. V. A. yardstick is more responsible than all other influences combined.

At the rates paid in 1937 these 62,000,000,000 kilowatt-hours which cost the American people $1,803,000,000 in 1932 would have cost only $1,393,410,000, or $410,000,000 less. What a pity we could not have had a T. V. A. yardstick back in those days.

If there had been no increase in consumption, the rate reductions brought about by this yardstick and its influence would have saved the American people $410,000,000 a year on their light and power bills in 1932.

I am breaking these savings down by States in order that the people in every State in this Union may understand what the T. V. A. is doing for them. I hope everyone who reads this RECORD will scan these figures carefully and see just what these reductions mean to him. Then he can understand why the Power Trust is willing to spend millions of dollars annually for propaganda purposes and for campaign expenses of subservient politicians in order to try to destroy the T. V. A. yardstick—the greatest weapon ever placed in the hands of the American people for their protection against a ruthless, greedy monopoly that reaches into every home and every business establishment that uses electric power, and levies a tax in the form of overcharges that amounts, even now, after all these reductions, to approximately $1,000,000,000 a year.

As I said, the electric consumers of this country save $625,000,000 a year on their light and power bills. I am breaking that down by States in a table which I am inserting at this point:

Electric rate savings, 1937, by States

Alabama	$8,350,000
Arizona	1,640,000
Arkansas	3,740,000
California	36,400,000
Colorado	5,500,000
Connecticut	12,700,000
Delaware	670,000
Florida	12,100,000
Georgia	8,350,000
Idaho	3,315,000
Illinois	72,400,000
Indiana	22,800,000
Iowa	7,460,000
Kansas	5,270,000
Louisiana	3,950,000
Maine	2,190,000
Maryland and District of Columbia	14,920,000
Massachusetts	32,700,000
Michigan	16,100,000
Minnesota	6,150,000
Mississippi	3,730,000
Missouri	13,250,000
Montana	4,380,000
Nebraska	5,480,000
Nevada	250,000
New Hampshire	2,640,000
New Jersey	20,200,000
New Mexico	1,970,000
New York	74,150,000
North Carolina	4,380,000
North Dakota	1,315,000
Ohio	59,700,000
Oklahoma	4,170,000
Oregon	5,700,000
Pennsylvania	77,500,000
Rhode Island	4,482,000
South Carolina	2,190,000
South Dakota	1,755,000
Tennessee	1,318,000
Texas	15,600,000
Utah	6,800,000
Vermont	1,315,000
Virginia	2,640,000
Washington	7,900,000
West Virginia	7,215,000
Wisconsin	17,750,000
Wyoming	515,000
Total	625,000,000

These are the amounts saved on their electric light and power bills by the people of each State during the year 1937, as compared with the amounts they would have paid under the rates in effect in 1932—the year before the T. V. A. was created.

No wonder the Power Trust is trying to destroy the T. V. A. yardstick.

I have been surprised at the attacks of the gentleman from Ohio [Mr. JENKINS] on this yardstick, which is doing more for the people of Ohio than any other one thing that has been done by this Government in his day and mine.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Ohio for a question.

Mr. JENKINS of Ohio. The gentleman surely cannot claim, without regard to any iniquities that the power people might practice——

Mr. RANKIN. I yielded for a question. I do not yield for a speech.

Mr. JENKINS of Ohio. All right; the gentleman surely cannot claim that anything that has been done in the T. V. A. has reflected itself yet in the power rates in the State of Ohio.

Mr. RANKIN. Yes; I have just showed that. You did not have any power-rate reductions until the T. V. A. was created and its yardstick rates put into effect and published throughout the country.

Mr. JENKINS of Ohio. Will the gentleman yield a little further there?

Mr. RANKIN. I yield for a question.

Mr. JENKINS of Ohio. The gentleman is a great power expert. Is it not true that the power rates in every corner of the United States have been gradually coming down in the last few years?

Mr. RANKIN. Yes; ever since the T. V. A. was created and its yardstick rates promulgated; up to that time they had not.

At this point I am inserting a table showing the number of kilowatt-hours of electricity used in each State in 1937, the amount paid for it, and the amount of overcharges according to the T. V. A. rates, the Tacoma, Washington rates, and the Ontario, Canada rates. Even with all the reductions that have been made in light and power rates since the creation of the T. V. A., you will note from this table that the American people are still overcharged from $920,973,700 under the T. V. A. rates, to $1,172,612,900 under the Ontario rates.

The table referred to follows:

TABLE 4.—*Total electric sales data, 1937*

State	Estimated sales data for 1937			Estimated revenues and consumer overcharges according to rates in effect in—					
	Number of customers	Total kilowatt-hours	Total revenues	Tennessee Valley Authority		Tacoma, Wash.		Province of Ontario, Canada	
				Revenues	Overcharges	Revenues	Overcharges	Revenues	Overcharges
Alabama	232,345	1,595,179,000	$23,813,100	$15,495,600	$8,317,500	$12,840,900	$10,972,200	$12,791,400	$11,021,700
Arizona	78,998	500,866,000	9,016,000	3,885,800	5,130,200	3,361,900	5,654,100	3,171,300	5,844,700
Arkansas	139,604	438,613,000	13,171,600	6,701,100	6,470,500	5,659,100	7,512,500	5,809,500	7,362,100
California	2,105,614	8,303,043,000	161,837,500	129,214,400	32,623,100	107,359,200	54,478,300	105,804,500	56,033,000
Colorado	223,917	569,041,000	17,523,700	9,510,100	8,013,600	8,018,800	9,504,900	7,770,100	9,753,600
Connecticut	487,036	1,450,475,000	40,296,600	21,634,900	18,661,700	18,291,100	22,005,500	16,833,100	23,463,500
Delaware	53,712	201,484,000	4,685,300	2,604,600	2,080,700	2,334,900	2,350,400	2,113,800	2,571,500
District of Columbia	153,001	648,553,000	12,832,200	9,851,900	2,980,300	8,981,000	3,851,200	7,865,400	4,966,800
Florida	307,808	734,715,000	29,986,700	12,836,500	17,130,200	11,378,200	18,608,500	10,244,200	19,742,500
Georgia	280,442	1,550,622,000	32,315,300	20,231,300	12,084,000	17,084,100	15,231,200	16,619,400	15,695,900
Idaho	102,327	529,422,000	9,522,600	5,664,200	3,858,400	4,657,200	4,865,400	4,668,000	4,854,600
Illinois	1,966,877	7,307,550,000	167,164,900	94,189,000	72,975,900	82,448,500	84,716,400	75,787,600	91,377,300
Indiana	772,696	2,597,909,000	54,258,700	32,771,700	21,487,000	28,417,300	25,841,400	26,499,400	27,759,300
Iowa	508,811	1,163,781,000	35,046,900	19,972,800	15,074,100	17,193,600	17,853,300	16,190,200	18,856,700
Kansas	357,006	961,261,000	25,729,400	16,791,500	8,937,900	15,365,600	10,363,800	13,278,600	12,450,800
Kentucky	308,901	978,131,000	23,501,200	14,292,600	9,208,600	12,618,900	10,882,300	11,575,000	11,926,200
Louisiana	249,473	907,452,000	22,619,700	10,990,700	11,629,000	9,365,700	13,254,000	8,960,700	13,659,000
Maine	208,792	672,163,000	14,891,000	8,060,000	6,831,000	7,099,500	7,791,500	6,523,400	8,367,600
Maryland	389,765	1,644,889,000	33,757,500	20,476,700	13,280,800	17,650,900	16,106,600	16,651,300	17,106,200
Massachusetts	1,282,785	2,977,327,000	87,588,600	43,051,400	44,537,200	38,148,700	49,439,900	34,415,100	53,173,500
Michigan	1,247,498	4,882,763,000	102,743,900	62,945,500	39,798,400	55,177,700	47,566,200	50,761,700	51,982,200
Minnesota	536,830	1,408,297,000	40,310,600	21,407,400	18,903,200	19,126,400	21,184,200	17,072,200	23,238,400
Mississippi	118,682	389,471,000	11,077,800	5,681,000	5,396,800	4,814,400	6,263,400	4,649,100	6,428,700
Missouri	738,142	2,405,380,000	60,166,000	35,516,600	24,649,400	31,432,900	28,733,100	28,632,800	31,533,200
Montana	105,080	1,338,737,000	14,061,800	9,855,700	4,206,100	7,484,400	6,577,400	8,351,600	5,710,200
Nebraska	251,865	890,455,000	20,025,800	12,160,000	7,865,800	11,419,600	8,606,200	9,702,200	10,323,600
Nevada	23,713	115,352,000	2,848,200	1,506,000	1,342,200	1,236,200	1,612,000	1,209,200	1,639,000
New Hampshire	135,479	305,604,000	9,165,200	4,575,400	4,589,800	3,894,900	5,270,300	3,694,300	5,470,900
New Jersey	1,207,842	3,070,594,000	94,549,900	45,197,700	49,352,200	41,219,600	53,330,300	35,902,500	58,647,400
New Mexico	45,100	94,163,000	3,777,100	1,595,100	2,182,000	1,439,400	2,337,700	1,284,100	2,493,000
New York	3,897,060	13,511,103,000	292,669,200	150,384,300	142,284,900	137,907,800	154,761,400	119,835,500	172,833,700
North Carolina	342,410	2,009,077,000	37,654,800	25,198,300	12,456,500	19,933,700	17,721,100	21,065,400	16,589,400
North Dakota	79,863	120,892,000	6,133,500	3,054,200	3,079,300	2,902,500	3,231,000	2,416,600	3,716,900
Ohio	1,773,382	6,945,292,000	156,110,800	102,271,500	53,839,300	86,285,700	69,825,100	83,244,800	72,866,000
Oklahoma	303,454	989,956,000	25,374,800	13,604,200	11,770,600	11,535,100	13,839,700	11,104,100	14,270,700
Oregon	277,573	1,071,551,000	21,553,500	14,836,200	6,717,300	12,878,900	8,674,600	12,043,300	9,510,200
Pennsylvania	2,288,118	10,075,185,000	207,623,800	119,198,600	88,425,200	99,622,800	108,001,000	97,540,800	110,083,000
Rhode Island	199,708	554,315,000	16,204,300	8,511,000	7,693,300	7,049,000	9,155,300	6,964,100	9,240,200
South Carolina	140,332	1,020,018,000	18,413,000	11,617,700	6,795,300	9,163,400	9,249,600	9,736,000	8,677,000
South Dakota	89,916	147,425,000	6,304,000	3,103,400	3,200,600	2,839,600	3,464,400	2,480,400	3,823,600
Tennessee	305,757	1,390,509,000	28,255,000	16,825,700	11,429,300	14,438,700	13,816,300	13,663,800	14,591,200
Texas	841,872	2,858,644,000	70,380,500	37,753,200	32,627,300	33,185,900	37,194,600	30,484,900	39,895,600
Utah	123,327	782,424,000	13,235,500	7,714,700	5,520,800	6,186,500	7,049,000	6,425,300	6,810,200
Vermont	88,252	208,307,000	6,680,700	3,681,400	2,999,300	3,084,200	3,596,500	3,001,600	3,679,100
Virginia	334,256	1,204,653,000	28,492,000	16,630,000	11,862,000	14,270,600	14,221,400	13,503,800	14,988,200
Washington	471,778	2,428,407,000	34,147,300	24,460,900	9,686,400	21,566,600	12,580,700	19,623,200	14,524,100
West Virginia	237,849	1,651,343,000	27,823,600	17,680,200	10,143,400	14,216,600	13,607,000	14,745,400	13,078,200
Wisconsin	709,181	2,043,641,000	51,181,600	29,246,300	21,935,300	25,234,500	25,947,100	23,692,200	27,489,400
Wyoming	39,707	94,280,000	3,399,700	1,489,700	1,910,000	1,281,700	2,118,000	1,206,600	2,193,100
Total	27,163,987	99,446,364,000	2,229,922,400	1,305,948,700	923,973,700	1,129,084,400	1,100,838,000	1,057,309,500	1,172,612,900

Mr. JENKINS of Ohio. If the gentleman will permit just one other question: If on cross-examination I made the principal T. V. A. power man state that there was no such thing as a T. V. A. yardstick, then what would the gentleman say about all these speeches he has been making about the T. V. A. yardstick when they admit themselves that there is no such thing?

Mr. RANKIN. I do not know what the witness may have admitted, but I do know that there is a yardstick, and we are using it in the T. V. A. area and it is going to spread to Ohio, and all over Ohio, and all over the whole country. It will save the people of Ohio, in the purchase of this power for all purposes, $53,839,300 a year. That is the amount the people of Ohio were overcharged for electricity during the year 1937 as the table which I have just inserted will show. That is according to the T. V. A. rates. According to the Ontario rates they were overcharged $72,866,000.

Mr. JENKINS of Ohio. But that is just the same as saying that if you could raise oranges in Ohio at the same cost you raise them in Florida, you could have them cheaper.

Let me ask the gentleman one further question. Is it not true that practically every town in the T. V. A. territory has a different rate?

Mr. RANKIN. No.

Mr. JENKINS of Ohio. Do not many of the towns down there that get power from the T. V. A. have different rates, and therefore how can you have a yardstick?

Mr. RANKIN. No; that is where "the gentleman has misinformed himself incorrectly," as the darkey said.

Mr. JENKINS of Ohio. The record shows they do.

Mr. RANKIN. The record does not show anything of the kind.

Mr. JENKINS of Ohio. Then we disagree, do we not?

Mr. RANKIN. Certainly; and if the gentleman had come to me I would have shown him the facts, but the trouble is this ghost writer or someone else has evidently misled the gentleman from Ohio.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield to me right there?

Mr. RANKIN. Yes.

Mr. JENKINS of Ohio. I did not intend to stop the gentleman in his discourse about the ghost writer, but if the gentleman from now on ever wants to tell the truth, he would have to say that no ghost writer or anybody else wrote that report except Mr. CHARLES WOLVERTON, of New Jersey; Mr. JAMES J. DAVIS, of Pennsylvania; and myself. That is the truth, and if the gentleman makes any other statement, he makes it with the knowledge that that is the truth.

Mr. RANKIN. If you gentlemen wrote that report, with as little as you know about the subject, then I am not surprised at these errors, because I do not know of three men who apparently know less about the power question than the three gentlemen he has named, judging from their utterances on the floor.

I am not charging that a ghost writer wrote that minority report, but it certainly sounds like it. It is the same propaganda and in the same verbiage that has been spread by the friends of the Power Trust ever since the T. V. A. was first created.

Now, let us get back to this question of the T. V. A. and the different rates at home and elsewhere.

I invite everyone who hears me or reads this RECORD to send to the Federal Power Commission in Washington and get a copy of the electric rates, one for Mississippi, one for Pennsylvania, and one for Ohio, and other States, at a cost of only 10 cents each, and figure these rate comparisons out for himself. He will find that, based upon the rates in his home town or community, the overcharges are at least as great as these tables indicate. Even one of those Power Trust professors, who had been teaching in Ohio during the Harding-Coolidge-Hoover regime and was writing schoolbooks for the State of Ohio, which the gentleman possibly studied if he had not got out of school by that time—even one of those Power Trust professors could figure these comparisons out and show that the people of Ohio are overcharged every year that rolls around, according to the T. V. A. rates, $53,839,000. Yes; even a school child can do it.

Now, I am going to insert a table showing the overcharges to residential consumers by States.

For instance, we will take the home State of the gentleman from Ohio [Mr. JENKINS], who signed this minority report. You will note there are 1,437,395 residential consumers of electricity in the State of Ohio, and that during the year 1937 they used 1,140,613,000 kilowatt-hours of electric energy. That was an average of 66 kilowatt-hours a month, which cost a consumer in Ohio on an average $2.94 a month. Under the T. V. A. rates it would have cost $1.82, or a difference of $1.12 a month, or an annual difference of more than $18,000,000, whereas the table I am inserting shows an annual overcharge of only $15,932,000.

I make this comparison to show you that the figures contained in this table are extremely conservative.

Cleveland, Ohio, has one of the finest municipally owned and operated power systems in America. In Cleveland this municipally owned and operated system sells 66 kilowatt-hours of electricity a month to residential consumers for $1.92, or $1.02 a month less than is charged by the private power companies, on an average, throughout the State. If the residential consumers throughout the State of Ohio received their power at the rates charged by this municipal system in Cleveland, the savings would be more than $17,000,000 a year.

I invite everyone who hears me or who reads this RECORD to send to the Federal Power Commission, Washington, D. C., and get a copy of the Electric Rate Survey for Mississippi, Pennsylvania, Ohio, and for his own State, at a cost of only 10 cents each, and figure these rates out for himself. He will find that based upon the rates in his home town or home community the overcharges are at least as great as these tables indicate.

Even one of those Power Trust professors that the utilities had on their pay roll in Ohio and in other States a few years ago can figure this out and substantiate the overcharges indicated by these tables.

The tables referred to follow:

TABLE 1.—*Residential electric sales, 1937*

State	Estimated sales data for 1937			Estimated revenues and consumer overcharges compared with rates in effect in—					
	Number of customers	Total kilowatt-hours	Total revenues	Tennessee Valley Authority		Tacoma, Wash.		Province of Ontario, Canada	
				Revenues	Overcharges	Revenues	Overcharges	Revenues	Overcharges
Alabama	170,236	173,280,000	$5,842,500	$3,885,300	$1,957,200	$3,832,700	$2,009,800	$2,775,200	$3,067,300
Arizona	59,011	44,969,000	2,782,400	1,090,700	1,691,700	1,074,000	1,708,400	779,100	2,003,300
Arkansas	100,827	64,397,000	3,802,200	1,714,800	2,087,400	1,688,200	2,114,000	1,224,300	2,577,900
California	1,649,425	1,446,636,000	53,589,800	37,566,500	16,023,300	37,030,600	16,559,200	26,794,900	26,794,900
Colorado	176,194	112,909,000	5,944,800	2,930,800	3,014,000	2,889,200	3,055,600	2,092,800	3,852,200
Connecticut	403,502	323,241,000	15,845,500	8,065,400	7,780,100	7,954,500	7,891,000	5,751,900	10,093,600
Delaware	41,706	33,557,000	1,709,500	835,900	873,600	824,000	885,500	596,600	1,112,900
District of Columbia	131,455	135,951,000	4,088,900	3,197,500	891,400	3,152,500	936,400	2,281,600	1,807,300
Florida	248,687	239,607,000	12,707,900	5,324,600	7,383,300	5,248,400	7,459,500	3,799,700	8,908,200
Georgia	209,611	240,879,000	8,365,600	5,345,600	3,020,000	5,270,300	3,095,300	3,814,700	4,550,900
Idaho	67,537	96,138,000	2,982,400	1,544,900	1,437,500	1,544,900	1,437,500	1,100,500	1,881,900
Illinois	1,646,725	1,262,575,000	55,939,200	33,731,300	22,207,900	33,227,900	22,711,300	24,053,900	31,885,300
Indiana	607,088	407,199,000	19,602,900	11,056,000	8,546,900	10,899,200	8,703,700	7,880,400	11,722,500
Iowa	393,838	256,276,000	12,807,600	6,685,600	6,122,000	6,595,900	6,211,700	4,777,200	8,030,400
Kansas	275,375	187,509,000	9,288,400	7,114,900	2,173,500	7,012,700	2,275,700	5,080,800	4,207,600
Kentucky	243,980	167,861,000	7,382,700	4,363,200	3,019,500	4,304,100	3,078,600	3,115,500	4,267,200
Louisiana	198,477	120,686,000	7,255,900	3,272,400	3,983,500	3,221,600	4,034,300	2,336,400	4,919,500
Maine	156,950	93,554,000	5,287,600	2,495,700	2,791,900	2,458,700	2,828,900	1,781,900	3,505,700
Maryland	317,382	254,038,000	10,483,100	6,289,900	4,193,200	6,206,000	4,277,100	4,486,800	5,996,300
Massachusetts	1,074,065	662,834,000	33,575,300	16,552,600	17,022,700	16,317,600	17,257,700	11,818,500	21,756,800
Michigan	998,107	896,580,000	32,508,300	21,683,000	10,825,300	21,358,000	11,150,300	15,474,000	17,034,300
Minnesota	422,116	356,869,000	14,427,900	8,454,700	5,973,200	8,339,300	6,088,600	6,030,900	8,397,000
Mississippi	84,585	68,311,000	3,320,800	1,647,100	1,673,700	1,623,900	1,696,900	1,175,600	2,145,200
Missouri	593,424	489,880,000	19,719,500	11,733,100	7,986,400	11,575,300	8,144,200	8,380,800	11,338,700
Montana	82,540	74,078,000	3,054,800	1,588,500	1,466,300	1,567,100	1,487,700	1,133,300	1,921,500
Nebraska	195,346	150,459,000	6,962,100	3,829,200	3,132,900	3,773,500	3,188,600	2,729,100	4,233,000
Nevada	17,680	18,867,000	794,200	351,000	443,200	302,700	491,500	219,400	574,800
New Hampshire	104,891	64,908,000	3,635,500	1,694,100	1,941,400	1,668,700	1,966,800	1,207,000	2,428,500
New Jersey	988,703	640,527,000	36,004,300	17,894,100	18,110,200	17,642,100	18,362,200	12,781,500	23,222,800
New Mexico	33,146	23,648,000	1,321,200	500,700	820,500	494,100	827,100	358,000	963,200
New York	3,176,420	2,073,310,000	101,416,400	54,562,000	46,854,400	53,750,700	47,665,700	38,943,900	62,472,500
North Carolina	268,096	234,546,000	9,370,000	5,415,900	3,954,100	5,340,900	4,029,100	3,860,400	5,509,600
North Dakota	56,494	45,202,000	2,175,000	1,100,600	1,074,400	1,085,300	1,089,700	785,200	1,389,800
Ohio	1,437,395	1,140,613,000	45,522,300	29,589,500	15,932,800	28,724,600	16,797,700	20,758,200	24,764,100
Oklahoma	226,674	157,068,000	8,491,200	4,169,200	4,322,000	4,109,700	4,381,500	2,980,400	5,510,800
Oregon	205,925	267,273,000	7,794,300	4,645,400	3,148,900	4,575,300	3,219,000	3,312,600	4,481,700
Pennsylvania	1,873,416	1,431,186,000	66,993,400	36,042,400	30,951,000	35,573,500	31,419,900	25,725,500	41,267,900
Rhode Island	169,011	94,606,000	5,714,300	2,640,000	3,074,300	2,600,000	3,114,300	1,880,000	3,834,300
South Carolina	102,719	100,690,000	3,871,500	2,280,300	1,591,200	2,249,300	1,622,200	1,626,000	2,245,500
South Dakota	68,531	46,842,000	2,381,500	1,133,600	1,247,900	1,116,900	1,264,600	807,300	1,574,200
Tennessee	230,714	240,809,000	8,619,500	5,438,900	3,180,600	5,361,300	3,258,200	3,878,800	4,740,700
Texas	653,496	484,045,000	23,957,200	11,978,600	11,978,600	11,786,900	12,170,300	8,528,800	15,428,400
Utah	88,986	81,685,000	3,323,600	1,678,400	1,645,200	1,651,800	1,671,800	1,196,500	2,127,100
Vermont	65,221	43,918,000	2,527,300	1,213,100	1,314,200	1,197,900	1,329,400	866,900	1,660,400
Virginia	258,693	240,605,000	10,218,400	5,426,000	4,792,400	5,344,200	4,874,200	3,872,800	6,345,600
Washington	362,453	479,321,000	12,298,000	8,485,600	3,812,400	8,374,900	3,923,100	6,062,900	6,235,100
West Virginia	190,945	140,756,000	6,371,800	3,721,100	2,650,700	3,670,200	2,701,600	2,657,000	3,714,800
Wisconsin	539,486	443,166,000	17,236,600	9,824,900	7,411,700	9,687,000	7,549,600	7,015,300	10,221,300
Wyoming	30,231	21,685,000	1,203,500	499,500	704,000	492,200	711,300	356,200	847,300
Total	21,697,515	16,875,489,000	740,518,600	422,284,100	318,234,500	415,790,300	324,728,300	300,946,800	439,571,800

I ask any man with common sense and common honesty to read this table carefully and tell me how the domestic consumers of electricity in his State can continue to bear the enormous burden of these exorbitant overcharges.

Oh, I know the utilities and their spokesmen will come back and raise the question of taxes. Let me call your attention to the fact that the city of Tacoma, Wash., which has its own generating plant and distribution systems, pays more taxes for the amount of power produced and distributed than any private power company in America. Look at these tables and see what the overcharges in your State amount to compared with the Tacoma rates.

The T. V. A. pays 5 percent of its gross earnings to the States in which the dams are located in lieu of taxes, and the municipal plants invariably give to the city in lieu of taxes, either in money or service, more than the taxes amount to if their power were supplied by a private company.

Besides the taxes paid by private power interests for all purposes, including taxes, amount to only about 1 mill a kilowatt-hour. One mill a kilowatt-hour for all the power used last year would amount to $99,000,000, which taken from the overcharges of $1,172,000,000, according to the Ontario rates, would still leave an overcharge of $1,073,000,000.

The gentleman from Ohio said we had different rate schedules for different localities in the T. V. A. area. The only difference in the rates is this——

Mr. JENKINS of Ohio. There is a difference then, is there?

Mr. RANKIN. No; there is no difference in the rates, but in the towns that did not own their distribution systems and had to buy them, they pay 1 cent extra a kilowatt-hour up to 100 kilowatt-hours a month to amortize their distribution systems.

That is all the difference there is, and if the gentleman had even made a casual examination, he would have found that out.

But the utilities spokesman always raises the question of taxes. Let me call attention to the fact that the city of Tacoma, Wash., which has its own generating plant and distribution system, pays more taxes for the amount of power produced and distributed than any private power company in America. Any private power company in America can reduce its rates to the Tacoma levels and make a profit if it will get rid of the useless holding company that usually controls it and eliminate the waste and graft. Let us see what the State of Ohio would pay if it had the Tacoma rate. Run down the list and you will find that under the Tacoma rates the people of Ohio are overcharged $69,825,100 a year. Pennsylvania is overcharged $108,000,000 a year and New Jersey is overcharged $53,330,000 a year, according to the Tacoma rates.

In other words, the city of Tacoma, with an enormous overhead, $23,000,000 of investment, a little town of only 110,000 people, is paying more taxes for the amount of power sold than any private power company in America, and sells the power at rates that not only amortize the investment but, if applied in the State of Ohio, would save the people of the State of Ohio $69,000,000 in 1 year and would save the people of other States in proportion. The T. V. A. pays 5 percent of its gross earnings to the States in which these dams are located in lieu of taxes, and municipal plants invariably give to the city in lieu of taxes more than the taxes would amount to if they were supplied by any private power company in America.

Take my own town, the town of Tupelo. We own our distribution system. We are gradually paying it out. The average taxes for all purposes of all power companies amount to only about 1 mill per kilowatt-hour. Last year we used about 10,000,000 kilowatt-hours and paid in lieu of taxes $12,000, more than any power company paid in any town of that size in that part of the country. In addition to that, we have raised the domestic consumption from 35 kilowatt-hours per month on an average in 1932 to 215 kilowatt-hours a month during January of this year. We have also increased the average use of electric refrigerators by residential consumers from 19 percent in 1933 to 90 percent in 1938.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Yes.

Mr. JENKINS of Ohio. How much of a subsidy did the gentleman's town of Tupelo get?

Mr. RANKIN. It does not get a penny.

Mr. JENKINS of Ohio. How much did it get?

Mr. RANKIN. It did not get a dime.

Mr. JENKINS of Ohio. How much did it get from the R. F. C.?

Mr. RANKIN. It did not get a cent for its electric plant. Tupelo did not get a dime for its power system from anybody except from the taxpayers of Tupelo. Further, I shall show that the coal-mining people in the gentleman's district who are paying these enormous charges could be furnished power at T. V. A. rates, generated by the very coal they are digging from the ground. The Tupelo system made a net profit of $40,000 last year, after paying $12,000 in lieu of taxes, paying all operating expenses, paying interest on its debts, and the installments due on its sinking funds. Not only that but a few years ago we had a cyclone that destroyed a large portion of our distribution system, and we went out and got the money and built it back ourselves, and it did not cost anybody a dime.

Mr. HAWKS. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Yes; because I want to refer to the gentleman's State of Wisconsin.

Mr. HAWKS. I would like to know where Tupelo is.

Mr. RANKIN. If the gentleman is that badly behind, his education is very incomplete. [Laughter.]

Mr. HAWKS. But I would like to know where it is. The gentleman has not answered my question.

Mr. RANKIN. Tupelo is my home town in Mississippi, the first one to get T. V. A. power. I thought all the well-informed Members knew that. But I will tell the gentleman where Wisconsin is, it is in the dark. Last year the people of Wisconsin used 2,043,641,000 kilowatt-hours of electricity for which they paid $51,181,600. Under the T. V. A. rates it would have cost them $29,246,300, a saving of $21,935,300. In Tacoma, Wash., under the rate in force in Tacoma, where they paid a higher rate of taxes than the power companies do in Wisconsin, the saving would have been $25,947,100. I suggest that the gentleman do not ask where Tupelo is, but that he ask where Wisconsin is being driven to by the Power Trust, and ask where it is going to end. How can the people of Wisconsin survive under a burden of $25,000,000 of overcharges for electricity every year?

Wisconsin adjoins Ontario. In Ontario the electricity that costs the people of Wisconsin $51,180,600 would have cost $21,692,200, which shows an overcharge to the overburdened people of Wisconsin of $27,489,400 a year.

I promised I would refer to the State of Michigan a moment ago. Under their rates in Michigan, which also adjoins Ontario, the overcharges for electricity in the State of Michigan during 1937 were $51,892,200 according to the Ontario rates, $39,798,400 according to the T. V. A. rates, and $47,566,200 according to the Tacoma rates.

This morning we had men from Massachusetts and Connecticut before the Rivers and Harbors Committee. Some of them seemed to be surprised to learn of the overcharges the people in those States are compelled to pay for electric lights and power. According to the T. V. A. rates, the people in Connecticut are overcharged $18,616,700 a year. According to the Tacoma rates, they are overcharged $22,500,500. According to the Ontario rates, $23,463,500.

The people of Massachusetts last year, according to the T. V. A. rates, were overcharged $44,537,200, and according to the Tacoma rates, where, as I have said, they bear all the burdens and pay all the taxes that any power company pays, the savings in Massachusetts alone would have been $49,439,900. Under the Ontario rates, the savings would have been $53,133,500.

But, Mr. Speaker, there is one group of electric consumers that I do not wish to overlook, and that is the commercial consumers, the merchants, the hotel, restaurant, and filling-station operators, and all others who pay commercial rates for electric lights and power.

I am inserting a table showing the number of commercial consumers in each State, the amount of electricity used, and the overcharges according to the T. V. A. rates, the Tacoma rates, and the Ontario rates.

I wish every merchant, every hotel operator, and every other commercial consumer of electric energy throughout America could read this table and see what an enormous burden of overcharges they have to bear.

The table referred to follows:

TABLE 2.—*Commercial electric sales, 1937*

State	Estimated sales data for 1937			Estimated revenues and consumer overcharges according to rates in effect in—					
				Tennessee Valley Authority		Tacoma, Wash.		Province of Ontario, Canada	
	Number of customers	Total kilowatt-hours	Total revenues	Revenues	Overcharges	Revenues	Overcharges	Revenues	Overcharges
Alabama	39,711	204,750,000	$5,589,400	$3,253,000	$2,336,400	$3,387,200	$2,202,200	$2,649,400	$2,940,000
Arizona	12,333	83,285,000	2,689,100	1,107,900	1,581,200	1,153,600	1,535,500	903,500	1,785,600
Arkansas	27,333	110,699,000	3,641,700	1,664,300	1,977,400	1,737,100	1,904,600	1,358,400	2,283,300
California	307,787	1,615,574,000	38,930,700	26,628,600	12,302,100	26,589,700	12,341,000	21,684,400	17,246,300
Colorado	29,397	103,566,000	4,351,200	1,910,200	2,441,000	1,992,900	2,358,300	1,557,700	2,793,500
Connecticut	54,882	228,035,000	9,623,000	4,465,100	5,157,900	4,657,500	4,965,500	3,637,500	5,985,500
Delaware	8,685	41,271,000	1,180,100	630,200	549,900	656,100	524,000	513,300	666,800
District of Columbia	20,737	171,172,000	4,503,700	3,729,100	774,600	3,886,700	617,000	3,040,000	1,463,700
Florida	47,761	188,322,000	8,344,200	2,903,800	5,440,400	3,020,600	5,323,600	2,361,400	5,982,800
Georgia	52,804	315,979,000	8,996,200	4,822,000	4,174,200	5,019,900	3,976,300	3,922,300	5,073,900
Idaho	14,177	63,102,000	1,842,700	925,000	917,700	965,600	877,100	753,700	1,089,000
Illinois	252,088	1,815,538,000	42,249,400	23,279,400	18,970,000	24,251,200	17,998,200	18,970,000	23,279,400
Indiana	101,595	519,963,000	13,378,800	7,906,900	5,471,900	8,241,300	5,137,500	6,448,600	6,930,200
Iowa	71,675	191,946,000	8,163,800	4,490,100	3,673,700	4,656,000	3,477,800	3,657,400	4,506,400
Kansas	58,637	391,871,000	9,168,300	4,978,400	4,189,900	5,189,300	3,979,000	4,052,400	5,115,900
Kentucky	44,122	401,731,000	7,459,100	4,430,700	3,028,400	4,617,200	2,841,900	3,610,200	3,848,900
Louisiana	39,423	163,842,000	5,824,200	2,585,900	3,238,300	2,690,800	3,133,400	2,102,500	3,721,700
Maine	30,475	378,804,000	5,141,000	2,431,700	2,709,300	2,534,500	2,606,500	1,979,300	3,161,700
Maryland	54,263	276,524,000	8,023,900	5,143,300	2,880,600	5,360,000	2,663,900	4,188,500	3,835,400
Massachusetts	169,021	818,062,000	25,943,900	10,948,300	14,995,600	11,389,200	14,554,700	8,898,800	17,045,100
Michigan	160,744	1,001,435,000	27,522,000	16,403,100	11,118,900	17,118,700	10,403,300	13,375,700	14,146,300
Minnesota	93,195	331,029,000	11,299,700	5,661,200	5,638,500	5,887,100	5,412,600	4,610,300	6,689,400
Mississippi	24,373	74,070,000	2,803,600	1,289,700	1,513,900	1,342,900	1,460,700	1,051,400	1,752,200
Missouri	113,704	639,585,000	19,866,000	10,509,100	9,356,900	10,946,200	8,919,800	8,562,200	11,303,800
Montana	17,216	58,431,000	2,083,100	985,300	1,097,800	1,027,000	1,056,100	802,000	1,281,100
Nebraska	40,970	348,245,000	8,933,200	5,538,600	3,394,600	5,770,800	3,162,400	4,511,300	4,421,900
Nevada	4,553	36,529,000	955,100	423,100	532,000	441,300	513,800	344,800	610,300
New Hampshire	16,259	57,035,000	2,087,300	784,800	1,302,500	818,200	1,269,100	638,700	1,448,600
New Jersey	194,475	749,312,000	34,282,100	14,055,700	20,226,400	14,672,700	19,609,400	11,450,200	22,831,900
New Mexico	9,137	36,356,000	1,458,900	569,000	889,900	592,300	866,600	462,500	996,400
New York	584,230	3,320,179,000	110,834,900	53,200,800	57,634,100	55,528,300	55,306,600	43,336,400	67,498,500
North Carolina	47,207	212,620,000	6,139,700	3,505,800	2,633,900	3,653,100	2,486,600	2,855,000	3,284,700
North Dakota	19,175	38,350,000	2,836,400	1,364,500	1,471,900	1,421,000	1,415,400	1,111,900	1,724,500
Ohio	225,995	1,320,489,000	34,998,200	23,623,900	11,374,300	24,603,700	10,394,500	19,249,000	15,749,200
Oklahoma	51,363	140,176,000	5,887,000	2,914,100	2,972,900	3,037,700	2,849,300	2,372,500	3,514,500
Oregon	38,583	234,778,000	5,821,200	3,911,800	1,909,400	4,080,700	1,740,500	3,190,000	2,631,200
Pennsylvania	300,449	1,103,549,000	41,335,800	21,990,600	19,345,200	22,941,400	18,394,400	17,898,400	23,437,400
Rhode Island	23,510	81,224,000	3,440,000	1,351,900	2,088,100	1,410,400	2,029,600	1,100,800	2,339,200
South Carolina	26,413	104,648,000	3,205,600	1,731,000	1,474,600	1,801,500	1,404,100	1,410,500	1,795,100
South Dakota	17,498	58,531,000	2,278,000	1,075,200	1,202,800	1,120,800	1,157,200	874,800	1,403,200
Tennessee	47,212	230,772,000	7,231,100	3,832,500	3,398,600	3,991,600	3,239,500	3,123,800	4,107,300
Texas	140,413	806,954,000	21,766,200	11,079,000	10,687,200	11,536,100	10,230,100	9,011,200	12,755,000
Utah	12,681	78,571,000	2,647,500	1,299,900	1,347,600	1,352,900	1,294,600	1,059,000	1,588,500
Vermont	12,497	32,667,000	1,439,300	614,600	824,700	640,500	798,800	500,900	938,400
Virginia	48,460	227,907,000	7,032,300	3,762,300	3,270,000	3,924,000	3,108,300	3,066,100	3,966,200
Washington	59,134	515,767,000	9,520,600	6,864,400	2,656,200	7,064,300	2,456,300	5,521,900	3,998,700
West Virginia	34,311	132,612,000	5,179,600	3,154,400	2,025,200	3,289,000	1,890,600	2,569,100	2,610,500
Wisconsin	99,558	351,838,000	12,193,900	6,718,800	5,475,100	6,999,300	5,194,600	5,475,100	6,718,800
Wyoming	6,364	20,358,000	900,000	335,700	564,300	350,100	549,900	273,600	626,400
Total	3,906,584	20,428,042,000	611,022,700	326,784,700	284,238,000	339,390,000	271,632,700	266,098,400	344,924,300

If their rates were reduced to the proper levels, these commercial consumers would not only save the enormous amount indicated but they would increase the consumption of electricity, as well as the use of those appliances necessary for the successful operation of their establishments. Now, let us see what happens to the industrial consumers. There were 1,559,888 industrial consumers of electricity in this country during 1937. I am inserting a table showing the number of them in each State, the amount of electricity they consumed, together with the overcharges, according to the T. V. A. rates, the Tacoma rates, and the Ontario rates.

The table referred to follows:

TABLE 3.—*Industrial electric sales data, 1937*

State	Estimated sales data for 1937			Estimated revenues and consumer overcharges according to rates in effect in—					
				Tennessee Valley Authority		Tacoma, Wash.		Province of Ontario, Canada	
	Number of customers	Total kilowatt-hours	Total revenues	Revenues	Overcharges	Revenues	Overcharges	Revenues	Overcharges
Alabama	22,399	1,217,149,000	$12,381,200	$8,357,300	$4,023,900	$5,621,100	$6,760,100	$7,366,800	$5,014,400
Arizona	7,654	372,612,000	3,544,500	1,687,200	1,857,300	1,134,200	2,410,300	1,488,700	2,055,800
Arkansas	11,444	263,517,000	5,727,700	3,322,100	2,405,600	2,233,800	3,493,900	2,926,900	2,800,800
California	148,402	5,240,833,000	69,317,000	65,019,300	4,297,700	43,739,000	25,578,000	57,325,200	11,991,800
Colorado	18,326	352,566,000	7,227,700	4,669,100	2,558,600	3,136,800	4,090,900	4,119,800	3,107,900
Connecticut	28,702	905,199,900	14,828,100	9,104,500	5,723,600	5,679,200	9,148,900	7,443,700	7,384,400
Delaware	3,321	126,656,000	1,795,700	1,138,500	657,200	854,800	940,900	1,003,800	791,900
District of Columbia	809	341,430,000	4,239,600	2,925,300	1,314,300	1,941,700	2,297,900	2,543,800	1,695,800
Florida	11,360	306,786,000	8,934,600	4,628,100	4,306,500	3,109,200	5,825,400	4,083,100	4,851,500
Georgia	18,027	993,764,000	14,953,500	10,063,700	4,889,800	6,773,900	8,179,600	8,882,400	6,071,100
Idaho	20,613	370,182,000	4,697,500	3,194,300	1,503,200	2,146,800	2,550,700	2,813,800	1,883,700

TABLE 3.—*Industrial electric sales data, 1937*—Continued

State	Estimated sales data for 1937			Estimated revenues and consumer overcharges according to rates in effect in—					
				Tennessee Valley Authority		Tacoma, Wash.		Province of Ontario, Canada	
	Number of customers	Total kilowatt-hours	Total revenues	Revenues	Overcharges	Revenues	Overcharges	Revenues	Overcharges
Illinois	68,064	4,229,447,000	$68,976,300	$37,178,200	$31,798,100	$24,969,400	$44,006,900	$32,763,700	$36,212,600
Indiana	64,013	1,670,747,000	21,277,000	13,808,800	7,468,200	9,276,800	12,000,200	12,170,400	9,106,600
Iowa	43,298	715,559,000	14,075,500	8,797,200	5,278,300	5,911,700	8,163,800	7,755,600	6,319,900
Kansas	22,994	381,881,000	7,272,700	4,698,200	2,574,500	3,163,600	4,109,100	4,145,400	3,127,300
Kentucky	20,799	408,599,000	8,259,400	5,498,700	3,160,700	3,697,600	4,961,800	4,849,300	3,810,100
Louisiana	11,573	622,924,000	9,539,600	5,132,300	4,407,300	3,453,300	6,086,300	4,521,800	5,017,800
Maine	21,367	199,805,000	4,462,400	3,132,600	1,329,800	2,106,300	2,356,100	2,762,200	1,700,200
Maryland	18,120	1,114,327,000	15,220,500	9,043,500	6,207,000	6,085,000	9,165,500	7,976,000	7,274,500
Massachusetts	39,699	1,496,431,000	25,069,400	15,550,400	12,519,000	10,441,800	17,627,600	13,697,900	14,371,500
Michigan	88,647	2,984,748,000	42,713,600	24,859,300	17,854,300	16,701,000	26,012,600	21,912,100	20,801,500
Minnesota	21,519	720,399,000	14,583,000	7,291,500	7,291,500	4,899,900	9,683,100	6,431,100	8,151,900
Mississippi	9,724	247,090,000	4,953,400	2,744,200	2,209,200	1,847,600	3,105,800	2,422,200	2,531,200
Missouri	31,014	1,275,915,000	20,580,500	13,274,400	7,306,100	8,911,400	11,669,100	11,689,700	8,890,800
Montana	5,324	1,206,228,000	8,925,900	7,281,900	1,642,000	4,890,300	4,033,600	6,416,300	2,507,600
Nebraska	15,549	91,751,000	4,130,500	2,792,200	1,338,300	1,875,200	2,255,300	2,461,800	1,668,700
Nevada	1,480	59,965,000	1,098,900	731,900	367,000	492,300	606,600	645,100	453,800
New Hampshire	14,330	183,663,000	3,442,400	2,096,400	1,346,000	1,407,900	2,034,500	1,848,600	1,593,800
New Jersey	24,664	1,680,755,000	24,263,500	13,247,900	11,015,600	8,904,700	15,358,800	11,670,700	12,592,800
New Mexico	2,817	34,159,000	997,000	525,400	471,600	352,900	644,100	463,600	533,400
New York	136,410	8,117,614,000	80,417,900	42,621,500	37,796,400	28,628,800	51,789,100	37,585,200	42,862,700
North Carolina	27,107	1,561,911,000	22,145,100	16,276,600	5,868,500	10,939,700	11,205,400	14,350,000	7,795,100
North Dakota	4,194	37,340,000	1,122,100	589,100	533,000	396,100	726,000	519,500	602,600
Ohio	109,992	4,484,190,000	75,590,300	49,058,100	26,532,200	32,957,400	42,632,900	43,237,700	32,352,600
Oklahoma	25,417	692,712,000	10,996,600	6,521,000	4,475,600	4,387,600	6,609,000	5,751,200	5,245,400
Oregon	33,065	569,500,000	7,938,000	6,279,000	1,659,000	4,223,000	3,715,000	5,540,700	2,397,300
Pennsylvania	114,253	7,540,450,000	99,294,600	61,165,500	38,129,100	41,108,000	58,186,600	53,917,000	45,377,600
Rhode Island	7,187	378,485,000	7,050,000	4,519,100	2,530,900	3,038,600	4,011,400	3,983,300	3,066,700
South Carolina	11,200	814,680,000	11,335,900	7,606,400	3,729,500	5,112,500	6,223,400	6,699,500	4,636,400
South Dakota	3,887	42,052,000	1,644,500	894,600	749,900	601,900	1,042,600	798,400	846,100
Tennessee	27,831	918,988,000	12,404,400	7,554,300	4,850,100	5,085,800	7,318,600	6,661,200	5,743,200
Texas	47,953	1,567,645,000	24,657,100	14,695,600	9,961,500	9,862,800	14,794,300	12,945,000	11,712,100
Utah	21,660	622,168,000	7,264,400	4,736,400	2,528,000	3,181,800	4,082,600	4,169,800	3,094,600
Vermont	10,534	131,722,000	2,714,100	1,853,700	860,400	1,245,800	1,468,300	1,633,900	1,080,200
Virginia	27,103	736,141,000	11,241,300	7,441,700	3,799,600	5,002,400	6,238,900	6,564,900	4,676,400
Washington	50,191	1,433,319,000	12,328,700	9,110,900	3,217,800	6,127,400	6,201,300	8,038,300	4,290,400
West Virginia	12,593	1,377,975,000	16,272,200	10,804,700	5,467,500	7,257,400	9,014,800	9,519,200	6,753,000
Wisconsin	70,137	1,248,637,000	21,751,100	12,702,600	9,048,500	8,548,200	13,202,900	11,201,800	10,549,300
Wyoming	3,112	52,217,000	1,296,300	654,600	641,600	439,400	856,800	576,800	719,400
Total	1,559,888	62,142,833,000	878,381,100	556,879,800	321,501,300	373,903,800	504,477,300	490,264,900	388,116,300

No wonder Canada has an advantage over us from an industrial standpoint. You will note that the industrial consumers in this country pay on an average of twice the rate their competitors have to pay in Ontario.

Did the gentleman from Kentucky arise to ask me a question?

Mr. MAY. Since the gentleman has called on me, I would like to ask him a question.

Mr. RANKIN. I did not call on him, but I shall be glad to answer.

Mr. MAY. I would like to ask the gentleman to explain to the House, if he will, the reason why he did not tell them when he was discussing the Ontario rates in connection with the Minnesota rates and the rates in other States of this country, that Ontario has built up at a loss over the last 10 years $300,000,000, or $30,000,000 a year, that has been subsidized by the Government, and that is why they have such cheap rates up there.

Mr. RANKIN. Do you want to know why I did not tell the House that?

Mr. MAY. Yes.

Mr. RANKIN. Because it is not true; that is why.

Mr. MAY. I knew the gentleman would say that.

Mr. RANKIN. Ontario is paying its way. Now, since the gentleman has gone that far, let us look at Kentucky.

Mr. MAY. All right, but before you get to Kentucky——

Mr. RANKIN. I do not yield further. Kentucky used 978,131,000 kilowatt-hours in 1937, and the overcharges according to the T. V. A. rates, were $9,208,600. According to the Tacoma rates, the overcharges in Kentucky were $10,882,300. According to the Ontario rates, they were $13,659,000. Those were the overcharges the people of Kentucky had to pay in 1 year.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I am sorry, but my time is limited.

Mr. MAY. Well, the gentleman ought to yield for just an explanation.

Mr. RANKIN. These are conservative figures.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Yes; I yield.

Mr. PACE. Will the gentleman give us the figures for the State of Georgia?

Mr. RANKIN. Yes; I shall be glad to. During the year 1937——

Mr. MAY. Will the gentleman let me explain to him why we have these rates in Kentucky and how we meet them?

Mr. RANKIN. No; I already know.

Mr. MAY. We can just have one horse race in Kentucky and get enough money off of Mississippians to pay that excess bill. [Laughter.]

Mr. RANKIN. The gentleman is likely to take a hay ride next year, but it will not be off Mississippi. [Laughter and applause.]

Now, Mr. Speaker, the State of Georgia used 1,550,000,000 kilowatt-hours last year, for which they paid $32,315,300. According to the T. V. A. rates, that was an overcharge of $12,084,000. According to the Tacoma rates, it was an overcharge of $15,251,200. According to the Ontario rates, it was an overcharge of $15,659,900.

Mr. MAY. Will the gentleman yield?

Mr. RANKIN. I will yield for a question.

Mr. MAY. I just wanted to advise the gentleman that if he will examine the hearings before the House Military Affairs Committee held when the T. V. A. was under consideration in 1935 he will find that the chief engineer for the city of Tacoma testified that the tax rate there was 7 mills per dollar, or $7 per hundred, and that the increase in the tax rate was added to pay the costs of the municipally operated system.

Mr. RANKIN. The gentleman evidently misunderstood him. I said that Tacoma pays several hundred thousands of dollars in taxes. If the people of Kentucky had got the Tacoma rates last year, even after paying those taxes, if the people of Kentucky had got the Tacoma rate, they would have saved last year $10,882,300.

Mr. LEAVY. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Yes; I yield to the gentleman from Washington.

Mr. LEAVY. I do not feel that the gentleman from Washington can allow that statement to go unchallenged, that the tax rate is 70 mills in Tacoma.

Mr. MAY. I did not say 70.

Mr. RANKIN. The gentleman did not say 70, he said 7.

Mr. LEAVY. Seven mills per dollar or 70 mills on $10. Our assessment basis, however, is not a full-value-assessment basis; it is from 40 to 50 percent of the value instead of full value.

Mr. MAY. That makes it that much worse.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Yes; I yield.

Mr. MARCANTONIO. Will the gentleman explain how much we are being soaked in New York City by the power gang?

Mr. RANKIN. I cannot give the figures for New York City just at this moment, but I will give them for New York State, if the gentleman will allow me to take Pennsylvania first.

In Pennsylvania they use 10,700,000,000 kilowatt-hours, and are overcharged, according to the T. V. A. rates, $88,425,200. According to the Tacoma rates, where they pay these taxes the gentleman from Kentucky talks about, they were overcharged $108,001,000. According to the Ontario rates the people of Pennsylvania were overcharged $110,083,000 in that 1 year.

I submit that, instead of attacking this yardstick which we are using to try to bring justice to the power consumers of America, it behooves every man to study this question and get behind this great movement. Now, you cannot hurt the T. V. A. One of those old farmers down there, when he heard that you gentlemen were attacking the T. V. A., you who are on the minority side, said: "Well, thank God, they can't repeal a dam." [Laughter.]

Those dams will be there when you are dead and gone, and we are going to see to it that you do not take away from the American people the benefits of their operation.

The gentleman from New York [Mr. MARCANTONIO] asked about the overcharges in the State of New York. In 1937 the people in the State of New York used 13,511,000,000 kilowatt-hours of electricity, for which they paid $292,669,000, or $142,284,900 more than it would have cost them under the T. V. A. rates, and $154,761,400 more than it would have cost them under the Tacoma rates, and $172,833,700 under the Ontario rates.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Now, what county is that I am hearing from?

Mr. SHORT. Missouri. Will the gentleman yield?

Mr. RANKIN. In just a minute, when I have finished with New York. According to the Ontario rates—and let me remind you that New York is right across the river from Ontario—only the thread of the Niagara River between them. If the people of New York had paid the same rates that are paid on the other side of the river for the same power, if you please, generated in the Niagara River by Niagara water, if they had paid those same rates the people of New York would have saved $172,833,700 in one year.

Mr. Speaker, I now yield to the gentleman from Missouri for a question.

Mr. SHORT. I merely wanted to say that it seemed to me that the long list of comparative rates the gentleman is quoting means very little.

Mr. RANKIN. It does to the gentleman from Missouri.

Mr. SHORT. No; because even the gentleman from Mississippi should know that in a country as vast and diversified as the United States the same uniformity of price is not paid for beans, gasoline, automobiles, potatoes, or even kilowatt-hours.

Mr. RANKIN. I know that those potato growers in the district represented by the gentleman from Missouri [Mr. SHORT] are rich. I know that those sheep growers in his district are rich, I know that those corn farmers are rich, I know that those who milk dairy cows are rich. They can afford to pay these enormous rates, but let me show you what these overcharges in Missouri amount to: The overcharge for electric lights and power in Missouri according to the T. V. A. rates amounted to $24,649,400 in 1937. According to the Tacoma rate the people of Missouri in 1937 were overcharged $28,737,100; and according to the Ontario rates they were overcharged $31,533,200. It would take practically the entire wheat crop of Missouri to pay those overcharges.

Mr. SHORT. Will the gentleman yield?

Mr. RANKIN. We are trying to save them from the gentleman from Missouri. Instead of supporting us, he is constantly resisting this onward approach of modern progress. [Applause.]

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. I disagree with the gentleman's position in favor of Government operation of the electric business. I want to ask the gentleman what the solution is. I have recently received hundreds of letters from Mississippi and from Tennessee indicating that by reason of the T. V. A. operations so much taxable property has been taken off the tax rolls that the treasuries of the local communities are about bankrupt.

Mr. RANKIN. If they do not get any more help from the gentleman from Wisconsin than do the power consumers of his own State they might as well save their stamps.

Mr. SCHAFER of Wisconsin. I am serious about this.

Mr. RANKIN. I sympathize with the gentleman. There have been a great many such letters from Tennessee and Mississippi written in New York and mailed out to certain people. The answer is, there is not a word of truth in them. The people down there are enjoying the great blessing of cheap electricity, and besides, the gentleman from Wisconsin is about the last man on earth they would call on for help.

Mr. SCHAFER of Wisconsin. To clear up this question, may I say that it might be all right now while Mississippi and Tennessee knocks at the door and get hand-outs from the Federal Treasury, but what are you going to do after the New Deal has departed from Washington in 1940?

Mr. RANKIN. In 1940 we are going to take the light to Wisconsin and to Ohio. [Laughter.]

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I do not think the gentleman wants to answer that profound question in the way he has.

Mr. RANKIN. Does the gentleman call that question a profound question?

Mr. JENKINS of Ohio. Yes.

Mr. RANKIN. Then I should decline to yield further.

Mr. JENKINS of Ohio. The people in Tennessee are very serious people, and the officials are about to pass legislation on the very subject that the gentleman from Wisconsin referred to.

Mr. RANKIN. I will answer that.

Mr. JENKINS of Ohio. The gentleman cannot dismiss that with a wave of the hand.

Mr. RANKIN. That propaganda has gone all over the country.

Mr. JENKINS of Ohio. It is true just the same.

Mr. RANKIN. Why, the Power Trust has even gone to the State of Washington and tried to get them to put a heavy tax on municipal plants and on cooperative associations so that they could be destroyed. That is what they want to do. It is not the people of Mississippi, and it is not the people of Tennessee or Washington who are asking for this. All they are asking for is that you let them alone and permit this law to be carried out.

Mr. ELSTON. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Ohio.

Mr. ELSTON. The gentleman has stated that Ohio would be benefited if it had the T. V. A. rates. Can the gentleman tell us what the T. V. A. has cost the taxpayers of Ohio to date?

Mr. RANKIN. Yes. It has not cost them anything, and will not cost them anything as far as power is concerned.

Mr. ELSTON. Where did the money come from?

Mr. RANKIN. The amount allocated to power will be paid for out of the sale of electricity.

Mr. ELSTON. Do not the taxpayers have to pay the bill?

Mr. RANKIN. As I stated, the amount charged to power will be amortized by the sale of electricity. As I have just explained to the House, the T. V. A. has more than paid for itself in the reduction of light and power rates to the people in every State in the Union. This reduction in 1937 amounted to $625,000,000, of which amount the people of Ohio saved $59,700,000. The people of that State are still overcharged $53,839,300 a year according to the T. V. A. rates, and $72,866,000 according to the Ontario rates.

If the gentleman from Ohio [Mr. ELSTON] and his colleague [Mr. JENKINS] and all other Members of the Ohio delegation, as well as Members from other States, would join in this movement, instead of criticizing and trying to destroy the T. V. A. yardstick, we could spread these rates throughout the entire State of Ohio, and bring to the people of that proud Commonwealth, as well as to the people of the rest of the country, relief from the overcharges they now have to pay.

Let me repeat, the majority report of the Joint Investigating Committee, headed by the distinguished Senator from Ohio [Mr. DONAHEY], is a complete vindication of the T. V. A.

I repeat again, that the T. V. A. is the greatest development of all times. It marks the beginning of a new day for the masses of the American people who have heretofore been denied the liberal use of electricity, the greatest natural resource on earth outside of the soil on which we live, and one of the greatest gifts of God to man.

As the old farmer said, "You cannot repeal the dam." The T. V. A. will be there long after these carping critics have passed away and long after the dreams of its founders have been realized in the consummation of a Nation-wide program under which our people will enjoy the glorious blessings of an electrified America. [Applause.]

The SPEAKER pro tempore. Under a previous order heretofore entered, the gentleman from Ohio [Mr. BENDER] is recognized for 5 minutes.

Mr. BENDER. Mr. Speaker, those of us who think in terms of realism must be deeply concerned at the results of the recent Gallup breadline poll. When 52 percent of the people of the Nation are either on relief or feel themselves so insecure that they could hold out less than 6 months on their present savings before seeking relief, we have reached a dark era in the Nation's history. For no matter how zealously we may preach the doctrines of true democracy and personal liberty, we know full well that dictatorship and tyranny are bred from the ranks of human insecurity. Where men and women cannot obtain food, clothing, and shelter in sufficient quantities to care for themselves; where they find it impossible to accumulate sufficiently large reserves to provide a safe margin of living for some considerable time in the future, economic security becomes a hollow jest, and continuity of democracy is in danger.

But there is more in the fruits of the Gallup poll than this abstract philosophy. For 6 years our Government has been in the hands of a group of men whose constant proclamation has been their concern for the needy. They have preached early and late their love for the underprivileged, their deeply sentimental attachment for the lowest third. Yet at the end of the better part of a decade of almost incessant social experimentation in the name of human betterment the Nation finds itself no better off than it was at the outset. If anything, the figures indicate that the 6 long years have resulted in the deepening and aggravation of the depression. In spite of N. R. A., A. A. A., S. E. C., T. V. A., C. W. A., P. W. A., and W. P. A., the lot of the average American citizen and his family must be described as desperate. No milder term will do.

Seventeen percent of the people interviewed by the investigators of the American Institute of Public Opinion declared that they were already receiving assistance, either from W. P. A. or direct relief sources. Another 19 percent of those questioned declared themselves just 1 month away from the relief office. Sixteen percent more of those seen informed the investigators that they could maintain themselves for a period not exceeding 6 months if they were suddenly thrown out of work.

To these people the only salvation between disaster and security is their present job. Most of them are convinced that if they were to lose their jobs today finding another to take its place would be a difficult, not to say impossible, achievement. Those over 45 know that the argument of advanced age is all too frequently raised to bar them from all employment. The young men and women under 25 know equally well that their youthful inexperience is no less frequently urged as a reason for barring them. All of us recognize that a job has suddenly become the most prized possession of millions of Americans.

This amazing and staggering insecurity of the people of our Nation cannot be lightly ignored. It presents the most damning indictment conceivable against the workings of the present national administration. It is absurd to speak of the end of the depression when over 20,000,000 people depend upon some form of public assistance to keep body and soul together.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. The gentleman, of course, has heard the cryptic statement, "We planned it that way"?

Mr. BENDER. Yes; I heard about that.

[Here the gavel fell.]

Mr. BENDER. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio [Mr. BENDER]?

There was no objection.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. BENDER. I yield to the gentleman from New York.

Mr. MARCANTONIO. The gentleman is pointing out that there has been an increase in unemployment. There are 10,000,000 people unemployed?

Mr. BENDER. I did not state the number. Nobody knows the number. Some say it is 10,000,000, others say it is 12,000,000, while still others say 13,000,000. I do not know. The present administration refuses to have a survey of unemployment made. They are afraid to tell us how many people are out of work.

Mr. MARCANTONIO. At any rate, the gentleman contends the number of unemployed is increasing?

Mr. BENDER. The number of unemployed is either increasing or remaining the same.

Mr. MARCANTONIO. Will the gentleman explain, then, why he opposed adequate appropriations for the unemployed?

Mr. BENDER. We did not oppose adequate appropriations for the unemployed. We were in favor of adequate appropriations. We were against the wastefulness, the chicanery, the duplicity, and the excessive spending on the part of these agencies for things that were not essential.

Mr. MARCANTONIO. Even if that be true, you took it out on the unemployed.

Mr. BENDER. We did not take it out on the unemployed.

Mr. MARCANTONIO. They are getting nothing.

Mr. BENDER. No one is taking it out on the unemployed. There is $47,000,000 that Colonel Harrington said he had as a cushion in reserve. Now, as I understand, the administration has given in and is agreeing to the $100,000,000 appropriation over on the other side of the Capitol today.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. In order to keep the record straight and expose the insincerity of our colleague, the gentleman from New York, let me say that the administration admits that at the peak only 3,000,000 people were employed on W. P. A.

Mr. BENDER. The gentleman is correct.

Mr. SCHAFER of Wisconsin. They also admit, and the American Federation of Labor admits, there are more than 12,000,000 unemployed, so these sob sisters who are continually complaining about taking it out on the unemployed have at no time asked for adequate appropriations to take care of the 9,000,000 who are out of work and who have not been able to contact the W. P. A. pay roll.

Mr. BENDER. The gentleman is absolutely right. In America you cannot possibly live like a decent American citizen on $10 or $15 a week. All this administration has to offer a fellow who is out of a job is a measly $10 or $15 a week on W. P. A., and that is not the kind of thing this country was founded for.

Mr. SCHAFER of Wisconsin. But they offer that to only 3,000,000 of the 12,000,000 unemployed, and the sob sisters who are always speaking in the Well of the House in favor of the unemployed have never asked appropriations to take care of the 9,000,000 of the 12,000,000 unemployed who have been unable to get on the W. P. A. pay roll.

Mr. BENDER. The gentleman is right.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield, inasmuch as that remark was directed at me?

Mr. BENDER. I yield to the gentleman from New York.

Mr. MARCANTONIO. The gentleman from Wisconsin, however, who was complaining that the United States employs only 3,000,000 persons on W. P. A., was opposed even to continuing the employment of those 3,000,000, because he voted against the appropriation to continue their employment. The gentleman wants fewer people on W. P. A.

Mr. SCHAFER of Wisconsin. I voted for W. P. A. appropriations. I want fewer politicians on the pay roll. I want to take the politicians off the W. P. A. pay roll who are not entitled to be on it.

Mr. BENDER. Frankly, the sooner you take a lot of these pap suckers off the pay roll down here in Washington and elsewhere the sooner you are going to have relief from this sort of thing and the sooner you will have regular jobs at regular pay. [Applause.] You cannot have business functioning in this country until you take government out of business. Thomas Jefferson, a man whom both the Republicans and Democrats honor, said that the less government you have the better government you have, or words to that effect; that that government governs best which governs least. I agree with this philosophy. If our Government would take itself out of business and take itself out of everything except those enterprises in which it ought to engage, we would get along a lot better than we are now. We have tried this course of conduct for years. Some of the Republicans tried it before the Democrats tried it. After these many years it has proven a failure, so why not forget it?

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Tennessee.

Mr. GORE. Going back to the gentleman's statement that a man cannot live on $10 or $15 a week, I wish to point out that the highest wage a W. P. A. worker would draw in my district is $6.50 a week, which is one-tenth of the amount the men draw who are working on the airport in the city of the gentleman from New York [Mr. MARCANTONIO].

Mr. BENDER. The people of Tennessee should not tolerate that condition.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. BENDER. I yield.

Mr. MARCANTONIO. With regard to the money paid to the workers at the airport, let me say that every penny over and above security wages is paid out of the treasury of the city of New York itself. This was explained on the floor of the House during the debate, and the gentleman from Tennessee should now be fully informed on the matter.

Mr. BENDER. What difference does it make if the money comes out of Peter's pocket or Paul's pocket?

[Here the gavel fell.]

Mr. BENDER. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes. These gentlemen have taken a great deal of my time and I want to finish my statement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. Let me give you this illustration: I recall that a taxi driver once called at the home of a relative. This relative called the Yellow Cab Co. but a green cab drove up in front of the house. The person who called the yellow cab kept looking out of the window and saw the green cab drive up. Finally he stepped out and said to the driver of the green cab, "I did not call you, I called a yellow cab." The driver of the green cab said, "It does not make any difference, Ginsberg owns them both." [Laughter.] And so it is. Irrespective of whether the city of New York, the State of New York, or the Federal Government pays the money, it comes out of the pocket of the taxpayer and the individual is soaked irrespective of where the money comes from.

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Tennessee.

Mr. GORE. The gentleman said, "The people of Tennessee should not submit to it." They do not condone it, they fight against it. [Applause.]

Mr. BENDER. I congratulate the gentleman.

Mr. ELSTON. Mr. Speaker, will the gentleman yield?

Mr. BENDER. I want to finish this statement, but I yield.

Mr. ELSTON. I would like to ask the gentleman from Tennessee [Mr. GORE] if he had any $500,000 buildings presented to his State by W. P. A.

Mr. GORE. I will answer the gentleman in the negative.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield for a moment?

Mr. BENDER. Yes.

Mr. MARCANTONIO. May I say that in Tennessee, and in other States, W. P. A. has left roads, buildings, and other improvements behind them.

Mr. BENDER. It is folly to talk of improving business conditions or of the possibility of raising our national income to $80,000,000,000 annually by methods which have produced nothing but terrible uncertainty in 6 years of trial.

To thinking Americans the loyal support which has been given to the New Deal by the most insecure people in our Nation seems a grim irony. The men and women who are on relief, or whose lives are overshadowed by the harrowing fear of being forced upon relief at any moment, have lined up enthusiastically behind President Roosevelt. To them he sounded the challenging trumpet of the reformer who was going to provide them with all they needed. Let us give the President his due. He moved energetically. He preached eloquent sermons on the more abundant life. But he has failed in his primary objective. Those of our people who live in insecurity but who continue to follow him blindly wherever he leads have been hypnotized by his oratory. They have been bewitched by his promises. But they are not looking at the facts realistically.

Roosevelt has failed them. Every American who loves his fellow men must recognize this failure. He must realize that the major task before our Government today is not political. It is economic. The responsibility which any government assuming public office in our Nation today must accept is the stimulation of industrial recovery. People must be given the assurance that there is work waiting for them; not unreliable, unsteady, temporary work, but regular employment at good wages. To meet this basic requirement of government today, the Roosevelt administration has marshaled theorists, statisticians, doctrinaires. They have worked out no formula for prosperity. Their most charitable critics can claim no more for them than the ability to meet constantly recurring crises with frantic desperation.

The 52 percent of our people who are 6 months away from the bread line or who have already joined its growing ranks have demonstrated long suffering and patience. There are unmistakable signs that they are at long last awakening from their slumber. Today they are beginning to recognize that their futures are tied up inseparably with the future of American business, American commerce, American agriculture. When business declines, insecurity spreads throughout

the land. When business prospers, men and women work, save, and turn their faces toward the future with courage.

The Gallup poll has given us cause for reflection. Roosevelt has brought the Nation to the brink of universal insecurity. The Republican Party must be given the opportunity to restore it to the prosperity it deserves. [Applause.]

The SPEAKER pro tempore (Mr. SPARKMAN). Under the previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 10 minutes.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks and to insert therein the table prepared by Dr. Goldenweiser and which is referred to in my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOW SURPLUS GOLD AND SURPLUS COTTON CAN BE USED TO PROMOTE THE GENERAL WELFARE BY PROVIDING PARITY PAYMENTS TO FARMERS, HELPING TENANTS BECOME HOME OWNERS, PROVIDING ADEQUATE NATIONAL DEFENSE, AND BY ACQUIRING FROM FOREIGN COUNTRIES NEEDED RAW MATERIALS WHICH WE DO NOT HAVE

Mr. PATMAN. Mr. Speaker, a few days ago I asked E. A. Goldenweiser, Director of Research and Statistics of the Board of Governors of the Federal Reserve System, to furnish me certain information regarding the total amount of business transactions for the years from 1919 to 1938, inclusive; also the same information relative to demand deposits in banks, the turn-over of these deposits, annual farm income, factory pay roll, and other information.

VELOCITY OF MONEY

It will be noticed in this information, which is inserted herewith, that in 1929, when the amount of bank deposits was smaller than it is now and when the amount of currency outside of banks was $2,000,000,000 less than it is now, that there was twice as much business done in the country as during the year 1938. This was due to the fact that each dollar in demand deposits turned over 26½ times during the year 1929, whereas it turned over slightly more than 13 times during the year 1938.

This computation does not include turn-over of currency, as such figures are not available from any source. It has been estimated, however, by people who have a knowledge of this subject that 10 percent of the business transactions are paid by currency and coin and the other 90 percent by check, an accurate account of which the table discloses.

EVERY TIME DOLLAR PAID TO FARMER WAGE EARNERS ARE BENEFITED A DOLLAR

It is interesting to note that factory pay rolls follow closely the farm income. The people today realize more than ever before that in order to make the wage earners prosperous the farmers must be made prosperous. There is one way that this prosperity can commence, and that is to place added purchasing power in the hands of the farmer. For every dollar that is placed in the farmer's hands, the wage earner will also receive a dollar.

ABNORMAL YEARS IN TABLE

In studying these figures special consideration should be given to the amount of business transactions in New York City in 1928 and 1929, which was an unusual period, and the enormous amounts were caused largely by speculation. The year 1932 was also an unusual year, due to abnormal conditions.

ANNUAL INTEREST BURDEN

Interest payments have remained steady. Approximately $5,000,000,000 a year is paid in interest. If a farmer borrows money when his cotton is worth 20 cents a pound, and he expects to produce cotton with that money for which he will receive 20 cents a pound, he is required to pay twice as much in what he has to pay with if the cotton is reduced in price to 10 cents a pound, and instead of him paying 8 percent interest, he will be required to pay 16 percent interest in what he has to pay with.

FIXED CHARGES BURDENSOME

There are certain fixed charges which can be made less burdensome only by good prices and good wages. If the farmer receives good prices and the wage earner receives good wages, the amount that is paid for these fixed charges is reduced in proportion. I refer particularly to railroad freight and passenger rates; utility services, such as electricity, gas, water, and telephone; interest; and all debts and taxes. If we reduce prices and wages 50 percent, it has the effect of doubling these fixed charges in what the people have to pay with. Therefore it is in the interest of the country that the farmers and wage earners be made prosperous in order that the enormous debts, taxes, and other fixed charges may be paid without reducing the labor of the masses to drudgery.

It is in the interest of those who have so much control over our monetary system to make money high and dear in order that everything else may be relatively cheap, because it gives them greater power and control over the economic system of our country and causes their money to buy more. It is in the interest of those who receive their income from bonds and securities and other fixed charges herein named to keep prices low and wages cheap.

The tables prepared by Dr. Goldenweiser are as follows:

Figures on banking and business statistics

Year	Bank debits	Demand deposits adjusted	Deposit turnover (annual rate)	Currency outside banks	Farm income	Farm prices	Factory pay rolls (index Nos., 1923–25 average = 100)	Interest payments	
								National Bureau	U. S. Department of Commerce
	In billions of dollars	*In billions of dollars*		*In millions of dollars*	*In millions of dollars*			*In billions of dollars*	*In billions of dollars*
1919	643	17.0	22.3	3,610	.....	.....	98	3.0	.....
1920	702	19.1	21.8	4,130	.....	.....	117	3.4	.....
1921	575	17.0	18.8	3,700	.....	.....	76	3.5	.....
1922	624	18.0	19.7	3,360	.....	.....	81	3.7	.....
1923	666	18.9	19.3	3,760	.....	.....	103	3.9	.....
1924	694	19.6	18.7	3,663	9,785	.....	96	4.2	.....
1925	795	21.2	19.7	3,590	10,324	.....	101	4.4	.....
1926	845	21.6	20.0	3,620	9,993	.....	104	4.6	.....
1927	920	22.3	21.1	3,580	10,016	.....	102	4.9	.....
1928	1,074	22.8	23.5	3,635	10,289	.....	104	5.2	.....
1929	1,227	22.9	26.5	3,617	10,479	.....	110	5.4	5.2
1930	900	22.0	19.9	3,513	8,451	.....	89	5.5	5.4
1931	663	19.5	16.4	3,920	5,899	.....	68	5.5	5.3
1932	458	16.3	13.8	4,617	4,328	.....	47	5.4	5.0
1933	424	15.1	14.3	4,767	5,117	.....	50	4.8	4.7
1934	478	16.7	15.0	4,717	6,348	.....	65	4.6	4.9
1935	534	20.4	14.6	4,807	7,090	.....	74	4.4	4.7
1936	611	23.9	14.8	5,250	7,944	.....	86	.....	4.7
1937	634	24.9	14.8	5,590	8,574	.....	102	.....	4.7
1938	[1] 553	[1] 24.9	[1] 13.2	5,663	7,632	.....	78	.....	[1] 4.6
	INDEX NUMBERS, 1926=100								
1919	76.1	78.6	111.5	99.7	.....	157.6	94		66
1920	83.1	88.3	109.0	114.1	.....	150.7	112		74
1921	68.0	78.8	94.0	102.2	.....	88.4	73		77
1922	73.8	83.2	98.5	92.8	.....	93.8	78		80
1923	78.8	87.3	96.5	103.9	.....	98.6	99		86
1924	82.1	90.6	93.5	101.1	97.9	100.0	92		91
1925	94.1	97.9	98.5	99.2	103.3	109.8	97		96
1926	100.0	100.0	100.0	100.0	100.0	100.0	100		100
1927	108.9	103.0	105.5	98.9	100.2	99.4	98		106
1928	127.1	105.3	117.5	100.4	103.0	105.9	99		113
1929	145.2	106.1	132.5	99.9	104.9	104.9	106		118
1930	106.5	101.7	99.5	97.0	84.6	88.3	86		122
1931	78.5	90.2	82.0	108.3	59.0	64.8	65		120
1932	54.2	75.5	69.0	127.5	43.3	48.2	45		114
1933	50.2	69.8	71.5	131.7	51.2	51.4	48		107
1934	56.6	77.4	75.0	130.3	63.5	65.3	62		110
1935	63.2	94.4	73.0	132.8	70.9	78.8	71		107
1936	72.3	110.4	74.0	145.0	79.5	80.9	82		105
1937	75.0	115.4	74.0	154.4	85.8	86.4	98		106
1938	[1] 65.4	[2] 115.0	[1] 66.0	156.4	76.4	68.5	74		[2] 104

[1] Preliminary. [2] Partly estimated.

Bank debits: These figures are a rough estimate of the annual volume of check payments. They include the charges made to deposits, except interbank deposits, at all commercial banks and thus reflect (1) payments for goods in various stages of production and distribution, (2) payments for services, i. e., wages, salaries, rents, dividends, taxes, etc., (3) payments arising out of financial transactions, such as property transfers and security trading, and (4) mere transfers of funds, as in gifts, in making and repaying loans, and in shifts of deposits between accounts. Demand deposits adjusted: Demand deposits, other than interbank and U. S. Government deposits, less cash items reported as in process of collection. Figures are for call dates as follows: For June through 1927, average of June and December for 1928, and averages of June and December of year indicated and of previous December beginning with 1929. Deposit turn-over: Annual rates of turn-over of deposits, excluding interbank deposits, at all commercial banks. Currency outside banks: Partly estimated.

Farm income: Cash farm income including Government payments published by the Bureau of Agricultural Economics; no figures available for years prior to 1924. Farm prices: Wholesale prices of farm products published by the Bureau of Labor Statistics. Factory pay rolls: Total wage payments in manufacturing industries published by the Bureau of Labor Statistics. Interest payments: Index is based on data published by the National Bureau of Economic Research for the years 1919–29 (Simon Kuznets, National Income and Capital Formation, 1919–35, p. 24, National Bureau of Economic Research, 1937) and by the U. S. Department of Commerce for the years 1929–38 (Income in the United States, 1929–37, p. 22, U. S. Department of Commerce, November 1938). These data on interest payments represent part of estimated total national income paid out.

Debits to individual accounts

Year	All commercial banks	New York City	Outside New York City	Index numbers (1926=100)		
				All commercial banks	New York City	Outside New York City
	In billions of dollars	*In billions of dollars*	*In billions of dollars*			
1919	643	268	375	76.1	71.8	79.4
1920	702	265	437	83.1	71.0	92.6
1921	575	228	347	68.0	61.1	73.5
1922	624	264	360	73.8	70.8	76.3
1923	666	262	404	78.8	70.2	85.6
1924	694	290	404	82.1	77.7	85.6
1925	795	344	451	94.1	92.2	95.6
1926	845	373	472	100.0	100.0	100.0
1927	920	431	489	108.9	115.5	103.6
1928	1,074	550	524	127.1	147.5	111.0
1929	1,227	663	564	145.2	177.7	119.5
1930	900	423	477	106.5	113.4	101.1
1931	663	290	373	78.5	77.7	79.0
1932	458	185	273	54.2	49.6	57.8
1933	424	177	247	50.2	47.5	52.3
1934	478	183	295	56.6	49.1	62.5
1935	534	204	330	63.2	54.7	69.9
1936	611	230	381	72.3	61.7	80.7
1937	634	218	416	75.0	58.4	88.1
1938	[1] 553	[1] 186	[1] 367	[1] 65.4	[1] 49.9	77.8

[1] Preliminary.

Bank debits: These figures are a rough estimate of the annual volume of check payments. They include the charges made to deposits, except interbank deposits, at all commercial banks and thus reflect (1) payments for goods in various stages of production and distribution, (2) payments for services, i. e., wages, salaries, rents, dividends, taxes, etc., (3) payments arising out of financial transactions, such as property transfers and security trading, and (4) mere transfers of funds, as in gifts, in making and repaying loans, and in shifts of deposits between accounts.

GOVERNMENT OWNS ALL GOLD

Under existing law the title to all gold in the United States, except that held for foreign governments and foreign central banks, is in the Government of the United States. Excluding the gold that is earmarked for foreign banks and foreign governments, the United States Treasury has in its charge and the Government owns today more than $15,000,000,000 in gold. If this gold were to be used as a reserve for the issuance of currency or Government credit on a 40-percent gold base, it is sufficient to support an issue of $37,500,000,000.

INFLATION NOT DESIRED

No one is advocating inflation of the currency or credit. I believe that most of the students of this problem are advocating reasonable expansion, within reasonable limitations, of the currency and credit.

LONG-TIME PROGRAM TO PAY NATIONAL DEBT

It is my belief that we should commence now on a long-time program, one that will probably take 20 years to safely complete, that will cause the Government to eventually liquidate the national debt through the purchase of this debt with the Government's credit and thereby save the taxpayers approximately $1,000,000,000 a year.

GOLD FOR PARITY PAYMENTS AND FARM-TENANT PURCHASE PROGRAM

At this time I believe that Congress should seriously consider setting aside $1,000,000,000 of this gold, or even more, for a farm-tenant purchase program and for parity payments to farmers. The money could be loaned to tenants to become home owners as outlined in a bill which has been introduced by the Honorable MARVIN JONES. The law should not require a down payment of any kind and should be for at least 40 years, at a rate of interest not exceeding 3 percent, and I believe it could safely be done at 2 percent or even less. Such a program would permit several hundred farm tenants to purchase homes the next year, and as they make payments on their loans this money could be used by other tenants to buy homes. The reason that no down payment should necessarily be required is that the property which secures one of these loans will immediately become much more valuable because of the favorable terms of repayment of the mortgage. Therefore the Government will not be in any danger of standing a loss.

CLOUD CAN BE REMOVED FROM GOVERNMENT TITLE TO GOLD

It will be contended that the Government has issued gold certificates to the Federal Reserve banks on this gold. That is true, but it is merely a bookkeeping transaction. Congress can, by the passage of a law containing only a few lines, remove the cloud from the title of this gold caused by the issuance of these so-called gold certificates. All that is needed is for Congress to reimburse the private banks for the $134,000,000 that they have invested in the 12 Federal Reserve banks and to take them over in the public interest. The surplus that would be obtained by such acquisition is about twice the amount of $134,000,000 stock, and all the assets of these banks would become the property of the Government.

I do not advocate the Government going into the banking business, but I do believe that the banks should be compelled to get out of the Government's business—that is, exercising the power of control over the monetary system that sets the price of all goods and services. This great system should be an arm of the Government. As it is, the Board and all of the officials connected with this system receive their pay indirectly—if not directly—from the private banks.

TRADE COTTON FOR NEEDED RAW MATERIALS

We have on hand an enormous cotton supply. The Government has loans on 11,500,000 bales of cotton. Cotton never deteriorates. It will last for thousands of years. For that reason, it should not be destroyed, but something should be done to take a substantial portion of this cotton off the market. There are many raw materials that are needed by the industries in our country in peacetime and in wartime that we do not have, cannot produce, and cannot obtain except from foreign countries. These minerals and raw materials, if obtained, could be stored for future use without deterioration, waste, or loss. Therefore, it occurs to me that we should set aside to the Secretary of State or to some suitable official or commission four or five million bales of this cotton, or at least a large amount to be used over a long period of time to exchange in an orderly way for these different raw materials, and especially minerals that we use and need and do not have. There is no reason that I know of why we should not undertake a program of this kind that would extend over a long period of time.

USE PART OF GOLD FOR NATIONAL DEFENSE

We do not know what is going on between other countries of the world and their leaders. The information we receive cannot always be relied upon. We do know that our Nation should be adequately prepared to resist any attack that is made upon it by any country in the world. I am opposed to sending our soldiers to foreign countries to engage in a war, but I am in favor of using all means at our command to properly protect our country at all times and under all conditions if it is attacked. If we were to set aside a billion dollars of this gold for the purposes of national defense, using it to pay a large Army and Navy, including the National Guard and other Reserves, and to build proper and adequate fortifications and instruments of defense, an upturn in business would be caused immediately and we would be accomplishing something worth while for our country, not only now but for the future as well.

STOP ISSUING BONDS WILL HELP COUNTRY

If Congress should cause to be passed a resolution to the effect that no more interest-bearing bonds will be issued during the next 2 years, and that all payments that are necessary to be made by the Government will be made through the issuance of the Government's credit, which may be based upon an adequate gold reserve, our depression would be over.

There is only one way to increase the amount of business transactions in our country and the velocity of money, and that is to put money into circulation to take the place of the enormous demand deposits that are now being hoarded and are not in active use.

CONCLUSION

Summing up, I believe the following should be done:

First. Congress should adopt the policy of not issuing any more bonds or securities of any kind that are interest bearing during the next 2 years.

Second. One billion dollars of gold or more should be set aside to enable tenants to purchase homes on long terms at

a low rate of interest and to make parity payments to farmers. This would provide at least two and one-half billion dollars for those purposes and permit several hundred thousand tenants to become home owners and restore prosperity to the farmers through parity price payments.

Third. Set aside a very large amount of our enormous gold supply to be used for national-defense purposes, which is not only needed for national defense but to give people work, thereby reducing unemployment and relieving distress.

Fourth. Set aside several million bales of surplus cotton to be used by the Secretary of State or some other official or commission to exchange for raw materials, and especially minerals that can only be obtained from foreign countries, and which we need and use in this country every day, both in time of peace and in time of war.

Let us put this gold into use. A small part of the gold our Government owns is sufficient to restore prosperity to our people.

Millions of our people want work. They need goods and services. Our country is in need of a well-financed program for adequate national defense. Millions of farmers can become home owners without cost to our Government. A supply of raw materials sufficient to last a quarter of a century, a half century, or longer, which our people need and which can be obtained only from foreign countries, can be acquired.

All these benefits can be obtained by properly using our surplus gold and our surplus cotton.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. PACE. In the bill reported out of the Committee on Military Affairs there is a provision permitting and directing the exchange of surplus agricultural commodities for these necessary war materials.

Mr. PATMAN. To what extent?

Mr. PACE. One hundred million dollars.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. MURDOCK of Arizona. I am in agreement with that proposition, providing it means getting these strategic war materials at once, so that we can have them in a comparatively short time, but to me that as a permanent policy I believe to be very unwise, for we ought to begin to produce everything that can possibly be produced in our own land as a measure of national security.

Mr. PATMAN. I thoroughly agree with the gentleman, but some things we have not been able to produce and I have reference to them, and it is not likely that we will be able to produce them in the future.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. PACE. There were two questions I wish to ask the gentleman. How does the gentleman propose to get this money, the extra issue of money, into the hands of the people today who have no purchasing power? What would be the method of getting it out of the United States Treasury, we will say, and into the hands of the man who is in want?

Mr. PATMAN. I think there are many ways of doing that. Of course, one way is through the W. P. A., another P. W. A., but I think if the farmers receive parity prices, and we had an adequate defense program on which to spend the money that should be spent, that most of our people would be employed. I do not think we would need very much of W. P. A. There are many ways by which we can get the money into circulation.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. AUGUST H. ANDRESEN. I do not know whether the gentleman saw the picture, but a man was here showing certain changes in our monetary system and he suggested that the Federal Reserve turn over to the Government a sufficient amount of currency to be used exclusively for public works, the W. P. A., and old-age pensions.

Mr. PATMAN. I saw the picture, and it was interesting and instructive. It suggested a fine way to get the money in circulation. The picture is based upon a book, In Defense of Capitalism, written by James H. R. Cromwell and Hugo E. Czerwonsky. The picture was made by these gentlemen and is being shown by them to Members of the House and Senate.

Mr. AUGUST H. ANDRESEN. That is one way to get it out, and easily.

Mr. PATMAN. And in conclusion, Mr. Speaker, I insist that this gold should be used for a good and useful purpose and not hoarded.

Mr. LEAVY. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. LEAVY. I am generally in accord with the gentleman's statement with reference to making use of the tangible gold that we have, a real utility use, but would not every argument that is advanced be equally an argument for silver?

Mr. PATMAN. Yes. We should use both gold and silver.

Mr. LEAVY. We are using silver now.

Mr. PATMAN. Yes. We use both gold and silver. That would include silver, but it just happens that we have such an enormous gold supply. We have over half the gold of the entire world.

Mr. LEAVY. We are now using silver to the extent of $1,700,000,000 in certificates.

Mr. PATMAN. I did not discuss silver since there is so much gold and a sufficient amount for all purposes I have discussed.

Mr. LEAVY. The gentleman would be favorable to making full use of silver at the present time?

Mr. PATMAN. Yes. It should be done.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

The gentleman from Wisconsin [Mr. GRISWOLD] is recognized for 5 minutes.

Mr. GRISWOLD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a letter from Mr. James R. Law, mayor of the city of Madison, Wis.

The SPEAKER pro tempore. Is there objection?

There was no objection.

PUTTING MEN TO WORK

Mr. GRISWOLD. Mr. Speaker, a few days ago we had under consideration an additional appropriation to the Works Progress Administration of $100,000,000, and before this session is over we shall probably have under consideration additional appropriations for the same purpose. Our average annual appropriation for the W. P. A. over the last 4 years will exceed a billion and a half dollars. It is one of the major items in the building up of our constantly increasing national debt. I do not believe that any Member feels these appropriations can be continued much longer.

THE FALLACY OF BUYING POWER

When the original appropriations were under consideration much was said about increasing the buying power, but when great appropriations were made and no material change in buying power resulted, this argument was dropped. The truth is that we cannot take money from one class, either by borrowing or by taxation, and increase our total buying power. We merely transfer it. Taxes and borrowed money decrease buying power faster than the money so taken can give employment. We cannot create wealth by borrowing and taxation. Labor and the materials which labor produces are our only form of wealth.

MILLIONS OUT OF WORK

The argument for W. P. A. appropriations now comes down to the fact that there are millions of men out of work who must be provided for. The vote of Members in this House on further W. P. A. appropriations seems to be largely determined by the number of unemployed in their district. Legislation is for the present only and we operate in a period of constant emergency.

PROVIDING PRIVATE EMPLOYMENT

The argument is advanced that we must provide work until such time as private employment provides jobs for our unemployed. So far as I know, however, Congress has not introduced or considered any legislation that would take from the private employer the excessive burden placed on him by previous legislation. Congress has refused to consider legislation that would encourage and promote industry and the employer of labor to the end that all men would have employment at reasonable wages. The employer of labor and the industry he represents must mark time until proper legislation releases him to go forward. The unemployed must walk the streets or depend on W. P. A. or relief until such time as industry is allowed to operate at capacity.

THE REMEDY

The rule adopted for the consideration of the last W. P. A. appropriation prevented the introduction of the following amendment which I proposed:

Provided, That the Works Progress Administrator may, in his judgment, use a portion of this appropriation toward the encouragement in private employment of persons carried on the rolls of the Works Progress Administration.

At the first opportunity an amendment in this or other form will be presented. It is an endeavor to place in private employment those now unemployed. In operation it would allow the Works Progress Administrator to pay a portion of the relief cost to the private employer who would find employment for men now on the W. P. A. rolls. It would stimulate employment in industry of every kind. It would put men to work in private employment. It would be the beginning of the transfer to private employment of the men now on the relief rolls. It would reduce the W. P. A. appropriation and be a step toward the return of normal employment. [Applause.]

Mr. Speaker, in this connection I wish to call your attention to the following letter from Mr. James R. Law, mayor of the city of Madison, Wis., and president of the Wisconsin League of Municipalities:

OFFICE OF THE MAYOR,
Madison, Wis., March 15, 1939.

Mr. PAUL V. BETTERS,
Executive Director, United States Conference of Mayors,
Washington, D. C.

DEAR PAUL: In this morning's mail I received a letter from Mayor Hoan with enclosure of recommendations of the United States Conference of Mayors on Senate bill 1265. I read this through very carefully and again, as in former years, I feel that the United States Conference of Mayors has missed an opportunity to be of service to this country. If the roof of my house is leaking, I do not continually year after year repair the damage to the rooms underneath; first I make an effort to repair the leak.

On the last page of your report you say, "It is high time that we cease talking about work-relief needs as a temporary problem of government. Those who face the problem frankly know that relief is and will be a continuing job of society."

I agree with this statement because this was true since our country was formed 150 years ago. We have always met this problem, and I do not suppose anyone has ever starved in this country. The point at issue is, How great a problem is this to be, and do we want to admit that the problem we speak of contemplates the present 10,000,000 of unemployed? If we do, I feel this is an admission of defeat, and if we are to admit this then we must revise our entire mode of living. Our standard of living in this country must be reduced one-half. We cannot support schools, universities, churches, government, and other similar institutions on the basis upon which we are now operating them. We have done this for the past 6 or 7 years by borrowing; we all recognize this borrowing cannot be continued forever. To have done it on a "pay-as-you-go" basis, as you suggest, would have caused a reduction in the standard of living which I mentioned above. However, I do not agree that this is necessary.

This country is not now greatly different than it was in 1925 and 1926 and 1927; and in those years, right here in Madison, conferences used to be held between industrialists and contractors, and at those conferences the work was scheduled so that one group would not compete with the other for the available labor. In other words, there was more work projected than there were men available to perform. In the building industry, with which I was affiliated, men were working Saturday afternoons and Sundays at double pay. Everyone who wanted a job had one. Given the proper encouragement and incentive, millions of our unemployed today can again be employed by private industry. I would not ask the return of boom conditions in 1925, 1926, and 1927, and this would not be necessary.

I recognize the need for aid to the unemployed until this correction in industry is made. I should like to see a paragraph in your report urging Government assistance to business and industry so as to reduce the relief load. So far we have tried to lick the depression without this aid; does it not seem reasonable to devote a couple of years in at least trying the other method? Others are apparently thinking of this. I offer the speech, Stimulation of Private Industry, by Hon. HARRY W. GRISWOLD before the House of Representatives February 23, 1939, and recommend careful reading of this speech.

I would like to see the conference of mayors endorse some such suggestion in their report.

Very truly yours,

JAMES R. LAW.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. FISH] is recognized for 5 minutes.

Mr. FISH. Mr. Speaker, I ask unanimous consent that my time may be extended 5 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

NATIONAL LABOR RELATIONS BOARD

Mr. FISH. Mr. Speaker, I listened with interest to what the gentleman from Georgia [Mr. COX] had to say about the actions of the National Labor Relations Board. I hope that the Congress of the United States will not adjourn without considering proper amendments and modification of the National Labor Relations Act. It is the duty of the proper committee in this House to hold open hearings. I believe on both sides there are many Members who are convinced that the best way to restore confidence among business elements, if not also with labor, is to amend and make this law workable and fair to all elements of our population; and I predict if they do that, confidence will be partially restored and we will again be on the highway to recovery. It is one of the main stumbling blocks. The great difficulty with the country at the present time is that there is fear and lack of confidence. I hope that the Committee on Labor will agree to open hearings and I hope that the Rules Committee, of which I am a member, will report out next week the Anderson amendment, proposing an investigation of the actions of the National Labor Relations Board, their personnel, their qualifications, and their capacity to carry out the laws and the intent of the Congress to diminish the cause of labor disputes and to promote recovery.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. SHORT. I think it is generally agreed throughout the country that the National Labor Relations Board has acted as investigator, prosecutor, judge, and jury at the same time, and that very little regard has been given to the established rules of procedure. But does not the gentleman feel that bad as the administration has been, they have been forced to labor under a rather bad law itself that should be amended?

Mr. FISH. I agree thoroughly with the gentleman from Missouri that it is a bad law, an unfair law, and should be amended. Probably the personnel of the Board should be changed.

I would like to know who is blocking consideration of these proposed amendments. I am inclined to believe that word has come down from the White House. I have seen it repeatedly stated by spokesmen of the New Deal that there would be no consideration or modification of the Wagner National Labor Relations Act at this session of Congress. Apparently there is somebody blocking a hearing and action by the House of Representatives, and I assume that it must be on order from the White House. I know it is from his spokesman. It is not only a matter that affects business interests but today's paper reports that the peace conference between the American Federation of Labor on the one side and the C. I. O. on the other has been indefinitely postponed until this matter is considered by the Congress.

Mr. SHORT. Will the gentleman yield further?

Mr. FISH. I yield.

Mr. SHORT. Could the administration possibly be influenced by the $500,000 raised by John L. Lewis from the

United Mine Workers of America and contributed to Mr. Roosevelt's campaign fund for reelection in 1936?

Mr. FISH. They apparently have been influenced by that $500,000 for the last few years, and I anticipate that, expecting some more contributions, they will continue to be influenced in that direction.

I also want to say a few words in my limited time regarding the remarks made by Henry L. Stimson, former Republican Secretary of State under the Hoover administration, before the Senate Foreign Relations Committee this morning.

Mr. Stimson, speaking for himself and within his own rights, advocated collective security, economic sanctions, aggressor nation powers, and delegating away from the Congress practically the power to declare war. It is not unusual for Secretaries of State and former Secretaries of State to be obsessed with the idea that they must have all the power to determine our foreign policies; that the Congress is in their way; therefore, the Congress should give up the power to declare war and turn that power over to the President and the Secretary of State.

Mr. Stimson in his remarks does not speak for the Republican Party. [Applause.] I say without fear of contradiction here or elsewhere that there are not two Republicans in the House or in the Senate that agree with the international doctrines of Mr. Stimson. [Applause.] He is an internationalist and an interventionist. He seeks to take away these war-making powers from the Congress and turn them over to the President. He has been repudiated by his former chief, ex-President Herbert Hoover. He has been repudiated constantly by almost every authority in the Republican Party on international affairs. Nevertheless—and this is what I resent—he is being used by the present New Deal administration, he is being produced as exhibit No. 1 to appear before the Senate Foreign Relations Committee to uphold the internationalist and interventionist policies of the administration because he is a Republican and has been a former Secretary of State.

I do not believe that the Republicans throughout the country will be misled into believing that he represents in any degree the foreign policies of the Republican Party. But to make sure, let me reiterate them. We believe in our American traditional policies of neutrality, nonintervention, peace, and no entangling alliances.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. SCHAFER of Wisconsin. The gentleman indicated that Mr. Stimson was a star witness because he is a Republican. Would not the gentleman more correctly state the facts if he indicated that he was a Republican but that now he is a New Deal Charlie McCarthy?

Mr. FISH. I understand the sentiments and the motives of the gentleman from Wisconsin, and so far as his remarks are directed at the views of Mr. Stimson on international affairs I am thoroughly in accord with him. On domestic policies Mr. Stimson is 100 percent against the New Deal. But he is being used, and he is permitting himself to be used—in fact, he is encouraging the use of his views before the administration committee in the Senate.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. FISH. I conclude that the administration is making use of him to influence the rank and file of the Republican Party to believe that maybe, after all, the President is right in his interventionist policies and that Mr. Stimson speaks for the Republican Party. I want to insist, above all, that, outside of Mr. Stimson, Mr. Nicholas Murray Butler, and a few other internationalists who advocated the League of Nations in the past, and who have not changed their minds, and who are still internationalists and interventionists, do not represent the foreign policies of the Republican Party, which seeks to keep us out of all entangling alliances, military or naval commitments, and foreign wars. [Applause.]

[Here the gavel fell.]

ROOSEVELT URGES SOUTH TO COMPETE WITH NORTH

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, on July 5, 1938, President Roosevelt called the South "the Nation's No. 1 economic problem."

On March 31 he urged the South to take itself "out of hock to the North" by establishing its own enterprises with its own capital and by going into competition with the North in dairying, apple culture, and meat and shoe production.

Speaking of noisy milk trains passing his cottage at Warm Springs, Ga., Mr. Roosevelt said:

> That milk and cream for Florida came from Wisconsin and Minnesota and Iowa and Illinois. * * *
>
> You and I know * * * the [Southern] States can produce perfectly good milk and cream.
>
> I went * * * to buy some apples. * * * The only ones I could find came from Washington and Oregon.
>
> I went to buy meat. * * * The only meat I could buy came via Omaha and Kansas City and Chicago.
>
> I wanted * * * a pair of shoes. * * * The only shoes I could buy had been made in Boston or Binghamton, N. Y., or St. Louis. * * *
>
> I don't believe that the South is so broke that it cannot put its own capital into the establishment of its own enterprises.

On March 29 the President wrote to Senator HARRISON opposing increased tariffs on certain imported vegetable oils competitive with southern oils. He said these increased tariffs would interfere with the reciprocal-trade treaties.

Here was a chance to help the South. Instead the President opposed this measure.

Industrial and agricultural chemists and economic experts know positively that there are many products peculiarly adaptable to the southern soil and climate which, with Government help, would take the place of cotton. These include development of plastics industries; the synthetic-resin industry; southern slash pine for the manufacture of print paper, now imported from Canada; raising of tung nuts for tung oil, now imported from China; cultivation of southern sweetpotatoes for starch, now imported as tapioca; the use of cotton fabric on secondary highways; the use of cotton bagging instead of jute; the production of power alcohol from agricultural raw materials; the reservation of domestic markets for peanuts, peanut oil, and cottonseed oil; and the development of a large number of other noncompetitive crops and industries.

These new crops and new industries are prevented today by the reciprocal-trade policy. There is no reason for the South to compete with northern producers while neglecting these new crops and new industries, which are not competitive with the North and which would not draw factories from the North to southern low-wage areas—as in the case, to a very great extent, of the textile mills of New England.

In other words, the solution of this problem is not to encourage southern production of commodities which the Government is now paying northern producers to limit, but to find new markets and new uses for products which the South can raise without competing with the North. The northern farmer cannot produce the crops peculiar to the South, while the South can produce all of the northern crops. If the South should follow President Roosevelt's advice, it would create the greatest dislocation of agriculture ever experienced in any nation. The inevitable result would be to utterly ruin the northern diversified farmers, and the North would then become the Nation's No. 1 economic problem.

ROOSEVELT WRITES ONE-WAY TICKET FOR SOUTH

Possibly the final and greatest of all New Deal experiments is found in the President's latest attempt to unbalance the

economy of a united nation by his advocacy of complete industrial and agricultural self-containment for the South. This has been his goal for the past 6 years. And what are the results?

Before the New Deal "the noisy milk trains from Minnesota, Wisconsin, and Iowa" carried cream, milk, butter, and cheese to our friends and neighbors in the South and returned to the North full laden with cotton, cotton goods, cottonseed oil and cake, peanuts, tobacco, sugar, molasses, oranges and other citrus fruits, petroleum, and scores of other products produced exclusively in the South. Now, under the New Deal experimentation, the noisy milk trains from the North have been silenced. They run no more, for the New Deal has subsidized and financed the South to become self-contained in dairy production. But the Northern States continue to buy more and more products from the South, and the trains run back empty.

The events of the past 6 years under New Deal planning have brought about more than self-sustaining production of corn, pork, beef, and dairy products in the South. In fact, records disclose that surpluses of these products are being produced, and high southern officials boast of trainload shipments to markets of the North in direct competition with northern producers engaged in similar production at a higher cost. The New Deal has succeeded in silencing the "noisy" corn, pork, and beef trains from the North. But the people of the North continue to buy the ever-increasing supply of products from southern producers.

THE SOUTH LURES NORTHERN INDUSTRY

Under extraordinary inducements from Southern States and communities to give free rent, free buildings, no taxes, and low labor costs, industry is being lured away from Northern States. The South now leads in the following industrial fields: Heavy chemicals, pulp and paper, rayon, textiles, tobacco, and petroleum. Two-thirds of all new industrial investments for 1936 and 1937 went to the South. The amount spent south of the Mason and Dixon's line for new industry in those years approximated $186,000,000.

Packing plants, creameries, tire factories, furniture factories, shoe factories, and scores of other lines of industrial activity are springing up over the entire South. Does the President recommend that all industry move south? And does he want only empty trains returning to the South? No parity freight rates can be allowed on one-way empty trains.

Neither North nor South can long survive on a one-way ticket. Planned economy under Government subsidy and regimentation will, in the last analysis, bring ruin to all sections, create trade and other barriers between North and South, and a general disintegration of the Union.

EXTENSION OF REMARKS

Mr. AUGUST H. ANDRESEN, Mr. SHANLEY, and Mr. BENDER asked and were given permission to revise and extend their own remarks.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DEROUEN (at the request of Mr. GRIFFITH), for 5 days, on account of important business.

To Mr. BOEHNE, for 1 week, on account of business.

To Mr. POLK, for 5 days, on account of important business.

To Mr. LARRABEE, for 1 week, on account of official business.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3577. An act to amend the Canal Zone Code.

ADJOURNMENT

Mr. SMITH of Virginia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 24 minutes p. m.) the House adjourned until tomorrow, Thurday, April 6, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue on Thursday, April 6, 1939, at 10 a. m., on social-security legislation in the Ways and Means Committee room in the New House Office Building

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the subcommittee of the Interstate and Foreign Commerce Committee on the trust-indenture bill (H. R. 5220). The hearings are being held in the Interstate and Foreign Commerce Committee room and began April 4, 1939, at 10 a. m. The hearings will be continued on April 5 and 6. Proponents of the bill were heard on the 4th and opponents will be heard on the 5th and 6th.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Thursday, April 6, 1939, at 10:30 a. m., to continue hearings on the project for the Connecticut River, Conn. and Mass.

COMMITTEE ON WAR CLAIMS

There will be an executive session of the full Committee on War Claims at 10:30 a. m., Friday, April 7, 1939, to consider reports on bills by the subcommittees.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 11, 1939, at 10:30 a. m., to begin hearings on the project for the Lake Erie and Ohio River Canal.

COMMITTEE ON THE JUDICIARY

There will be a public hearing before Subcommittee No. 3 of the Committee on the Judiciary at 10 a. m. Wednesday, April 12, 1939, on the bill (H. R. 5138) to make unlawful attempts to overthrow the Government of the United States, to require licensing of civilian military organizations, to make unlawful attempts to interfere with the discipline of the Army and Navy, to require registration and fingerprinting of aliens, to enlarge the jurisdiction of the United States Circuit Court of Appeals in certain cases, and for other purposes. The hearing will be held in the Judiciary Committee room, 346 House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

Thursday, April 6, 1939:

H. R. 1011, acquisition of drydock facilities for United States Maritime Commission on San Francisco Bay (WELCH); H. R. 2870, acquisition of drydock facilities for United States Maritime Commission at Los Angeles (THOMAS F. FORD); H. R. 3040, acquisition of drydock facilities for United States Maritime Commission at Los Angeles (GEYER of California).

Tuesday, April 11, 1939:

H. R. 1783, inspection of hulls of sail vessels and barges (BLAND); H. R. 1785, motorboat bill (BLAND); H. R. 1795, motorboat bill (HENDRICKS); H. R. 1809, inspection of motorboats, 15 gross tons up (MAGNUSON); H. R. 2398, regarding pilots on yachts (ANGELL); H. R. 3837, inspection of motorboats, 15 gross tons up (CONNERY).

Thursday, April 13, 1939:

H. R. 4220, load-line bill for seagoing vessels (BLAND).

Tuesday, April 18, 1939:

H. R. 2404, surgeon and hospital on vessels (SIROVICH); H. R. 2660, limitation of liability (SIROVICH); House Joint Resolution 153 and House Joint Resolution 194, investigate conditions pertaining to lascar seamen (SIROVICH).

On Wednesday, April 19, 1939, at 10 a. m., the Committee on Merchant Marine and Fisheries will resume hearings on the bill H. R. 5130, to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

603. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated

February 24, 1939, submitting an interim report, together with accompanying papers and illustrations, on reexamination of Guadalupe River, Tex., in the interest of navigation, flood control, water power, and irrigation, and of the channel at Seadrift, Tex., requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted April 8, 1938, and September 25, 1937 (H. Doc. No. 247); to the Committee on Rivers and Harbors and ordered to be printed, with two illustrations.

604. A letter from the Acting Secretary of War, transmitting draft of a proposed bill to amend section 4a of the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended; to the Committee on Military Affairs.

605. A letter from the Acting Secretary of the Treasury, transmitting a proposed bill to amend the act of March 28, 1928 (45 Stat. 374), as amended; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BUCKLER of Minnesota: Committee on Indian Affairs. H. R. 3248. A bill authorizing a per capita payment of $15 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation; without amendment (Rept. No. 378). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. Senate Joint Resolution 90. Joint resolution to amend the joint resolution approved June 16, 1938, entitled "Joint resolution to create a Temporary National Economic Committee"; without amendment (Rept. No. 379). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 3838. A bill to protect trade-mark owners, producers, distributors, and the general public against injurious and uneconomic practices in the distribution of competitive commodities bearing a distinguishing trade-mark, brand, or name through the use of voluntary contracts establishing minimum resale prices and providing for refusal to sell unless such minimum resale prices are observed; without amendment (Rept. No. 380). Referred to the House Calendar.

Mr. JONES of Texas: Committee on Agriculture. House Joint Resolution 258. Joint resolution to amend section 8 (f) of the Soil Conservation and Domestic Allotment Act, as amended; without amendment (Rept. No. 381). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. H. R. 5031. A bill for the relief of the sufferers from the earthquake in Chile; without amendment (Rept. No. 382). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 5356) to pay the adjusted-compensation benefits due to Nola McKnight, and the same was referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CREAL:

H. R. 5573. A bill to change the designation of Abraham Lincoln National Park, in the State of Kentucky, and the Fort McHenry National Park, in the State of Maryland; to the Committee on the Public Lands.

By Mr. LELAND M. FORD:

H. R. 5574. A bill to authorize the transfer of lands between the city of Los Angeles, Calif., and the United States; to the Committee on Public Buildings and Grounds.

By Mr. HENNINGS:

H. R. 5575. A bill, Peace Act of 1939; to the Committee on Foreign Affairs.

By Mr. IZAC:

H. R. 5576. A bill to grant double-time credit for retirement purposes to enlisted men of the Army, Navy, Marine Corps, or Coast Guard for certain service during the World War; to the Committee on Military Affairs.

H. R. 5577. A bill authorizing the construction and equipment of a marine hospital at San Diego, Calif.; to the Committee on Merchant Marine and Fisheries.

H. R. 5578. A bill to amend the act of June 6, 1924, entitled "An act to amend in certain particulars the National Defense Act of June 3, 1916, as amended, and for other purposes"; to the Committee on Military Affairs.

By Mr. LEMKE:

H. R. 5579. A bill to relieve the existing national economic emergency by postalizing transportation rates; to provide for the incorporation of the Railroad Postalized Fare Guaranty Corporation in order to allot and apportion just and equitable indemnification to the railroad carriers; authorizing an appropriation for the purpose of carrying out the provisions of this act; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MARTIN of Iowa:

H. R. 5580. A bill to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended; to the Committee on Agriculture.

By Mr. O'CONNOR:

H. R. 5581. A bill to amend the act entitled "An act to establish a National Park Service, and for other purposes," approved August 25, 1916; to the Committee on the Public Lands.

By Mr. SANDAGER:

H. R. 5582. A bill to provide for a continuous census of unemployment, to stabilize employment, to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes; to the Committee on Labor.

By Mr. SACKS:

H. R. 5583. A bill to amend section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, and for other purposes, as amended; to the Committee on the District of Columbia.

By Mr. BLAND:

H. R. 5584. A bill to amend the Canal Zone Code; to the Committee on Merchant Marine and Fisheries.

By Mr. CANNON of Florida:

H. R. 5585. A bill providing for reexamination and survey of St. Lucie Inlet, Stuart, Fla.; to the Committee on Rivers and Harbors.

By Mr. DISNEY:

H. R. 5586. A bill amending section 731 of the Revenue Act of 1932 and section 3460 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. DUNN:

H. R. 5587. A bill for the better assurance of the protection of persons within the several States from mob violence and lynching, and for other purposes; to the Committee on the Judiciary.

By Mr. McLEOD:

H. R. 5588. A bill to assure to persons within the jurisdiction of every State due process of law and equal protection of the laws, and to prevent and punish the crime of lynching; to the Committee on the Judiciary.

By Mr. MURDOCK of Utah:

H. R. 5589. A bill relating to contracts and agreements under the Taylor Grazing Act; to the Committee on the Public Lands.

By Mr. O'CONNOR:

H. R. 5590. A bill to authorize the acquisition of certain lands within the State of Montana and the construction of dams and other water-control structures and improvements thereon for the purpose of establishing the Woody Island

Wildlife Refuge, and for other purposes; to the Committee on Agriculture.

By Mr. KING:

H. R. 5591. A bill to provide for the naturalization of natives of American Samoa; to the Committee on Immigration and Naturalization.

By Mr. SCHIFFLER:

H. Res. 153. Resolution directing the United States Tariff Commission to make investigations and reports under the authority of section 336 of the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. WINTER:

H. Res. 154. Resolution to require the Works Progress Administrator to publish the names, addresses, and monthly salaries of certain employees of the Works Progress Administration; to the Committee on Appropriations.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New Jersey, memorializing the President and the Congress of the United States to consider their Assembly Concurrent Resolution No. 1, with reference to Federal estate tax; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to consider their Senate Joint Resolution No. 14, with reference to Senate bill 1187, concerning the mining industry of Nevada; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of Nebraska, memorializing the President and the Congress of the United States to consider their resolution relating to the classification of brushes of the type used in the application of fingernail polish; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to consider their resolution with reference to the Townsend national recovery plan; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRYSON:

H. R. 5592. A bill for the relief of Vernon Atkison; to the Committee on Claims.

H. R. 5593. A bill for the relief of Mr. and Mrs. T. H. Minton; to the Committee on Claims.

By Mr. FLANNERY:

H. R. 5594. A bill for the relief of David Guiney; to the Committee on Military Affairs.

By Mr. GRANT of Alabama:

H. R. 5595. A bill for the relief of Howard H. Thames; to the Committee on Military Affairs.

By Mr. GRANT of Indiana:

H. R. 5596. A bill for the relief of Peter S. Kaminski; to the Committee on Military Affairs.

By Mr. HEALEY:

H. R. 5597. A bill for the relief of Sarah Klara Tankel Patt; to the Committee on Immigration and Naturalization.

By Mr. HEINKE:

H. R. 5598. A bill granting a pension to Sarah White; to the Committee on Invalid Pensions.

H. R. 5599. A bill for the relief of the Franklin Ice Cream Co.; to the Committee on War Claims.

By Mr. KING:

H. R. 5600. A bill for the admission of Ruth Molimau Kenison to American citizenship; to the Committee on Immigration and Naturalization.

By Mr. LECOMPTE:

H. R. 5601. A bill for the relief of John T. Clarkson; to the Committee on Claims.

By Mr. McGRANERY:

H. R. 5602. A bill for the relief of Rocky Brook Mills Co.; to the Committee on War Claims.

By Mr. O'NEAL:

H. R. 5603. A bill for the relief of John Bryson; to the Committee on Military Affairs.

By Mr. PITTENGER:

H. R. 5604. A bill for the relief of the First National Bank of Cloquet, Minn.; to the Committee on Claims.

By Mr. REECE of Tennessee:

H. R. 5605. A bill granting a pension to Alexander Hamric; to the Committee on Pensions.

By Mr. ROMJUE:

H. R. 5606. A bill granting a pension to Cecelia H. Shrock; to the Committee on Invalid Pensions.

By Mr. WHITE of Idaho:

H. R. 5607. A bill for the relief of George A. Meffan, United States marshal, district of Idaho; to the Committee on Claims.

H. R. 5608. A bill directing the payment to William H. Carter of travel allowances from Manila, P. I., to San Francisco, Calif.; to the Committee on War Claims.

By Mr. WOLFENDEN of Pennsylvania:

H. R. 5609. A bill for the relief of John Spiciaric; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2320. By Mr. ASHBROOK: Petition of George A. Mayer and 39 others, favoring a referendum vote on war; to the Committee on the Judiciary.

2321. By Mr. BOLLES: Petition of sundry citizens of Kenosha, Wis., favoring a more far-reaching neutrality act so that the United States will not be drawn into conflict with foreign nations; to the Committee on Foreign Affairs.

2322. Also, petition of sundry citizens of Kenosha, Wis., protesting against our Government borrowing money from the privately owned Federal Reserve banks and favoring a new type of bond which will be free from interest and negotiable; to the Committee on Banking and Currency.

2323. By Mr. HART: Petition of the Board of City Commissioners of the City of Jersey City, N. J., requesting the Members of the House of Representatives from New Jersey and the New Jersey Senators to immediately do everything in their power to have these official orders reducing the personnel of the Works Progress Administration rescinded to bring about the reinstatement of the thousands of men and women already discharged, and the discontinuance of any further reductions of the Works Progress Administration force; to the Committee on Appropriations.

2324. By Mr. MARTIN J. KENNEDY: Petition of Lodge No. 191, International Association of Machinists, Grand Rapids, Mich., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2325. Also, petition of New Castle Lodge, No. 166, International Association of Machinists, New Castle, Pa., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2326. Also, petition of Paul Revere Lodge, No. 485, Brotherhood of Locomotive Firemen and Enginemen, Somerville, Mass., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2327. Also, petition of Lodge No. 614, International Association of Machinists, Mechanicsville, N. Y., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2328. Also, petition of Manly Lodge, No. 838, Brotherhood of Locomotive Firemen and Enginemen, Manly, Iowa, urging passage of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2329. Also, petition of the American Train Dispatchers Association, Madison, Wis., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2330. Also, petition of the Brotherhood of Locomotive Firemen and Enginemen, Indianapolis Union Railway, Indianapolis, Ind., urging passage of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2331. Also, petition of Memphis Lodge, No. 14, International Association of Machinists, Memphis, Tenn., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2332. By Mr. KEOGH: Petition of the United Scenic Artists of America, Local 829, of the Brotherhood of Painters, Decorators, and Paperhangers of America, New York City, favoring the passage of House bill 4576 and Senate bill 591; to the Committee on Military Affairs.

2333. Also, petition of the General Assembly of the State of North Carolina, favoring legislation in making an allowance to all active members of the officers of the Reserve Corps of the Army of the United States; to the Committee on Military Affairs.

2334. Also, petition of the Modesto public schools, Modesto, Calif., concerning Senate bill 1305, Federal-aid bill; to the Committee on Education.

2335. Also, petition of the Legislature of the State of Nevada, concerning Senate bill 1187; to the Committee on Military Affairs.

2236. By Mr. MARTIN of Massachusetts: Memorial of the Commonwealth of Massachusetts, urging Congress to consider and discuss the provisions of the Townsend national-recovery plan, etc.; to the Committee on Ways and Means.

2337. By Mr. PFEIFER: Petition of the Shellmar Products Co., New York City, opposing House bills 188, 3369, and 3749, and Senate bills 158, 137, 126, and 1299, and Senate Joint Resolution 27; to the Committee on Interstate and Foreign Commerce.

2338. Also, petition of the Cupid Knitwear Co., Inc., New York City, opposing elimination of homework under the wage and hour bill; to the Committee on Labor.

2339. Also, petition of the United Scenic Artists of America, New York City, urging support of House bill 4576 and Senate bill 591; to the Committee on Labor.

2340. By Mr. ROMJUE: Petition of the independent retail merchants of Lewistown, Mo., favoring the passage of House bill 1; to the Committee on Ways and Means.

2341. By Mr. SCHIFFLER: Petition of Victor W. Brandon, chairman, legislative committee of Labor's Non-Partisan League of Marion County, Fairmont, W. Va., urging the passage of the Oppressive Labor Practices Act of 1939, introduced by Senators THOMAS and LA FOLLETTE; to the Committee on Labor.

2342. By Mr. SECCOMBE: Petition of Russell T. Kiko, Fortieth Street NW., Canton, Ohio, and approximately 5,000 other residents of the Sixteenth Congressional District of Ohio, including farmers, industrialists, business and professional men, in support of the nonpartisan cost-of-production bill (S. 570) and similar bills in the House; to the Committee on Agriculture.

2343. By the SPEAKER: Petition of the city of Milwaukee, Wis., petitioning consideration of their resolution with reference to Works Progress Administration deficiency appropriation; to the Committee on Appropriations.

2344. Also, petition of the Council of State Governments, Chicago, Ill., petitioning consideration of their resolution with reference to freight rates; to the Committee on Ways and Means.

2345. Also, petition of Margaret McDonald, of San Francisco, Calif., and others, petitioning consideration of their resolution with reference to Works Progress Administration deficiency appropriation; to the Committee on Appropriations.

2346. Also, petition of the Federal Personnel Association, Washington, D. C., petitioning consideration of their resolution with reference to civil-service classification and retirement acts; to the Committee on the Civil Service.

2347. Also, petition of Non-Sectarian Anti-Nazi League to Champion Human Rights, Inc., New York, N. Y., petitioning consideration of their resolution with reference to unfair competition to American industrial enterprises; to the Committee on Ways and Means.

SENATE

THURSDAY, APRIL 6, 1939

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Eternal gracious Father, whose presence comforteth like sunshine after rain: Our hearts are burdened with thanksgiving at the thought of all Thy mercies, for the blessings of this mortal life, for health, for reason, for learning, and for love; but, far beyond all thought and thankfulness, is the story of Thy great redemption.

It was no painless travail that brought us to the birth, nor common patience that could bear with us the while, for long-suffering love and the breaking of the eternal heart were necessary to reconcile us to the life to which Thou hast ordained us. And, as we gaze upon the Saviour's cross, whence sorrow and love flow mingled down, bring us back, dear Father, to the things we have neglected, the common tasks and the stern commands of conscience to live the higher, purer life, for our weakness and our need are more than we can bear. Heal us though by pain, save us though by death, and reveal to us Thy glory in the face of the Man of Sorrows, the shadow of whose cross is better than the sun. In His holy name we ask it. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, April 4, 1939, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	King	Reed
Andrews	Davis	La Follette	Reynolds
Ashurst	Donahey	Lee	Russell
Austin	Downey	Lodge	Schwartz
Bankhead	Ellender	Logan	Schwellenbach
Barbour	Frazier	Lucas	Sheppard
Barkley	George	Lundeen	Shipstead
Bilbo	Gerry	McCarran	Smathers
Bone	Gillette	McKeller	Smith
Borah	Glass	McNary	Stewart
Bridges	Green	Maloney	Taft
Brown	Guffey	Mead	Thomas, Okla.
Bulow	Gurney	Miller	Thomas, Utah
Burke	Harrison	Minton	Townsend
Byrd	Hatch	Murray	Tydings
Byrnes	Hayden	Neely	Vandenberg
Capper	Herring	Norris	Wagner
Caraway	Hill	Nye	Wheeler
Chavez	Holman	O'Mahoney	White
Clark, Idaho	Holt	Overton	Wiley
Clark, Mo.	Johnson, Calif.	Pepper	
Connally	Johnson, Colo.	Pittman	

Mr. MINTON. I announce that the Senator from Delaware [Mr. HUGHES], the Senator from Maryland [Mr. RADCLIFFE], the Senator from North Carolina [Mr. BAILEY], the Senator from Missouri [Mr. TRUMAN], and the Senator from Illinois [Mr. LEWIS] are detained from the Senate on important public business.

The Senator from Indiana [Mr. VAN NUYS] and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

ADDITIONAL CLERICAL ASSISTANCE FOR SENATORS

Mr. GUFFEY. Mr. President, I desire to give notice that on Monday next at an appropriate time, I shall address the Senate on the matter of additional clerical assistance for Senators.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House

had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 10. An act for the relief of the Fred Harvey Transportation Department;

S. 11. An act for the relief of Hubert H. Clark and Dr. W. C. Copeland;

S. 745. An act for the relief of the Pacific Telephone & Telegraph Co.;

S. 754. An act for the relief of J. G. Mayfield;

S. 911. An act for the relief of Roscoe C. Prescott, Howard Joslyn, Arthur E. Tuttle, and Robert J. Toulouse;

S. 1117. An act to provide for the reimbursement of certain enlisted men or former enlisted men of the United States Navy for the value of personal effects lost in the hurricane at the submarine base, New London, Conn., on September 21, 1938; and

S. 1253. An act for the relief of John B. Dow.

The message also announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 511. An act for the relief of Dolores P. de Williamson; and

S. 545. An act for the relief of George H. Pierce and Evelyn Pierce.

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 3) authorizing the Temporary National Economic Committee of the Congress to have printed for its use additional copies of all parts of its hearings held in connection with a complete study and investigation with respect to the concentration of economic power in, and financial control over, the production and distribution of goods and services.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr. CULLEN, Mr. MCCORMACK, Mr. COOPER, Mr. TREADWAY, Mr. CROWTHER, and Mr. KNUTSON were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 875. An act for the relief of Okie May Fegley;

H. R. 1301. An act for the relief of John J. Trimble;

H. R. 1694. An act for the relief of Bozzani Motors, Ltd.;

H. R. 2056. An act for the relief of the Shipowners & Merchants Towboat Co., Ltd.;

H. R. 2061. An act for the relief of Ernest O. Robinette and others;

H. R. 2067. An act for the relief of the Atlas Powder Co.;

H. R. 2074. An act for the relief of Junius Alexander;

H. R. 2104. An act for the relief of James A. Mills;

H. R. 2529. An act for the relief of W. F. Towson;

H. R. 2595. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.;

H. R. 3077. An act for the relief of Adam Casper;

H. R. 3550. An act for the relief of the widow and children of James Patrick Mahar;

H. R. 3673. An act for the relief of the Allegheny Forging Co.;

H. R. 3897. An act for the relief of Harry L. Smigell;

H. R. 4084. An act to provide for the reimbursement of certain personnel or former personnel of the United States Navy and United States Marine Corps for the value of personal effects destroyed as a result of a fire at the Marine Barracks, Quantico, Va., on October 27, 1938; and

H. R. 4133. An act for the relief of Joseph N. Thiele.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 60. An act for the relief of Dierks Lumber & Coal Co.;

S. 128. An act for the relief of Fred H. Beauregard;

S. 303. An act for the relief of The Ocilla Star;

S. 463. An act for the relief of The Fitzgerald Leader;

S. 512. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

S. 529. An act for the relief of Margaret Rose Uncapher, Milton E. Uncapher, Jr., and Andrew G. Uncapher;

S. 584. An act for the relief of John R. Holt;

S. 885. An act to authorize and direct the Comptroller General of the United States to allow credit for all outstanding disallowances and suspensions in the accounts of the disbursing officers or agents of the Government for payments made to certain employees appointed by the United States Employees' Compensation Commission;

S. 1115. An act for the relief of Lt. Malcolm A. Hufty, United States Navy;

S. 1119. An act to provide an additional sum for the payment of a claim under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931," approved January 21, 1936 (49 Stat. 2212);

S. 1174. An act for the relief of Alex St. Louis and Dr. J. P. Lake;

H. R. 3577. An act to amend the Canal Zone Code; and

S. J. Res. 46. Joint resolution authorizing appropriation for expenses of a representative of the United States and of his assistants, and for one-half of the joint expenses of this Government and the Government of Mexico, in giving effect to the agreement of November 9–12, 1938, between the two Governments providing for the settlement of American claims for damages resulting from expropriations of agrarian properties since August 30, 1927.

ENFORCEMENT OF THE NARCOTICS AND CUSTOMS LAWS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend the act of March 28, 1928 (45 Stat. 374), as amended, relating to the advance of funds in connection with the enforcement of acts relating to narcotic drugs, so as to permit such advances in connection with the enforcement of the Marihuana Tax Act of 1937 and to permit advances of funds in connection with the enforcement of the customs laws, which, with the accompanying paper, was referred to the Committee on Finance.

AGRICULTURAL SURPLUSES AND RESEARCH LABORATORIES

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, in reference to the four regional research laboratories, one in each major farm-producing area, to conduct researches into and to develop new scientific, chemical, and technical uses and new and extended markets and outlets for farm commodities and products and byproducts thereof, which, with the accompanying documents, was referred to the Committee on Agriculture and Forestry.

E. DEVLIN, INC., AGAINST THE UNITED STATES

The VICE PRESIDENT laid before the Senate a letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, his report and recommendation concerning the claim of E. Devlin, Inc., against the United States, which, with the accompanying report, was referred to the Committee on Claims.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the Legislature of Nebraska, which was referred to the Committee on Finance:

Resolution memorializing the Congress of the United States to revise the tariff laws of the United States relating to the classification of brushes of the type used in the application of fingernail polish

Whereas the United States Customs Court, first division, in New York City, N. Y., has held that small brushes of the type used in

the application of fingernail polish are camel's-hair pencils and not toilet brushes; and

Whereas the tariff on camel's-hair brushes is only 40 percent, while the tariff on toilet brushes is 1 cent per brush plus 50 percent; and

Whereas under this ruling brushes of this type made in Japan can be sold in the United States at 46 cents per gross, duty paid, while such price will not even pay for the materials and labor that go into the making of such brushes in the United States; and

Whereas the amount paid for labor in such industry in the United States is approximately 25 times greater than that paid in Japan; and

Whereas, under the decision of said court, such industry in the United States will be completely ruined; and

Whereas many thousands of United States citizens will be deprived of their jobs; and

Whereas nearly 200 employees of the United States Brush Co. in Omaha, Nebr., alone will lose their jobs: Now, therefore, be it

Resolved by the Legislature of the State of Nebraska in fifty-third regular session assembled:

1. That this legislature respectfully petitions, memorializes, and urges the Congress of the United States to enact such measures as will correct the objections recited in the preamble of this resolution; and that the tariff laws of the United States be so revised that brushes of the type used in the application of fingernail polish shall be classified as toilet brushes rather than as camel's-hair pencils.

2. That this resolution be spread at large upon the journal of this legislature, and that the clerk of this legislature is hereby ordered and directed forthwith to forward a copy of this resolution, properly authenticated and suitably engrossed, to the President of the United States, to the Vice President of the United States as Presiding Officer of the United States Senate, to the Speaker of the House of Representatives of the United States, and to each of the United States Senators and Congressmen representing the State of Nebraska in the Congress, to the end that representatives in the Government and in the Congress of the United States may be advised that this legislature considers as imperative remedial Federal legislation to revise the tariff laws of the United States with respect to the classification of brushes used in the application of fingernail polish.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of New Jersey, which was referred to the Committee on Finance:

Assembly Concurrent Resolution 1

Whereas the power to tax the devolution of property of decedents is justified as a prerogative of the sovereign States, by whose grace the transfer of estates from decedents to beneficiaries is permitted and controlled; and

Whereas inheritance taxation has for many years been regarded as a necessary State function for the raising of revenue; and

Whereas the revenue derived by this State from the operation of its inheritance-tax laws constitutes an extremely important item in the finances of this State; and

Whereas this State is now faced with the immediate problem of raising approximately $20,000,000 for the support of persons on its relief rolls; and

Whereas during the year 1925 the then Governor of New Jersey and the Governors of several of the other States suggested that efforts be made to persuade the Federal Government to abandon the field of inheritance taxation, so that this source of revenue could be employed by the States to a more beneficial degree; and

Whereas during the same year the then President of the United States advised that such action be taken; and

Whereas the Federal Revenue Act of 1926, through the inclusion therein of a credit provision, was designed as a protection and aid to the States; and

Whereas by the Federal Revenue Acts of 1932, 1934, and 1935 the rates of death duties have been substantially increased, but with no corresponding increase in the credit allowed for inheritance taxes paid to the State; and

Whereas, as a result of the development of Federal legislation, the Federal Government is now collecting annually from estates of New Jersey decedents an amount approximately twice that of inheritance taxes received from the same estates by this State: Now, therefore, be it

Resolved by the House of Assembly of the State of New Jersey (the senate concurring):

1. That the Congress of the United States be urged to combine into one act the several Federal estate-tax acts now prevailing, and that provision be made therein for the allowance, as a credit on account of the Federal estate tax, of an amount equal to the death duties paid to any State or States, said credit to amount to at least 50 percent of the Federal estate tax assessed; and

2. That certified copies of this resolution be forwarded to the President of the Senate of the United States, to the Speaker of the House of Representatives, and to each Member therein representing the State of New Jersey.

The VICE PRESIDENT also laid before the Senate the following resolution of the General Court of Massachusetts, which was referred to the Committee on Finance:

Resolution urging Congress to consider and discuss the provisions of the Townsend national recovery plan, so-called, and the provisions of bills of similar import

Resolved, That the General Court of Massachusetts hereby urges the Congress of the United States to forthwith consider the provisions of the Townsend national recovery plan, so-called, and the provisions of bills of similar import, and to subject said provisions to a thorough discussion and open debate by its members; and be it further

Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress, and to the Members thereof from this Commonwealth.

The VICE PRESIDENT also laid before the Senate a resolution of the Common Council of the City of Milwaukee, Wis., favoring an additional appropriation of $150,000,000 for the Works Progress Administration, as requested by the President, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution of the Federal Personnel Association, Washington, D. C., favoring the holding of open hearings on all legislation affecting the Civil Service Classification and Retirement Acts, which was referred to the Committee on Civil Service.

He also laid before the Senate a resolution of the Cy Pres Club, National University School of Law, Washington, D. C., favoring the enactment of the bill (S. 1610) to prevent discrimination against graduates of certain schools, and those acquiring their legal education in law offices, in the making of appointments to Government positions the qualifications for which include legal training or legal experience, which was referred to the Committee on Civil Service.

He also laid before the Senate a letter from the secretary of the National Rivers and Harbors Congress, Washington, D. C., transmitting resolutions adopted by the thirty-fourth annual convention of the Congress, March 23–24, 1939, together with a report of its projects committee, which, with the accompanying papers, was referred to the Committee on Commerce.

He also laid before the Senate a resolution adopted by a meeting of the supervisors of elementary schools in the State of Utah, favoring the enactment of Senate bill 1305 providing Federal aid to education in the States, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by several labor organizations of Juneau, Alaska, protesting against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of a special committee of Square Deal Lodge, No. 40, Steel Workers Organizing Committee, Huntington, W. Va., protesting against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Freeport Council, No. 57, Junior Order of United American Mechanics, of Freeport, Long Island, N. Y., protesting against the enactment of legislation to admit into the United States, outside of existing quotas, 20,000 refugee children, which was referred to the Committee on Immigration.

He also laid before the Senate a resolution of the Fourth General Assembly of the Council of State Governments, Washington, D. C., favoring adherence to the policy of free trade among the States of the Union, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate a petition of sundry citizens of the State of Alabama, praying for the prompt enactment of the so-called Wagner-Van Nuys-Capper antilynching bill, which was referred to the Committee on the Judiciary.

Mr. BARBOUR. Mr. President, I present and ask unanimous consent to have inserted in the RECORD without the names and appropriately referred a petition signed by over 2,000 residents of New Jersey and submitted to me by the National Temperance and Prohibition Council.

The VICE PRESIDENT. The petition will be received and properly referred, and, without objection, will be printed in the RECORD without the names attached thereto.

To the Committee on Interstate Commerce:

We, the undersigned citizens of Union City and Weehauken, county of Hudson, State of New Jersey, do respectfully petition you to help promote the general welfare of the people of the United States by securing the passage of legislation which will stop, so far as is possible by Federal law, the great advertising campaign for the sale of alcoholic beverages now going on by press and radio.

The States cannot adequately regulate or prohibit the advertising of liquor so long as Congress permits such advertising through the medium of interstate commerce. Therefore we most earnestly urge your assistance in securing this proposed legislation in order that State regulations and laws upon the subject may thereby be made more adequate and effective and that radio advertising of alcoholic beverages may be stopped entirely.

Mr. ASHURST presented petitions of 980 citizens of the State of Arizona, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. ELLENDER presented petitions of sundry citizens of the State of Louisiana praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. GREEN presented petitions of sundry citizens of the State of Rhode Island praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

ANNEXATION OF KLAIPĖDA-MEMEL TERRITORY, LITHUANIA

Mr. WAGNER presented a resolution adopted at a mass meeting in New York City held under the auspices of the American Lithuanian Council, which was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Resolution unanimously adopted at the mass meeting held at the McCaddin Hall in the city of New York under the auspices of the American Lithuanian Council on Sunday, the 26th day of March 1939

Whereas the Government of the United States, backed by the public opinion of the entire Nation, has consistently withheld recognition of the territorial acquisitions or subjugation of free peoples by military invasion or under threats of force, even though veiled by the semblance of formal juridical procedure;

Whereas the present Government of the German Reich has recently, in willful disregard of the sanctity of international treaties, abrogated the Klaipėda-Memel covenant of 1924 and seized Lithuanian territory with the only maritime port of Lithuania and its Lithuanian population;

Whereas this seizure was preceded by a characteristic German interference in the internal affairs of Lithuania and the fomentation of racial antagonisms, and culminated in compelling the Government of Lithuania to surrender the Klaipėda-Memel territory: Now, therefore, be it

Resolved, That we protest and condemn this annexation of the Klaipėda-Memel territory of the Republic of Lithuania by the German Reich; be it further

Resolved, That we pledge our moral and material support to all the efforts of Lithuania in defense of its independence and territories; be it further

Resolved, That we appeal to the Government of the United States to deny recognition to the seizure of the Klaipėda-Memel territory, and to use its good offices in influencing other governments to adopt a similar policy and to render all possible assistance to the Lithuanian Republic against threatened dangers to its sovereign independence; be it further

Resolved, That copies of these resolutions be forwarded to the President, Secretary of State, and Members of Congress of the United States of America; to the Governments of Lithuania, Latvia, Estonia, Great Britain, France, Soviet Union, and Poland; to the Secretariat of the League of Nations; and to the press.

ADMISSION OF GERMAN REFUGEE CHILDREN

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Immigration various editorials and letters supporting Senate Joint Resolution 64, to authorize the admission into the United States of a limited number of German refugee children, which I introduced and which is pending in the Committee on Immigration.

There being no objection, the editorials and letters were referred to the Committee on Immigration and ordered to be printed in the RECORD, as follows:

[From the Boston Herald of March 22, 1939]

TO SAVE 10,000 CHILDREN

The heartless sequence of contests which Adolf Hitler has brought to a climax through the extension of his "protection" to the groups which once constituted Czechoslovakia will have its most disastrous effects upon the lives of the children now brought under Nazi rule. Their minds are young enough still to be warped into an ideology which glorifies slavery to the state and the repression and persecution of liberty. Most unfortunate of all are the German children of Jewish parentage who have nothing now to look forward to but a life filled with the terrors which are the lot of the despised and the hunted.

In an effort to alleviate to some small degree the dismal fate of these German children without a future, Mrs. EDITH NOURSE ROGERS, our Republican Congresswoman from Lowell, has introduced, in conjunction with Senator WAGNER, Democrat, of New York, a bill which would permit 10,000 of these children, 14 years of age or younger, to emigrate to this country during the next year. The bill strictly provides that before they may come here, satisfactory assurances must be given that the children will be supported and properly cared for by responsible citizens or private agencies. Financial guarantees have already been provided by a large group of people, including Mrs. Calvin Coolidge, of Northampton, and arrangements have been completed for the placement of the children in families throughout the 48 States. About half of the children will be of Jewish parentage and about half of Catholic and Protestant background.

Such a proposal cannot but appeal to the humane instincts of a Nation that is still free, and its nonpartisan character should hasten its enactment by Congress. Mrs. ROGERS, who will always be remembered for her generous service during the war with the Red Cross, and since then the veterans' organizations, is to be commended for having taken the lead once again as a humanitarian. The bill, which has been endorsed by former President Hoover, is backed by the Non-Sectarian Committee for German Refugee Children, of which Cardinal Mundelein, of Chicago, Canon Stokes, of Washington, and Governor Lehman, of New York, are cochairmen. It deserves immediate passage.

[From the St. Petersburg (Fla.) Evening Independent of March 24, 1939]

Germany's conquest of Bohemia, Moravia, and now Memel may hasten hearings on the Wagner-Rogers bill. This measure would allow 20,000 German refugee children to enter the United States in the next 2 years. The proposal is now before the Immigration Committees of each branch of Congress.

The refugee-children bill sponsored by Senator ROBERT F. WAGNER, Democrat, of New York, and Representative EDITH N. ROGERS, Republican, of Massachusetts, would apply only to German children of 14 years of age and under. Since this Government refused to recognize the German conquest of Czechoslovakia, there might be some question of whether refugee children from that area would be considered German, but the bill may be changed to clarify this point. When Germany took over Austria, the Austrian immigration quota (1,413) was officially added to the German (25,957), but so far the combined quota (27,370) has not been augmented by the Czechoslovakia quota (2,874). The annual quota for Lithuania, including Memel, is 386.

In the fiscal year 1937–38 only 17,868 (65 percent) of the 27,370 immigrants allowed under the present German quota were admitted, but the Czechoslovak quota of 2,874 was almost competely filled. Under the present immigration laws, children of American citizens are given preference for entry; also children under 21 of aliens who have been admitted to the United States for permanent residence. Of the 42,494 total immigrants admitted last year (out of a total quota allowance of 153,774), approximately 20,000 were under 21 years of age.

The Wagner-Rogers bill would admit above the quota 10,000 German children a year for 2 years. The bill specifies that satisfactory assurance must be given in each case that the entrant will not become a public charge. The intent is that the children will be chosen by Quakers and by groups cooperating with the Friends and will go into foster homes of the same religious faith as the children. Presumably the homes selected would be scattered throughout the country, so as to avoid undue congestion in particular geographical areas.

Children admitted would be required to have visas from American consuls abroad, who now in practice select and restrict immigration under the quotas; and each consul would be expected to assure himself that the intent of the act had been complied with before issuing a visa.

The children who would be admitted under the Wagner-Rogers bill would be sent in groups, and brothers and sisters would be kept together wherever possible. Since under the provisions of the proposal the children would not compete in the labor market, both the American Federation of Labor and the Congress for Industrial Organizations have endorsed the bill.

Following the intensification of the anti-Jewish measures in Germany last fall, Great Britain admitted 2,500 German refugee children, irrespective of immigration and visa requirements, within 6 weeks and since then has taken more. Several thousand more are being taken care of in the Netherlands. The parents of most of these children will never see them again.

[From the Bluefield (W. Va.) Daily Telegraph]

REFUGEE CHILDREN

The resolution, sponsored by Senator WAGNER to change the immigration laws to permit refugee children of Germany admission to this country, has all good and nothing harmful in its objectives. Under the plan 10,000 children under 14 years of age could enter the country during this year and 10,000 more during the year 1940. Those qualified for entry are children who have resided in "any territory now incorporated in Germany" since January 1, 1933, and for whom "satisfactory assurances are given that (they) will be supported and properly cared for through the action of responsible cititzens or responsible private organizations * * * and * * * will not become public charges." The resolution also provides that "children of every race and creed" are eligible.

There are many thousands of little children in Germany and its new territories whose adult relatives are imprisoned, or who have been slain, despoiled, or driven out, and their admission to this country "would release them," as Senator WAGNER has pointed out, "from the prospect of life without hope and without recourse, and enable them to grow up in an environment where the human spirit may survive and prosper." This is a splendid plea and it comes from a man who himself is German born, but whose life in America is a reflection of the spirit of love for fellow men, compassion for the oppressed, and effort for the welfare of humanity, which brought to America the best citizen material from every land. The coming of these little refugees will not crowd nor inconvenience, nor work a hardship on anyone. These 20,000 children would be but one to two thousand children here. They could be assimulated, cared for, educated, and made into useful men and women and good Americans.

From news items we notice that religious, social, industrial, labor, financial, and many other groups favor the adoption of the resolution. Of course, they do, but if they hadn't said a word, it would not matter, for there is a higher endorsement than can be made by men, for such an action as this will partake of the spirit of the great Father who has "been our dwelling place in all generations."

[From the Portland (Oreg.) Oregonian of March 24, 1939]

LET THEM IN

The proposal expressed in a joint resolution in Congress, to authorize the admission into the United States of a limited number of German refugee children, affords that opportunity for practical benevolence and aid which the heart and conscience of America have been seeking. The lot of those that are politically and racially persecuted is bitter enough for the adult, but for the helpless child it becomes an experience in terror and misery beyond all mature conception. The impulse to aid the refugee children of Germany is broadly humanitarian.

The provisions of the joint resolution should allay any misgivings for the future of the children so admitted. The number would be comparatively minor, with 10,000 admitted in 1939 and as many more in 1940. Existing provisions for entrances from Germany permit the issuance of 27,370 immigration visas to Germans of all ages. Twenty thousand children could well be adopted and absorbed by a nation of our magnitude without perceptible difference. Nor would any child refugee, under the resolution, be given an immigration visa until ample assurance, by a responsible American citizen or private agency, had been received in guarantee of the care and education of the small fugitive from hate. This assurance is waiting on the opportunity, and is offered by a large number of the more eminent Protestant and Catholic churchmen of the United States.

The most pitiful plight of those who confront exile in Germany is that of the children. Outcast and friendless, and often deprived of their parents, these waifs are such an indictment of Nazi ruthlessness and inhumanity as shall stand while the page of history endures. The young of the cattle, of the beasts of the field, know more of compassion and care than these children receive from their strutting, intolerant masters. Not long ago there appeared in Collier's an article by Quentin Reynolds, descriptive of the condition of the proscribed, so-called "non-Aryan" children of Germany. As an instance he told of the arrival of a company of juvenile Jewish refugees on English soil. At first they could not believe that in England children of their blood might approach the grass:

"When they heard the incredible news that no 'verboten' signs existed at Dovercourt they gave happy cries and rushed out onto the grass, and rolled in it like kittens rolling in catnip. They tore tufts of it and pressed it against their cheeks. This was the first freedom any of them ever had known."

Surely America has green fields and good homes to which some few of these children shall have admittance, there to dwell and play while the memory of what has been becomes a fading nightmare. We can do no less than welcome them to a land where nothing is forbidden them, under conscience, and where the green grass and the flowers grow for all children alike. In their urgency and despair it is we, curiously enough, who need them more than they need us. Open the heart of America and let them in.

[From the Stamford (Conn.) Advocate of March 24, 1939]

TWENTY THOUSAND GERMAN CHILDREN

Since early in February there has been before Congress the so-called Wagner-Rogers bill to admit 20,000 German children into the United States above the regular German immigration quota. These children would be admitted over a period of 2 years. The bill in identical terms is before the Immigration Committees of the two branches of Congress. It is expected that Germany's conquest of Bohemia, Moravia, Slovakia, and now Memel may hasten the hearings on these bills.

The purpose of the bill is well set forth in the "whereases" that precede the bill itself. These read in part as follows: "Whereas there is now in progress a world-wide effort to facilitate the emigration from Germany of men, women, and children of every race and creed suffering from conditions which compel them to seek refuge in other lands; and whereas the most pitiful and helpless sufferers are children of tender years; and whereas the admission into the United States of a limited number of these children can be accomplished without any danger of their becoming public charges, or dislocating American industry, or displacing American labor, and whereas, etc."

It is interesting that both the American Federation of Labor and the Congress of Industrial Organizations have endorsed the bill. They feel that under the provisions of the proposal the children would not compete in the labor market.

This Wagner-Rogers bill would apply only to German children of 14 years of age and under. Since this Government refused to recognize the German conquest of Czechoslovakia, there might be some question of whether refugee children from that area would be considered German. When Germany took over Austria, the Austrian immigration quota (1,413) was officially added to the German (25,957), but so far the combined quota (27,370) has not been augmented by the Czechoslovak quota (2,874). The annual quota for Lithuania, including Memel, is 386.

The bill specifies that satisfactory assurance must be given in each case that the entrant will not become a public charge. The intent is that the children will be chosen by the Friends, and by groups cooperating with the Friends, and will go into foster homes selected for them. Catholic and Protestant children would be admitted as well as Jewish, and all would go into homes of their respective religions. Presumably, the homes selected would be in all parts of the country, so as to avoid undue congestion in certain cities or in certain geographical areas.

The children to be admitted would be required to get visas from American consuls abroad, who now in practice select and restrict immigration under the quotas; and each consul would be expected to assure himself that the intent of the act had been complied with before issuing a visa. However, before actually coming out of committee the Wagner-Rogers bill will probably be made more specific on these points, and might be amended so as to include additional safeguards.

The safeguards that have been thrown around the proposed admission of the children seem to be ample enough to quiet the criticism of the most careful stickler for protecting Americans from any least disadvantage. Even the numbers named in the bill, 10,000 for each year of a 2-year period, are minimum enough to seem almost ridiculously small. The bill ought to go through both branches of Congress unanimously.

[From the Baltimore Sun of March 25, 1939]

ABOVE POLICY

Senate Joint Resolution 64 was introduced by Senator WAGNER, of New York, a Democrat; but the plan it embodies has received the endorsement of such unmistakable non-Democrats as Herbert Hoover and Mrs. Calvin Coolidge, who broke her own rule of never commenting on proposed legislation in order to support this resolution.

The reason is plain. Although the resolution suspends temporarily a national policy, it is not political. What it proposes is to relax United States immigration laws enough to permit the reception in this country of 10,000 German children under 14 in each of the years 1939 and 1940.

There are individuals and organizations in this country prepared to care for the children, so they would not become public charges. They are all under 14, so they would not compete in the labor market with American workers. The children, in short, can do us no harm, and their reception would accomplish something toward reducing the sum total of human misery. It is no wonder that Republicans support it as readily as Democrats, for humanitarianism is above party lines. It will be a sad day for us if the time ever comes when we consider any national policy too sacred to be touched in the name of humanity.

[From the Mount Vernon (N. Y.) Daily Argus of March 27, 1939]

UNTO THE LEAST OF THESE

There is no need to recount the plight of hundreds of thousands of citizens of Germany. The civilized world is familiar with the economic abuses which have been heaped upon them and with the cruelty of the concentration camps in which many of them have been incarcerated.

Yet, despite their admitted suffering, the United States of America can do little for them beyond aid extended through private charitable organizations to those who have been exiled. Our present internal economic condition is such that to lower the immigration laws and permit entry of these hundreds of thousands above the legal quotas would only add to unemployment and relief problems which already burden taxpayers to the breaking point.

But, fortunately, there is an avenue of mercy which this Nation can travel—a path which any kind, understanding, charitable coun-

try must take. It is to the rescue of some 50,000 children under 14 years of age whose parents have been either placed in concentration camps or who, through some unnatural events, have been thrown upon the mercies of the rest of the world.

Senator ROBERT F. WAGNER, of this State, and Representative EDITH NOURSE ROGERS, of Massachusetts, have introduced at Washington a bill which would allow the entrance into this country this year of 10,000 of these children and a similar number in 1940. That bill is now in committee awaiting public reaction.

These 20,000 children will not be competitors for employment since they are of tender age; they will not add to our own problems of child care since they are to be placed in homes carefully selected by the American Friends Service Committee (Quakers); and they are of years which will permit assimilation easily into American manners of life.

There is no religious element involved—about one-half of the children are Jewish and the other one-half Catholic or Protestant, whose forebears committed the unforgivable—to Hitler—crime of intermarriage with Jewish people. They are, admittedly, of a type which would become good American citizens.

Someone has said that God sends children into the world for another purpose than to maintain the race—to enlarge our hearts and to make us unselfish and tolerant and understanding and sympathetic.

Here is then a God-given duty to a nation which can still afford these virtues.

[From the Burlington (Vt.) Press of March 29, 1939]

REFUGEE CHILDREN

Senator ROBERT F. WAGNER, of New York, has introduced in the Senate a joint resolution authorizing the admission into the United States of 10,000 German refugee children of every race and creed, during each of the calendar years 1939 and 1940.

He points out that children are, in many cases, the most serious sufferers from the persecutions inflicted upon their parents in Germany. He says that admission of a limited number of these children into the United States would release them from "the prospect of life without hope and without recourse, and enable them to grow up in an environment where the human spirit may survive and prosper."

Senator WAGNER points out that this resolution does not suspend existing quota restrictions on the immigration of adults. It merely authorizes the admission during a limited period of a limited number of refugee children, 14 years of age or under. He says this could readily be accomplished without their becoming public charges and without any danger of dislocating American industry or displacing American labor. Their admission would be predicated on satisfactory and voluntary undertakings by responsible American citizens or private organizations that adequate provision would be made for their maintenance and care, in homes of their own faiths.

It is said that thousands of American families have already expressed their willingness to take refugee children into their homes. The plan was endorsed recently by 49 of the outstanding Catholic and Protestant leaders in the United States.

In doing this, we would be following the precedent of England and Holland which have already given sanctuary to many of these unfortunate victims of persecution. Senator WAGNER declares that it would constitute our most immediate and practical contribution to the cause of human freedom.

There is much to be said for Senator WAGNER'S resolution. Guarding as it does against the haphazard immigration of children who might have no place to go when they arrived here, we believe it should be adopted as an expression of the purpose of the United States to offer a haven for those persecuted by intolerant government.

As the New York Herald Tribune said recently, the United States cannot succor all the victims of race prejudice, but the children are a special case. There are estimated to be about 50,000 German children under the age of 14 whose parents are in concentration camps, or who, for one reason or another, have been thrown on the mercy of the outside world. About half of these are Jews, the rest being Catholic or Protestant children "who committed the crime of having a Jewish grandparent or were guilty of being born to purely Teutonic parents of too liberal or independent a cast of mind."

It may be assumed that these children come from families which are among the most worth-while citizens in Germany, as we would judge them. If that is the case, we would be doing ourselves a service by admitting them to the United States and thus helping to enrich American life of the next generation.

[From the Herald-Advertiser of March 26, 1939]

THAT THE CHILDREN MAY NOT SUFFER

Last week we saw a pathetic letter written by a German mother to a relative in Huntington. It told of the sufferings she and her family had endured under the Nazi regime and pleaded that a refuge be found in America for her son—a handsome, curly-haired boy whose photograph was attached.

This mother, like thousands of other German-Jewish mothers, can resign herself to any fate; but she prefers cruel separation from her child to the crueler alternative of watching him wither under Nazi persecution.

There are at least 50,000 of these helpless boys and girls in greater Germany today. From broken homes and concentration camps their childish voices come to us in supplication—to us, the fortunate who live in peace and comfort and freedom under the protecting arms of the great Uncle Sam.

Shall we heed their cries? If so, we must lose no time in making known to Senators and Congressmen that the joint resolution now before Congress, calling for admission of 20,000 young refugees during 1939 and 1940 should be adopted.

For those who would quibble over details the following reservations are appended to the resolution—presented and championed warmly by Senator ROBERT F. WAGNER, and approved by all labor organizations as well as the resettlement committee of the National Coordinating Committee, composed of leading members of all churches and professions:

Undesirables would be barred, as would those likely to become public charges. Visas would be issued only as satisfactory assurances were received that the children would be sheltered either in private homes or in private institutions.

Since they would be between the ages of 8 and 14, no dislocation of American industry or displacement of American labor would result. (Racially only about half of Germany's refugee children are Jews; the others are from Catholic and Protestant families shattered by the Nazi thunderbolt.)

Twenty thousand children—10,000 this year and 10,000 in 1940—could be absorbed by this Nation without disturbance of any kind; they would, almost without exception, go into the homes of folk well able to provide for them, educate them, and train them in the ways and traditions of democratic self-government. (Already a half dozen Huntingtonians have offered to care for a child, and in other cities the same spontaneous response has been made to Senator WAGNER'S proposal.)

Here is an opportunity for Americans to place before the world a practical example of that humanitarian creed of which they boast so frequently. Your only cost is for a few postal cards to your representatives in the Congress. Will you do your part?

[From the Parkersburg (W. Va.) News of March 25, 1939]

FOR YOUNG REFUGEES

To alleviate one of the more tragic of the appalling problems of oppressed humanity in so-called greater Germany, a joint resolution has been introduced in Congress to modify the immigration laws as they apply to children of the age of 14 or younger. The proposal would permit an additional 10,000 children of those ages to enter the United States during each of the calendar years of 1939 and 1940.

The resolution states that children who have since January 1, 1933, resided "in any territory now incorporated in Germany" and for whom "satisfactory assurances are given that (they) will be supported and properly cared for through the action of responsible citizens or responsible private organizations * * * and * * * will not become public charges" will be eligible. Those provisions are designed to preclude any unfortunate experience with refugee children such as England suffered when thousands were removed from war territories in Spain.

To assist in carrying out the terms of the joint resolution, the resettlement division of the National Coordinating Committee, composed of leading members of all churches (Protestant, Catholic, and Hebrew) and professions, has begun to operate.

The committee informs us that there will be no dislocation of the employment of American citizens, a restriction that will remove a serious possible criticism. The C. I. O. and the A. F. of L. have placed their enthusiastic approval upon the provisions of the joint resolution and the committee's work. Every possible precaution will be taken to prevent refugees from depriving Americans of their employment.

The provisions in the resolution concerning eligibility of refugee children should insure the elimination of any undesirables or those who would become public charges. Some of the most loyal and patriotic citizens we have today in this country are of foreign birth who escaped to this country from oppressive governments and who therefore more fully appreciate what our form of government means to humanity.

The local organization of the resettlement division already has started to work and first reports indicate that splendid accomplishments have been made. To support the joint resolution and the work of the National Coordinating Committee is to give concrete evidence of America's determination to keep alive the principles of civilization and enlightened humanity.—(Charleston Daily Mail.)

[From the Duluth News-Tribune]

OUR CHANCE TO HELP

Today, in the lands where the swastika rules, there are between 50,000 and 100,000 children whose future is very dark and whose present existence is one of misery and terror.

Some are Jews, some are Protestants or Catholics with a Jewish ancestor, and some are 100 percent German-Nordic-Aryans whose parents have offended the powers that be by having dangerous thoughts and in other ways. Their parents are dead, or penniless, or have been sent to concentration camps or have been swallowed up as so many are in revolutions, without anyone really knowing what has happened to them. This winter Britain took 2,800 of these children and the great heart of Nazidom was melted to the extent of letting them take 40 cents apiece out of the country.

Senator WAGNER, of New York, and Representative EDITH NOURSE ROGERS, of Massachusetts, have introduced a joint resolution to let 10,000 of these children come in this year and 10,000 next year, in addition to the quota numbers. They would be 14 or under, and the Government would insist upon assurances that they would be supported and cared for at no expense to the public.

Because of our own delayed recovery there is a limit to what we can do for the refugees from the Nazi countries. But these children are too young to compete for jobs. They are young enough to be taken into the homes of people of their own faiths and to adapt themselves quickly to American ways. If it proves necessary for them to stay here they should make excellent citizens. And the number, 20,000, is not very great. About half the children, it is estimated, would be Jews; Protestants and Catholics would make up the remainder. Representatives of all these faiths are on the Nonsectarian Committee for German Children which asks support for this joint resolution.

Here is a well-thought-out way in which this country can help. The plan proposed by Mr. WAGNER and Mrs. ROGERS ought to be adopted.

NATIONAL COMMITTEE OF CHURCH WOMEN,
Princeton, N. J., March 31, 1939.

Hon. ROBERT F. WAGNER,
Senate Office Building, Washington, D. C.

DEAR SENATOR WAGNER: I have been instructed by the National Committee of Church Women which represents the three national agencies of church women listed above to convey to you the approval of this committee of church women of the bill for the admission of 10,000 refugee children under 14 years of age which you introduced into the Senate in February. It is Senate Joint Resolution 64.

The above committee which represents the thinking of representative leaders of Protestant church women believes that the bill which you are sponsoring should appeal to all who are eager in some way to help solve this terrible problem of caring for the refugees from German oppression without dislocating our own economic life. We hope very much that this bill will be passed by the Congress and become law.

Very sincerely yours,

ELINOR K. PURVES,
Chairman, Committee on International Relations.

HARVARD COLLEGE OBSERVATORY,
Cambridge, Mass., March 29, 1939.

Senator ROBERT F. WAGNER,
United States Senate, Washington, D. C.

DEAR SENATOR WAGNER: During the past year I have had a good deal to do officially as well as personally with the problems of exiles from Central Europe. I am associated with two or three committees and have done something to relieve the situation especially for academic exiles.

But the situation is, of course, very serious for nonacademic people for whom there is not even the occasional respite through the nonquota admission to the United States.

I am therefore particularly pleased to know that you have introduced a bill for the admission of children from Germany. It will be important to rescue some of these young people before they become too bitterly soured by persecution or too completely absorbed into the abnormal ideology of authoritarianism.

Respectfully yours,

HARLOW SHAPLEY,
Director of the Harvard College Observatory.

REPORTS OF COMMITTEES

Mr. ADAMS. Mr. President, by unanimous recommendation of the Committee on Appropriations, I report back favorably from that committee without amendment the joint resolution (H. J. Res. 246) making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939, and I submit a report (No. 250) thereon.

I will say that later, at an appropriate time, I shall ask unanimous consent for the consideration of the joint resolution.

The VICE PRESIDENT. The joint resolution will be placed on the calendar.

Mr. TAFT, from the Committee on Education and Labor, to which was referred the bill (S. 1275) to amend the United States Housing Act of 1937, and for other purposes, reported it with amendments and submitted a report (No. 251) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 1487) for the relief of the Postal Telegraph-Cable Co., reported it without amendment and submitted a report (No. 252) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 891. A bill for the relief of J. C. Grice (Rept. No. 253); and

S. 1688. A bill for the relief of Joseph W. Parse (Rept. No. 254).

VIOLATIONS OF FREE SPEECH AND RIGHTS OF LABOR (REPT. 6, PT. 4)

Mr. LA FOLLETTE. From the Committee on Education and Labor, pursuant to Senate Resolution 266, Seventy-fourth Congress, I file a report in connection with the investigation of the subcommittee entitled "Labor Policies of Employers' Associations: Part 1, The National Metal Trade Association."

The VICE PRESIDENT. The report will be received and printed.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on April 4, 1939, that committee presented to the President of the United States the following enrolled bills:

S. 917. An act authorizing the Library of Congress to acquire, by purchase or otherwise, the whole, or any part, of the papers of Charles Cotesworth Pinckney and Thomas Pinckney, including therewith a group of documents relating to the Constitutional Convention of 1787, now in the possession of Harry Stone, of New York City;

S. 1019. An act to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Twelfth Olympic Games; and

S. 1363. An act to repeal subsection (4) of subsection (c) of section 101 of the Agricultural Adjustment Act of 1938.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BILBO:

S. 2080. A bill to provide for the common defense and to stabilize the price of cotton by providing for the storage of a supply of cotton adequate to meet the needs of the United States in the event of war or other national emergency; to the Committee on Agriculture and Forestry.

By Mr. ASHURST:

S. 2081 (by request). A bill to amend the Code of Law of the District of Columbia in respect to fees of the United States marshal; to the Committee on the Judiciary.

By Mr. McNARY:

S. 2082. A bill for the relief of Hugh A. Smith; to the Committee on Claims.

By Mr. BARBOUR:

S. 2083. A bill conferring jurisdiction upon the United States District Court for the District of New Jersey to hear, determine, and render judgment upon the claims of Parker McKee, Sr., and Louise McKee; to the Committee on Claims.

S. 2084. A bill relating to the operation of the United States Naval Academy laundry, and for other purposes; to the Committee on Naval Affairs.

By Mr. FRAZIER:

S. 2085. A bill authorizing payment to the Sisseton and Wahpeton Bands of Sioux Indians for certain lands ceded by them to the United States by a treaty of July 23, 1851;

S. 2086. A bill authorizing payment to the Devils Lake Band of Sioux Indians of the Devils Lake (N. Dak.) Indian Reservation, at the Fort Totten (N. Dak.) Indian Agency, for damages for wood and timber used and destroyed by the armies of the United States while maintaining a military post at Fort Totten, N. Dak., between the years 1867 and 1890, and for which damages the said Indians have not been heretofore compensated; and

S. 2087. A bill authorizing payment to the Devils Lake Band of Sioux Indians of the Devils Lake (N. Dak.) Indian Reservation at the Fort Totten (N. Dak.) Indian Agency, for 64,000 acres of land of which said band of Indians was deprived by the erroneous survey made by the United States Government under the treaty of February 19, 1867, between

the Sisseton and Wahpeton Bands of Sioux Indians and the United States (15 Stat. L. 505), ratified April 15, 1867; to the Committee on Indian Affairs.

By Mr. GURNEY:

S. 2088. A bill to provide for the payment of Sioux benefits to certain women of the Sioux Tribe of Indians; and

S. 2089. A bill to amend Public Law No. 383, Seventy-third Congress (48 Stat. L. 984), relating to Indians, by exempting from the provisions of such act the Pine Ridge Sioux Tribe of Indians of the State of South Dakota; to the Committee on Indian Affairs.

By Mr. ANDREWS:

S. 2090. A bill making it an offense against the United States for certain persons to move in interstate or foreign commerce; to the Committee on the Judiciary.

By Mr. CLARK of Missouri:

S. 2091. A bill granting a pension to Mary L. Bruner; to the Committee on Pensions.

By Mr. BONE:

S. 2092. A bill to provide for a preliminary examination and survey of the Skykomish River with a view to the controlling of floods; to the Committee on Commerce.

S. 2093. A bill to allow certain credits against the income of individuals for income-tax purposes; to the Committee on Finance.

By Mr. MURRAY:

S. 2094. A bill to authorize the acquisition of certain lands within the State of Montana and the construction of dams and other water-control structures and improvements thereon for the purpose of establishing the Woody Island Wildlife Refuge, and for other purposes; to the Committee on Agriculture and Forestry.

S. 2095. A bill for the relief of J. F. Goldsby; to the Committee on Claims.

By Mr. SHEPPARD:

S. 2096. A bill to amend section 4a of the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended; to the Committee on Military Affairs.

By Mr. OVERTON:

S. 2097. A bill to authorize a survey for a national parkway from the southern terminus of the Natchez Trace Parkway at Natchez, Miss., to, or in the vicinity of, Laredo, Tex.; and from the northern terminus at Nashville, Tenn., to the vicinity of Louisville, Ky.; to the Committee on Public Lands and Surveys.

(Mr. WAGNER introduced Senate bill 2098, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. SHIPSTEAD:

S. 2099 (by request). A bill authorizing the Secretary of the Interior to pay salaries and expenses of tribal officials of the Minnesota Chippewa Tribe; to the Committee on Indian Affairs.

(Mr. WILEY introduced Senate bill 2100, which was referred to the Committee on Finance and appears under a separate heading.)

By Mr. WHITE:

S. J. Res. 113. Joint resolution authorizing the presentation of silver medals to the personnel of the Peary Polar Expedition of 1908–09; to the Committee on Naval Affairs.

FEDERAL HOME LOAN BANK BOARD AND OTHER AGENCIES

Mr. WAGNER. I introduce for appropriate reference a bill to amend the Federal Home Loan Bank Act, and so forth. I ask consent that the bill, together with a statement relative thereto, may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and properly referred, and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 2098) to amend the Federal Home Loan Bank Act, Home Owners' Loan Act of 1933, title IV of the National Housing Act, and for other purposes, was read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) the first two sentences of subsection (a) of section 10 of the Federal Home Loan Bank Act, as amended, are amended to read as follows:

"SEC. 10. (a) Upon such terms and restrictions as the Board may impose, each Federal home-loan bank is authorized to make advances to its members, upon the security of first mortgages, obligations of, or fully guaranteed as to principal and interest by, the United States, subject to the following limitations as to amount:"

(b) Paragraph (3) of subsection (a) of section 10 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"(3) If secured by a first mortgage given in respect to any other mortgage loan, the advance shall not be for an amount in excess of 50 percent of the unpaid principal of the mortgage loan; but in no case shall the amount of such advance exceed 40 percent of the value of the real estate securing the mortgage loan."

SEC. 2. The first sentence of subsection (b) of section 10 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"(b) No mortgage shall be accepted as collateral security for an advance by a Federal home-loan bank if, at the time such advance is made (1) the mortgage loan secured by it has more than 25 years to run to maturity, or (2) is past due more than 6 months when presented, unless the amount of the debt secured by such mortgage is less than 50 percent of the value of the real estate with respect to which the mortgage was given, as such real estate was appraised when the mortgage was made; each Federal home-loan bank may make advances to its members secured by obligations issued pursuant to this act, the National Housing Act, or other obligations acceptable to the Board which a member may lawfully have available, but no such advance shall exceed the market price or face value of such obligation, whichever is lower, and no such obligation shall be accepted as collateral security for an advance if such obligation is in default."

SEC. 3. Section 11 of the Federal Home Loan Bank Act, as amended, is further amended by the addition of a new subsection, as follows:

"(i) The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations issued under the provisions of this act or title IV of the National Housing Act, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include such purchases. The Secretary of the Treasury may at any time sell any of the obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such obligations shall be treated as public-debt transactions of the United States."

SEC. 4. Section 17 of the Federal Home Loan Bank Act, as amended, is amended by adding at the end thereof the following:

"For the enforcement of its rights and powers and of its orders, rules, and regulations, the Board shall have power by resolution, in its own name or in the name of the United States through the Attorney General, or using its own attorneys subject to the direction of the Attorney General, as the Attorney General may determine, to institute or otherwise voluntarily participate in and to prosecute to final satisfaction any action, suit, or other proceeding in any State, Federal, or other court. Any such action, suit, or other proceeding instituted in a district court of the United States shall be deemed to have been instituted by an officer of the United States authorized by law to sue, within the meaning of section 24 of the Judicial Code, as amended."

SEC. 5. (a) Section 20 of the Federal Home Loan Bank Act, as amended, is amended by inserting at the beginning thereof the letter "a" in parentheses, by striking the word "twice" where it appears in the first sentence, and by adding at the end of such section, the following additional sentence:

"Such examiners shall not use their powers, privileges, or position, directly or indirectly, for personal advantage."

(b) Section 20 of the Federal Home Loan Bank Act, as amended, is further amended by adding the following new subsection:

"(b) The Board shall have power to require each member of each Federal home-loan bank to make an annual report of its affairs to the Board as of the end of each calendar year, or as of such other date as the Board may permit, upon forms prescribed by the Board and to require such additional information as the Board by resolution may request. The Board shall have power to examine, audit, and supervise: (1) Federally or State-chartered institutions insured under title IV of the National Housing Act; and each such insured institution, by accepting the benefits of such insurance, agrees to permit and pay for such examinations, audits, and supervision by the Board; (2) other members of the Federal home-loan banks, if such members are not subject to State examination and supervision or if, in the judgment of the Board, State examination and supervision is inadequate for the protection of such banks, other members, and the public; and each such member, by the acceptance of the benefits of membership in a Federal home-loan bank, agrees to permit and pay for such examinations, audits, and supervision."

(c) The third sentence of section 8 of the Federal Home Loan Bank Act, as amended, is hereby repealed.

SEC. 6. Section 21 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"(a) Whoever makes any statement, knowing it to be false, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of a Federal home-loan bank or the Board, a member of a Federal home-loan bank, or the Federal Savings Insurance Corporation upon any application, advance, discount, purchase, or repurchase agreement, or loan, or any extension thereof by renewal, deferment, or action or otherwise, or the acceptance, release, or substitution of security therefor, shall be punished by a fine of not more than $5,000, or by imprisonment for not more than 2 years, or both.

"(b) Whoever (1) falsely makes, forges, or counterfeits any note, debenture, bond, or other obligation, or coupon, or share account, in imitation of or purporting to be a note, debenture, bond, or other obligation, or coupon, or share account, issued by the Board, a Federal home-loan bank, a member of a Federal home-loan bank, or the Federal Savings Insurance Corporation; or (2) passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged, or counterfeited note, debenture, bond, or other obligation, or coupon, or share account, purporting to have been issued by the Board, a Federal home-loan bank, a member of a Federal home-loan bank, or the Federal Savings Insurance Corporation, knowing the same to be false, forged, or counterfeited; or (3) falsely alters any note, debenture, bond, or other obligation, or coupon, or share account, issued or purporting to have been issued by the Board, a Federal home-loan bank, a member of a Federal home-loan bank, or the Federal Savings Insurance Corporation; or (4) passes, utters, or publishes, or attempts to pass, utter, or publish, as true any falsely altered or spurious note, debenture, bond, or other obligation, or coupon, or share account, issued or purporting to have been issued by the Board, a Federal home-loan bank, a member of a Federal home-loan bank, or the Federal Savings Insurance Corporation, knowing the same to be falsely altered or spurious, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or both.

"(c) Whoever, being connected in any capacity with the Board or a Federal home-loan bank, a member of a Federal home-loan bank, or the Federal Savings Insurance Corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to or pledged or otherwise entrusted to said Board, a Federal home-loan bank, a member of a Federal home-loan bank, or the Federal Savings Insurance Corporation; or (2) with intent to defraud the Board, a Federal home-loan bank, a member of a Federal home-loan bank, or the Federal Savings Insurance Corporation, or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiners of the Board or a Federal home-loan bank, a member of a Federal home-loan bank, or the Federal Savings Insurance Corporation, makes any false entry in any book, report, or statement of or to the Board, a Federal home-loan bank, a member of a Federal home-loan bank, or the Federal Savings Insurance Corporation, or, without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, mortgage, judgment, or decree thereof, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or both.

"(d) It shall be unlawful for any individual, firm, partnership, association, or corporation (1) which is not such an institution to use the words 'Federal home-loan bank,' 'Federal savings and loan association,' or 'Federal savings insurance corporation,' or a combination of the word 'Federal' with any of such words, as a name or a part of a name under which he or it shall do business (except in the case of a name under which business is being done at the time of the enactment of this act); (2) which is not such an institution to advertise or represent in any way that he or it is a Federal home-loan bank, a Federal savings and loan association, or Federal savings insurance corporation, or to publish or display any sign, symbol, or advertisement reasonably calculated to convey the impression that he or it is a Federal home-loan bank, a Federal savings and loan association, or Federal savings insurance corporation; or (3) which is not a member of a Federal home-loan bank to advertise or represent in any way that he or it is such a member, or to publish or display any sign, symbol, or advertisement reasonably calculated to convey the impression that he or it is such a member. Every association, partnership, firm, or corporation violating any provision of this subsection shall be guilty of a misdemeanor and shall be subject to a fine of not exceeding $1,000. Any individual violating any provision of this subsection, or any officer or director of any association or corporation, or any member of any firm or partnership violating any provision of this subsection, who participates in, or knowingly acquiesces in, any such violation shall be guilty of a misdemeanor and shall be subject to a fine of not exceeding $1,000 or to imprisonment not exceeding 1 year, or both. Any violation of any provision of this subsection may be enjoined by the United States district court having jurisdiction, at the instance of any United States district attorney, the Federal Home Loan Bank Board, or a Federal home-loan bank, a Federal savings and loan association, or the Federal Savings Insurance Corporation.

"(e) The provisions of sections 29, 30, 32, 35, 37, 39, 112, 113, 114, 115, 116, 117 of the Criminal Code of the United States (U. S. C., title 18, secs. 73, 74, 76, 80, 82, 83, 88, 91, and 202 and 207, inclusive), insofar as applicable, are extended to apply to Federal home-loan banks and members thereof, and to Federal Savings Insurance Corporation and to contracts or agreements of any Federal home-loan bank and members thereof, and the Federal Savings Insurance Corporation, which, for the purposes hereof, shall be held to include advances, loans, discounts, insurance, and purchase and repurchase agreements; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor.

"(f) Any person who willfully and knowingly makes, circulates, or transmits to another or others any statement or rumor, written, printed or by word of mouth, which is untrue in fact and is directly or by inference derogatory to the financial condition or affects the solvency or financial standing of a Federal home-loan bank, a member of a Federal home-loan bank, or the Federal Savings Insurance Corporation, or who knowingly counsels, aids, procures, or induces another to start, transmit, or circulate any such statement or rumor is guilty of a misdemeanor, punishable by a fine of not more than $1,000 or by imprisonment of not exceeding 1 year, or both.

"(g) As used in this act, the term examiner means any person employed by the Board, a Federal home-loan bank, or by the Federal Savings Insurance Corporation to make examinations. No such institution, no member of a Federal home-loan bank, no institution which is insured by the Federal Savings Insurance Corporation, and no officer, director, employee, attorney, or agent thereof, shall hereafter knowingly make any loan or grant any gratuity to any examiner who examines or has authority to examine it. Any such officer, director, employee, attorney, or agent violating this provision shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding 1 year or fined not more than $5,000, or both, and may be fined a further sum equal to the money so loaned or gratuity given. Any examiner who shall accept a loan or gratuity from any institution examined by him, or from any officer, director, employee, attorney, or agent thereof, or who shall steal or unlawfully take, or unlawfully conceal, any money, note, draft, bond, share account, or security, or any other property of value in the possession of any such institution, or from any safe deposit box in or adjacent to the premises of such institution, shall be deemed guilty of a misdemeanor and shall, upon conviction thereof in any district court of the United States, be imprisoned for not exceeding 1 year or fined not more than $5,000, or both, and may be fined a further sum equal to the money so loaned, gratuity accepted, or property stolen, and shall forever thereafter be disqualified from employment by the Board, a Federal home-loan bank, or member thereof, or the Federal Savings Insurance Corporation, or any institution insured by it. No examiner shall perform any other service for compensation, while holding such office, for any institution which he has authority to examine or for any officer, director, employee, attorney, or agent thereof. No examiner, officer, director, employee, attorney, or agent of the Board, a Federal home-loan bank, or the Federal Savings Insurance Corporation shall disclose the names of borrowers or investors or the collateral for loans of, or other facts confidential to the management and not otherwise publicly disclosed regarding any institution examined by him to any person other than the Board, a Federal home-loan bank, or the Federal Savings Insurance Corporation, their officers and employees, or to the proper officers of such institution, without first having obtained express permission in writing from its respective employer, or from the board of directors of the institutions examined, except when ordered to do so by a court of competent jurisdiction or by direction of the Congress of the United States, or of either House thereof, or any committee of Congress, or of either House duly authorized. Any person violating any of the provisions of the last two sentences shall be imprisoned not more than 1 year, or fined not more than $5,000, or both."

SEC. 7. The ninth sentence of subsection (c) of section 4 of Home Owners' Loan Act of 1933, as amended, is hereby amended by striking the period at the end thereof and adding a colon and the following:

"*Provided*, That any building now or hereafter owned by the Corporation in the District of Columbia and used principally as an office building of the Corporation, together with the land upon which the same stands, and all appurtenances, buildings, and land used principally in connection therewith, shall be exempt from any and all taxation heretofore or hereafter imposed."

SEC. 8. Subsection (c) of section 5 of Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"(c) Such associations shall lend their funds only on the security of their shares or on the security of first liens upon homes or combination home and business properties, as defined by regulations of the Board, within 50 miles of their home office: *Provided*, That not more than $20,000 shall be loaned on the security of a first lien upon any one property upon which there is located a dwelling or dwellings designed principally for residential use for not more than four families in the aggregate, irrespective of whether such dwelling or dwellings have a party wall or are otherwise physically connected with another dwelling or dwellings. However, not exceeding 15 percent of the assets of any association may be loaned on any improved real estate which by reason of its condition is not only marketable but is capable of producing income reasonably in relation to the payment of interest upon and the amortization of the loan secured thereby and all other loan charges, without regard to said limitation on amount of loan, and without regard to said 50-mile limit, but secured by a first lien thereon. Subject to regulations of the Board, associations upon application to and authorization by the Board, because of their size or location, may lend within the 50-mile limit and without regard to said $20,000 limitation, up to an additional 15 percent of their assets on any improved real estate upon which there is located one or more

structures designed principally for residential use, irrespective of whether such structures have a party wall or are otherwise physically connected with other structures. All real estate owned as a result of the foreclosure of loans previously made within any such percentage of assets shall be included in computing such percentage of assets. Any portion of the assets of such associations may be otherwise invested only in obligations of, or fully guaranteed as to principal and interest by, the United States, the stock of a Federal home-loan bank, or obligations issued pursuant to the Federal Home Loan Bank Act, or the National Housing Act, or in other securities which are legal investments for fiduciary and trust funds and are approved by regulations of the Board. Also, upon application to and approval by the Board, an association may make loans under title I of the National Housing Act as now or hereafter amended. Subject to regulations of the Board, any association which is converted from a State-chartered institution may continue to make loans in the territory in which it made loans while operating under State charter."

SEC. 9. Subsection (i) of section 5 of Home Owners' Loan Act of 1933, as amended, is amended by striking the period at the end thereof and inserting a colon and the following:

"*Provided, however,* That said conversion shall not be in contravention of the State law. Any association chartered as a Federal savings and loan association may convert itself into a thrift and home-financing institution or mutual savings bank incorporated under the laws of the State (hereinafter termed a 'State-chartered institution') in which the home office of such Federal association is located, upon the vote, cast at a legal meeting called to consider such action, specified by the law of such State as required for a State-chartered institution to convert itself into a Federal association, but in no event less than 51 percent of the votes cast at such meeting, provided legal titles are protected by such conversion or provided proper conveyances of legal titles are made, and provided further, that if any shares of such Federal association are held by the Secretary of the Treasury or the Home Owners' Loan Corporation, such conversion shall be subject to approval by the Board."

SEC. 10. Subsection (c) of section 401 of the National Housing Act, as amended, is amended to read as follows:

"(c) The term 'insured account' means any investment or interest in an insured institution whether in the form of a share of capital or a deposit or investment certificate, which investment or interest may be withdrawn by the holder or repurchased by the insured institution in whole or in part and the value thereof paid to the holder prior to the liquidation and payment of all of the liabilities of the institution upon the winding up of the institution, less any part thereof which is in excess of $5,000. The total insurance which any insured member may obtain in any one insured institution is $5,000, whether the insured member has one or more withdrawable or repurchasable accounts in such insured institution; and if such accounts are of a different priority, the Corporation shall have the right to determine upon the payment of insurance which of such accounts shall have the benefit of the $5,000 aggregate amount of insurance. Investments or interests in an insured institution which cannot be withdrawn or the value thereof paid to the holder until all of the liabilities of the institution have been fully liquidated and paid upon the winding up of the institution are not insurable, being nonwithdrawable accounts. The total amount of all accounts of the insured members of an insured institution is the total amount of withdrawable or repurchasable accounts credited or apportioned to all insured members, whether or not such withdrawable or repurchasable accounts are subject to a pledge and whether insured in full or only in part."

SEC. 11. Subsection (a) of section 402 of the National Housing Act, as amended, is amended by adding at the end thereof, the following: "On the effective date of this amendment to subsection (a) of section 402 of the National Housing Act, as amended, the name of the 'Federal Savings and Loan Insurance Corporation' shall be changed to 'Federal Savings Insurance Corporation.'"

SEC. 12. The last sentence of subsection (b) of section 402 of the National Housing Act is repealed, and the following inserted in lieu thereof: "The Corporation shall issue to the Home Owners' Loan Corporation receipts for payment for or on account of such stock, which shall serve as evidence of the ownership thereof, and when the reserve fund of the Corporation established under the provisions of section 404 of this title equals 5 percent of all insured accounts and creditor obligations of all insured institutions, such stock shall be entitled to the payment of dividends out of net earnings at a rate equivalent to that currently paid by the Government on its last issued bonds having a maturity of 10 years or more. Such dividends shall not be cumulative. Dividends heretofore accumulated but unpaid are hereby waived."

SEC. 13. Subsection (a) of section 403 of the National Housing Act, as amended, is amended to read as follows:

"SEC. 403 (a). It shall be the duty of the Corporation to insure the accounts of all Federal savings and loan associations, and it may also insure the withdrawable or repurchasable accounts of all local thrift and home-financing institutions of the types eligible for membership in a Federal home-loan bank as provided in the Federal Home Loan Bank Act, organized and operating according to the laws of any State, the United States, any District or Territory thereof, which make application for such insurance and which meet the standards of insurability prescribed in subsection (c) of this section and are approved by the Corporation."

SEC. 14. (a) Subsections (a) and (b) of section 404 of the National Housing Act, as amended, are amended by striking the word "one-eighth" wherever it appears therein and inserting in lieu thereof the word "one-twelfth."

(b) Subsection (c) of section 404 of the National Housing Act, as amended, is amended to read as follows:

"(c) The one-twelfth of 1 percent per annum insurance premium rate shall be effective as of January 1, 1939. If an insured institution has paid a premium at a higher rate for any period of time beyond such date, it shall receive a credit upon its future premiums in an amount equal to the excess premium so paid for the period beyond such date."

SEC. 15. Subsection (b) of section 405 of the National Housing Act, as amended, is amended to read as follows:

"(b) In the event of a default by an insured institution the Corporation shall promptly determine the insured members thereof and the amount of each insured account, and shall make payment of the insured accounts in such insured institution to each insured member as soon as possible upon surrender and transfer to the Corporation of each insured account free and clear of any lien or other encumbrance either (1) by making available to each insured member a transferred insured account in an insured institution not in default in the same community in an amount equal to the insured account so transferred, or (2) in such other manner as the board of trustees may prescribe: *Provided,* That the Corporation may require proof of the ownership of insured accounts, and that in any case where the Corporation is not satisfied as to the ownership of an insured account it may require the final determination of a court of competent jurisdiction before paying such insured account."

SEC. 16. Subsection (f) of section 406 of the National Housing Act, as amended, is amended to read as follows:

"(f) In order to prevent a default in an insured institution, restore an insured institution in default to normal operation as an insured institution, or minimize loss which the Corporation might otherwse suffer by reason of the liquidation of an insured institution in default, the Corporation is authorized, in its discretion, to make loans to, purchase the assets of, or make contributions to, any such institution."

SEC. 17. Section 407 of the National Housing Act, as amended, is amended to read as follows:

"SEC. 407. (a) Any insured institution other than a Federal savings and loan association may vote to terminate the insurance contract by a majority vote of all of the members of its board of directors or other similar governing body, unless under State law, the charter, constitution, or bylaws of any such institution, the shareholders only are entitled to vote on such question; provided that where such vote is reserved to the shareholders by State law, the charter, constitution, or bylaws they shall have the sole power to vote to terminate the insurance contract. Upon a legal vote for the termination of the insurance contract, a notice of termination of such contract shall be sent to the Corporation at its office in Washington, D. C., by registered mail, together with evidence satisfactory to the Corporation that the procedure required by this section has been duly complied with. The contract of insurance shall terminate at the close of business on the ninetieth day after the date of the registration of such notice of termination: *Provided, however,* Final termination of all insurance of accounts shall take effect as provided in subsection (d) of this section.

"(b) For any violation by an insured institution of any provision of this title, any rule or regulation made thereunder, or any agreement made pursuant to section 403, or otherwise, the Corporation, after allowing such insured institution an opportunity to be heard, may give such institution by registered mail a notice of termination of the insurance contract, the contract of insurance shall terminate at the close of business on the ninetieth day after the date of the registration of such notice of termination: *Provided, however,* Final termination of all insurance of accounts shall take effect as provided in subsection (d) of this section.

"(c) In the event such institution votes to terminate the insurance contract, written notice of such termination shall be given within 10 days to each insured member at the last address shown on the books of the institution. In the event the Corporation shall exercise its power to terminate the insurance contract of any insured institution at any time, such institution shall, within 10 days after receipt of the notice of termination provided in subsection (b) of this section, give written notice to each insured member as above provided of the fact of such termination of the insurance contract. In all cases, a copy of the notice sent to insured members in reference to the termination of the insurance contract of any institution shall be furnished to the Corporation, together with evidence that such notice was given as herein provided. In the event that, in the judgment of the Corporation, such notices given by an insured institution do not give adequate notice, the Corporation shall have the right, for the protection of insured members and the public, to give such additional notice as it deems to be appropriate.

"(d) In the event of termination of the insurance contract of any insured institution under the provisions of this section, no shares, certificates of deposit, investment certificates, or other accounts issued or created by such institution after the ninetieth day after the registration of such notice of termination of the insurance contract shall be insured; but the insured accounts of such institution, to the extent that they were insured on the ninetieth day after the registration of such notice of termination,

less any amounts thereafter withdrawn or repurchased, shall remain insured for a period of 2 years after such date, which date shall be the effective date of the termination of insurance for all purposes. No payments on account of such insured accounts and no additions thereto by way of the credit of dividends or otherwise made or accrued after the ninetieth day after the registration of such notice of termination shall be insured. Such institution shall be obligated to pay within 30 days after the effective date of the termination of the insurance contract, as a final insurance premium, twice the annual rate of premium last paid by such institution applied upon all accounts of the insured members of such institution plus all creditor obligations of such institution on the ninetieth day after the registration of such notice of termination of insurance, as shown by a sworn statement of financial condition accompanying such payment of the final insurance premium. If such institution fails to furnish such sworn statement, the Corporation may assess and collect a final insurance premium as above provided, calculated upon the accounts of insured members and creditor obligations shown upon the latest statement of financial condition submitted to the Corporation, or at its option the Corporation may by court process compel the production of the sworn statement of financial condition hereinabove required to accompany the payment of the final insurance premium.

"(e) No institution which has voted to terminate the insurance contract under the provisions of subsection (a) of this section or which has been notified by the Corporation in accordance with the provisions of subsection (b) of this section that its contract of insurance is terminated, shall thereafter advertise or represent by any means that it is an insured institution, nor shall it advertise or represent by any means that any new account created after such termination of the insurance contract or any sum thereafter received by such institution on any account or credited thereto by way of dividends or otherwise, are insured. After the effective date of the termination of insurance as provided in subsection (d) of this section, no such institution shall advertise or represent in any manner that any of its accounts or any part of the same are insured under this title. The Corporation is authorized to make reasonable rules and regulations with respect to the procedure herein prescribed governing the termination of insurance."

SEC. 18. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of this act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

The statement presented by Mr. WAGNER is as follows:

SUMMARY AND JUSTIFICATION OF PROPOSED LEGISLATION AFFECTING THE FEDERAL HOME LOAN BANK BOARD AND THE AGENCIES UNDER ITS DIRECTION

Prior to making specific comments on the respective sections, the following general explanations are made regarding those sections which the Board considers of vital importance and which involve basic matters of public policy as distinguished from those sections which are by their nature clarifications or minor amplifications of existing provisions.

The following public policies are sought to be effectuated by several of the sections:

1. PROVISION FOR AN ADEQUATE COLLATERAL BASIS FOR ADVANCES IN EMERGENCIES BY FEDERAL HOME-LOAN BANKS TO THEIR MEMBERS

By sections 1 and 2 it is proposed to adjust the types of collateral which Federal home-loan banks may lawfully accept as security for advances to their members, and conform more accurately with the legal lending powers of such member institutions. At the present time, only mortgages secured by one- to four-family dwellings are acceptable collateral even though other housing mortgages, which are insured by the Federal Government through the Federal Housing Administration, are held by member institutions. Such provisions are so narrow as seriously to impair the usefulness, particularly in some future emergency, of the reserve of home mortgage credit provided by the Federal home-loan banks.

Congress clearly intended to enable the member institutions to make use of this Federal reserve of home-mortgage credit in future emergencies. Such intent is evidenced both by the creation of the Federal home-loan-bank system and by the investment by the Secretary of the Treasury of approximately $125,000,000 in the capital of such banks.

Section 1 would permit the banks to accept as collateral from members mortgages secured by real estate other than one- to four-family dwellings, but advances so secured may not exceed one-half of the unpaid balance of the mortgage loan, or 40 percent of the value of such real-estate security.

The principal effect would be to make acceptable as collateral F. H. A. insured mortgages, which cover residential properties of more than four families. The present section 10 (b) of the Bank Act allows institutions which are not members to borrow from these banks on such insured mortgages 90 percent of the unpaid principal, but the act at present denies such privilege to the same kind of institution if it is a bank member, even though it tenders such a mortgage insured by the F. H. A. The proposed amendment would remove such discrimination against bank members who aid the national housing program.

The amendment does not, and could not, however, increase the power of any bank member to make a different kind of mortgage loan than Federal or State law as presently constituted now authorizes. It does not, therefore, empower bank members to engage in any form of commercial banking.

Savings and loan associations would still be limited principally to making loans on one- to four-family houses. Some of them may now use a limited part of their assets to finance small apartment or rental residential properties for which there is a moderate demand in the smaller cities. Federal savings and loan associations can use only a limited percentage of their assets for loans and property other than one- to four-family homes. Savings banks and insurance companies can make insured loans on multi-family residential properties. If the Federal home-loan-bank system is to serve them effectively as a reserve system, it must be in a position to make advances against the type of collateral which constitutes a considerable part of their investment portfolio.

Section 2 would authorize the banks to accept as collateral mortgages having a maturity of 25 years instead of the present 20-year maturity limit. The recent amendments to the National Housing Act provide for the insurance of mortgages maturing up to 25 years. That statute permits all types of approved mortgagees, which include all types of members of these banks, to make such mortgages. But as the Bank Act now stands, if such insured mortgages are made, they are not acceptable collateral.

The same situation now exists with regard to mortgages in excess of $20,000. At present members of the bank system have made, and may legally make, types of mortgages which are not acceptable collateral merely because the maturity is more than 20 years, or the amounts more than $20,000. Of course, Federal savings and loan associations and most other savings and loan associations may use only a limited part of their assets in making multifamily housing mortgages. But savings banks and insurance companies which are bank members are not so limited. This anomalous situation requires correction. The amendment would merely permit the use as collateral with the Federal home-loan banks of such insured mortgages as the bank members are already empowered to make.

The section would make Federal home-loan-bank debentures and debentures issued by the Federal Savings Insurance Corporation eligible collateral for advances from Federal home-loan banks, carefully limiting the collateral value to market or face, whichever is lower.

It appears unreasonable for the Government to provide a home-credit-reserve system in which the Government has invested about $125,000,000, and on the other hand impose such narrow restrictions on acceptable collateral that the members of the system cannot when emergencies require use for credit the lawful and sound collateral which they have available.

2. PROVISION FOR SUPPORT OF THE FEDERAL HOME-LOAN-BANK SYSTEM BY THE FEDERAL GOVERNMENT IN TIMES OF EMERGENCY

By section 3 it is proposed that the Secretary of the Treasury will be authorized in his discretion in times of emergency to purchase debentures issued by the Federal home-loan banks or by the Federal Savings and Loan Insurance Corporation. Such purchases by the Secretary of the Treasury would avoid the freezing of home-mortgage credit in a future emergency, and thereby prevent another deflationary avalanche of home-mortgage foreclosures, such as made necessary the creation of Home Owners' Loan Corporation. The Treasury now has similar discretionary power to support the farm-loan system and the commercial banking structure. Other modes of governmental support protect both the Farm Credit Administration and the Federal Reserve System.

It should be noted that the proposal would leave the determination of the necessity for governmental support of the home-mortgage system during any future depression solely to the Secretary of the Treasury.

It seems clear that Congress in creating the Federal home-loan-bank system intended that this reserve agency for home-mortgage credit be adequate for times of emergency. The subsequent creation by Congress of the Home Owners' Loan Corporation (involving the use of Government credit in direct home loans to individuals) is clear evidence, however, of the necessity of further implementation of the Federal home-loan-bank system as a precaution against future deflationary periods. Permanent implementation for protection against future crises should now be provided. Experience has taught us that precautionary measures of this character can best be provided during normal times.

The power of the Federal home-loan banks to issue consolidated debentures to provide funds for home-mortgage credit to member institutions is comparable to the power of the Federal land banks to issue consolidated bonds for farm-loan purposes. It was demonstrated, however, that Federal land-bank bonds could not be marketed advantageously in the open market during the recent depression and that governmental support was necessary to prevent the collapse of farm-mortgage credit. That situation caused Congress to create the Farm Mortgage Corporation with $2,000,000,000 of Government-guaranteed bonds with which to purchase and support Federal land-bank bonds.

To forestall such a dangerous situation arising in the Federal home-loan system in a future depression, the Board is requesting that the Secretary of the Treasury be now given such discretionary power to protect the Federal reserve of home-mortgage credit. It is easier to prevent deflationary tendencies which arise from fear than it is to remove the fear after the deflationary cycle has begun.

It is obviously to the advantage of the Treasury and to each of the other Federal systems of credit for the Treasury to have such discretionary power. If the Federal home-loan-bank system was

unable to extend necessary help in the event of unexpected difficulties in the urban mortgage field, such a development could not fail to disturb public confidence and have a detrimental effect upon the other financial systems and thereby greatly embarrass the Treasury. In a recent brief (brief for the *United States, Intervenor, Loomis, et al.*, v. *First Federal Savings and Loan Association of Wisconsin*, No. 277, U. S. Sup. Ct., October term, 1938) the Department of Justice has stated:

"The urban home mortgage plays an extremely important role in the general credit structure, both because of the volume of such mortgages which are held by financial institutions generally and because of its increasing use as a mobile form of credit instrument. * * * It requires no argument to show that foreclosures and frozen credit in this (home mortgage) field threatened the solvency of institutions, such as the banks, which were the bulwark of the commercial credit structure, and of other institutions, such as the insurance companies, which comprised a major market for long-term loans. So delicately intertwined are the credit markets of the Nation that a collapse in one field of investment must inevitably jeopardize all other parts of the credit structure."

3. PROVISION FOR MAINTAINING MORE ADEQUATE GOVERNMENTAL INSURANCE OF SAVINGS FOR HOME FINANCING

(a) *Noncumulative dividend on Government capital*

At the present time the Federal Savings and Loan Insurance Corporation is required to pay a cumulative dividend of 3 percent to Home Owners' Loan Corporation on $100,000,000 of Government capital. It has been clearly demonstrated that until adequate reserves have been established by the Corporation the payment of such dividend is unsound. The present statute makes such dividends cumulative; such accumulation tends to weaken the credit position of the Corporation.

Section 13 would change such 3-percent cumulative dividend to a noncumulative dividend payable only after the 5-percent statutory reserve has been established. It does not request that the Corporation be wholly relieved from paying dividends on its Government capital in the same way that the Federal Deposit Insurance Corporation is now wholly relieved from paying any dividends on the Government capital provided through the Reconstruction Finance Corporation, the Treasury, and the Federal Reserve banks. The section merely requests that the Corporation be required to pay noncumulative dividends on its Government capital at a rate equal to the cost of money to the Government when the 5-percent statutory reserve has been accumulated.

This amendment will not cost the Government any money. The dividends will simply be accumulated within the Corporation to create the 5-percent reserve as a protection of the Government's investment. The reserve belongs to the Government, which owns all the capital. The creation of such reserve will tend to insure the future payment of dividends.

(b) *Reduction of premium*

To enable the Federal Savings and Loan Insurance Corporation to fulfill the purposes intended by Congress and to encourage the accumulation of private savings as widely as possible in order to provide adequate home-mortgage credit, section 15 is amended to reduce the insurance premium from one-eighth of 1 percent to one-twelfth of 1 percent.

At present the Corporation charges a premium of one-eighth of 1 percent. It also may assess an additional one-eighth of 1 percent, making possible a total annual premium of one-fourth of 1 percent of the total assets of an insured institution. The amended section would reduce both the premium and the additional assessment to one-twelfth of 1 percent.

It is not proposed to give up the right to make this additional assessment of one-twelfth of 1 percent. The Corporation would thus have power to collect a total premium of one-sixth of 1 percent of the total assets of an insured institution in any year.

The reduction of the premium rate is in the public interest. In every section of the country institutions which have been insured by the Federal Savings and Loan Insurance Corporation have shown, almost immediately, a surprising increase in small savings. During the last 2 years the rate of growth of such savings has been greater than in any other class of institutions in the country.

The experience indicates not only that insurance of accounts increases public confidence and savings but brings into active use large sums previously in hoarding. As the number of thrift institutions protected by insurance has grown, the beneficial influence upon housing developments, as a result of the increase in mortgage funds available, has become more marked. This is especially true in the smaller communities where the development of housing is of great importance, and which do not command the credit facilities of the larger cities.

The larger the number of savings institutions which can be encouraged to insure the greater will be the amount of private funds available for housing purposes.

Because the present premium and assessment rate is considered unduly high, many institutions hesitate to provide insurance protection for their savers. The interest rates on home mortgages have been coming down steadily. This has, of course, reduced the income of lending institutions. They must, at the same time, pay a reasonable return to savers or they will not get funds freely from the public. Out of their income they must accumulate reserves and pay for intelligent management. They are today operating so closely that the cost of insurance at the present rate is a matter of real importance to them. The reduction of the rate will undoubtedly result in a substantial increase in the number of insured institutions. In turn, this should bring an increase in mortgage funds available for lending. Experience has shown that the present premium rate is unnecessary since the risk of loss through the failure of institutions of this class is small.

COMMENTS BY SECTIONS

Sections 1, 2, and 3: These have been discussed above.

Section 4: The proposed amendment would give the Board the power to enforce its rights, orders, and regulations by court proceedings in Federal or State courts. The suit may be in its own name or in the name of the United States and be handled by the Attorney General or the Board's attorneys under the direction of the Attorney General, as the Attorney General may determine. As a practical matter, it appears that routine matters would be handled by the Board's own attorneys, but when the suit is in the name of the United States, the action would be taken by the Attorney General and that such suits would be reserved for matters of broad public policy. This practical arrangement would be worked out by administrative understanding between the Board and the Attorney General's office.

Due to the specialized and technical character of the financial operations of the Federal home-loan-bank system, which involves the supervisory and regulatory work of the Board, it is deemed essential that the Board be permitted to be represented in civil litigated matters of a routine nature by attorneys who have an intimate knowledge of the operations of the national system supervised and regulated by it. It is hardly fair to assume that either the Department of Justice or the respective district attorneys can obtain such familiarity with the Board's functions due to the pressure of other work. It seems advisable to permit jurisdiction of Board matters in Federal courts.

Section 5: The present section 20 is preserved by the amendment but is divided into two subsections. In the first subsection, the only new provisions are:

(a) The Board would be required to make annual instead of semiannual examinations of the Federal home-loan banks. Experience indicates that annual examinations would be adequate when coupled with the routine day-by-day reports received by the Comptroller of the Federal home-loan-bank system from the 12 Federal home-loan banks; and

(b) Examiners may not use their position for personal gain.

The second subsection is new. It clarifies the present powers of the Board with respect to requiring reports from members of the Federal home-loan-bank system, examining and supervising institutions insured by the Federal Savings and Loan Insurance Corporation, and certain other members if the present State examination is inadequate.

The third subsection merely eliminates a related (but unnecessary) provision in the statute relating to examinations.

Section 6: The present criminal provisions designed to protect the Federal home-loan banks are extended by the proposed amendments to cover the members and the Federal Savings Insurance Corporation, and are supplemented by a provision regarding defamation. A further provision relating expressly to criminal acts by national examiners of the Federal home-loan-bank system is added. The provisions regarding acts of examiners are parallel in substance to the provisions of the Federal Reserve Act.

Section 7: When Congress created the Home Owners' Loan Corporation as a wholly owned Government corporation, it provided exemption from taxation, except that real property is held subject to taxation by the respective States. The proposed amendment would exempt the Federal Home Loan Bank Board Building, located in the District of Columbia, owned by the Corporation, from taxation by the District of Columbia in the same way that other Government-owned buildings are exempted, as, for example, the Treasury Building.

Section 8: Under the limitations of the present section, some of the larger Federal savings and loan associations located in larger cities, where multifamily dwellings are an economic necessity, are not permitted to cooperate in the making of multifamily dwelling loans to an extent sufficient fully to employ the funds that are available to such institutions. This is not true of the smaller associations in smaller towns; hence the suggested amendment requests specific power for the Board to determine by size and location which institutions may use a slightly larger proportion of their assets in making loans other than one- to four-family home loans. This provision will not permit Federal savings and loan associations to enter the commercial banking field, but will assist in financing the national housing program and, at the same time, give the larger associations in the larger cities more adequate use of the funds entrusted to them.

Certain definitions are included which seem to be necessary and proper and should be made statutory.

The present investment powers are too restricted. There is no reason why such associations should not have the power to invest in securities which are legal for trust funds in addition to the power to invest in Government bonds or debentures issued by the Federal home-loan banks or the Federal Savings Insurance Corporation so as to be able to employ their funds profitably when satisfactory home-mortgage loans are not available.

Section 9: At present there is no statutory authorization for Federal savings and loan associations to reconvert to a State charter. Such a provision would create reciprocity between the respective States and the Federal Government in the matter of chartering thrift and home-financing institutions. Many of the present State statutes authorize a Federal savings and loan association to obtain a State charter by reconversion. In making such a provision Government funds are protected.

It is also provided that conversion from State-chartered institutions into federally chartered institutions shall not contravene the State law. This would make the statute conform to a recent Supreme Court decision (*Cleary et al.* v. *Hopkins Street Building and Loan Association*, 296 U. S. 315).

Section 10: The present definition of "insured account" is technically inadequate. This amendment clarifies the definition of an insured account.

Section 11: This amendment changes the name of the Federal Savings and Loan Insurance Corporation to Federal Savings Insurance Corporation.

The present name of the insurance corporation is unwieldy and is not a descriptive or correct title. It creates an erroneous impression on the public. The Corporation insures savings in insured institutions; it does not insure loans. Loans are insured by the Federal Housing Administration.

Section 12: Discussed above.

Section 13: In the interest of providing uniform insurance protection for savings available for home-financing purposes, this amendment provides that all types of thrift and home-financing institutions which are now legally eligible for membership in Federal home-loan banks may obtain insurance by the Federal Savings Insurance Corporation.

Savings banks which, in fact, substantially engage in home financing and other lending for housing purposes should have available to them for the protection of their depositors all of the facilities of the Federal home-loan-bank system, including the same insurance protection that is available to Federal savings and loan associations. Such a provision would greatly tend to safeguard savings banks in a future deflationary period.

Section 14: This section reduces the insurance premium from one-eighth to one-twelfth of 1 percent for the reason mentioned above.

Section 15: The present law gives an insured member the option to accept an insured share in another insured institution or a settlement of 10 percent in cash, 45 percent in 1-year debentures and 45 percent in 3-year debentures. Such debentures are required to be noninterest bearing. Because such debentures are noninterest bearing, their value on the open market would almost certainly be less than par prior to their maturity, which would cause investors to lose the amount of the discount. The purpose of the Insurance Corporation is to protect these investors from any loss upon their savings. This amendment of the section deals with the insurance settlement made by the Federal Savings Insurance Corporation. It provides, in the event of default, that the Corporation shall make payment of insurance either by tendering to insured members another insured account in a going insured institution in the same community, or in such other manner as the Corporation may prescribe.

Section 16: This section clarifies the present language authorizing the Federal Savings Insurance Corporation, in its efforts to prevent defaults, to restore insured institutions in default to normal operations or to minimize losses, to buy assets, make loans or contributions to such institutions. Such clarification of language does not change the intention of the present provision.

Section 17: This section completely revises the provisions relating to termination of insurance. It removes the present harsh provisions. The law now provides that upon voluntary termination an institution and its members immediately and completely lose the insurance protection; but must continue to pay a premium for a period of 3 years. Institutions which have the insurance protection terminated by the Corporation because of violations of the statute or regulations must continue to pay the insurance premium for a 5-year period, although only those accounts which were insured as of the date of termination continue to have the insurance protection for such 5-year period.

The proposed amendment would provide that insurance shall be continued for a 2-year period and that, whether termination be voluntary or involuntary, two annual premiums shall be paid in advance at the time of termination for such continued insurance. The section requires equitable notice of termination of insurance to be given to insured members.

Section 18: This section is the separability clause.

DUTY ON CERTAIN FOX FURS

Mr. WILEY. Mr. President, at the last meeting of the Senate, on Tuesday afternoon, we discussed Government securities regulation and its effect in the gloomy caverns of Wall Street. We talked a great deal about public interest and the emasculation of Government policy.

Today I should like to focus attention on another problem which may involve a conflict between Government regulation and public interest.

I refer to the administration tariff policy as evidenced in trade agreements between the United States and Canada. At the outset of any discussion on trade agreements, we must recognize the self-evident truth that any tariff policy which creates an increase in imports without a corresponding increase in exports, must result in a curtailed domestic production. Following such a curtailed production, there is, of course, the inevitable aftermath of unemployment.

There was a time when we believed that tariff rates had some correlation with the difference in production costs at home and abroad. Today we have partially scuttled that doctrine in favor of a belief that lowering of governmental restrictions through trade agreements brings about a stimulated trade.

This is a complex problem and it would be manifestly unfair to attempt a complete presentation in a short discussion either for or against reciprocal-trade agreements.

Permit me, however, Mr. President, to illustrate this afternoon the application of reciprocal-trade philosophy to a specific industry. This is, incidentally, a very timely matter because of the completion of the reciprocal-trade agreement with Great Britain and the revision of the Canadian agreement. Stalking on the heels of these agreements is the significant fact that our entire new world-trade program now covers about 60 percent of our total foreign trade.

There are many factors in the trade equation. The most important one is bound up in the high standard of living and the high wage and hour standards in this country as compared with alien standards. There is a gross inconsistency in legislating for wages and hours and then cutting the props from under the American businessman by disastrous trade agreements with alien competition where no such standards exist. That American businessman, by the way, in his turn is forced on the W. P. A. and that burden in turn is forced on the taxpayer who then has less money and less confidence with which to stimulate American business.

Thus, we have all the elements of a vicious cycle by which eventually we interrupt the dreary lockstep of the American businessman just long enough to garrote him with a noose that he himself is required to buy.

When we look at this picture of international trade we must remember the realinement of international markets. We must remember that Germany and Italy now dominate the Central European market, that Russia dominates in Asia, and Japan in China, Manchuria, and Korea. We must realize that Great Britain has tightened its grasp on colony trade so that our exports to great Britain have dropped from 16.1 percent in 1929 to 11.1 percent in 1937. We must not overlook the fact that slicing 16,000,000 acres of cultivated cotton lands from productive use while we dallied with price and control programs, permitted those 16,000,000 acres to be devoted to cotton in other countries that had once been our foreign market. The only blessing that I can observe here, is that Wisconsin agricultural machinery plowed that foreign land, but that is a mixed blessing.

It is not my intention, however, to debate the merits of reciprocal-trade treaties this afternoon. I am ready to concede that there are advantages to trade-stimulation policies, just as there are disadvantages.

My concern this afternoon is with one aspect of the disadvantages. I am concerned with that phase of the philosophy that may entertain desirable trade objectives—may even achieve some of them—but meanwhile singles out certain American businesses for crucifixion as a sort of sacrificial offering.

In the beautiful Wisconsin northlands—where I hope to see many of my colleagues next summer—there are many so-called fox-fur farms.

Under the Tariff Acts of 1922 and 1930 silver and black fox furs carried a duty of 50 percent ad valorem. Roughly approximating this same period, the production of silver fox furs increased from 6,000 in 1923 to approximately a quarter of a million in 1937. That production, incidentally, is not limited to Wisconsin but is generally confined to the northern part of the United States, including the State of Washington.

Imports of silver-fox furs have generally been small in relation to production in this country. Prior to 1936 our imports never exceeded 4,000 pelts annually, except in 1932, when they amounted to 7,000. Last year our total imports included only 16,500 pelts.

In our agreement with Canada the United States reduced the duty on silver-fox furs from 50 to 37½ percent ad va-

lorem, a reduction of 25 percent in rate. This new rate became effective on January 1 of this year. It may be contended that this is insufficient time to estimate the effect of the concessions on imports.

The figures for March, unfortunately, will not be available until the latter part of this month. Let us look over the figures for January and February. In January we imported 14,232 skins; in February we imported 5,767 skins. That means that in the first 2 months of this year we have already imported more skins than we did in the entire preceding year. Here again it may be argued that some foreign skins were withheld from the market during the latter part of 1938 in order to take advantage of the 25-percent ad valorem reduction in duty. That is not correct, however, because in 1937 we imported only 1,310 pelts in December, and in December of 1938 we imported 2,233. In other words, the January and February import figures should not be construed as the abnormal result of a restricted importation during the latter part of 1938.

Mr. President, at this rate, a growing industry in this country will be wiped out. If this continues, the small fox-fur farmer will lose his investment and his business before the year is over. In my State he is already unable to meet his feed bills. Inside of another year, even the largest fox-fur producers in this country will be forced to the wall.

To prevent this, Mr. President, I introduce a bill, which I ask may be printed in the RECORD, relating to the rate of duty on certain fox furs imported into the United States.

The VICE PRESIDENT. The bill will be received and properly referred, and, without objection, it will be printed in the RECORD.

The bill (S. 2100) relating to the rate of duty on certain fox furs imported into the United States, was read twice by its title, referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That notwithstanding any provision contained in any foreign trade agreement entered into under authority of section 350 of the Tariff Act of 1930, as amended, the rate of duty on silver or black-fox furs or skins, dressed or undressed, not specially provided for, imported into the United States after the date of enactment of this act, shall be the rate provided for in paragraph 1519 (c) of the Tariff Act of 1930.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated below:

H. R. 2595. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co. to the calendar.

H. R. 875. An act for the relief of Okie May Fegley;

H. R. 1301. An act for the relief of John J. Trimble;

H. R. 1694. An act for the relief of Bozzani Motors, Ltd.;

H. R. 2056. An act for the relief of the Shipowners & Merchants Towboat Co., Ltd.;

H. R. 2061. An act for the relief of Ernest O. Robinette and others;

H. R. 2067. An act for the relief of the Atlas Powder Co.;

H. R. 2074. An act for the relief of Junius Alexander;

H. R. 2104. An act for the relief of James A. Mills;

H. R. 2529. An act for the relief of W. F. Towson;

H. R. 3077. An act for the relief of Adam Casper;

H. R. 3550. An act for the relief of the widow and children of James Patrick Mahar;

H. R. 3673. An act for the relief of the Allegheny Forging Co.;

H. R. 3897. An act for the relief of Harry L. Smigell;

H. R. 4084. An act to provide for the reimbursement of certain personnel or former personnel of the United States Navy and United States Marine Corps for the value of personal effects destroyed as a result of a fire at the Marine Barracks, Quantico, Va., on October 27, 1938; and

H. R. 4133. An act for the relief of Joseph N. Thiele; to the Committee on Claims.

AMENDMENT TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. LA FOLLETTE (for himself, Mr. CLARK of Missouri, and Mr. LUCAS) submitted an amendment intended to be proposed by them to House bill 5269, the Agricultural Department appropriation bill, 1940, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place in the bill, to insert the following:

"To enable the Secretary of Agriculture to further carry out the provisions of section 32, as amended, of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935, and subject to all provisions of law relating to the expenditure of funds appropriated by such section, $150,000,000. Such sum shall be immediately available and shall be in addition to, and not in substitution for, other appropriations made by such section or for the purpose of such section: *Provided*, That not in excess of 25 percent of the funds herein made available may be devoted to any one agricultural commodity."

AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. CONNALLY submitted amendments intended to be proposed by him to House bill 4852, the Interior Department appropriation bill, 1940, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 86, line 17, after the word "Colorado", to insert a comma and the following words: "and the Colorado River project, Texas."

On page 87, to amend lines 2 to 5, inclusive, to read as follows:

"Colorado River project, Texas, $5,000,000, together with the unexpended balance of the appropriation under this head in the Interior Department Appropriation Act, fiscal year 1939."

Mr. CLARK of Missouri submitted an amendment intended to be proposed by him to House bill 4852, the Interior Department appropriation bill, 1940, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 115, after line 11, to insert the following:

"Jefferson National Expansion Memorial: The unexpended balance of the funds made available by the Emergency Relief Appropriation Act of 1935 and allocated by Executive Order No. 7253 for the acquisition and development of a historic site under the act of August 21, 1935 (49 Stat. 666), to be known as the Jefferson National Expansion Memorial, contingent upon a contribution thereafter made by the city of St. Louis, Mo., as its proportionate sum for such purposes, is hereby reappropriated and made available until expended for acquisition and development of the said memorial."

SUSPENSION OF THE RULE—AMENDMENT

Mr. NEELY submitted the following notice in writing:

In accordance with the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI, for the purpose of proposing to House bill 5219, the Second Deficiency Appropriation Act, fiscal year 1939, the following amendment, viz:

At the proper place, under the caption "Department of the Interior," insert the following:

"NATIONAL BITUMINOUS COAL COMMISSION

"The paragraph in the Second Deficiency Appropriation Act, fiscal year 1938, under the caption 'National Bituminous Coal Commission,' is hereby amended by striking out the following proviso: '*Provided*, That expenditures during the fiscal year 1939 under this head and under the head "Salaries and Expenses, Office of the Consumers' Counsel, National Bituminous Coal Commission,"' shall not exceed an amount equal to the aggregate receipts covered into the Treasury under the provisions of section 3 of the Bituminous Coal Act of 1937."

AMENDMENT TO SECOND DEFICIENCY APPROPRIATION BILL

Mr. NEELY submitted an amendment intended to be proposed by him to House bill 5219, the second deficiency appropriation bill, 1939, which was ordered to lie on the table and to be printed.

(For amendment referred to see the foregoing notice.)

AMENDMENT OF RULE RELATIVE TO SENATE PRESS GALLERY

Mr. GILLETTE (for himself and Mr. BARBOUR) submitted the following resolution (S. Res. 117), which was referred to the Committee on Rules:

Resolved, That paragraph 2 of rule XXXIV of the Standing Rules of the Senate be amended by striking out the last sentence of said paragraph 2 and substituting in lieu thereof the following: "They shall make such regulations respecting the reporters' galleries of the Senate, together with the adjoining rooms and facilities, as will confine their occupancy and use to bona fide reporters for daily newspapers, to bona fide reporters of news or press associations requiring telegraph service to their membership, and to bona fide reporters for daily news dissemination through radio, wireless, and similar media of transmission. These regulations shall so provide for the use of such space and facilities as fairly to distribute their use to all such media of news dissemination."

OPERATIONS OF CIVIL AERONAUTICS AUTHORITY

Mr. O'MAHONEY. Mr. President, while the reorganization bill was under consideration in the Senate there was considerable discussion about the operations of the Civil Aeronautics Authority, particularly with respect to the number of employees under this new agency of government.

The development of aviation is affording one of the few new avenues for private employment and is a matter of such great public importance to all sections of the country that I was desirous of obtaining more complete information with respect to the operations of this Authority than was available from the debates which took place here.

Accordingly I addressed to Mr. Edward J. Noble, Chairman of the Civil Aeronautics Authority, a letter submitting 10 questions. To this letter I now have had a very complete and illuminating response. I ask unanimous consent that this reply, which is signed by Mr. Harllee Branch, Vice Chairman and Acting Chairman of the Authority, may be published in the RECORD and referred to the Committee on Appropriations. The response contains the questions which were submitted in my letter. The information contained in the response will be of value to the Senate in the consideration of the deficiency appropriation bill which probably will be reported from the Committee on Appropriations within the next few days.

There being no objection, the letter was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

CIVIL AERONAUTICS AUTHORITY,
Washington, April 4, 1939.

Hon. JOSEPH C. O'MAHONEY,
United States Senate, Washington, D. C.

MY DEAR SENATOR O'MAHONEY: I wish to acknowledge receipt of your letter of April 1, 1939, addressed to Edward J. Noble, Chairman of the Authority, in which you request certain information concerning the employees transferred by statute to the Civil Aeronautics Authority from the former Bureau of Air Commerce and the former Bureau of Air Mail, together with information regarding staff employees who have been added by the new agency since its establishment. You also suggest that we supplement this with such other information as might contribute to a clear understanding of our operations. We are glad to submit this letter in response to your request, especially in view of certain misunderstanding which appears to have arisen concerning these matters.

In order that the answers to your specific questions may be clearly understood, we first recall to your attention the structure and functions of the new agency.

The Civil Aeronautics Authority, by the act which created it, is a quasi-judicial, quasi-legislative agency of Congress composed of five members, appointed by the President and confirmed by the Senate. Like the Interstate Commerce Commission, it exercises regulatory powers exclusively, and like the Interstate Commerce Commission, its functions cover economic regulation and safety regulation. The Civil Aeronautics Act also set up an Administrator, who, although established within the Authority, is an independent executive, appointed by the President, subject to confirmation by the Senate, and he is responsible to the President. The Administrator exercises no quasi-judicial or quasi-legislative powers; that is, he is not a regulatory agency; he is an operating agency, exercising the purely executive powers involved in the construction, maintenance and operation of air navigation facilities, and in the conduct of developmental and promotional work. He appoints his own officers and employees, and in the exercise of his statutory powers is independent of the Authority. The act also established within the Authority an Air Safety Board, composed of three members, who are likewise appointed by the President, subject to confirmation by the Senate. The Air Safety Board is an independent investigatory and analytical body, charged with the investigation of all accidents involving aircraft and with the duty of making recommendations to the Authority for the prevention of similar accidents in the future; the making public of its reports and recommendations in a manner suited to the public interest; and the conduct of such investigations and studies (with attendant recommendations) in the general field of air safety and accident prevention, as are requested or approved by the Authority. This investigatory and advisory function must not be confused, however, with the function of safety regulation, including safety inspection and the promulgation and enforcement of Civil Air Regulations, which by the act is vested in the five-man Authority. The Air Safety Board is specifically required by the act to perform its duties and functions independently, and, like the Administrator, appoints and controls its own officers and employees.

Although the Administrator and the Air Safety Board act independently of the Authority in the exercise of their statutory powers, the Civil Aeronautics Act requires that they shall cooperate with the Authority in the administration of the act.

The specific questions asked by you will be answered in the same order in which you presented them in your letter.

1. The number of departmental and field employees transferred to the Civil Aeronautics Authority on August 22, 1938, from the Bureau of Air Commerce and the Bureau of Air Mail.

By mandate of the Civil Aeronautics Act of 1938, the President, by Executive order, on August 22, 1938, transferred to the new agency 2,938 officers and employees (375 departmental and 2,563 field) of the Bureau of Air Commerce of the Department of Commerce. Of this number, 72 (departmental, 29; field, 43) were engaged in airport projects of the W. P. A. and other Government agencies and paid from the funds provided for the purpose by the Emergency Relief Act of 1938. (For this reason these 72 persons were not included in the figure of 2,866 persons transferred from the Bureau of Air Commerce to the Civil Aeronautics Authority set forth in letters from the chairman of the Authority to Senators JOSIAH W. BAILEY and BENNETT CHAMP CLARK under date of February 21 and March 21, 1939, respectively.) Also, there were transferred by this Executive order 59 officers and employees (all departmental) of the Bureau of Air Mail of the Interstate Commerce Commission. The total staff thus transferred by the order of Congress—and not by any action of the Authority—was 2,997. Of this number, a total of 377 (departmental, 191; field, 186) were engaged in safety and economic regulation and investigatory functions, and 2,620 (departmental, 243; field, 2,377) were engaged in the construction, maintenance, and operation of airways and air-navigation aids and technical development.

The above-listed employees were transferred by the new law, which also prohibited the Civil Aeronautics Authority, including the Administrator and the Air Safety Board, from reducing the salary or grade of any one of these employees prior to the close of the present fiscal year—July 1, 1939. It is also important to note that the Civil Aeronautics Act did not provide for the transfer of any employees of either the Department of Commerce or the Interstate Commerce Commission who were not on the pay rolls of the two Bureaus transferred but who nevertheless were engaged in rendering certain administrative, legal, clerical, and similar services required for the functioning of those two aviation bureaus. It was necessary, therefore, for the Civil Aeronautics Authority, including the Administrator and the Air Safety Board, to establish administrative, legal, clerical, and similar service units to perform the work which had been formerly provided by the employees in the Department of Commerce and the Interstate Commerce Commission who were not transferred by the new law. One example: The legal staff of the Solicitor of the Department of Commerce which served the Bureau of Air Commerce was not transferred to the new agency, which had to set up its own legal department.) In the interest of economy, common service units were set up to render these necessary services for the Civil Aeronautics Authority, including the Administrator and the Air Safety Board.

2. The number of departmental and field employees appointed by the Civil Aeronautics Authority since it took office on August 22, 1938.

Of the employees on duty on February 28, 1939, the Civil Aeronautics Authority, including the Administrator and the Air Safety Board, had appointed a total of 575 (departmental 309, field 266) officers and employees since August 22, 1938, the date of its installation. Of this number, however, 271 were appointed to fill vacancies which existed in positions in the Bureau of Air Commerce which had already been authorized by Congress in the 1939 fiscal appropriation, prior to the passage of the Civil Aeronautics Act of 1938. During the period from January 31, 1939, to February 28, 1939, 50 employees who had been transferred to the Administrator by Executive order or appointed by him completed their specific tasks or voluntarily terminated their employment.

In addition to the 575 employees appointed and on duty on February 28, 1939, there were also on duty on that date 29 of the 141 temporary employees who had been employed upon the special project of the national airport survey directed by Congress and recently completed. These 29 were engaged in the consolidation of the records of the airport survey. The employment of all but two or three of these has now been terminated.

The actual number of new positions created and filled by the Civil Aeronautics Authority, including the Administrator and the Air Safety Board, as of February 28, 1939, over the number of authorized positions transferred to the new agency from the Bureau of Air Commerce and the Bureau of Air Mail is 333 employees, 12 of whom are paid from W. P. A. funds and 29 of whom are the temporary employees referred to above. Such personnel as have been added to date were employed to perform the new functions prescribed by the Civil Aeronautics Act of 1938, which were unknown to the old statutes administered by the Bureau of Air Commerce and the Bureau of Air Mail.

3. The total number of employees on the rolls of the Civil Aeronautics Authority as of the most recent date on which there is complete data.

The total number of officials and employees on duty in the Civil Aeronautics Authority as of February 28, 1939, including temporary employees, was 3,601 (departmental, 772; field, 2,829).

4. A statement showing the distribution of officials and employees in accordance with the functions of the Civil Aeronautics Authority organization.

The following indicates the distribution by functions of the personnel transferred by the act, the personnel appointed by the new agency, and the personnel on duty as of February 28, 1939:

	Personnel transferred	Personnel appointed	Personnel on duty
Regulatory functions (the Civil Aeronautics Authority)	331	147	478
Construction, maintenance, and operating functions (the Administrator)	[1] 2,351	[2] 290	[3] 2,607
Investigatory functions (the Air Safety Board)	6	55	61
General service functions rendered to the Authority, Administrator, Air Safety Board (legal, secretary, including fiscal, records, personnel, purchase, etc., functions)	309	146	455
Total	[1] 2,997	[2] 638	[3] 3,601

[1] Includes 34 persons whose employment was terminated between Aug. 22, 1938, and Feb. 28, 1939, and 72 persons transferred to the Administrator from the Bureau of Air Commerce who were engaged in airport services to the Works Progress Administration and other governmental agencies and paid from funds provided for that purpose by the Emergency Relief Act of 1938.

[2] Includes 29 temporary employees still on duty Feb. 28, 1939, in connection with the National Airport Survey, and 12 employees appointed by the Administrator in connection with his airport duties who were paid from emergency relief funds.

[3] Includes a total of 84 persons (departmental 34, field 50), employed by the Administrator in connection with the statutory duties concerning airports and his airport services to the Works Progress Administration and other governmental agencies and paid from emergency relief funds, and also 29 temporary employees referred to in the note above.

5. The number of employees authorized for both the Bureau of Air Commerce and the Bureau of Air Mail in the Appropriation Act of 1939.

The Appropriation Act of 1939, which was enacted prior to the Civil Aeronautics Act of 1938, and the establishment of the Civil Aeronautics Authority, authorized 3,288 employees in the Bureau of Air Commerce of the Department of Commerce, and 59 employees in the Bureau of Air Mail of the Interstate Commerce Commission, making a total of 3,347 employees. Thus, the total number of 3,601 employees on duty on February 28, 1939, in the Authority, including the Administrator and the Air Safety Board, represents a net increase of 254 employees over the total authorized by Congress for both of the old bureaus prior to the creation of the Civil Aeronautics Authority.

6. Comparison between the number of employees now in the Civil Aeronautics Authority and the number of employees in the Interstate Commerce Commission.

The Interstate Commerce Commission is an independent regulatory body and has a staff, according to my information, of 2,599 employees, engaged in the work of economic and safety regulation of rail and motor carrier transportation. The Civil Aeronautics Authority, as distinguished from the Administrator, is also an independent regulatory body and has a total staff of 620 employees (including 61 employees of the Air Safety Board performing independent investigatory and analytical functions, and the proper allocation of the personnel of the common service units utilized jointly by the Authority, the Administrator, and the Air Safety Board) who are engaged in the work of economic and safety regulation.

It is important to remember that the economic regulatory power of the Authority embraces not only the common carriers of the air which operate within the United States and in its Territorial possessions, but includes also the regulation of American air carriers engaged in overseas and foreign air transportation within Alaska, across the Pacific to Hong Kong, throughout Central and South America and the Caribbean area, to Bermuda and Canada, and within the next few months, across the Atlantic to Europe, and the regulation of foreign air carriers operating between foreign countries and the United States or its possessions; and that the safety regulatory power of the Authority is not limited, as is the safety regulatory power of the Interstate Commerce Commission, to common carriers by rail or motor, but extends to all civil aircraft, all airmen and ground personnel in connection therewith, and extends also to regulatory power over the manufacture, design, and export of aircraft, and to the certification of schools for the training of pilots and mechanics.

While the scope of the economic regulation conferred by the Civil Aeronautics Act is substantially the same as that exercised by the Interstate Commerce Commission, the economic regulatory functions of the Interstate Commerce Commission affect a much larger number of carriers. On the other hand, every civil aviator and his aircraft are subject to much more far reaching and intensive safety regulation than is applied to rail, bus, water, or any other form of transportation.

The function of safety regulation exercised by the Authority far exceeds in scope and intensity the similar power exercised by the Interstate Commerce Commission. Thus, the Authority inspects and certificates the design, manufacture, production, and airworthiness of aircraft. The Interstate Commerce Commission does not approve or license either the design or safety-worthiness of locomotives or cars. The Civil Aeronautics Authority examines (including, in some cases, physical examinations) and certificates pilots, mechanics, dispatchers, and other airmen. The Interstate Commerce Commission does not examine or license engineers, conductors, mechanics, dispatchers, or any other railroad operating personnel. The Authority prescribes in the minutest detail the conditions upon which aircraft may be operated, including such matters as daylight and darkness, weather, equipment, and accessories to be employed in the aircraft, facilities to be utilized on the ground, etc. The safety regulatory powers of the Interstate Commerce Commission extend only to the use and condition of certain prescribed safety appliances.

Because the Interstate Commerce Commission exercises no executive function of construction, maintenance, and operation such as is exercised by the Administrator in the Civil Aeronautics Authority and, therefore, no comparison can be made between the staff of the Administrator and that of the Interstate Commerce Commission, it is pertinent here to point out the extent of the executive duties imposed by the Civil Aeronautics Act upon the Administrator and for the exercise of which he is solely responsible.

If one could imagine a Federal agency made up of the staff of the Interstate Commerce Commission plus the staff of the Bureau of Lighthouses; or a Federal agency made up of the staff of the Interstate Commerce Commission plus the staff of the Bureau of Public Roads; or a Federal agency made up of the Interstate Commerce Commission plus all the staff of the railroads engaged in the construction, maintenance, and operation of block signals, lights, telegraphic communications, and traffic-control systems of the railroads, and also their staff engaged upon the laying out of the rights-of-way and the designing and drafting of the plans for the railway stations, one would then have an agency to compare with the Civil Aeronautics Authority, including the Administrator, with its combined functions of regulation and construction, maintenance, and operation. Even such an imaginary agency would not include the function of technical development with which the Administrator is also charged.

Under the direction and control of the Administrator, there are 44 designated civil airways in the United States and its Territorial possessions, having a total mileage of approximately 25,400 miles. Along these civil airways there are 13 airway traffic-control stations; 298 intermediate landing fields; 190 radio range beacon and communication stations; 2,130 airway beacons; 57 nondirectional radio-marker beacons; 35 ultrahigh frequency radio fan-type markers; and over 30,000 miles of teletype communication circuits, serving 358 different stations with weather reports and other information necessary to safe air navigation. Two thousand six hundred and sixty-two employees of the Administrator are engaged continuously in the construction, maintenance, and operation of these air-navigation facilities, and the services of 1,903 of these persons are devoted exclusively to the communication systems. These aids to air navigation are available alike to the military pilot, the private flyer and the common carrier of the air engaged in the transportation of passengers and mail.

7. The number of employees of the scheduled air-line companies.

The total number of employees of the scheduled air carriers (not including the fixed base operators who may be common carriers by air), as indicated by the records of the Civil Aeronautics Authority, is 13,417. The air carriers have not, in all cases, kept these records up to date, but the above figure is known to be less than the number actually employed by the air carriers.

8. The number of charter and fixed base operators regulated by the Civil Aeronautics Authority.

Charter and fixed base operators subject to the terms of the Civil Aeronautics Act of 1938 are 1,527 in number. The records of the Civil Aeronautics Authority indicate that there are 1,159 air line transport pilots and 7,839 persons possessing commercial pilot certificates of competency. Each of these 8,998 must be reexamined by the staff of the Civil Aeronautics Authority, both as to physical condition and technical skill, each 6 months.

9. The number of private fliers regulated by the Authority.

There are 53,067 private fliers, including student pilots, in the United States, regulated by the Authority. Each of these pilots is subject to periodic examination by the staff of the Authority to insure his continuing physical and technical competency. Likewise, there are 11,159 civil aircraft registered in the United States, of which number only 362 are operated by the transport companies. Each of these aircraft must, under the regulations, be inspected periodically by the staff of the Civil Aeronautics Authority for the purpose of insuring their continuing airworthiness. There are, in addition, 9,884 aircraft and aircraft-engine mechanics, 290 dispatchers, 397 parachute riggers, 123 air-traffic control-tower operators, and 92 ground instructors, each of whom, by law and regulation, is required to have a certificate of competency issued by the Authority, and each of whom, likewise, is subject to periodic examination.

10. A statement showing the additional duties and functions required of the Civil Aeronautics Authority which were not required of the Bureau of Air Commerce and the Bureau of Air Mail.

Additional duties and functions imposed upon the new agency by the Civil Aeronautics Act, which were not required of the Bureau of Air Commerce and the Bureau of Air Mail, are as follows:

THE FIVE-MEMBER AUTHORITY

(a) The regulation of competition between air carriers through the issuance of certificates of public convenience and necessity and the issuance of foreign air carrier permits.

(b) The regulation of air passenger and express rates, including control over trade practices and methods, the division of rates, and the removal of discrimination and preferential treatment in the conduct of the business of the air carrier.

(c) The regulation of mergers and consolidations, transfers of property, and acquisitions of control by air carriers.

(d) The regulation of interlocking officers and directors and other interlocking relationships.

(e) The regulation of pooling agreements related to traffic, competition, earnings, service, equipment, rates, and other matters affecting operations, except for such limited control as was exercised by the Postmaster General through the instrumentality of the domestic air-mail contracts.

(f) The regulation of loans and other financial aid received from the United States or any of its agencies for the benefit of any common carrier.

(g) The recordation of all conveyances affecting the title to or interest in any civil aircraft.

(h) The certification of many additional persons of the "airmen" class which under the old law were not subject to regulation.

(The administration of the foregoing powers in most cases requires formal hearings by the Authority.)

(i) Advice to and consultation with the Department of State in the negotiation of all international agreements and arrangements affecting aviation. These added functions of the Authority cover all of the functions previously discharged by the Interdepartmental Committee for Civil International Aviation, composed of the Assistant Secretaries of State, Treasury, and Commerce, and the Second Assistant Postmaster General, which committee was dissolved by the President when the Civil Aeronautics Authority took over its functions. The development of plans in cooperation with the State Department looking toward the establishment of the trans-Atlantic service and the study of means for extending American air-carrier operations in Latin America constitute 2 of some 40 pending matters of this character upon which the Authority has been continuously engaged since last August.

(j) An investigation and study of foreign air carrier rates for report to Congress not later than August 22, 1939, on the question whether there should be a regulation of such rates.

THE ADMINISTRATOR

(k) The acquisition, establishment, operation, and maintenance of airports and other air navigation facilities thereon.

(l) The acquisition of air navigation facilities.

(m) The investigation and approval of the expenditure of all Federal funds, except those devoted exclusively to military purposes, by 15 Federal agencies on airport and other air navigation facilities projects on which they are engaged.

(n) A field survey of the existing system of airports for the purpose of reporting to Congress on behalf of the Authority, not later than February 1, 1939, recommendations as to whether the Federal Government should participate in the construction, development, and operation of the national system of airports; and if so, to what extent and in what manner the Federal Government should so participate.

(o) The collection and dissemination of information relative to civil aeronautics, and its exchange with foreign countries, and a study of the possibilities of the development of air commerce and the aeronautical industry.

The large amount of overtime accumulated by the regulatory staff of the Authority during the 8 weeks from January 30 to March 26, 1939, indicates that, although additional personnel have been employed under the new act, the new agency is not overstaffed. For example, the record shows that during the above-named period 478 employees engaged in economic and safety regulation were required to spend 5,034 hours in overtime, 80 percent of which, or 3,940 hours, were spent on the additional economic regulatory functions imposed by the new law. Sixteen regulatory employees engaged upon the international work described above in paragraph (g) spent 235 hours per week overtime during the same period.

In the preparation of my reply to your letter I have freely consulted with the Administrator and the Chairman of the Air Safety Board, and I am authorized by them to advise you that they both concur in the statements contained in this letter.

Sincerely,

HARLLEE BRANCH,
Vice Chairman and Acting Chairman.

SAVE DEMOCRACY AT HOME—ADDRESS BY SENATOR SHIPSTEAD

[Mr. NYE asked and obtained leave to have printed in the RECORD a radio address on the subject Save Democracy at Home, delivered by Senator SHIPSTEAD on April 2, 1939, which appears in the Appendix.]

LET THOSE WHO CHALLENGE TAKE THE RESPONSIBILITY—ADDRESS BY SENATOR NYE

[Mr. LUNDEEN asked and obtained leave to have printed in the RECORD a radio address on the subject Let Those Who Challenge Take the Responsibility, delivered by Senator NYE on April 4, 1939, which appears in the Appendix.]

FREIGHT RATES—ADDRESS BY SENATOR STEWART

[Mr. HILL asked and obtained leave to have printed in the RECORD a radio address on the subject of freight rates delivered by Senator STEWART on April 4, 1939, which appears in the Appendix.]

UNEMPLOYMENT, ALIEN REGISTRATION, AND IMMIGRATION

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD clipping from the Times-Herald of Washington, D. C., and from the Greensboro (N. C.) Daily News relative to unemployment, the registration of aliens, and the restriction of immigration, which appear in the Appendix.]

THE SILVER-PURCHASE PROGRAM

[Mr. TOWNSEND asked and obtained leave to have printed in the RECORD several editorials on the subject of the Silver Purchase Program, which appears in the Appendix.]

RECIPROCAL TAXATION OF FEDERAL AND STATE OFFICERS AND EMPLOYEES

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HARRISON. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. HARRISON, Mr. BROWN, Mr. CONNALLY, and Mr. LA FOLLETTE conferees on the part of the Senate.

CALL OF THE CALENDAR DISPENSED WITH

The VICE PRESIDENT. If there be no further routine morning business, consideration of bills on the calendar under rule VIII is in order.

Mr. BARKLEY. Mr. President, for the time being, I ask unanimous consent that the call of the calendar be dispensed with.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the call of the calendar will be dispensed with.

ADDITIONAL APPROPRIATION FOR WORK RELIEF AND RELIEF

Mr. ADAMS. Mr. President, as I stated a few moments ago I would do, I now ask unanimous consent that the Senate proceed to the consideration of House Joint Resolution 246.

The VICE PRESIDENT. The Senator from Colorado asks unanimous consent for the present consideration of a joint resolution, which the clerk will state by title.

The CHIEF CLERK. A joint resolution (H. J. Res. 246) making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939.

The VICE PRESIDENT. Is there objection to the request of the Senator from Colorado?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 246) making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939.

The VICE PRESIDENT. The Chair will recognize the Senator from Colorado [Mr. ADAMS] if he desires recognition. If not, he will recognize the Senator from Florida [Mr. PEPPER], who asked the Chair to recognize him to offer an amendment.

Mr. ADAMS. Mr. President, if the Senator from Florida will permit me, I should like to make a very brief statement.

The House of Representatives had under consideration the recommendation of the President for an appropriation of an additional $150,000,000 for relief purposes, to be added to the relief appropriation provided by the measure now on the statute books. The House of Representatives held extensive hearings. Various amounts were voted upon in the House. The House voted not to appropriate the full amount; they voted not to appropriate $125,000,000; they voted not to reduce the amount to $50,000,000; they voted against placing it at $75,000,000, and, by a very large majority, voted to fix the amount in accordance with the recommendation of the House Appropriations Committee at $100,000,000.

Mr. President, the Senate Committee on Appropriations took into consideration the House hearings. They took into consideration the votes in the House. We had hearings of our own. The matter was gone over with a great deal of care. Members of the subcommittee of the Senate Appropriations Committee had different views as to the amount

which should be appropriated; but, after a very careful consideration of the situation and of the prospects, it was the unanimous opinion of the subcommittee, which was confirmed by the full committee, that the wise and the proper thing for the committee to do was to recommend to the Senate the approval of the measure as it came from the House.

This conclusion involved concessions on the part of practically all the members of the committee. These concessions were made in the interest of what we believe to be the welfare of the relief administration in the United States, the welfare of the Government, and also to avoid what might be uncomfortable, unpleasant controversies on the subject, which involves masses of figures and many misunderstandings. The committee feels, I think most sincerely, that the amount recommended will adequately and fairly care for all those in the United States who are now entitled to the aid of the Federal Government. Of course, it will not take care of every individual in need in the United States. No appropriation can reach that point, but the one recommended is a fair adjustment of differences of opinion; and I think every member of the committee was actuated by a genuine, sincere motive to accomplish the aims and purposes of relief of justified cases within the United States.

Therefore, on behalf of the committee, I urge that the report be adopted and that the joint resolution be passed as it came from the House.

Mr. PEPPER obtained the floor.

Mr. BILBO. Mr. President, will the Senator from Florida yield in order that I may ask the Senator from Colorado a question?

Mr. PEPPER. I yield for that purpose.

Mr. BILBO. Did the Senator's committee have before it Colonel Harrington, the National Administrator, in regard to the disposition of this problem?

Mr. ADAMS. We did.

Mr. BILBO. Did he insist that it was necessary and urgent that the entire $150,000,000 be appropriated?

Mr. ADAMS. He gave us figures as to the number employed and as to the amount of money available; and the conclusion of the committee is that those figures demonstrate that the full amount of $150,000,000 is not necessary.

Mr. BILBO. The point is, Colonel Harrington was trying to persuade the members of the committee to grant $150,000,000, was he not?

Mr. ADAMS. Colonel Harrington was called before the committee at our instance to furnish us with information. Colonel Harrington was not presenting to us an argument one way or the other. He was presenting to us facts and answering questions. The hearing was purely a matter of question and answer on the part of the committee and the Colonel.

Mr. BILBO. Am I to understand the Senator to state to the Senate that Colonel Harrington made no recommendation?

Mr. ADAMS. I cannot accurately say that. The Colonel would prefer to have the $150,000,000; but he gave us figures which, in the unanimous judgment of the Appropriations Committee, show that the appropriation of the full amount is not necessary to carry out Colonel Harrington's own program.

Mr. BILBO. And to that extent the committee disagreed with his conclusions about the effect of the figures?

Mr. ADAMS. I will say to the Senator that the President of the United States had made a recommendation. Colonel Harrington is his appointee. There was nothing under the shining sun that the Colonel could do but to come and say that of course he concurred with the recommendation of his chief.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Kentucky.

Mr. BARKLEY. I hope the Senator from Colorado will not leave the implication that in what Colonel Harrington stated to the committee he was actuated purely by the fact that he had been appointed by the President of the United States. I think he is enitled to have that implication removed if it exists.

Mr. ADAMS. No; I will say to the Senator that my answer was the other way—that Colonel Harrington's situation was such that he could not very well take a different position. I do not mean to say that he was actuated by that fact in forming his judgment.

Mr. BARKLEY. I should not like to have the Senator leave the implication that if Colonel Harrington could have taken a different position, he would have done so.

Mr. ADAMS. I do not know what he would have done.

Mr. BARKLEY. I understand.

Mr. PEPPER. Mr. President, I do not know whether or not there is a quorum of the Senate present. I am going to take only a relatively short time.

The VICE PRESIDENT. Under the rules of the Senate, the Chair is not allowed to count the Members present. Therefore, the Chair cannot tell the Senator whether or not there is a quorum present.

Mr. PEPPER. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	King	Reed
Andrews	Davis	La Follette	Reynolds
Ashurst	Donahey	Lee	Russell
Austin	Downey	Lodge	Schwartz
Bankhead	Ellender	Logan	Schwellenbach
Barbour	Frazier	Lucas	Sheppard
Barkley	George	Lundeen	Shipstead
Bilbo	Gerry	McCarran	Smathers
Bone	Gillette	McKellar	Smith
Borah	Glass	McNary	Stewart
Bridges	Green	Maloney	Taft
Brown	Guffey	Mead	Thomas, Okla.
Bulow	Gurney	Miller	Thomas, Utah
Burke	Harrison	Minton	Townsend
Byrd	Hatch	Murray	Tydings
Byrnes	Hayden	Neely	Vandenberg
Capper	Herring	Norris	Wagner
Caraway	Hill	Nye	Wheeler
Chavez	Holman	O'Mahoney	White
Clark, Idaho	Holt	Overton	Wiley
Clark, Mo.	Johnson, Calif.	Pepper	
Connally	Johnson, Colo.	Pittman	

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

Mr. PEPPER. Mr. President, I move to amend the joint resolution, in line 8, by striking out "$825,000,000" and inserting "$875,000,000"; and in line 9, by striking out "$100,000,000" and inserting "$150,000,000."

The VICE PRESIDENT. The amendment offered by the Senator from Florida will be stated.

The LEGISLATIVE CLERK. On page 1, line 8, it is proposed to strike out "$825,000,000" and insert "$875,000,000"; and on the same page, line 9, it is proposed to strike out "$100,000,000" and insert "$150,000,000."

Mr. PEPPER. Mr. President, I desire to disabuse the minds of Senators as to the length of time I myself shall detain them in the discussion of this amendment. As a preliminary to that discussion, I should like to ask the chairman of the subcommittee, the Senator from Colorado [Mr. ADAMS], three or four questions.

The first question is, Was it not the recommendation of the President of the United States that the amount appropriated for this purpose at this time be $875,000,000 in the original instance, and subsequently $150,000,000, to make the figure $725,000,000 come up to $875,000,000?

Mr. ADAMS. Of course. That is shown from the records of the Senate.

Mr. PEPPER. In the second place, I should like to ask if Colonel Harrington, the W. P. A. Administrator, a colonel in the Army, did not come before the subcommittee and recommend that the needs of the W. P. A. required an additional appropriation of $150,000,000 at this time?

Mr. ADAMS. As I recollect his statement, he was asked the question, and he said, in substance—I am not quoting him accurately—that he did not feel free to say that $100,000,000 would be adequate. There was no insistence on his part. There was no argument, no discussion back and forth with Colonel Harrington on the matter. That is, we got from him

certain figures in answer to questions propounded by members of the committee.

Mr. PEPPER. I will put the question in this way: Colonel Harrington did tell the committee, did he not, that unless his request of $150,000,000 was granted, there would be a very substantial reduction in the number of persons employed on the W. P. A. rolls?

Mr. ADAMS. I do not think his testimony is open to that interpretation.

Mr. PEPPER. I will ask the Senator the next question: Is it a fact that this report for $100,000,000 is the unanimous report of the subcommittee of the Committee on Appropriations?

Mr. ADAMS. It is the unanimous report of the subcommittee and also of the whole committee.

Mr. PEPPER. I thank the Senator.

Mr. President, I think it is very clear to everyone what are the fundamental issues involved in this discussion. I knew, of course, that there had been a unanimous-consent agreement among the members of the subcommittee and the full committee, as every other Member of the Senate knew, and we knew the reasons why such an agreement had been entered into. It was because Senators did not want to have a controversy on the floor over this question.

This is the first instance of which I know when, upon a matter of this character, as to which there is a wide diversity of sentiment as is known to exist among the members of the committee, there has been a unanimous recommendation of the Committee on Appropriations about an appropriation of the character of that now under consideration. Some might put it on the ground of expediency, that we should not have any lack of unity, that we should not have an unfortunate schism in our ranks.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. McKELLAR. The Senator has inadvertently dropped into an error which I think ought to be corrected at this point.

The subcommittee which had charge of this matter were very greatly divided. I know there were three members of the subcommittee, and I think possibly there were four, who were opposed to appropriating any additional amount. There were two of us, the Senator from Louisiana [Mr. OVERTON] and myself, who wanted the full amount appropriated. There was one who, as I recall, was in favor of an appropriation of $38,000,000, one who favored an appropriation of fifty million, one was willing to go to eighty-three million, though he fixed seventy-five million as the proper amount, and I think another was in favor of an appropriation of seventy-five million.

It was perfectly apparent to me that unless we could come to some reasonable agreement there would probably not be reported by the committee an amount exceeding $75,000,000. I think I can say without the slightest fear of being contradicted that the highest amount that possibly could have been brought out of the committee would have been $83,000,000. The Senator from Louisiana [Mr. OVERTON] and I, believing that there should be a larger amount appropriated, having fought all during the controversy for a larger amount, when it was proposed by one member of the committee who had previously voted with us that we go ahead and adopt exactly the amount appropriated by the House, came to the conclusion, and I believe every other member of the committee came to the conclusion, that that amount was as much as we could possibly get; and we agreed to a compromise adjustment in the sum of $100,000,000.

In my judgment that was a demonstration of good sense; in my judgment, it was best for those on relief; in my judgment, it was best in every sense. An additional reason to those I have already given is that we had information from the House that under no circumstances would the House agree to a higher sum than $100,000,000. We thought this money should be appropriated and appropriated now for those on relief. So there was a unanimous report of the committee. There was nothing devious about it; there was nothing secret about it; there was nothing controversial about it. It was a plain matter of doing the best that could be done under the circumstances.

Mr. PEPPER. Mr. President, I appreciate the very frank and very fair statement from the Senator from Tennessee [Mr. McKELLAR]. I know there is no Senator in this body whose inclination is stronger toward giving adequate relief to the unemployed, as his long fight on that subject has indicated, than is that of the Senator from Tennessee. But the tragic information which the Senator discloses is that when the Congress has taken the bit in its teeth, when it has shown itself in dissonance with the President in matters of policy, it has definitely sabotaged the effort of the Government of the United States to solve the existing chaotic economic condition.

What has happened is that we have reached the perihelion of our orbit in dealing with this subject. We started up the hill a little while ago, and, with a display of heroics, we made an assault upon this problem, which, we admitted, challenged the very best the Government could do, and for 5 or 6 years we have gone ahead toward our objective until the present time, and now the Congress of the United States tells the unemployed millions of America, those who have not had a chance to work in the past, "Henceforth you need expect no opportunity for work from me." By the same token and as a part of the same sentiment we have said to the farmers of the United States, "Neither can you expect any effective help from the Congress."

We started up the hill, and when the fire got hot we stopped and turned our backs toward our objective, and all we can claim is that we are retreating slowly.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BURKE. When the Senator from Florida referred to our having started up the hill, did he have in mind having reached the point of a $40,000,000,000 national debt? Is that the degree of going up the hill to which he referred? And how much further than that does the Senator think the country can safely go?

Mr. PEPPER. Mr. President, I associate the $40,000,000,000 public debt with that procedure of going up the hill toward the solution of our present economic condition. If the Senator will examine the record, with which he is already familiar, he will find that since 1932 we have incurred a net deficit of approximately $12,000,000,000, and that net deficit is arrived at by taking into consideration a credit from the cash on hand in the Treasury, the money on deposit in the stabilization fund, the value of the Government's proprietary interest in the several agencies of the Federal Government, and the assets which the Government has on hand belonging to the several agencies of the Federal Government. I say that in the course of the last 6 years we have incurred a net deficit of approximately $12,000,000,000.

If we will add to each year's income the difference between the actual income and what the income was in 1932, we will find that during the same period the national income has increased a total of about $102,000,000,000, and that therefore the American people have made money off this increase in their national debt.

I think the Secretary of Agriculture, Mr. Wallace, is a responsible individual both as to ability and integrity, and in a little book called "The Paths to Plenty," which he wrote, and in a supplement to that volume, the Secretary pointed out that the amount of private investment between 1921 and 1927—that is to say, the expansion of the long-term private credit of the United States—yielded in national income only about 4 to 1, whereas there is a yield in national income from the increase of the public debt in the last 6 years of something like 8 to 1. So that this expenditure has not been an extravagance or a loss; it has been the means of bringing about a great increase in the assets of the people of the United States.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BURKE. If during this period the net national debt has increased twelve or thirteen billion dollars, according

to the Senator's figures, and the returns to the country in additional income have been a hundred billion dollars, is the Senator willing to say that Congress and the administration are subject to criticism for not having increased the net national debt by twice as much in order to produce twice as much additional revenue for the country?

Mr. PEPPER. Mr. President, I will answer the question categorically "yes," and then impose a qualification which I think the Senator will understand as reasonable. I answer "yes" to define the duty of the Government in the original instance, to define the initial effort of the Government of the United States to take money out of the depositories of the country, where it has been placed by capital and labor, and put it to the legitimate purpose of increasing employment in the United States. So, to reply to the Senator, my answer is "yes," that the national debt should have been expanded to the extent that was necessary to get the economic machine actually under momentum. The qualification is that when we do that in an adequate way, I believe there will no longer be a necessity for increasing the deficit or the debt. I believe it will be possible when we reach that stage for the income to be approximately the same as the outgo, and at the same time maintain the economic momentum.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BURKE. From the Senator's study of the question, can he advise us how much greater expansion he thinks would have been required originally and carried on through the years in order to have attained the very desirable end that he outlines for us?

Mr. PEPPER. Mr. President, I will answer the Senator in two ways. In the first place, had that principle been applied in the Hoover administration the total amount required would have been vastly less than it actually has been. I have always believed that if President Hoover and his administration had had the downright courage at the time that the depression became acute in this country to have put $5,000,000,000 or $10,000,000,000 into immediate availability to enhance the consumer purchasing power of America; if he had had the forthright courage to have guaranteed the bank deposits of America, at least over a period, if not indefinitely; if he had had the determination to say that the Government of the United States would do something effective about the problem of unemployment, and had convinced the American people that he meant what he said, the amount, I believe, would have been reduced at least half below what it has been so far.

Mr. BURKE. Mr. President——

Mr. PEPPER. Will the Senator reserve his question for just a moment, and then he may interrogate me about the two points?

Mr. BURKE. Certainly.

Mr. PEPPER. The other answer I want to give to the Senator from Nebraska is that in 1936 we had the predicate definitely laid for that situation, that is to say, we had reached a degree of momentum which would have carried the economic machine along with relatively little help of an artificial sort from the Federal Government. But we did not choose to follow that method, I will say to the Senator. There were people in this country who believed in balancing the Budget. There were some people who said, as one of the members of the Appropriations Committee did, that there was no need of appropriating any more Federal funds for unemployment relief. There are some honorable gentlemen who are so far able to dissociate themselves either from the facts or from the demands of their country, that they can take a point of view such as that.

So I will say to the Senator that if in 1937 we had continued that program without diminution or reduction, I believe that by the end of 1937 a sufficient momentum would have been acquired to have accomplished the results I speak of without a particularly large Federal contribution being necessary.

Mr. MURRAY. Mr. President——

The PRESIDING OFFICER (Mr. BANKHEAD in the chair). Does the Senator from Florida yield to the Senator from Montana?

Mr. PEPPER. I yield.

Mr. MURRAY. Was there not also a failure of cooperation on the part of the big business and industrial interests of the country, and is it not true that at the period to which the Senator has just adverted, the large corporations of the country began to raise and manipulate prices, which, while resulting in enormous profits to them, took out of circulation the money that was being put into circulation by the Government spending, and that all the big corporations of the country made more profits during that period than they did during 1929, which was the period of the highest industrial activity in this country?

Mr. PEPPER. The Senator is eminently correct, and I appreciate the contribution he has made to the subject.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LUNDEEN. No matter what the contentions may be as to why or how the conditions were brought about and why they did not improve, we find ourselves in the situation, which has been referred to, and the question is, What are we going to do about it? Are we going to spend upward of $2,000,000,000 for preparations for war, because some people are seeing spooks and bogeymen in their attics, and so forth; and then when it comes to the question of our own people, of bread for our own people, and the support of the American people standing under the American flag, we quibble about $50,000,000, but we are not concerned about $2,000,000,000 for some fantastic war that is being talked about? Today is the twenty-second anniversary of the most colossal blunder in our American history—our futile adventure into the boundary disputes and real-estate titles of Europe. What did our entry into that war settle? Exactly nothing and here we are discussing the backwash of that war—hunger and unemployment. Have we learned our lesson?

Mr. PEPPER. I thank the Senator. I agree with him heartily.

Mr. BURKE. Mr. President, will the Senator yield for a question with respect to the first part of his answer to my previous question?

Mr. PEPPER. I yield.

Mr. BURKE. As I understand, the Senator is now critical of the administration which was in authority prior to March 4, 1933, on the ground if that administration had adopted a larger spending program, without regard to the accumulation of a deficit, and without any particular attention to the Budget, or balancing the Budget, that today, having acted early in that respect, the country would be much farther along on the road toward permanent recovery. My question is only this: Can the Senator point out a single sentence in the Democratic platform of 1932 or a single utterance of the Democratic nominee for President in that year which gives even the slightest support to the contention the Senator now makes as to what was the proper course for the country to pursue?

Mr. PEPPER. The Senator in his intimation is entirely correct. I cannot. I can explain the Democratic platform of 1932 only by saying that there was a gross misunderstanding of the very nature of the modern economic problem, and I am perfectly willing to confess the error of my own party as well as to criticize the lack of effort of the other party.

Mr. MALONEY. Mr. President, will the Senator yield on that particular point?

Mr. PEPPER. I yield.

Mr. MALONEY. The Senator must remember that the Democratic Party, when it came into power in 1933, did endeavor to carry out the 1932 platform promise by the enactment of the so-called Economy Act. Shortly thereafter we found that we had make a serious, a vitally serious, mistake. The Economy Act again started deflation, and it became necessary, if we were to save the economic structure, to change our opinion and direction.

Mr. PEPPER. The Senator is correct. I thank him for his able suggestion.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. NORRIS. I wonder what the Senator thinks of the proposition involved in the question of my colleague, that if we find somebody starving, through no fault of his own, we must look to the Democratic platform to see whether or not we have any right to act?

Mr. PEPPER. Mr. President, I think the Senator knows what my answer to that question is. I think the Democratic platforms, even if they contain a prohibition against doing a necessary thing, are just as wrong as any other prohibition of the same character. The Democratic platform has no other significance to me than that it represented the conscientious expression of my political party at that time under existing circumstances. That is not the first time in the history of my party, or of the other party, or of any party, that we have found we were confronted by actualities and not by philosophies and theories.

Mr. NORRIS. Mr. President, will the Senator yield again?

Mr. PEPPER. I yield.

Mr. NORRIS. If tomorrow there should be a terrible earthquake which should destroy the city of New York, and Congress were called upon to go to the relief of the stricken people who survived, I wonder whether we ought to hesitate before we acted to see whether there was anything said about it in the Democratic platform or any other platform.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the junior Senator from Nebraska.

Mr. BURKE. I wish first to compliment the Senator upon his very frank answer to the question that the Democratic Party, both by its nominees and by its platform in 1932, was following what he now considers a mistaken policy.

The point I was endeavoring to bring out in my question was not that we must now look to the Democratic platform of 1932, or the platform on which any Senator may have ever run for office in this body, or any other thing in the past, but to say—and the Senator frankly admitted it—that we must temper our criticism of those who took a different view than the Senator now takes, on the ground that it was not a partisan matter at that time, because our party, the Democratic Party, as well as the Republican Party, then was proceeding on the idea that in the long run greater good would result to the country from following the course that had heretofore been the established course, and endeavoring to live within our income, except for some reasonably short period. I see no merit whatever in any suggestion that in calling attention to these facts now we are laying ourselves open to the charge that we are not interested in the welfare of suffering humanity.

Mr. PEPPER. Mr. President, it is a wise man who will change his mind and a fool who never will. But I will have to say, in deserved compliment to the Democratic Party and the nominee of the Democratic Party in 1932, that when they discovered the fallacy of the declaration they had made, they had the courage to face the world and change their minds and change that policy. In private life I regard such an attitude as the essence of a big man, a man of large character. As applied to the Democratic Party, I take it to be an evidence of conscientiousness on its part, and of a sincere desire to confront the actualities of the situation with the means which may be required to meet the problem.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LUNDEEN. On that point, what does the Senator find the situation to be today? How many persons will be laid off during April, and what will be the result of the reduction in the amount for which the President and the W. P. A. have asked? What will happen?

Mr. PEPPER. I thank the Senator. I will say in response to the Senator that the advice I have from the W. P. A. Administrator is that on the first of this month 200,000 W. P. A. workers actually were severed from the relief rolls.

Mr. LUNDEEN. Of course, they are only Americans. They do not count. If they were Armenians, or refugees, or foreigners, then we would become very much excited about them. However, they are only Americans; so never mind.

Mr. PEPPER. In addition to that, Mr. President, a few days ago the President of the United States made the statement at Warm Springs that 400,000 more than these 200,000 would have to be eliminated if this appropriation were not $150,000,000. That is the amount my amendment proposes. I will say to Senators that the reason I wished to raise this question on the floor of the Senate is because of the significance of our action on the question.

I realize that certain Senators believe absolutely in the doctrine pursued by Mr. Hoover's administration. Those Senators believe literally in the declaration of the Democratic platform of 1932. Those Senators believe in their hearts—and I am sorry some of them are not now in the Chamber—that we should do away with every single dollar of emergency appropriations and, in addition, reduce the other expenditures of the Government to the bare minimum required to carry on the regular activities of the Federal Government.

Mr. LUNDEEN. Mr. President, if the Senator will yield, I suggest the absence of a quorum.

Mr. PEPPER. I will ask the Senator if he will not withhold his suggestion of the absence of a quorum. So far as I am concerned, I prefer not to have a quorum call.

Mr. LUNDEEN. Very well.

Mr. PEPPER. The reason I desired to bring up the question is because I want the Senate of the United States to indicate to the American people how it feels about this fundamental question. It is not merely a question of $50,000,000. Fifty million dollars would give employment to perhaps 820,000 persons for 1 month, or a third of that number for 3 months. I think that the lives, the security, the health, and the well-being of 820,000 American breadwinners are important to the American people and to the security and well-being of our Nation. However, deeper than the significance and importance to the people of the whole country of those 820,000 breadwinners with their dependents is the question whether or not we have lost confidence in the policy we have pursued since 1933. Is the Democratic majority of the United States Congress to face the 11,000,000 unemployed and say, "We have gone as far as we shall ever go"?

No one doubts the fact that there are ten or eleven million unemployed men and women in this country. The chairman of the Appropriations Committee does not dispute that fact. I have before me statistics which come from the organization of the National Manufacturers Association which is responsible for the collection of unemployment data. The statistics show that the number of unemployed is a minimum of 10,000,000. Yet the chairman of the Appropriations Committee, the senior Senator from Virginia [Mr. GLASS], is credited in a newspaper statement with saying that he does not favor a cent more of appropriation, because it is not needed. The chairman of the subcommittee has certainly indicated previously that he did not believe that an additional appropriation was necessary.

Mr. ADAMS. Mr. President——

Mr. PEPPER. I yield.

Mr. ADAMS. May I ask the Senator to make clear his statement as to "additional appropriation"? I have supported every appropriation bill for relief which has been upon the floor of the United States Senate. I merely differed with the Senator from Florida as to whether we should have added $725,000,000 or $875,000,000, which is far from saying that I did not believe in additional appropriations. Today I am differing with him. I am in favor of adding $100,000,000, whereas the Senator is in favor of adding $150,000,000. That fact does not justify the statement that the chairman of the subcommittee is not in favor of increased appropriations for relief.

Mr. PEPPER. Mr. President, to the extent that I inferred what I did not intend to state, I apologize to the Senator. I will state clearly what I meant to say. I meant that the newspapers have quoted the senior Senator from Virginia [Mr. GLASS], the chairman of the Appropriations Committee, as saying that he did not believe that a cent, even of the $100,000,000, was needed for relief. I will say that the official attitude of the chairman of the subcommittee is that he

does not think a penny in excess of $100,000,000 is necessary. Is that statement correct?

Mr. ADAMS. That is entirely correct.

Mr. PEPPER. These two Senators entrusted with leadership on the Appropriations Committee have told the 200,000 who were let off the W. P. A. rolls the 1st of this month: "You do not need a job."

Mr. ADAMS. Mr. President——

Mr. PEPPER. Perhaps the Senators have thought those on relief are not worthy of a job. I could name Senators and others who do not believe they are worthy of a job. In those great hearts of theirs they simply are not sympathetic toward the problem of the little fellows who may have been failures in the competitive game of modern life.

Mr. LUNDEEN. Mr. President——

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Does the Senator from Florida yield to the Senator from Minnesota?

Mr. PEPPER. I yield.

Mr. LUNDEEN. I do not wish to interfere with the Senator's statement. However, when the Senator has concluded, I wish to suggest the absence of a quorum.

Mr. PEPPER. I thank the Senator.

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Minnesota for the purpose of suggesting the absence of a quorum?

Mr. PEPPER. No.

The PRESIDING OFFICER. The Senator from Florida declines to yield for that purpose at this time.

Mr. PEPPER. Mr. President, the crucial point in this matter is, How do Senators feel about the question of relief? Do they think that those who are out of jobs have had the same opportunity as themselves to make a success in life? Do they think that by thrift, frugality, and diligence they might have reached the same high estate which Members of Congress have reached? Do Senators feel that it is a waste of money for the Federal Government to give to the unemployed the opportunity to work?

Mr. President, let me point out that those on relief are not seeking charity. They do not have their hands extended seeking alms. They do not come on bended knee like beggars upon the street to claim the munificence of our charity. All they ask is the right to work such number of hours per day as the Administrator and the law may require of them. In my State they are even willing to do manual labor for $26 a month. That shows the degree of their destitution, and the element of sincerity in their approach to the problem.

Certain Members of Congress take the position that because we give these people a chance to work somehow or other we are being very generous and very noble toward them; that somehow or other we are reaching down into the reservoirs of our saved capital and scattering it upon the winds; and that the only reward that we may expect is the consolation of having done a good deed.

Mr. President, if that is the attitude, the intention, and the faith of the Members of the United States Congress toward this question, my advice is that the people of the United States would better look well to the kind of representation they have in their National Government.

Mr. BURKE. Mr. President, will the Senator yield at that point?

Mr. PEPPER. I yield.

Mr. BURKE. Are we to understand that the Senator from Florida will interpret a vote against his amendment as meaning that the one casting such a vote has no sympathy in his heart for the man who is out of work and in need, or for his family? Is that the interpretation the Senator places upon every vote cast against his amendment?

Mr. PEPPER. Well, Mr. President, I will let the Senator answer that question for himself upon these premises——

Mr. BURKE. Let me answer it, then, by asking the Senator a question.

Mr. PEPPER. Very well.

Mr. BURKE. Does not the Senator recognize that there is a view opposite to that which he holds, a view that the way to put the 11,000,000 people, or the major portion of them back to work, is to bring about such a revival of industrial activity in this country as will provide jobs for them in private employment, and that the very attitude the Senator is taking, and expressing so eloquently, is considered by many to be one of the strongest deterring influences against that revival of activity that will provide work for all those who desire to work?

Mr. PEPPER. I will answer the Senator by saying that I am thoroughly aware that there is such a sentiment and such a belief in the country. If I knew that 11,000,000 people were unemployed in my country; if I knew that 200,000 people had just been released from the meager pittance that they were receiving as W. P. A. workers on the 1st of this month; if I saw that millions of the people of this country were on the verge of destitution, although they had not yet quite reached it, and I withheld the means of employment from those people, I think I would have to have a very deep intellectual conviction that giving them that relief was wrong to keep the sentiments of my heart from making it available to them.

I have in my hand a newspaper, which happens to be the Miami Herald, published in my State, of the issue of April 2, containing the result of a Gallup poll which discloses that in this country 52 percent of the working people either are now on relief or else cannot hold out beyond 6 months if they lose the jobs they now have. Over half the people of America are either on the relief rolls or are on the very verge of destitution—within 6 months of it. That is the degree of security that we have been able to give the American people.

I ask unanimous consent to insert this article in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Miami (Fla.) Herald of April 2, 1939]

HALF OF BUSINESS AND WORKING CLASSES ON RELIEF OR NEAR IT—POWERFUL IMPULSE IN POLITICAL SCENE—INSECURE GROUPS STRONGLY PRO-ROOSEVELT; 52 PER CENT IN TOWNS AND CITIES WOULD DEPEND ON GOVERNMENT WITHIN 6 MONTHS IF THEY LOST JOBS

(By George Gallup, director, American Institute of Public Opinion)

NEW YORK, April 1.—Half the people who make up the business and working classes of America at the present time are close enough to the breadlines to feel the constant nudge of insecurity and dependency.

That is the picture which is strikingly revealed today in a Nation-wide study by the American Institute of Public Opinion. It is a picture in simple words of what is probably the most powerful single impulse in the American political and social scene today.

The institute survey shows that a total of 52 percent of those who do the work of America's towns and cities are either on relief rolls, or say they would have to apply for relief within 6 months' time or sooner if they lost their present jobs.

This is the best possible explanation of why President Roosevelt continues to be popular with the voters in spite of many Roosevelt measures that have not been popular.

FACTOR IN 1940

It is the best explanation of the impetus behind the movement for larger old-age pensions, for loans to home owners, for relief grants, and for other forms of Government spending.

And it is a factor which will have a decisive effect on the policies of candidates, platforms, and parties during the coming election of 1940.

The institute asked a carefully selected cross section of persons in all parts of the United States—excluding, in this case, farmers and persons actually on relief—how long they would be able to maintain themselves without going on relief in case they lost their present incomes.

FACTS OF SURVEY

The surveys shows:

(1) That one person in every five among those interviewed would have to look to the Government for relief within a month's time or even sooner. This would mean, for example, a doubling of the country's present relief load by May, if all such persons lost their jobs today.

(2) That another large group could hold out for some period between a month and 6 months.

(3) That these two groups, plus those now on relief, amount to 52 percent of the country's working population in cities and towns.

Following is a summary of the vote, showing the length of time separating various groups from relief. Farmers, who have a different security problem from city and town workers and businessmen,

have been dealt with in a separate study. The institute's question was:

"If you lost your present job (or business) and could not find other work, how long do you think you could hold out before you would have to apply for relief?"

Insecure

	Percent
Persons on relief	17
Could hold out 1 month or less	19
1 to 6 months	16
	52

Relatively secure

Could hold out 6 months up to 3 years	13
3 years and over	35
	48

The survey gives new and dramatic evidence of how the least secure groups have been supporting President Roosevelt and the New Deal, while a majority of the more secure individuals have been opposed to the administration.

BY SECURITY LEVELS

The vote by security levels is:

	For Roosevelt (percent)	Against Roosevelt (percent)
Persons now on relief	81	19
Could hold out 1 month or less	61	39
1 to 6 months	58	42
6 months up to 3 years	56	44
3 years and over	44	56

Today's survey shows that the greatest insecurity, relatively, is among skilled and unskilled laborers. One-third of those reached in today's study say they would have to apply for relief within 1 month.

But the insecurity line is also perilously close for many who belong to the white-collar class—clerks, office workers, and people in the service trades. Nearly one-fourth of those interviewed say they would exhaust their reserves within a month's time.

"NEVER" BE OBLIGED

Most secure are businessmen and professional people. A majority in these two classes feel they could hold on for 3 years or longer, a great many of them declaring that they would "never" be obliged to go on relief, no matter what immediate misfortunes they might face.

Even in these fortunate groups, however, about 1 person in 10 says he would have to apply for aid in 1 month.

The insecurity of the average American, after nearly 10 years of depression, "recession," and partial recovery is one of the things being explored by the Government's special national economic committee, the "monopoly" committee—which is boring into the American business system to discover what makes the system tick and what makes it occasionally stop ticking.

A few of these persons have actually been put on relief in the meanwhile, but today's survey indicates that in the general improvement of business since last July a substantial increase in confidence and security has taken place among those in all security levels.

Mr. PEPPER. I said, Mr. President, that the tragic significance of this, the vote soon to be taken, and particularly the recommendation of the committee, is that we have definitely turned our backs upon going further toward the solution of this problem.

There is no nation in the world which has adequately solved the modern economic problem growing out of technological improvements to a very large degree without artificial stimulation and aid from the national government. The only difference is that some nations have toyed with the problem and some nations have effectively solved it. Ours happens to be one nation which has not adequately dealt with the challenging problem. There are some who point to the United Kingdom as an exception to the policy that we have in the recent past been urging. They say England has a balanced budget; that England, therefore, is an example of a nation that may recover its stability by the process of a balanced budget. I should like to ask those who contend for that position if they are ignoring the fact that the tax rate in England is so high that if it were applied to the income of this country, estimating our income at $66,000,000,000 a year, it would yield a national revenue of some $11,000,000,000 a year? In other words, if we levied a rate of income taxation upon our people comparable to that levied by the United Kingdom, we would not have a deficit in the finances of the National Government. The greatest credit, therefore, goes to the United Kingdom for having the courage to do what some Senators on this floor have constantly urged; namely, to reach down into the reservoirs of the paying power of the people and obtain the money necessary to give jobs to the people of the country who are able and willing to work. But we have tried to carry water on both shoulders, we have not had the courage to levy adequate taxes, and we have only dallied with the question of giving jobs.

How can any Senator say that we are adequately trying to solve the unemployment problem when this very month our own relief agency tells us that it has laid off 200,000 workers who were contributing to a return of prosperity in this country? How can they say that we are sincerely and earnestly trying to solve the unemployment problem when they do not deny that there are 10,000,000 unemployed in the United States?

I made a statement a while ago, although I claim to be neither a prophet nor the son of a prophet, that in no other way than by aid from some nonprivate source, that is to say, from some governmental agency, can the modern unemployment problem be solved. No nation in the world has solved it through the instrumentalities of private business alone. Other nations have tried it and failed.

Mr. President, those who point to England as such an illustrious example for us should remember that long before we ever entered upon such a policy the British Government began to put out money through the agency of unemployment insurance, of pension benefits, of social-security benefits, of health benefits, and, in addition to that, the British Government instituted the most effective housing program in the world. Years before we ever followed her example they were already making a frontal attack upon the challenging problem of unemployment.

Mr. President, I do not regard myself as a person who desires that we shall have governmental profligacy, governmental extravagance; I take no pleasure in voting for appropriation bills or in levying taxes; but, for the life of me, I cannot see how we can improve the situation by withdrawing our spending hand that has lent what assistance private enterprise has received in the last few years. If Senators who take the contrary point of view are correct, then, why did we ever start this Federal spending program? We started off with every inclination against it instead of for it. We had seen that the Hoover administration, although it laid up a deficit of three and a half billion dollars in its 4 years, nevertheless adhered to the principle of the balanced Budget. I mean the immediately balanced Budget, because all of us believe in the principle of the balanced Budget. I say we had immediately before us not only the history and the traditions of our country but we had the example of that particular administration dealing with an era the same, or about the same as ours, and we saw that they had only nibbled at this colossal problem.

We could well have followed their example; in fact, in our Democratic platform we still adhered to that fundamental philosophy of government not taking the responsibility for the economic welfare of its people and not taking the responsibility for enhancing through governmental means the purchasing power of the consumers of the country. We had every reason, therefore, not to embark upon a spending program rather than to do so. Why did we begin that practice? Why did we inaugurate that policy? Practically all Senators within the sound of my voice were here when we departed from the traditions of the past and launched ourselves upon the present policy of Federal aid to the business and to the people of the country. Although I did not have the honor of being here at the time, I do not recall that the eminent Senators whom I see before me, or those who constituted the membership of the committees, or those who constituted the membership of the Senate, violently or strenuously opposed the inception of this policy.

Why? They did not like this policy; they recognized that it had in it certain things of which they did not approve; yet they agreed to go along with this policy because, searching their heart of hearts, they did not know what else to do, and they voted for it.

They started off by launching $4,000,000,000 into the purchasing power of the country in a relatively short time.

Since that time we of that party have claimed credit for stemming the tide that perhaps otherwise would have carried us much farther than we actually went into the dangerous sea of depression. Then we went along experimentally, gradually adjusting the ways and means of our endeavor to the actualities, and to our concepts, and to our institutions, and to our traditions, but feeling our way along in an effort to bring order out of chaos and to give the necessary nourishment to our starved business institutions.

When that policy was launched and funds began to flow into the coffers of the banks and the railroads and the insurance companies, I do not recall that there was any violent remonstrance on this floor. On the contrary, I think our big-business men and Members of Congress said, "Thank God that we have a leader who has the courage to recommend that we follow such a course!" and the businessmen said, "Thank God we have a Government that is sympathetic to our problems and wants to help us, because we know not where to turn! At a time when billions and billions of dollars are being every day torn away by the gnawing teeth of this depression, we know not to whom to turn for succor save the Federal Government." Consequently, our big-business men came to Washington, and they patted us on the back and said, "You are doing a great job"; and in 1934 they voted for this administration and the President who led it.

By 1934, however, they were pretty well bailed out. They had made most of the loans that they anticipated making from the R. F. C. They had gotten the succor they needed to have for their securities. The Government had put its strong hand below the market and said, in effect, "You must not go below that point"; and many of them had been saved from the bankruptcy that sent them scurrying out of their businesses or sent others jumping out of windows to their self-destruction.

But, Mr. President, as we went ahead we resolved that there was a fundamental principle involved. We remembered that Alexander Hamilton had said just that very thing:

> Pour money in up at the top, and it will replenish and nourish all the arid regions below.

But we remembered that we were Democrats, that we did not believe in special privilege, that we did not believe in furthering and fostering special interests; that we had always been the party that had appealed to and supported the masses of the American people. Not only that, not only did our sentiments tell us that, not only did our affections and sympathies go out to the hungry, unemployed, but, in addition to that, our heads told us that if we just poured money in up at the top it actually would not replenish and nourish the arid regions below; that if we just gave succor to the apex of the economic pyramid, that was not the way to strengthen the structure. It could be sound and solid and secure only in the event that it rested upon a sound and solid and secure base; and the base of the economic pyramid was the millions of America's men and women.

Therefore we said, "Very well; we will go along with this policy of letting the banks and the railroads and the insurance companies and the other business interests have succor. It is well and right that they should have it; but not only sentimentally but from the intelligence of our minds we are convinced that we must not confine those benefits within that narrow category. They must reach out and actually serve the masses of America's millions." So in 1935, after experimentation with F. E. R. A. and C. W. A., with direct relief and aid to the States and political subdivisions, giving them money, and trying several other methods, we finally said, "We are convinced that the modern economic situation is such that the unemployed never will have jobs if we rely for their employment entirely upon private industry. We do not criticize private industry for not giving them jobs." If you have a factory, Mr. President, you have to meet a pay roll; you have to make the pay roll out of the sale of your goods. The public has no right to take your private capital for public use without just compensation. Therefore, I do not criticize any businessman for trying to balance the budget in his private business and trying to make a profit, which he has a right to make; but I do say that if the private system cannot give the necessary employment to the people of the country, someone else must do it, and I do not know of anyone who is capable of doing it except the Federal Government.

Therefore, we find ourselves in this situation: Do we not all agree that it is desirable that the men, women, and children of America have a chance to work? Do we not all agree that their having a chance to work is an absolute prerequisite to anything like stability, let alone prosperity, in this country? If there is anybody who denies that premise, I have not heard him at least frankly deny it. The way in which we usually hear the matter presented is through indirection, as my good friend the Senator from Colorado [Mr. ADAMS], the chairman of the subcommittee, came before the Senate when the previous relief measure was up, and said to the Senator from New Jersey [Mr. BARBOUR], "No; there will not be a reduction in the W. P. A. rolls in your State if you vote for $725,000,000 instead of $875,000,000." The Senator from New Jersey was entitled to rely upon that statement and to vote for the smaller appropriation in the confident belief that the persons who were then employed at least would be able to continue to enjoy the benefit of that employment. Now, however, what has happened? Our good friend the Senator from Colorado himself comes here and tells us that he favors the appropriation of an additional $100,000,000. Why did he not favor the appropriation of $100,000,000 when we had the former relief measure before us, in addition to the $725,000,000, making a proposed total of $825,000,000? Why did not the other members of the subcommittee, including the genial and very able Senator from South Carolina [Mr. BYRNES], take that position? We did our best to point out, by interrogations to the Senators in charge of the former measure, that they were wrong in their estimates; that they were not going to be able to give employment to all the persons on the W. P. A. rolls; that they had better allow the larger amount, and that if they did not do so they were going to face a worse unemployment situation than they then faced. But no; they voted us down. We had a crucial and critical vote on the floor of the Senate, and by one vote alone did their view prevail. Many Senators no doubt were influenced by the very assurances our committee gave, that the effect of their action in voting with the committee would not be to turn any person out of a job that he then had with W. P. A.; yet what am I to do with the information I have received this morning by a personal messenger from the W. P. A. Administrator—at my request, of course—who tells me that on the 1st of April they actually did discharge from the existing rolls 200,000 American men and women who were then working? Where are the 200,000 who were dismissed on April 1 to go?

Every time I walk into an automatic elevator, and push the button, and feel myself lifted up to another floor, I speculate about who is giving a job to the man who, without those automatic devices, would be running the elevator. What business offers him an opportunity for employment? What businesses have given the members of our committee assurances that they will employ some of the 200,000 persons who went off the rolls on April 1? What do they face as their immediate prospect when they turn away from the W. P. A. door, and go back to the drab, pitiable homes which have been lighted only by the flickering light of the little sustenance they have received from the W. P. A.? Is agriculture going to absorb them? Not if I hear correctly from Senators on this floor the complaints about the condition now existing in agriculture. Are these unemployed persons going to help agriculture by an increased consuming power? Or, are not the people who grow food going to have just that much less of a market in which to sell what they make than they previously had before these 200,000 persons turned their sorrowful course away from the W. P. A. door, and found their weary way back to their little homes?

Now we are going to have an opportunity to see just how well the theory of the opposition works out about bringing prosperity back to the country. According to their view, we

have contributed 200,000 persons to the returning prosperity of America. We have 200,000 more breadwinners unable to win bread. Each of those 200,000 workers represents on an average a family of at least 4 persons; so 4 times 200,000 means that 800,000 American men, women, and children have this month, on 1 day, lost their whole income.

It will be remembered, Mr. President, that they got on these rolls only by convincing a competent and honest agency of the State government in the community where they lived with their neighbors, and where all the facts about them were available to anyone, that they did not have any other means of sustenance. So they have convinced their State agency of that fact, but evidently they have not impressed the Committee on Appropriations of the United States Senate with their plight.

Let us see how this helps business confidence, let us see what reassurances it gives to the business interests of the United States. Let us go into a community where W. P. A. pay rolls have existed heretofore and go to the retailer and say, "Mr. Merchant, do you not think we have helped your business by laying off several hundred people in your community from the W. P. A. pay roll?" What will he say? Will he not say, "Thank God that the United States Senate has reduced the W. P. A. pay roll in my State. Thank God for a United States Senate which dares not contest the amount of a W. P. A. appropriation with the House of Representatives. Thank God for a United States Senate which would not put up a fight for a meritorious cause. Thank God for a courageous committee which comes before the American people and denounces governmental aid to the unemployed."

Mr. REYNOLDS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from North Carolina?

Mr. PEPPER. I yield.

Mr. REYNOLDS. I understand the Senator from Florida is talking about the W. P. A.

Mr. PEPPER. The Senator is correct.

Mr. REYNOLDS. I have just come into the Senate Chamber, and I heard the Senator mention the W. P. A. I wish to say to the Senator, as I stated a few days ago, that so long as there are hungry people in the United States I am going to vote to appease their appetites. I have stated that repeatedly. I concur in the Senator's feelings of sympathy. But there are a few things in regard to W. P. A. of which I think notice should be taken, and I wish to ask the Senator about them.

I am inclined to believe almost everything I read in the newspapers, and I have here a clipping which I desire to call to the attention of the Senator, although I do not know from what paper I clipped the article. It is headed "W. P. A. research aide who covered 25,000 miles last year will give class her secrets on getting by on one language." The article then proceeds to say that the W. P. A. sent a young lady to Europe, who traveled all over that part of the world to find out how to travel cheaply, being able to speak but one language—the English language—according to this article. She has returned to the United States and is lecturing to the W. P. A. boys and girls, telling them how to travel over Europe cheaply and being able to speak only the English language.

The entire article is as follows:

NEW Y. W. C. A. COURSE TELLS HOW TO TRAVEL IN EUROPE—W. P. A. RESEARCH AIDE WHO COVERED 25,000 MILES LAST YEAR WILL GIVE CLASS HER SECRETS ON GETTING BY ON ONE LANGUAGE

How to travel in Europe without languages, money, time, or war scares will be taught at the Y. W. C. A. in a 6-week course opening Tuesday.

The professor in charge will be Frances Fox, Works Progress Administration research assistant, who last year did just what she will impart to her class. She traveled 25,000 miles, speaking only English.

Her course will include tips on what souvenirs to bring home and what to do if seasick, homesick, lovesick, or just sick.

[Laughter.]

Central and southern European travel will be stressed, along with the British Isles and Scandinavia and Finland.

Subjects will be the titles to a book Miss Fox is planning on "Travel and How to Do It." Some of them are: "Are You an Unadulterated Patriot?" "Guides and How to Prevent Them," "A Word to Wives on Packing for Men," "Mercenary in Money Matters," "Customs Is a Custom," "Tips on Tips, and Also on Gyps," and "Engimatic Menus."

I cannot bring myself to believe that our Government, engaged in providing for 3,000,000 people on the Works Progress Administration rolls, worthy people, people who are being supported by the taxpayers of this country, is going into such foolhardy undertakings as sending Works Progress Administration workers from the United States of America to Europe, to travel all over Europe to find out how to travel cheaply, being able to speak only one language, and to come back and tell the Works Progress Administration workers about it.

I desired to ask the Senator whether he knew anything about what I have just brought to his attention. If such a thing as that is going on, I think it ought to be stopped, because I do not believe we are yet in a position to send Works Progress Administration workers on a tour of Europe, and especially at such a time as this. I do not believe the taxpayers of this country are in a position to send Works Progress Administration workers on European tours, and I think we ought to stop instructing them how to make such tours with a knowledge of only one language and on $2 a day. [Laughter.]

I merely desired to bring this to the Senator's attention.

Mr. PEPPER. Mr. President, the Senator is perhaps one of the most experienced travelers in the Senate.

Mr. REYNOLDS. I travel so much that I should like to have all of our Works Progress Administration workers travel at the expense of the Government, if that were possible; but I do not like it well enough to have our Works Progress Administration workers travel down to Brazil to develop Brazil, as suggested by that great "dry cleaner," Mr. Aranha, who came to the United States from Brazil a couple of weeks ago and got $12,000,000 from us for the purpose of paying Great Britain, and buying better ships from Great Britain, and settling her debts with several other countries.

I like to travel and expect to do some more of it next summer. The Senator from Florida also likes to travel. I recall that he was in Europe last year, and the Senator was in Alaska, where I was. The Senator and I like to trek around, and travel, and see what is going on, so that we may be in a position to advise our respective constituents as to the changes in the world. But I do not believe the taxpayers of the United States are yet ready to continue instruction of Works Progress Administration workers on how to see Europe. So far as I am concerned, I am not willing to send Works Progress Administration workers on a tour of South America or Brazil to develop South America at our expense.

Mr. PEPPER. I thank the Senator very much.

Mr. REYNOLDS. By the way, while I am on that subject, I ask that a very interesting editorial which I clipped from the Greensboro Daily News of Sunday, April 2, headed "The Last Place to Reduce," be printed in the RECORD—the last place to reduce being in the W. P. A. ranks. In view of the fact that the Greensboro Daily News is considered a very reliable and a very conservative newspaper, I ask, if the Senator will permit, to have this editorial printed as a part of my remarks.

Mr. PEPPER. Very well.

The PRESIDING OFFICER. Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Greensboro Daily News of April 2, 1939]

THE LAST PLACE TO REDUCE

With the supplementary relief appropriation cut from $150,000,000, as requested by President Roosevelt, to $100,000,000 by economy-minded House Members, and the likelihood that that figure will stand in the Senate, Col. F. C. Harrington, as W. P. A. Administrator and chief spokesman, is already talking about the reduction which will have to be made in relief rolls. In fact, the order has gone forth that 200,000 be dismissed therefrom by April 8.

In this connection, as the ax falls upon those who are least able to bear it, too much emphasis cannot be placed upon the necessity for careful examination of the rolls and the subsequent dismissal of those whose economic distress is less acute. The place to start this examination is at the very top, where the expenditures are made for administration. In the prolonged committee consideration and later congressional debate which led to lopping of a third off the Presidential request it was iterated that administrative costs of W. P. A. run up to $5,000,000 monthly, that transportation and communications bills amount to nearly three-quarters of a million dollars monthly, that many fantastic projects have been

launched, and that W. P. A. participation in the New York World's Fair represented disregard of a joint congressional resolution and the recommendations of President Roosevelt himself.

It is the rankest sort of inhumanity to keep needless political appointees on the pay roll, many of them lifted out of private employment and well able to take care of themselves, to engage in unnecessary telephone chatter, telegraphing, or official gadding about the countryside at the expense of however many thousands of the Nation's destitute have to be cut off from the only subsistence that they know. The W. P. A., meaning again its administrative and largely political side, has an unbeatable technique; it spends out, exceeds congressional estimates and appropriations, and then comes back to ask more in the name of its starving clients. The American people will not stand for starvation in their midst; but that same insistence should see that money appropriated for relief is spent for relief, and not to feather anybody's political nest.

The challenge is to Congress to keep its relief appropriations under careful scrutiny and to ascertain that the rolls themselves get fullest benefit of the dollars which are made available.

Mr. PEPPER. Mr. President, I appreciate the remarks of the Senator from North Carolina, who always richly adds to the debate; but I should like to point out that, although he may not have intended it in this instance, what he has said is illustrative of an effort that is made very generally, an attempt to get a W. P. A. appropriation either reduced or entirely destroyed by picking around in its labyrinthine decisions and finding one case which, when read in an effective and vigorous way, makes the W. P. A. look ridiculous.

I realize that the humor of America has perhaps been enriched very much by the W. P. A. jokes which have been current, particularly among the comfortable people of the country.

Mr. REYNOLDS. In reference to that, let me say to the Senator——

Mr. PEPPER. Just a moment. I will say that I do not know of any grosser calumny, I do not know of any more inconsiderate attitude toward the 99.99 percent of the deserving and diligent persons who are on the W. P. A. rolls, than the criticisms of the isolated cases or the isolated individuals whom, not the Senator from North Carolina, but many others use as an excuse for doing what they want to do anyway, namely, oppose any relief.

Mr. REYNOLDS. If the Senator will pardon me, in reference to the jokes regarding the W. P. A., I noticed in the press yesterday that some vaudeville actor and his wife who were doing a turn upon the stage in California had been fined $10 for casting reflections upon W. P. A. workers by way of a joke; and I think that was proper in that instance, as I recall the circumstances.

I wish to say to the Senator that there is absolutely no reflection of W. P. A. on my part in bringing this article to the attention of the Senator. I knew the Senator would want me to bring it to his attention. I desired to ascertain whether or not such a foolish thing was taking place.

I repeat, I am with the Senator in his sympathy for the hungry people of the United States. As I stated the other day, I have voted for the appropriation of billions of dollars at this session of Congress to appease the people in this country who believe Hitler is going to come here and take us over in the next 4 or 5 months. I have voted to appease them. I am now going to vote to appease the appetites of the hungry people in this country so long as there are any hungry people.

In that connection I wish to state to the Senator that I was in my home State last week—in western North Carolina. I talked with a number of my friends there who are poor people, who live out in the country, and they said to me, "We do not want to get on the W. P. A. unless we have to. We want to go to work for legitimate industry, and we want to stay off the W. P. A. rolls if we possibly can."

That, I think, bears out in part the Senator's statement to the effect that a great many persons went on W. P. A. simply because as a last resort they had to go on in order to keep from starving.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LUNDEEN. As I understand the able Senator from North Carolina, he supports the amendment of the Senator from Florida to increase the amount——

Mr. REYNOLDS. No, Mr. President; I did not say that. I think the compromise which was negotiated by the able senior Senator from Colorado and his colleagues on the subcommittee of the Committee on Appropriations was a very equitable one. I did not say that I agreed with the Senator from Florida in that respect. The Senator from Minnesota must have misconstrued my statement.

Mr. LUNDEEN. Does the Senator believe that $100,000,000 is sufficient?

Mr. REYNOLDS. I am in entire agreement with the Senators who said that they thought $100,000,000 was sufficient.

Mr. LUNDEEN. Then I misunderstood the Senator from North Carolina.

Mr. REYNOLDS. The Senator and I are in general agreement; the only thing which separates us is $50,000,000.

Mr. LUNDEEN. The Senator is not in favor of opposing another $50,000,000 being added?

Mr. REYNOLDS. Not exactly.

Mr. PEPPER. Mr. President, apropos the remarks of the Senator from North Carolina, I desire to read a few excerpts from the remarks of Hon. CLARENCE CANNON, of Missouri, in the House of Representatives on Tuesday, April 4, 1939, and then I shall ask to have incorporated in the RECORD as part of my remarks his entire speech.

I read one paragraph of his inventory of what the W. P. A. has accomplished:

> The report covers work completed from the start of the program in July 1935 through June 30, 1938. According to the report, W. P. A. built or improved highways, roads, and streets equal in aggregate length to 100 separate roads, each reaching across the continent from sea to sea. The new buildings constructed by W. P. A. workers would provide approximately six buildings for each of the 3,000 counties of the United States. The educational buildings repaired or improved would supply practically all of the 25,000 school districts in the Nation with at least one of these improved educational facilities; and yet, out of all these thousands of miles of roads and thousands of buildings and improvements, which could not have been secured without W. P. A. aid, the recent debate on the work-relief bill could find only one building to criticize.

Continuing, with a slight omission, the speech proceeds:

> Outstanding among W. P. A.'s contributions to the wealth of the Nation in these 3 years were:
>
> Seventeen thousand six hundred new public buildings for cities, counties, and States; repairs and improvements to 46,300 and additions to 1,700.
>
> Two hundred and eighty thousand miles of highways, roads, and streets constructed or repaired; 29,100 new bridges and 23,500 repaired or improved.
>
> Twenty-six thousand seven hundred new dams for conservation purposes; 4,100 new storage dams.
>
> Six thousand one hundred miles of new water mains, aqueducts, and distribution lines; 8,900 miles of new storm and sanitary sewers.
>
> One thousand eight hundred new athletic fields, 1,500 improved; 1,100 new parks, 4,200 improved or enlarged; 1,600 new playgrounds, 5,000 improved.
>
> Eight thousand seven hundred miles of new and 5,000 miles of improved ditches for mosquito control; 11,500 miles of other types of ditches excavated or improved, exclusive of roadside drainage in connection with road projects.

I read that meager portion of the speech, very ably delivered, to indicate how unjustified the criticism was that the W. P. A. workers of America did nothing except lean on their shovels. Sometime I may reach such a point of affluence that I have a contempt for the man below me, but I hope to God I never shall.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. SCHWARTZ. I wish to ask the Senator if it is not a fact that the unemployed themselves do not select the projects, but the projects are selected by those who still have the means to get along?

Mr. PEPPER. The Senator is correct. So if there is criticism of the project, it should not be directed to the men who handle the shovels. The Senator from Wyoming has made a very valuable contribution, and I appreciate it.

Mr. President, I ask that the entire speech of Representative CANNON be printed in the RECORD as part of my remarks at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The speech of Representative CANNON of Missouri, delivered in the House of Representatives on Tuesday, April 4, 1939, is as follows:)

Mr. CANNON of Missouri. Mr. Speaker, in view of pending legislation providing for the support of the W. P. A. and the general

interest in its program just at this time, I am including as a part of my remarks a summary of physical accomplishments of the W. P. A. just released by the Works Progress Administration.

The report covers work completed from the start of the program in July 1935 through June 30, 1938. According to the report, W. P. A. built or improved highways, roads, and streets equal in aggregate length to 100 separate roads, each reaching across the continent from sea to sea. The new buildings constructed by W. P. A. workers would provide approximately six buildings for each of the 3,000 counties of the United States. The educational buildings repaired or improved would supply practically all of the 25,000 school districts in the Nation with at least one of these improved educational facilities; and yet, out of all these thousands of miles of roads and thousands of buildings and improvements, which could not have been secured without W. P. A. aid, the recent debate on the work-relief bill could find only one building to criticize.

Of course, this summary does not include benefits incident to the employment of millions of workers for whom private employment was not to be had; the maintenance of families for whom food, clothing, and shelter could not otherwise have been provided; the preservation of national order and stability which otherwise might have been seriously impaired. It includes only the additions to the permanent wealth of the Nation which will contribute to the economic, educational, and spiritual progress of our people for years to come.

Outstanding among W. P. A.'s contributions to the wealth of the Nation in these 3 years were:

Seventeen thousand six hundred new public buildings for cities, counties, and States; repairs and improvements to 46,300 and additions to 1,700.

Two hundred and eighty thousand miles of highways, roads, and streets constructed or repaired; 29,100 new bridges and 23,500 repaired or improved.

Twenty-six thousand seven hundred new dams for conservation purposes; 4,100 new storage dams.

Six thousand one hundred miles of new water mains, aqueducts, and distribution lines; 8,900 miles of new storm and sanitary sewers.

One thousand eight hundred new athletic fields, 1,500 improved; 1,100 new parks, 4,200 improved or enlarged; 1,600 new playgrounds, 5 000 improved.

Eight thousand seven hundred miles of new and 5,000 miles of improved ditches for mosquito control; 11,500 miles of other types of ditches excavated or improved, exclusive of roadside drainage in connection with road projects.

Col. C. F. Harrington, Works Progress Administrator, in commenting on the report, said:

"For full appraisal of the program it is necessary to consider not only the permanent contributions to communities in the form of physical assets but also the health, educational, cultural, and service programs conducted through W. P. A. nonconstruction projects.

"It is just as important in evaluating the program to consider the benefits afforded workers who have come to W. P. A. as heads of destitute families. They have been helped, as only a constructive job could help them, to retain the morale of independent citizens and the work habits necessary for obtaining reemployment in private industry.

"Construction projects have made up the bulk of the W. P. A. program from the start and at the present account for more than 80 percent of W. P. A. employment. The largest part of construction has been in highway, road, and street building and repair. Forty-five percent of all W. P. A. workers are engaged on this type of work.

"The work of W. P. A. employees has helped to keep our roads and streets abreast of automobile traffic requirements, to bring rural areas in closer touch with markets, schools, and other vital services, as well as to make necessary improvements in public property of all types which otherwise could not have been provided."

Of the total mileage of highways, roads, and streets constructed or repaired during the 3-year period, about 30,500 miles, or 11 percent, were within the limits of cities and villages, and 23,600 miles, or more than 8 percent of the total, were paved with concrete, brick, block, or bituminous surface.

The bulk of the road work was in rural areas, where stability and draining unpaved roads for year-around use has contributed directly to the evolution of the public-school system by facilitating the consolidation of schools and the closing of hundreds of one-teacher schools each year. The bulk of W. P. A.'s school construction, moreover, has been of buildings with two or more rooms, and much of the school-modernization program has made existing buildings of greater community service in the increasingly motorized rural areas.

The public-building-construction program, second largest in point of employment, accounted for the building of 2,300 new schools, 5,500 recreational buildings, 800 courthouses, city halls, and other administrative buildings, 100 hospitals, and a large number of other types of buildings, including 800 warehouses, 150 firehouses, and 100 airplane hangars.

W. P. A. activities in the interest of public health fell in both construction and service categories. Besides the thousands of miles of sewers and water lines laid or improved, there were constructed 400 pumping stations, 300 sewage-treatment plants, 80 water-purification plants, and 35 garbage incinerators. In rural areas no fewer than 1,144,000 sanitary toilets were erected in the Government's campaign against disease. More than 1,640,000 acres of lowlands and swamp were drained by the excavation of 8,730 miles of mosquito-control ditches, a large percentage of them to destroy the breeding places of malaria-bearing mosquitoes.

Drainage work along roads involved, in addition to bridges, 313,000 new culverts, 22,250 miles of new ditches, 44,250 miles of improved ditches, and more than 1,400 miles of drainage pipe.

W. P. A. nonconstruction projects devoted to production of goods for distribution to needy families provided more than 180,000,000 garments and household articles and repairs to 1,300,000 pairs of worn shoes. Services of medical, dental, nursing, and household-assistance nature accounted for 15,000,000 examinations, immunizations, and treatments in families who might otherwise have been denied them, and 7,000,000 visits to 1,000,000 families in need of household assistance.

Community health and welfare has further been advanced by the construction of thousands of recreational facilities ranging from athletic fields and swimming pools to tennis and badminton courts.

Under the extensive W. P. A. conservation activities, thousands of acres of watersheds have been protected for future utility by tree-planting and erosion-control projects. Hundreds of abandoned mines were sealed to prevent stream pollution. Underground fires were isolated to preserve valuable natural resources. Flood-control projects have protected thousands of miles of stream valleys. In addition, W. P. A. recreation and education projects have reached millions of persons.

Projects operated by other Federal agencies and financed by funds transferred from W. P. A., taking their workers from relief rolls, account for additional physical accomplishments not included in this inventory. Still other contributions to the public assets and welfare were made prior to W. P. A. by the Civil Works Administration and the Federal Emergency Relief Administration.

The detailed summary of physical accomplishments is as follows:

Physical accomplishment on Works Progress Administration projects, through June 30, 1938 (United States summary)

[Preliminary—Subject to revision]

Type	Unit of measurement	Number or amount		
		New construction	Repairs and improvements	Additions
Public buildings, total	Number	17,562	46,318	1,663
Educational buildings, total	do	2,362	22,162	790
Schools	do	2,289	21,540	758
Libraries	do	73	622	32
Recreational buildings, total	do	5,486	3,546	296
Auditoriums	do	215	247	69
Stadiums, grandstands, etc.	do	974	337	43
Gymnasiums	do	497	297	104
Other (pavilion, bath houses, etc.)	do	3,800	2,665	80
Hospitals	do	101	1,422	38
Penal institutions	do	92	321	17
Courthouses, offices, and other administrative buildings	do	792	2,999	126
Fire houses	do	149	1,403	23
Garages	do	1,141	547	66
Aircraft hangars	do	102	96	5
Warehouses	do	805	1,179	59
Armories	do	169	270	3
Other buildings and small structures (such as bus and streetcar shelters)	do	6,363	12,373	240
Demolition of buildings	do		12,312	

Type	Unit of measurement	Number or amount
Highways, roads, streets, and related facilities:		
Highways, roads, and streets, total	Miles	279,804
Rural roads, total	do	245,280
Paved, total	do	11,567
New	do	5,933
Repair	do	5,634
Unpaved	do	233,713
Urban streets, total	do	30,483
Paved, total	do	11,290
New	do	5,001
Repair	do	6,289
Unpaved	do	19,193
Other (parks, cemeteries, etc.), total	do	4,041
Paved, total	do	790
New	do	456
Repair	do	334
Unpaved	do	3,251

Physical accomplishment on Works Progress Administration projects, through June 30, 1938 (United States summary)—Continued

Type	Unit of measurement	Number or amount	
		New construction	Repairs and improvements
Highways, roads, streets, and related facilities:			
Road shoulders (not including above).	Miles	4,369	26,508
Bridges, total	Number	29,084	23,521
	Length in feet	932,648	916,137
Wood	Number	20,825	14,244
	Length in feet	622,258	402,219
Steel	Number	2,516	7,071
	Length in feet	135,360	437,655
Masonry	Number	5,743	2,206
	Length in feet	175,030	76,263
Culverts	Number	313,204	50,908
	Length in feet	8,362,554	1,306,783
Grade-crossing elimination	Number of crossing eliminations	41	
Sidewalks and paths, total	Miles	7,429	4,040
Paved	do	5,883	2,839
Unpaved	do	1,546	1,201
Curbs	Length in miles	6,554	1,569
Gutters	do	2,266	492
Guard rails and guard walls	do	904	550
Lights for roads and streets	Number	11,855	53,632
	Miles of road equipped	429	1,483
Roadside drainage	Miles of ditch	22,247	44,255
	Miles of pipe	1,382	343
Roadside landscaping	Miles		17,584
Street signs	Miles of line painted	3,112	
	Number of signs made	961,000	
	Number of signs erected	420,000	
Removal of car and railroad track.	Miles of single-line track		682
Airports and airway equipment (excluding buildings):			
Landing fields	Number	153	204
	Acres	19,472	35,779
Runways	Length in feet	1,483,695	604,817
Air beacons	Number	49	41
Air markers	do	10,223	
Recreational facilities (excluding buildings):			
Athletic fields	Number	1,787	1,504
	Acres	10,012	10,628
Parks	Number	1,067	4,232
	Acres	32,559	245,684
Additions to parks	Number	110	
	Acres	1,665	
Fairgrounds	Number	28	125
	Acres	1,519	6,799
Playgrounds, total	Number	1,594	5,010
School	do	896	4,042
Other	do	698	968
Swimming pools	do	471	225
	Surface area in square feet	8,251,000	3,640,000
Wading pools	Number	440	60
	Surface area in square feet	1,490,000	216,000
Golf courses	Number	143	214
	Number of holes	1,602	2,857
	Acres	11,170	21,211
Tennis courts	Number	4,582	1,851
Handball courts	do	728	62
Horseshoe courts	do	1,142	70
Ice-skating rinks	do	1,037	205
	Surface area in square feet	41,519,000	18,473,000
Ski jumps	Number	41	13
Ski trails	Miles	62	32
Outdoor theaters	Number	73	12
Band shells	do	116	33
Water supply, sanitation, and drainage systems:			
Water mains, aqueducts, or distribution lines.	Miles	6,086	2,204
	Number of consumer connections	148,000	201,000
Storage tanks, reservoirs, and cisterns.	Number	1,342	358
	Gallons capacity	716,500,000	16,269,946,000
Storage dams	Number	4,091	469
Wells	do	2,059	2,022
Treatment plants:			
Sewage (excluding cesspools and septic tanks).	do	315	229
Water	do	79	91
Garbage incinerators	do	35	26
Pumping stations	do	386	179
Storm and sanitary sewers	Miles	8,555	2,600
	Number of service connections	222,000	28,000

Physical accomplishment on Works Progress Administration projects, through June 30, 1938 (United States summary)—Continued

Type	Unit of measurement	Number or amount	
		New construction	Repairs and improvements
Water supply, sanitation, and drainage systems—Continued.			
Manholes and catch basins	Number	237,000	126,000
Sanitary toilets	do	1,144,000	15,000
Septic tanks	do	5,570	69
Mine sealing	Number of openings sealed	15,591	
Mosquito control	Miles of ditch	8,732	4,960
	Acres drained	1,642,000	784,000
	Gallons of spray used	1,422,000	
Drainage (other than roadside and mosquito eradication).	Miles of ditch	2,018	9,490
	Miles of pipe	986	322
	Acres drained	2,891,000	8,728,000
Flood and erosion control, navigation aids, irrigation:			
Docks, wharves, and piers	Number	154	177
	Feet of useable water front	59,000	158,000
	Area in square feet	1,849,000	7,976,000
Jetties and breakwaters	Miles	25	1
Bulkheads	Linear feet	331,000	126,000
Canals and channels	Miles	59	197
River-bank improvements	do		1,407
Stream bed improvements	do		4,417
Dams (other than storage or power)	Number	26,663	365
Riprap (other than river bank)	Square yards surfaced	6,859,000	1,467,000
Retaining walls and revetments	Linear feet	3,725,000	463,000
Levees and embankments	do	1,352,000	3,641,000
	Cubic yards placed	13,748,000	14,345,000
Irrigation	Acres	169,000	2,726,000
	Miles of flume or canal	379	3,035
Grounds improvements:			
Landscaping around public buildings.	Number of buildings		13,308
	Acres		34,100
Miscellaneous landscaping	do		7,800
Lighting airports, parking lots, athletic fields, etc.	Number of places lighted	410	57
	Acres lighted	10,566	3,127
Fencing	Miles	7,959	10,490
Cemetery improvements	Acres		4,500
Miscellaneous:			
Police- and fire-alarm signals	Linear miles of line strung	932	
Tunnels:			
Vehicular	Number	10	5
	Length in feet	1,244	5,408
Pedestrian	Number	71	11
	Length in feet	10,956	3,220
Other	Number	208	35
	Length in feet	111,184	20,962
Fish hatcheries	Number	131	113
	Annual fingerling capacity	471,136,000	446,980,000
Monuments and historic markers	Number	517	100

Type	Unit of measurement	Number or amount
Conservation activities (not elsewhere classified):		
Reforestation	Acres	54,300
	Number of trees planted	24,026,000
Firebreaks	Miles	2,186
Fire and forest trails	do	3,344
Spray treatments, disease, and insect pest eradication (except mosquito control).	Acres sprayed	3,445,000
	Gallons of spray used	18,484,000
	Tons of poisoned food used	83,407
Rodent destruction	Number	31,532,000
Planting oysters	Bushels planted	4,941,000
Work in libraries:		
Cataloging for existing libraries	Number of volumes cataloged	27,553,000
Renovation of books, total	Number	56,191,000
Public-school volumes	do	20,151,000
Public-library volumes	do	26,714,000
Other volumes	do	9,326,000
Sewing rooms:		
Articles made, total	do	181,209,000
Garments, total	do	139,642,000
Men's	do	26,846,000
Women's	do	35,809,000
Boys'	do	23,019,000
Girls'	do	30,440,000
Infants'	do	23,528,000
Other articles	do	41,567,000
Canning and preserving	Net pounds	48,061,000

Physical accomplishment on Works Progress Administration projects, through June 30, 1938 (United States summary)—Continued

Type	Unit of measurement	Number or amount
School lunches served	Number	238,330,000
Medical, dental, and nursing assistance:		
Medical and dental clinics conducted or assisted.	Number of persons examined.	4,211,000
	Number of persons treated	3,537,000
Medical examinations other than at clinics.	Number of adults examined	280,000
	Number of children examined.	1,674,000
Nursing visits	Number of group inspections made.	215,000
	Number of persons inspected.	3,960,000
	Number of home visits made.	4,737,000
Nursing aid at immunizations	Number of immunizations	893,000
Art:		
Federal community art centers	Number established	53
	Aggregate attendance	4,000,000
Drawings, easel paintings, murals, and sculptured works.	Number	96,602
Etchings, lithographs, woodblocks, etc.	Number of originals	15,756
	Number of prints	76,000
Arts and crafts	Number of objects made	43,000
Index of American design plates	Number of plates made	7,940
Stage sets, dioramas, and models for visual education.	Number	10,610
Music:		
Music classes (January 1938 through June 1938).	Average monthly attendance.	530,000
Music performances (month of June 1938).	Number	4,355
	Aggregate audience	3,030,000
Theater:		
Theatrical productions	Number	1,813
Theatrical performances (January 1938 through June 1938).	Average number per month	1,077
	Average monthly attendance.	476,000
Writing	Number of books and pamphlets published.	293
	Number of copies distributed.	3,550,000
Historical surveys:		
Historic American building survey	Number of structures measured.	2,302
	Number of drawings made	16,244
	Number of photographs made.	17,480
Historic American merchant marine surveys.	Number of vessels surveyed	290
	Number of drawings made	775
	Number of photographs made.	545
Historic records survey	Number of States whose records have been listed.	8
	Number of counties whose records have been listed.	2,051
	Number of county inventories published.	168
	Number of towns whose records have been listed.	1,559
	Number of town inventories published.	14
	Number of churches whose records have been listed.	50,355
Federal archives survey	Number of agencies whose records were surveyed.	29,142
	Linear feet of files surveyed	4,918,000
Planning surveys conducted	Number	757
Research and statistical studies conducted.	do	1,282
Maps	Number of maps drawn	116,000
Indexing and cataloging	Number of items indexed or cataloged.	593,175,000
Braille	Number of Braille pages transcribed.	2,136,000
Housekeeping aides	Number of visits made	7,047,000
	Number of families aided	1,076,000
Museum activities	Number of articles constructed or renovated.	4,745,000
	Number of articles cataloged.	9,498,000

Mr. PEPPER. Mr. President, the Senator from North Carolina [Mr. REYNOLDS] said a moment ago that his people had held off just as long as they could against the day they would have to go on relief. Why should we ever have denominated by the terms "charity" and "relief" an opportunity to work provided by the Government when none existed in private industry? In other words, when the Government builds a post office the people at work on the post office do not have to apologize for it, do they? When the Government builds public roads by Federal aid to the several States the workers upon the roads do not have to secrete from their more opulent friends the fact that they are working on such projects, do they?

I will cite an example of which I learned a little while ago. A young lady I knew told me about going from New York to Florida by ship on which she met some very charming people. Naturally desiring to make as good an impression as she could upon them, she withheld the information from those newly made friends that she was working for the W. P. A., because she confessed to me she was ashamed to let them know it.

It is not the W. P. A. workers, it is the Government which has castigated those as recipents of relief instead of the beneficiaries of a God-given American opportunity and right to work. Some Senators and Members of the House of Representatives still think they are doing those people a favor when they make public funds available so they can get an opportunity to work.

I say that the grossest injustice that was ever perpetrated on the American people was to castigate as unworthy the person who was thrown out of employment by technical improvements and general economic conditions over which he had no control, and to put him into a class where his morale was destroyed almost as soon as he got there.

Yet, what does the Senate do today? Do we not say, "We realize that modern economic conditions present a problem the like of which we never had before; we realize that there is no hope of improving that situation materially without the aid of the Government, and we know that every year 500,000 men and women become of working age, and enter the labor market, and have to be taken care of by somebody if they are to have an opportunity to work"?

Do we not admit that we know that every year another 500,000 are thrown out of employment because of technological improvements for which they are not responsible, and that during the lag between the time that other inventions and discoveries may create new jobs they must be hopeless drifters in the economic system?

Why do we not have the courage, Mr. President, to admit that nobody has proposed an alternative in which we have any confidence? Why do we not have the temerity to stand up and say to the people of this country who are making profits and, who, employed, are making wages. "It is the bounden duty of your Government to levy its exactions upon your savings in the way of taxes so that we can make the order of which you are a part an effective institution"?

Why do we not have the willingness to say to those people, "We cannot give you any assurance that your capital and your job will be safe, and your profits assured by any other method than giving an opportunity to the unemployed of your country to work"?

We have set a standard for work on the W. P. A. rolls which castigates the W. P. A. workers as failures in their own generation. We have not only made them the butt of cruel jokes leveled at them by the unsympathizing few, we have made their tenure in the poor jobs they have so uncertain that they never know one day whether or not they will receive a notice on the next day to quit work, just as 200,000 were given notice that after April 1 they would no longer have an opportunity to work with the W. P. A. Therefore, we not only keep them from spending all they can to help recovery in the country; we not only deter them from building homes and trying to be stable and steady contributors to their country's return to prosperity; but, in addition, we tell those who are on the verge, who perhaps have not actually reached penury and poverty, "No; the Government program is not for you." They may be among those who, together with the relief employees, constitute 52 percent of the American people. They may not be able to last 6 months; they may not be able to last 3 months, or 1 month, before their meager savings are totally exhausted. Yet we say to them "You cannot get a job on the W. P. A. until you are embraced by the arms of poverty, until you no longer have the price of a meal, a suit of clothes, or a little bit that might go to buy nourishment for your family."

Mr. President, we have not had the courage to face the facts. We are dallying with $50,000,000, dallying with the question of employing the number of people which $50,000,000 would employ, when admittedly we have 10,000,000 unemployed. Some say we do not need any more money for relief. Can we call such an attitude an honest effort on the part of the Government to solve the problem of unemployment?

I have previously intimated—and I think circumstances will bear me out in the future—that if those of us who are now in the Senate are turned out it will not be because we have done too much. It will be because we have not done enough. It will be because, as I said to the junior Senator from Nebraska [Mr. BURKE], we indicate to the American people that we really do not appreciate the magnitude or the character of the problem we face.

In other words, Mr. President, with all deference to my colleagues—and I do not in any sense question the complete sincerity of their opinion—when we shall have cast the vote which I assume will reject the amendment, we shall have held out the stop sign to millions of unemployed Americans against ever coming to the door of the Federal Government to receive help. I wish Senators would contemplate that prospect. I wish in their hearts they would answer the question, What is the alternative for the 10,000,000 persons to whom we have now turned a cold and unsympathetic shoulder? I ask, Senators, how in the name of goodness can there be prosperity in this country with such a condition prevailing?

The Senator from Idaho [Mr. BORAH] has, on innumerable occasions, pointed out that the fundamental difficulty with the agricultural laborers of this country is not that we produce too much, but that we are able to buy too little. I wonder what would happen to the agricultural problem if we actually had the courage to face the unemployment problem adequately and effectively. I venture the assertion that if we gave $50 a month on an average to 5,000,000 persons, affording them an opportunity to work and reducing unemployment by that number, we should find the expenditure of that money to be the best nourishment and succor that agriculture could possibly enjoy.

The tragedy of it is that we do not know what to do either with agriculture or unemployment; and we are afraid really to try. Some Senators have had the experience of being baseball players. Perhaps some of them have pitched on occasion. What kind of a ball could a pitcher throw if every time he turned loose the ball he wanted to call it back, and was afraid to release it from his fingers? If every time he started to throw it he tried to stop it about the time his arm was extended, what would be the result?

We have never yet had the courage to face the unemployment problem adequately, according to the information and knowledge which we have and give a fair trial to the policy of Federal aid. The reason has not been our leader. We know that the President of the United States has not put out the stop sign. We know that he has not lost courage. On the contrary, every time the Congress has acted, it has acted under the stimulation of his own far-seeing vision.

Why did not the President come before the Congress in January and ask for another billion dollars or two billion dollars and say to the Congress and to the American people, "I am resolved to abolish unemployment in America"? Why did he not say to the Congress, "I challenge the Congress to go with me in the program of providing to the American people an effective solution of this problem"? Why did he not say, "You and I, on behalf of the American people, are going to make the savings of this country available to the various communities, to build an electric-light line in every rural community of America, and permit those communities to pay back the money, or most of it, in 20 years, as they will be able to do"? Why did he not come before the Congress in January and say: "At a time when the various dictatorships of the world are utilizing every unit of their manpower to enhance their national strength, we cannot afford to sit idly by and lose the labor of millions of our fellow citizens who are unemployed"? Why did he not say that?

Why did he not say that congestion already exists upon the highways of this country; that the building of highways is economically productive; and that we should build them and give jobs in their building to the unemployed of America? Why did he not say that in this country already an area larger than the State of North Carolina has been eroded away; that gradually many sections of the country are being denuded of their productive soil; and that generations yet unborn are therefore destined to impoverishment? Why did he not do that, and start a soil-erosion program which would actually be effective to protect the soils of America?

Why did he not say, "Let us take the forests of this country, supplement the great C. C. C. program"—which I believe has universal approval—"and make the growing of timber a crop in America? We are going to make forest products available to enrich the economy of the Nation and give jobs to the unemployed of America"?

Why did he not say, "Every year $250,000,000 is lost through illness and death which could be prevented if we adequately protected the health of the American people? Therefore, I am resolved that we will build hospitals in the 1,300 counties of America where there are now no hospitals, and that we will make medical aid and care available to the people of America who cannot otherwise afford it, following the example of England and other countries in Europe"?

Why did the President not do those things, Mr. President? Does anybody believe that the reason the President did not do them was because he did not believe in such things? Why does he not now come to Congress and ask us for another billion dollars for another P. W. A. program? Does anyone doubt that the President believes it would be a good thing to go back to the various communities of America and permit the people to begin projects now approved, half the expense of which they are paying, and which would enhance the assets of America?

Why does not the President make such recommendations to the Congress? We know too well why the President does not make such recommendations. It is because he dislikes to do a futile thing. When he recommended a little $50,000,000 more than our august Appropriations Committee deemed necessary for work-relief purposes, he was slapped in the face. The committee said "No; we cannot spend $150,000,000 at this time to supplement relief needs."

Why can we not do it? We surely know that there are 11,000,000 unemployed.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from Florida yield to the Senator from Wyoming?

Mr. PEPPER. I yield.

Mr. SCHWARTZ. I think what the President should have done was to ask for an extra $100,000,000. Then the committee would have given him $50,000,000 and slapped him in the face with the other $50,000,000.

Mr. PEPPER. Perhaps that would have been good psychology.

What reason do we give the President for turning him down? Do we say, "Mr. President, you are altogether mistaken. You know there is no need for any additional work relief in this country. Thirty thousand aliens were let off and we have put American citizens in their place"? Of course we do not mind what happens to the aliens here. It is not necessary to concern ourselves about the aliens; they say. So that means that 30,000 more will get jobs, and think what a fine thing that will be.

Then, in addition to that, we have had the rolls microscopically inspected because in some way or another some insidious or perfidious fellow may have found his way into the labyrinthine passages of the W. P. A. and perhaps he is making $26 a month from the W. P. A., when, as a matter of fact, he has $4 income from some other source, perhaps from some social-security benefit, and is, therefore, not eligible for work relief. So they start on a witch hunt to find that fellow who has got on the W. P. A. rolls and who is getting $25 or $26 a month, and they call that fellow national enemy No. 1. If you knew the relentlessness with which he was pursued by some of our friends and some of our public officials, you would literally think that Al Capone in his day never became such a challenge to the security and stability and particularly to the confidence of business in America as that poor fellow. So I hope that we have frowned enough upon the few who have gotten onto the W. P. A. rolls, perhaps

without actually having gone a week without food, to make it desirable for them to withdraw and therefore save the money that would be spent in searching them out and eradicating them from the rolls.

Mr. President, that policy the President might have pursued has been stopped at the threshhold by an attitude among our membership here that does not believe in that kind of a policy. They say that there never was but one way in the world for a man to gain in financial stature, and that is through diligence, thrift, and husbandry of his resources. They say a nation is no exception to that philosophy. They say that no individual in the world ever spent his way into prosperity, and neither can any nation do so. They say that the United Kingdom is the most glowing illustration of the fact that those same old time-worn principles apply to nations as well as to private individuals. But they do not tell you, Mr. President, in giving the example of the United Kingdom, that they started their social-security program long ago, and the benefits of it were already being observed when their acute economic situation came along. They do not tell you if we levied the same tax rate in this country upon America's income as the United Kingdom levy upon the income of their people that we would not have a deficit, but we would have a balanced Budget in this country.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TYDINGS. Does the Senator in making that statement take into consideration the fact that the people in the United States pay State taxes and municipal and county taxes in addition to Federal taxes? Some time ago I saw a statement to the effect that when local taxation and national taxation in America are added the total virtually approximates the figure that is levied nationally by Great Britain. I think a Senator on the floor the other day put into the RECORD a compilation showing that in 1938 the cost of all government in the United States was $15,000,000,000 a year, which is about 25 percent of the total income of the American people. I think in Great Britain they do not have the local taxes we have in the United States.

Mr. PEPPER. Mr. President, I can answer that perhaps definitely by first saying that, although the local taxes when taken into consideration reduce the disparity, they by no means obliterate it. I will say, in the second place, that last week a young solicitor friend of mine from Edinburgh, Scotland, was here visiting in Washington, and he and I got to talking about individual income taxes or relative payments to the Government that one would make on an income of, say, $10,000 in this country and in Scotland. He told me that on his income of $10,000 he had to pay nearly $3,400 a year, while on the same income I had to pay only approximately $500.

Mr. TYDINGS. Mr. President, will the Senator from Florida yield?

The PRESIDING OFFICER (Mr. LUCAS in the chair). Does the Senator from Florida yield to the Senator from Maryland?

Mr. PEPPER. I yield.

Mr. TYDINGS. Of course, that is true of income taxes in Great Britain as compared with those in the United States on incomes in the lower brackets, but it is not true in the case of income taxes in the higher income brackets. As the Senator says, the disparity would not be eliminated; but, assuming that the taxes collected in this country from all sources are $15,000,000,000 a year, or 25 percent of the total income of America, how much of the total income of the people of Great Britain goes to taxes?

Mr. PEPPER. Something like 16½ percent, I believe.

Mr. TYDINGS. Then we are paying more of our total income for taxation than the people of Great Britain are paying of their income.

Mr. PEPPER. The figure I gave relates only to the income tax. The income tax is 16⅔ percent, as I recall.

Mr. TYDINGS. Of what?

Mr. PEPPER. Of the national income.

Mr. TYDINGS. In our country the income tax represents only about 20 percent of our national revenue; we raise only about one out of every $5 from corporation and income taxes and the remainder is made up of miscellaneous taxes of different kinds. I will venture to say, however, that if the Senator will get the figures of the total taxes levied in America and compare them with the figures of the total taxes levied in Great Britain, he will find that we pay just as much in taxes here out of our total income as the people of Great Britain pay, taking into consideration State and local taxes. I myself did not think so until a couple of months ago, when I examined the figures and found that to be true. I merely interrupt the Senator because I know he does not want to assume as a fact something which is not really a fact.

Mr. PEPPER. As I have said to the Senator, I have seen the figures, although I do not have them at hand now, but I repeat what I said a moment ago, that while the inclusion of State and local taxes in this country reduces the disparity, it does not obliterate it. I know that in many States of the Union, for example, there is no income tax; in fact, I presume the minority of the States of the Union levy an income tax. I think New York, perhaps, has a rather stiff income tax, while my State has neither an inheritance tax nor an income tax at all. I know further that by deriving a considerable portion of revenue from the income-tax method we come nearer to getting reserve capital, as it were, that otherwise would not be added to the purchasing power of the country than by obtaining taxes from the masses of the people.

That is the reason why, I think, Mr. President, that we would be much wiser if we levied a heavier exaction of our taxes from incomes, because, as I said in the beginning today, those of us who think as I do are not against balancing the Budget; we are simply against the balancing of the Budget at a time when the national economy is not in position to justify the balancing of the Budget.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TYDINGS. I think it is only fair to say that many Senators would deal more liberally with these appropriations if the Government were on a pay-as-you-go basis, but now that we are going into our fifth or sixth year of recurring deficits—deficits of two or three billion dollars a year—and have a mounting national debt, there are a great many of us who wonder how long it is going to be, if this situation continues, before Congress adopts the pay-as-you-go policy, lest the result may be more disastrous than we at this time think.

Mr. PEPPER. I know that that question is uppermost in the minds of all the Members of the Senate, as it is uppermost in the minds of many people of the country. I know the Senator from Maryland and many other Senators conscientiously disbelieve that there is any proper relationship between what the Government spends and business improvement in the country. They, at least, believe that that is not a legitimate and sound, if a proper, method of stimulating private economy, and they are very conscientious about that; but I have here before me an article from the United States News contributed by Mr. Owen L. Scott. The article contains two charts. The top chart reflects the industrial improvement, and the bottom chart reflects public expenditures in this country. No person can look at those charts without becoming convinced of necessity that there is some causal relation between the one and the other, between practice and effect. If we find our industrial improvement steadily rising so long as the policy of public expenditures is in effect, and then we find it abruptly falling when that policy is discontinued, it is only natural to assume that there is some causal relation between the one and the other.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. PEPPER. Yes.

Mr. TYDINGS. I think everyone will admit that there is some relation between the two, but since the chart falls each time we stop, is it not the logic of the argument of the Senator that, in order to keep prosperity going, there never must be an end to governmental expenditures?

Mr. PEPPER. No; I do not come to that conclusion.

Mr. TYDINGS. But, if I may interrupt again, I think that is what the chart shows. I saw those two charts, and each time we cut down on the expenditure there was a corresponding reduction in business activity. Therefore the logical conclusion is that we ought just to keep on spending on a level plane.

Mr. PEPPER. No, Mr. President. Perhaps I can convey the idea in this way:

Money is constantly flowing from, we might say, the outside of the circle toward the center. As funds accumulate in the depositories of the country and in the reserve funds of the country, they go out of circulation. They go out of use in just the same way that currency might gradually be pulled in by the Government and be stuck away in isolated safety-deposit boxes and locked up, unless the people who have those savings put them out into usefulness by some form of investment or expenditure. If they are unable to put them out or are unwilling to disburse them by expenditure, then they are left only the method of investment by which to put them out.

Now, let us assume that a situation has arisen whereby putting those funds into investment for productive purposes would not yield a return, and perhaps would jeopardize the principal: Then is the individual going to invest? Is the owner and holder of the capital going to invest it under such conditions? How many Members of this body, if they had a million dollars, would build an automobile factory, knowing that the automobile productivity of this country now is far in excess of automobile demand? How many Members of this body, if they had a million dollars, would put that money into private enterprise for manufacturing equipment for building railroads, for example, when we know that there is already more capital invested in railroads than the needs of the country require, and therefore there is no purpose to that kind of investment?

Another thing: In times like these, the investment of capital is hazardous. The private individual might not want to jeopardize his capital by a hazardous investment; and therefore he saves it against the day when he can use it with an assurance that he will get back a high reward. Therefore, he puts it in a safety-deposit box, or perhaps he finds tax-exempt securities in which to invest it; and that money is just as much out of circulation as the currency would be if the Government called it in, and regularly laid aside so many millions of it, and took it out of use.

We have in circulation in this country, I believe, some $6,000,000,000 of currency, of what we call actual money. Suppose we called in $1,000,000,000 of that money and took it out of circulation in the business channels of the country. What kind of an effect would that policy have upon the prosperity of the country? Let us suppose that we pulled in $2,000,000,000 of that currency. What sort of an effect would that have upon the business of the country? Suppose we pulled in $3,000,000,000; and suppose after a while, whereas we now have $6,000,000,000, we had only $2,000,000,000 of currency in circulation in the country. Does anybody deny that that policy would have an adverse effect upon the economy of the whole country and upon the business of almost every single individual?

Very well. Suppose that money were owned by private persons; that instead of the Government calling in $4,000,000,000 and salting it away, private persons were able to make it, and as soon as it came into their hands they stored it away. In a little while the business of the country would not have enough currency on which to operate.

Mr. MURRAY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Montana?

Mr. PEPPER. I yield.

Mr. MURRAY. Is not that exactly what happened in 1937, when we had an upward trend in prosperity—that all of the basic corporations of the country were making tremendous profits, but instead of allowing the profits to remain in the channels of circulation they raised their prices and filled their treasuries, and, as a result, they skimmed the cream off the Government's spending, and prevented that money from staying in circulation?

Mr. PEPPER. That is exactly correct.

Mr. MURRAY. And as a result this recession came on; and that is the real cause of the difficulty we encounter today. If the great corporations had permitted their prices to remain as they were, or had given the general public the benefit of lower prices, and had kept that money in circulation and thus raised the purchasing power of the country, we should have gradually come out of the depression we were in.

Mr. PEPPER. The Senator from Montana is absolutely correct.

Mr. President, the Government has no right to say to the people of the country who have money in the banks, "We are going to cut off your heads or put you in jail unless you put that money in circulation." We do not necessarily have the right even to say to them, "You cannot get a large profit upon what you do"; but that is quite a different situation from the Government saying, "We will go into these reservoirs, we will go into these depositories, we will reach down into these savings by borrowing or taxes, and we will take the risk of return, because then not an individual or a few people will take the risk, but it will be distributed over the whole economy through the agency of the Government."

So, if you find yourself in an era when there is no necessity for private investment which is strong enough to induce private capital to invest in that way, you have two courses open to you. The first one is for the Government to take those savings and make those investments and take the risk of them; or, preferably, to divert those savings, instead of to investment purposes, to purposes that would more directly aid consumption and the acquisition of goods.

The tragedy of the matter, the thing I complain about as against the Senators of the opposition, is this:

I have been a Member of the Senate now for about two and a half years. Certain of us have always expressed the same point of view that I am expressing here today as best I can. Every time an appropriation bill has been before the Senate, every time the President has proposed a step forward, he has always run into the same adamant opposition from those who oppose that policy; and yet I never have heard those Senators do anything other than just say "No." They have never made an affirmative proposal showing an effective way out of the situation.

Mr. SCHWELLENBACH. Mr. President, I should like to make an inquiry at that point.

Mr. PEPPER. I yield to the Senator from Washington.

Mr. SCHWELLENBACH. My recollection is that it was very seriously argued here, the last time we had the matter up before us, that if we cut the appropriation to $725,000,000 business would acquire such confidence that they would immediately rush in and employ several million persons; and, I think, those who took that view succeeded in convincing the majority of the Senate that business would rush in and employ these persons.

I should like to inquire, Did not that happen? Have not all these persons been employed by private industry? Were not the Senators correct who a month or so ago very seriously and very definitely argued that the thing we needed was this act upon the part of Congress, so as to let the country know and let the business interests of the country know that Congress had taken matters into its own hands, and was no longer going to be dominated by the requests of the President? Did not that result in a business revival and the employment of all these persons? Were these Senators mistaken the last time they argued this matter?

Mr. PEPPER. I do not know how the Senators who recently said that can consistently come back now and say that they are even in favor of the appropriation of $100,000,000. I thoroughly agree with the Senator from Washington. I distinctly remember, as the Senator well points out, that it was argued in behalf of the reduction to $725,000,000 that if the Congress did that, it would give encouragement to the business of the country by showing them

that we were approaching a balanced Budget, and that there was some limit to the wild spending that had been in progress.

Mr. SCHWELLENBACH. Mr. President, will the Senator further yield?

Mr. PEPPER. I yield.

Mr. SCHWELLENBACH. Has the Senator happened to read, for instance, the New York Times every Sunday morning, with its business index? Is it not a fact that consistently since we took that action, which we were assured would bring about a business revival, business activities, as shown in the New York Times, have dropped off a little bit each week?

Mr. PEPPER. Exactly so.

Mr. GEORGE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Georgia?

Mr. PEPPER. I yield.

Mr. GEORGE. I should like to ask the Senator if he does not recall that immediately upon the passage of the former relief joint resolution, reducing the amount requested by $150,000,000, the President came out with a demand for the restoration of the $150,000,000?

Mr. PEPPER. Yes; I do.

Mr. GEORGE. I think it might be well to get all the facts in the RECORD.

Mr. PEPPER. Yes; I recall that fact.

Mr. SCHWELLENBACH. Mr. President, will the Senator further yield on that point?

Mr. PEPPER. I yield.

Mr. SCHWELLENBACH. Was it not as a direct result of the invitation by the Senate, through the medium of the language of the joint resolution, that the President was compelled to come out with that statement?

Mr. PEPPER. I so understand.

Mr. SCHWELLENBACH. The joint resolution asked him to state how much he thought was necessary.

Mr. GEORGE. Mr. President, even if that is so, it is beside the question. As I recall, the President of the United States in his annual message said that he would leave to Congress the question of the expenditure of money.

Mr. PEPPER. Yes.

Mr. GEORGE. Congress acted upon that statement and fixed the amount of the relief appropriation at $725,000,000; and even if some Senator did say on this floor—which I do not recall—that the mere reduction of $150,000,000 in the annual expenditures of the Government, which had been expending some $4,000,000,000 a year for relief, would bring about prosperity, the passage of the act was followed by the definite and positive statement of the President that he was still insisting on the appropriation of the $150,000,000; so there was no real opportunity for the reduction to bear fruit.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HATCH. I do not desire to take part in the controversy which seems to be raging, but just as I came on the floor I heard the remark of the Senator from Washington and the remark of the Senator from Florida, and I wondered if I understood aright. Is it the position of the Senator from Florida that the failure to appropriate the full $875,000,000 has been the cause of the recession in business?

Mr. PEPPER. Mr. President, it is my belief that diminution in the amount of the Federal expenditures—if they are wisely made, I may say to the Senator from New Mexico—will have and does have an adverse effect upon the general economy. I think the Senator from Washington was intimating that the indexes of business had indicated that perhaps the uncertainties which had been created by the reduction and the threatened reduction, probably the effect created by the attitude of the Congress, which seemed more and more to desire to eliminate the Federal expenditures, contributed at least to the situation not improving since the policy was announced in connection with the pending appropriation bill.

I would say that it is perhaps always unfair to isolate a proximate cause as the proximate cause, but I would say it has an effect on the result.

Mr. ADAMS. Mr. President, I think the Senator from Washington has been looking at the stock-market reports rather than the indexes of employment, because he will not find that uniform reduction in the indexes of industry in this country.

Mr. SCHWELLENBACH. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. SCHWELLENBACH. The Senator from Colorado is mistaken; I did not discuss either the stock-market reports or the indexes of employment.

Mr. ADAMS. The indexes of industry.

Mr. SCHWELLENBACH. I discussed the industrial indexes. I do not know whether the Senator even heard what I said at the time the last bill was pending——

Mr. ADAMS. I always listen to what the Senator says.

Mr. SCHWELLENBACH. If the Senator will recall, there was a very definite argument at that time upon that particular question, and the hope was held out that if Congress would take control of this matter and say that the amount should not be more than a certain sum, then $725,000,000, it would result in an increase in business and an increase in prosperity in this country. I argued rather at length upon the question of the business condition in the country, tracing it back through the months, pointing out that not until 1938 was there a break.

Answering the question of the Senator from New Mexico, I do not contend that the failure to add the $150,000,000 to the amount appropriated in the joint resolution is the cause of the drop in business. I do contend, however, that we have a perfect right now, since the prophecy which we made at that time has come true, and since the prophecies which were made by those who advocated the reductions have not come true, to reexamine that particular question; and I do not think anyone can at this time logically argue, or even plausibly argue, that a reduction of $50,000,000 from the amount the President sought will be of any assistance to business in this country. I hope that argument will not be made at this time, because it was so thoroughly disproved by the failure the last time it was made.

Mr. PEPPER. Mr. President, I never would have ventured to offer the amendment in face of the knowledge I had about the committee action had I not felt that this is a crucial stage in what we do; had I not had the feeling that by this action we were absolutely repudiating the policy we have followed for the last 6 years; had I not felt that we were telling the American people that we have been wrong, and, having now a sense of wrong, we would at least repent as soon as we could and put our footsteps upon the righteous and correct path.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. SCHWARTZ. Is it not the situation that we are divided here in the Senate as to what kind of a program will bring business revival? There are some here who think the President is running the Government into the sticks by reason of expenditures. I do not like to say it, but I fear there are some here who would disagree with whatever the President wanted. But is it not a fact that we cannot place responsibility on the unemployed and hungry, the children whose ribs are beginning to show, on nursing mothers whose paps are drying up, on fathers who are now put to the choice as to whether they will be curs and let their families starve or will be criminals and go out and steal? None of those people are responsible; they are not responsible, whichever group here is right. Is it not our duty, if we have any duty at all to humanity, to feed them until we find out what is wrong?

If we merely wish to determine how it may affect those who still have property, I want to say that if we let enough of the American people go hungry, if we let enough of them

remain idle, they are not going to sit idly by and starve to death and see their children starve.

Mr. PEPPER. Mr. President, the Senator from Wyoming is entirely correct. Not only that but as the Democratic Party we solemnly promised the American people that we were not going to let anyone starve in this country. Senators know we did that. What is our performance of that pledge? We started out to give work to the people of this country. We said we were going to give them work. How well have we performed that obligation?

As the Senator has well pointed out, we are dealing exactly with the same problem we had before us back in 1932, to a degree. I am willing to admit that Mr. Hoover did not cause all that problem. I am willing to admit that the problem came about as the natural result of economic conditions as they then existed, and previously had existed. But I do say that we are faced with the obligation and responsibility of solving those problems.

What I started out to say a moment ago was that I read the letter of the junior Senator from Virginia in reply to Mr. Eccles, and in that very able letter which the Senator from Virginia wrote the chairman of the Federal Reserve Board the junior Senator from Virginia made certain recommendations; and I want Senators to attend to the recommendations, because I do not believe there is a man on this floor who more ably and more effectively presents the other point of view than does the junior Senator from Virginia.

Here is the program which the junior Senator from Virginia offered to the American people. Let us observe the program, as it is well stated. I read from the United States News of January 23, 1939, page 9:

First, reorganize the Federal Government for simplification, retrenchment, and economy.

How many jobs is that going to give? How much purchasing power is that going to add? As I understand, that will perhaps diminish the number of jobs rather than increase them. However, that is approaching the goal which I am sure the Senator entertains as a desirable one, of a balanced Budget. But suppose we started in this afternoon and reduced the governmental expenditures; how many Senators think that would solve the unemployment problem of the United States, and that that would make more people able to buy more agricultural and manufactured commodities?

The second proposal is:

Cancel existing authority of 30 Federal borrowing corporations and agencies to borrow an additional $8,000,000,000 without further legislation and require these corporations and agencies to function through the Budget, allowing Congress to approve or reject their future expenditures.

Mr. President, I do not see any direct way by which additional people would get jobs if we put that into effect, because it certainly would not directly create any jobs, and whether it would indirectly create jobs is a matter of opinion, perhaps.

I realize that it may not be desirable governmental policy to allow these agencies to borrow money without going through the Budget, and in that respect I would agree with the Senator from Virginia that it is not desirable practice to have them do it. I would be perfectly willing to have them come through the Budget, and I am perfectly willing to make a more effective arrangement of our Government and fiscal structure. I do not have any opposition to that. But I do not see how that would result in more jobs.

On the contrary, I find that the indebtedness of Federal agencies was reduced some $3,000,000,000 between the fiscal year 1937 and the fiscal year 1938. So these agencies have been reducing their indebtedness. I understand that the amount of money we have spent through these agencies is not lost. As a matter of fact, I understand that the R. F. C. is probably not going to lose a dollar. Yet it is one of the agencies which does the most borrowing upon its own responsibility. I thought practically everyone approved the R. F. C. Perhaps it was the other agencies the Senator had in mind when he indicated he did not approve them. But, generally speaking, our loss will not be of any great magnitude, if we lose all these borrowing agencies invested. As a matter of fact, as it will work out, I think we will lose but a very small amount, if we lose anything at all. So I do not see that that is so fundamental that it is going to change entirely the present economic situation.

The third proposal is:

Scrutinize the new activities of Government now responsible for the expenditure of 30 percent of the total appropriation, exclusive of relief; eliminate the dispensable activities and reduce others to a minimum cost.

If the purpose is to increase the reservoirs of savings in this country I think perhaps that proposal would tend to effectuate such a result. But if the purpose is to make it possible for people to buy cotton garments, so that the constituents of the Senator from Georgia [Mr. GEORGE], the Senator from South Carolina [Mr. SMITH], the Senator from Mississippi [Mr. BILBO], and other Senators who are laboring with the cotton problem, may find a better outlet for their commodities, I do not particularly see how that is going to do it, because I do not see how the people who have these accumulations of capital are going to put it out with an assurance that they will receive a return. They had an opportunity to put them out in President Hoover's day. They did not then have any threat from the Government. They did not then have the undistributed-profits tax. The Government was not in competition with the utilities industry. They had confidence. What was it that destroyed the confidence of the business of this country under President Hoover?

Is there any Senator who would say that business had confidence in the future in the Hoover administration? If business did not have confidence, why did it lose it? Did the Government take it away from business?

Senators know that there never was a period in the history of the Government when the ear of the Government was more completely attuned to the emissaries of Wall Street and the money interests than during that administration. They came here into the sanctity of the White House and were able very considerably to influence governmental policy. So they were not afraid of the Government.

They must have been afraid of something else. I dare say they were afraid that they could not sell the inventories they had. I dare say the bankers were afraid they could not get back the money they had in their vaults if they lent it out. I dare say that the manufacturers did not have confidence that they could meet their pay rolls from the sales they were able to make of their commodities. That is the reason I think they did not have confidence.

I ask Senators, how would that proposal give confidence to retail and wholesale merchants and manufacturers that they were going to be able to dispose profitably of their output?

The next, No. 4:

Have a thoroughly honest purge of relief rolls to stop all expenditures in excess of provision for those in need through requirement of the localities to bear a portion of the burden and a direct local interest to needed reforms.

There are two propositions involved there. The first is to purge the relief rolls. How will we give business any more customers by purging the relief rolls? How will we help to restore confidence by taking away purchasing power when we start purging the relief rolls and putting men outside the pale of Federal aid? I want to know if by this proposal we are going to be able to give outlets for wise investments of any of these savings that the business interests of this country have been able to accumulate. Surely one who is discharged is not a client for an investment or an applicant for funds if assurance is expected that there will be a fair return for the loan.

The next suggestion is that all we need to do is to take relief back to the local units. It is thought, I presume, that if we let the local communities bear the burden of relief everything will be all right.

I will say to the Senate that my State does not have a State debt. The State of Florida owes nothing at all in the

way of bonded debt. But the various counties and political subdivisions certainly owe some money. They certainly did during the boom days. Was Florida any better off because the counties and the several political subdivisions owed the money instead of the State government owing it? Were we any better off financially and physically? As a matter of fact, which do Senators regard as more adequate, the Federal taxing system or the taxing system of the several States of the Union?

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. PEPPER. I will yield for a question only.

Mr. REYNOLDS. I was simply curious to ascertain how the Senator's State is sharing in the distribution of W. P. A. funds in comparison with other States relative to population?

Mr. PEPPER. Mr. President, I do not think that our share is so generous as to cause complaint from anyone.

Mr. REYNOLDS. But where does the Senator's State stand on the list?

Mr. PEPPER. I do not recall, but it is rather distinctly down the list, for that matter.

Mr. REYNOLDS. I will state the reason why I was particularly anxious to ascertain that fact. Of course, I know the Senator has no selfish motive in this matter; but I have rather a selfish motive in asking the question, because unfortunately North Carolina, my State, gets less per capita than any other State in the Union. I was anxious to increase it if I could, because so long as we are passing this money around I do not want anything to get by North Carolina if I can help it. [Laughter.]

Mr. PEPPER. I thank the Senator.

Mr. President, I do not think the junior Senator from Virginia [Mr. BYRD] is going to help the fiscal structure of the country by having the relief paid for by local people who depend primarily on ad valorem taxation, rather than by the Federal Government.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MINTON. One of the chief complaints that has been directed at the W. P. A. program is that the administrative expenses have been so high, and therefore the man who works does not get his fair share of the money we appropriate. It is proposed to turn the program back to the States, and of course to the smaller communities. Is it not the Senator's experience that the smaller the community the higher the administrative cost?

Mr. PEPPER. That is my experience. I do not think we would save a dime. I think it will cost us more money for administration purposes if we decentralize relief and make the various political subdivisions of the country handle it.

Mr. MINTON. Then we would be taking from the people we want to help, rather than helping them.

Mr. PEPPER. Exactly so. Mr. President, if you say, "Let us shift the load from the Federal Government to the State governments," you are not saving money. You are simply transferring it from one shoulder to another. So I do not see that it will do any particular good.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. PEPPER. I will yield for a question.

Mr. REYNOLDS. In reference to the statement which the Senator made as to shifting the burden from the Federal Government to the State governments, I wish to observe that the State governments would not be in a position to take care of the W. P. A. workers, because, in my humble opinion, the States have been invaded by the Federal Government in the matter of collection of taxes, and limitation upon the States with respect to taxes and to a very large degree the States will continue to depend upon the Federal Government.

Mr. PEPPER. I thank the Senator.

The fifth point made by the junior Senator from Virginia is:

> Conduct the Government within the ability of the people to pay and regard reasonable taxation as one of the best assurances for business prosperity.

I realize that in making that statement the Senator has eminent authority behind him, and he has many witnesses in the present generation. But again, Mr. President, if the need of modern-day business is customers and not investments for productive purposes, I do not see how the reduction of the tax burden and the allowance of the savings of business to arise to a higher degree is going to give more jobs to the unemployed of America.

I have read the five points in what I believe to be the most definite program the opposition has offered. How many Senators in this body, giving all due credit to the able junior Senator from Virginia, believe that if we were to put every one of those principles into effect tomorrow business conditions would perceptibly improve in this country?

Suppose we were to stop all these Federal emergency agencies, take away all subsidy from agriculture and private enterprise, turn the people back to their own way of getting along, withdraw the succor of the Federal power from their assistance, and say, "All right now, we are going to have an era of prosperity in this country." What would bring about that era of prosperity is what I cannot understand. Certainly the simplest thing we could do would be to vote "no" every time an appropriation bill was offered. Is simply voting "no" modern statesmanship? Is that easy way the way out of the most challenging economic dilemma the world has ever known? Is our problem so simple as that, Senators?

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LUNDEEN. Why is it that business—the captains of industry—are always shouting for an adjournment of Congress? They want to get rid of Congress because it is spending money. They say that if we will adjourn there will be confidence and business will improve; and then as soon as we have adjourned and they find that the country's economy is moving toward further wreckage, they shout for us to come back so that we may appropriate more money to rescue them from the ditch.

Mr. PEPPER. Mr. President, the Senator is perfectly correct. Do we not recall that on numerous occasions the President of the United States said he was going to balance the Budget? I for one, in spite of what others may think, believe that he believed it in his heart every time he said it. I believe that he believed in 1932 that the wise way to bring prosperity back to this country was to do away with the Hoover deficit of three and one-half billion dollars. He discovered, as the senior Senator from Nebraska [Mr. NORRIS] so well pointed out, that in the face of tragic actualities it could not be done that way. Then he had the courage to turn his face toward the east, and he has been going in that direction ever since.

However, at least three different times in the past 6 years the President has endeavored to reach the stage of a balanced Budget. In 1937 there was relatively little difference between the income of the Federal Government, including the social-security taxes, and the total Federal disbursements. At that time we were driving directly, in policy, toward a balanced Budget.

The President said that the price of copper was too high, and he did everything he could to keep an inflationary boom from coming along which would wreck the structure. He thought we had the momentum to carry us on without very much Federal expenditure. He stopped spending money in the summer of 1937. Then we waited through June, July, August, September, October, November, and December. Business had the assurance of the administration that we wanted a balanced Budget, that we intended to attain a balanced Budget, and that we did not expect to spend very much more.

Did business begin to pick up on that assurance? The Senator from Colorado [Mr. ADAMS], or someone else, said awhile ago that when the Congress reduced appropriations the President upset the apple cart by immediately demanding more. Congress was not protesting the reduction in expenditures in 1937. The President took the lead toward economy. Congress went with him. December came and

went, and we experienced the worst spiral of depression we have ever had in the same length of time.

Mr. MURRAY. Mr. President——

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Florida yield to the Senator from Montana?

Mr. PEPPER. I yield.

Mr. MURRAY. At that time industry apparently had no program whatever and no solution to offer for the situation. The moment the unemployment condition began to arise industry began to lay off employees. Industry made more profits during the year 1937 than in any other year in our history, except 1929. All industry increased its earnings. The Du Pont Co., for example, made 12 percent more profit in 1937 than it did in 1929. Yet when the recession occurred every corporation in the United States immediately began laying off its employees. In Detroit, Mich., 30,000 men were laid off in 1 day. In my State of Montana the Anaconda Copper Co. had made a profit of $38,000,000 in 1937. The moment the unemployment situation began to develop it laid off men and threw them back on W. P. A.

What else could the Government do but resume the employment of men on public works? If industry in this country would offer some solution or some program which we could get behind, I think every Senator would support it.

Mr. PEPPER. I thank the Senator particularly for that suggestion.

Mr. President, as I stated awhile ago, and as the Senator has just effectively pointed out, business has had no solution of the problem to offer. I read from the five points of the program proposed by the junior Senator from Virginia [Mr. BYRD], who, I believe, is the ablest spokesman in the Senate for the balance-the-Budget, quit-spending, reduction-of-expense point of view. I ask Senators if there is any hope in either the silence of business enterprise or the affirmative proposal of my friend the junior Senator from Virginia.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. GEORGE. I do not wish unnecessarily to consume the Senator's time. However, the distinguished Senator from Montana [Mr. MURRAY] and others are giving voice to sentiments which I do not like to see go wholly unchallenged.

Is it not a fact that business has repeatedly asked for some modification of the National Labor Relations Act, and particularly some changes in the administrative agencies? Is it not a fact that business has repeatedly asked for some modification in our tax laws? Is it not true that the President himself has indicated, through the Secretary of the Treasury and the Secretary of Commerce, that modification of the tax act was in order? I need not refer to other things. However, I should like to ask the Senator an additional question. Is it the Senator's theory that business enterprise, free enterprise, will ultimately furnish employment, or that it is permanently a Government function to furnish employment?

Mr. PEPPER. I appreciate the Senator from Georgia asking that question.

Mr. GEORGE. I am anxious to have an answer to the question.

Mr. PEPPER. I desire to answer the question, and to answer it from the bottom of my heart. With modern technological methods, I do not believe that private enterprise, no matter how hard it tries, no matter how faithfully it endeavors to cooperate with the Government, ever will be able to take care of the present volume of unemployment in this country.

Mr. GEORGE. That means that we must have a modified socialism, or a socialistic state. I am not using that term in an offensive sense. I am simply using it as the best descriptive term that I know. Is it the Senator's viewpoint that the Government must always remain in the field in order to furnish employment?

Mr. PEPPER. I will answer the latter part of the Senator's question. However, I wish to take pains not to include the use of the word "socialism" in the answer.

Mr. GEORGE. I am not using the word in any offensive sense.

Mr. PEPPER. I will answer definitely, yes. Let me tell the Senator why I say that. I appreciate the Senator from Georgia asking the question. The reason why I ventured to take the time of the Senate is that, believing as I do, I should be a traitor to my convictions if I did not try to warn my colleagues and my countrymen against the contrary policy, because I think it would lead only to disaster.

Mr. LEE. Mr. President——

Mr. PEPPER. Will the Senator allow me to proceed for just a moment?

Mr. LEE. Certainly.

Mr. PEPPER. The reason why I say that is that technological improvement has been such that with modern means of production we do not need all our people to produce all our people can buy. I mean, for example, that in the early part of the nineteenth century a farmer produced enough to feed five persons on the farm and half a person in the city. Nowadays, however, that same farmer, with modern fruitfulness, modern soil productivity, modern instruments of cultivation, and the like, produces enough to feed 4 persons on the farm, 12 persons in the city, and 2 abroad. Therefore we do not need as many farmers as we would otherwise need.

Mr. GEORGE. I appreciate the Senator's answer; and I can appreciate his viewpoint. I take the contrary viewpoint. I think that the only way out for this country is a constantly increasing production at a constantly lower cost, consistent with the American standard of living. I think the problem is one of distribution.

Mr. PEPPER. Granted.

Mr. GEORGE. The problem is one of wider distribution. I do not think our people have reached the limit of their power to consume. I fear that we can never have a house divided against itself. Either we will become a socialistic state or we will stand, as we have for 150 years, for free enterprise. If the two systems can be harmonized, well and good.

Mr. HATCH. Mr. President, may I answer the Senator from Georgia?

Mr. PEPPER. I yield.

Mr. HATCH. I think that the last statement of the Senator from Georgia points the way out of many of our dilemmas. There is no question that the trend all over the world has been toward a more and more socialistic state, or socialistic legislation. I think that statement is correct, is it not?

Mr. GEORGE. I think it has been true in many parts of the world.

Mr. HATCH. Even in our own country.

Mr. GEORGE. Yes. I would not say there has necessarily been a trend toward socialism.

Mr. HATCH. Socialistic legislation.

Mr. GEORGE. There has been a definite trend toward social welfare legislation of various kinds. I distinguish the two in my own mind.

Mr. HATCH. So do I.

Mr. GEORGE. Yes.

Mr. HATCH. Things which 25 years ago the Senator from Georgia, myself, and other Senators would not have tolerated or voted for at all have become necessities in this day and time. Is not that true?

Mr. GEORGE. Certainly.

Mr. HATCH. The statement which the Senator from Georgia made, to the effect that it devolves upon us all to harmonize this tendency with our Democratic institutions, is the way out.

Mr. GEORGE. I think so, Mr. President. However, I do not think there is any virtue in public spending for the sake of spending. I recognize spending for relief as being based upon, governed, controlled, and measured by the necessity to meet relief. I would not go beyond that. I would lessen the burden of taxation so far as possible. I would relieve, so far as I could, all the other burdens on enterprise, in order that it might take up as much of the unemployment of this

country as it possibly can. I think it can take it all up under a system of wise distribution of our products.

I want to make it plain—though my philosophy may be a little old-fashioned and a little quaint in these modern days—that I do not think a deficit is ever a blessing. I do not think debt is ever a thing that brings happiness or prosperity. I cannot imagine it. The only excuse for debt or deficits is absolute necessity.

I voted for relief. I voted for practically all of the relief program. When every other Democrat, with one or two exceptions, voted the other day, I was one of half a dozen Senators here to vote for a $10,000,000,000 bond program offered during the Hoover administration by the distinguished Senator from Colorado, now dead, the late Senator Costigan, and the senior Senator from Wisconsin [Mr. LA FOLLETTE]. I was so conspicuous in that vote that, as I say, I stood practically alone, with the late Senator from Colorado, on this side of the aisle. I believed that was the time to meet this problem; but I still was acting on the theory that we faced a necessity for a large, long-time planned program of Federal expenditure to meet the depression when it first hit us in full blast, because I could not believe that the depression was a passing thing, that prosperity was around any "corner" in sight; and for that reason I thought it was wise then to make the expenditure.

Now, however, I think we are passing from the philosophy of expenditure to meet necessary suffering, to take care of actual distress, to take care of an actual condition, into a philosophy of spending for recovery. I do not think that can ever be done. I want to repeat that I think the only way to recovery, the key to recovery, is exactly the reverse of much of the philosophy that we have followed, and that is, production, increased production, wider distribution. That alone will bring prosperity, and that alone will bring security to democracy against its enemies from without and threats from within.

I myself shall never cease to regard the expenditures for relief—although I would support them as and when necessary, and to the extent necessary—as anything but a severe dose of medicine so far as the national economy is concerned, one that may relieve but that cannot permanently cure.

I am very glad the Senator from Florida took the position that he has taken, because I may say in frankness and candor that it is the only tenable position for those who say that permanently, because of technological improvement, changes in our lives, changes in civilization itself, a new problem has been created which has added permanently to a body of persons who cannot, under our system of free enterprise, find profitable employment. The Senator is entirely sound in taking that position if his conclusions be correct, because we have here a physical demonstration of the incorrectness and unsoundness of any other view, for we have virtually the same unemployment and the same need for relief that we had when Mr. Hoover went out of office.

Mr. NEELY. Mr. President, will the Senator from Florida yield in order that I may ask a question of the Senator from Georgia?

Mr. PEPPER. I yield for that purpose.

Mr. NEELY. May I inquire of the always wise and able Senator from Georgia—who has a very happy way of expressing himself—how he believes the distribution and increased consumption to which he refers can be achieved with eleven or twelve million idle persons in the United States?

Mr. GEORGE. Mr. President, of course I could not answer the Senator's question in a word. I would not trespass on the time of the Senator from Florida long enough to answer it adequately, but I think it can be answered briefly in this way:

Private enterprise can take up unemployment in the United States. I know that there are periods during which private enterprise has demonstrated an inability to do so, or, at least, periods during which it has not done so. Therefore, I favored the theory on which we based our social-security legislation. I will say frankly to the Senator that I think that legislation may have to be widened; but I do not want to take up the time of the Senator from Florida in making further response to the question at this time.

I think the Senator from Florida and the Senator from Georgia thoroughly understand each other. I think the Senator from Florida has taken a consistent position throughout his argument. That is to say, taking his premise, I think he comes to the only logical basis upon which it can stand.

I want to repeat what I said just now, that I have voted generally for relief. In this case I shall vote for the joint resolution, and I shall base my vote upon the report of the full Committee on Appropriations. I must assume that they think this additional $100,000,000 is adequate to meet the particular problem to which it is directed, because I know that on the committee there are distinguished Senators who have different viewpoints. Some may not favor relief at all, but there are on the committee those who do favor relief. Therefore I am assuming, as I generally do, that when a committee has carefully gone into a matter, and has unanimously recommended a measure carrying only $100,000,000 rather than the $150,000,000 which the Senator from Florida thinks should have been included in the measure, they must have canvassed the situation; and while I favor relief, and recognize the obligation resting upon us, and never under any circumstances would vote to continue a condition which it was within our power humanly to remedy under which men and women and children would starve or suffer, at the same time I think I must cast my vote by the necessity for relief; and I am putting my vote in favor of the joint resolution as it stands, on what I understand to be the unanimous finding of the committee that this is the amount necessary.

Mr. PEPPER. Mr. President, I am very grateful to the Senator from Georgia, than whom I esteem and respect no Senator more highly, because he, too, is logical upon his premises. That is the reason why I have ventured to offer the pending amendment.

I know, as all Senators know, that there is a very sharp line of cleavage among us here in our belief about this question. I may say that I heartily acquiesce in every word the eminent senior Senator from Georgia expresses; I heartily agree with him that the problem is one of distribution; but I do not know of any way in which the distribution problem can be solved by private enterprise alone.

I think private enterprise first failed to solve that problem, and that that is the only reason why government ever concerned itself with it; that it was not government reaching out to get hold of private industry, avaricious for power, that brought us into this terrible situation. I think the problem was thrown into the lap of government, and that business people came here to the Congress, not Congress going out after those people, saying, "We are going to take you over."

I do not want an unbalanced Budget, Mr. President; but for the life of me, I do not know how we are going to dispose of our agricultural surplus unless the people of the country are able to buy. I do not see how they are going to get the money to buy unless we either give it to them or make it possible for them to earn it. The reason why I have the belief that I have regarding this appropriation is that I think it is necessary to supplement private economy, not to displace it. Goodness knows, I do not want to do that.

I come of what I like to believe is a reasonable and a substantial background. Nobody in the world wants less than I do to disturb the existing social and economic order. I have no crackpot ideas about a new kind of government or a new Constitution or a new economic and political system; but I think modern productivity has so far exceeded ability to consume its products that they cannot be absorbed and assimilated without the supplemental aid of the Government, representing the whole economy.

Mr. MINTON, Mr. MURRAY, and Mr. HILL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Florida yield; and if so, to whom?

Mr. PEPPER. I yield first to the Senator from Indiana.

Mr. MINTON. Mr. President, if private enterprise is to assume this burden, of course, private enterprise must make a profit, because it is based upon a profit system.

Mr. PEPPER. That is true.

Mr. MINTON. Can the Senator tell us how private enterprise can continue to make a profit while continually producing a surplus?

Mr. PEPPER. No; I cannot.

Mr. MURRAY. Mr. President, will the Senator yield at that point?

Mr. PEPPER. I yield to the Senator from Montana.

Mr. MURRAY. I think the Senator from Indiana has put the very question I had in mind. Is not the only way in which industry can undertake to assist in this matter by being satisfied with less profits and spreading out a consuming power in the people by being satisfied with lower prices and paying better wages, or at least putting more men to work?

At the present time those engaged in industry in this country want to continue to make the profits they have always been able to make during the period when we were going through this transition. As technology introduced methods by which they were able to produce at less cost, instead of spreading out the resulting profits and giving the public the advantage of lower prices, the great industries took in the profits and accumulated a large capital that they were unable to invest; and that is the problem that is before the country today. The great industries will have to be satisfied with smaller earnings and put some of this money out in the hands of the people; and that is the only way in which they are ever going to be able to assist in the solution of the problem.

Mr. PEPPER. I thoroughly agree with the Senator.

Mr. MINTON. Mr. President, one other question. If we continue to produce and produce, as the distinguished Senator from Georgia says, and continue to pile up a surplus, we shall only increase our problem, shall we not, unless we solve the problem of how to distribute what we can produce?

Mr. PEPPER. Exactly. That is what all of us are striving for.

Mr. MINTON. The Senator from Georgia several years ago saw this problem in its true aspect, and was then for a large bond issue of $10,000,000,000 to solve the problem; but we missed the opportunity then to make the sizable appropriation that ought to have been made to meet the problem as it then existed. That day has gone by, and we have dribbled along, and have failed to solve the problem either 8 or 10 years ago, as the Senator wanted to do it, or in the intervening years; and consequently our problem has grown. Is not that the situation?

Mr. PEPPER. Decidedly so.

Mr. SCHWARTZ. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Wyoming?

Mr. PEPPER. I yield.

Mr. SCHWARTZ. A moment ago the Senator from Georgia stated that he understood that an appropriation of $100,000,000 was the unanimous judgment of the committee as to the necessity of the case.

As I understood the senior Senator from Tennessee [Mr. McKELLAR] when he was speaking, he said that three or four members of the subcommittee wanted to appropriate $150,000,000, and other members thought $100,000,000 was sufficient, and some of the members were inclined not to do much of anything, and that as a matter of fact when they got to cogitating among themselves as to what they ought to do it was also suggested that if the Senate did not do a certain thing the House would not do something else, and that if we put the amount at $150,000,000 the House would not go along.

So, as I understand the situation, it is not a case of the committee determining that a certain amount was necessary or not necessary, but they had conflicting views, and they compromised on something, with no basis behind it as to what one individual thought was right or what another individual thought was right. I also understand that practically all the committee had before them was the report of the W. P. A. as to what was the need. I am not objecting, but I just wanted to state that I understood the Senator from Tennessee [Mr. McKELLAR] to say that this amount was arrived at in a sort of compromise, in order to find something that the committee could bring out and report to the Senate.

Mr. GEORGE. Of course, that is true; hardly any large committee would be unanimous in its viewpoint on every particular item in any bill. But, as I understand, this is a unanimous report, and I must assume that the committee are making the report in good faith, however they finally arrived at it; and I must assume that the committee thought this sum was adequate, or believed that it would suffice, at least.

Mr. OVERTON. Mr. President——

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Does the Senator from Florida yield to the Senator from Louisiana?

Mr. PEPPER. I yield.

Mr. OVERTON. I wish to say, as one of two members of the committee who favored an appropriation of $150,000,000, that Senators are wrong when they come to the conclusion that we had absolutely no basis upon which to make a recommendation of $100,000,000.

To start with, it is my opinion that an appropriation of $150,000,000 will not, from the viewpoint of the Senator from Florida, and possibly from my viewpoint, meet the existing situation, because back of the approximately 3,000,000 who are now on the W. P. A. rolls there is a certified waiting list of 750,000 in addition. It is very true that that number can be reduced when the proper inquiry is made as to their necessities, but I am quite sure that out of 750,000 who are certified as being entitled to relief by local agencies there is a substantial number over and above those we are undertaking to care for today who are entitled to go upon the W. P. A. rolls on the ground of necessity.

When it comes to making an appropriation for relief, I am one of those who do not believe that we can compute the exact amount with any mathematical nicety or accuracy. We have to take a general view of the whole situation, and do the very best we can.

As a member of the committee, I entertain the view that a $150,000,000 appropriation would perhaps more adequately meet the situation which exists today; but we were confronted with a practical proposition. We had those on the committee who desired to make no appropriation at all. We had others who desired to make a much larger appropriation, and if the members of the committee made a report to the Senate with a majority on one side and a minority on the other, or perhaps not be able to agree at all, we would throw the whole subject matter into a prolonged and bitter debate, and it is possible that the outcome of the debate would have been a smaller appropriation than the one called for by the joint resolution as passed by the House.

Therefore, taking everything into consideration, I arrived at the conclusion, as did the Senator from Tennessee, that it was best for us all to agree on a sum which perhaps will not fully meet the situation, but one which, in our opinion, will fairly meet the need as it exists today. I intend to vote against any amendment to the joint resolution, whether it be an amendment to increase the appropriation or an amendment to decrease the appropriation.

I would have been happy if the committee had agreed unanimously to report an appropriation of $150,000,000, but since we could not do that, since, if the controversy had continued, it was not improbable that there would have been a joint resolution reported to the Senate carrying a substantially lesser amount, I entered into the agreement that we would compromise on $100,000,000, and when I did that, I think I did the best thing for the unemployed, for whom the Senator from Florida has made such an eloquent and able appeal.

Mr. PEPPER. Mr. President, I would, before anyone else, absolve the committee members, particularly those who have the point of view of the senior Senator from Tennessee and the senior Senator from Louisiana from any attitude or action which would be inappropriate to their high purposes. But the tragedy of the thing, it seemed to me, was that neither side got what it believed in. I know that the chairman of the Committee on Appropriations, the very honorable and able senior Senator from Virginia [Mr. GLASS], is quoted in the papers as saying he favored no additional appropriation at all.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. GLASS. The senior Senator from Virginia believes in taking care of every indigent person; but he believes it ought to be done by the States and the subdivisions of the States, in order to avoid the outrageous, almost criminal, extravagance which has ensued.

Mr. PEPPER. Mr. President, I know I am enlightened by the very clear-cut statement which the Senator from Virginia makes. I had been under the impression that he thought that this works-relief program was an erroneous philosophy. I did not know that he complained primarily of the agency which effectuated it. It is perfectly consistent with his background and the traditions he loves and with his philosophy for him to say that he would prefer that the State be the agency which would give the employment, and not the Federal Government. That is perfectly consistent with my philosophy. I do not care who gives it. Although I have a belief that it can more effectively and more economically be given by the Federal Government, I do not care who gives it. Either system, that proposed by the senior Senator from Virginia or that proposed by me, is in supplement of the activities of private enterprise. What I said to the senior Senator from Georgia was that I did not think private enterprise ever would be able to absorb the unemployed without aid—collateral assistance—from some kind of governmental agency, and what the pending measure indicates is that we have lost confidence in aiding business by governmental effort, it seems to me. If we really believed in this thing, we would not stop and let 200,000 go out of jobs on the 1st of April of this year and 300,000 more go out of employment on May 1 of this year and 267,000 more go off the relief rolls on the 1st of June of this year, as I am advised will occur under the existing appropriation for the W. P. A.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. ADAMS. The Senator has repeated the statement about some 200,000 going off the rolls in April. The 200,000 supposedly were going off because of the absence of this appropriation. If we ever get to the point of making the $100,000,000 appropriation, these 200,000 will not be dropped. In other words, the very purpose of the appropriation will be to keep those men on the rolls. It is the fact that we cannot get to making the appropriation that is allowing the orders to go out to remove people from the rolls. Of the 200,000 who are going off, 45,000 are aliens, and 36,000 have been determined by investigation not to be in need; so there are 82,000 who are dropped by virtue of the terms of the bill itself. If the $100,000,000 is appropriated, as the Senator figured a while ago, 1,600,000 can be employed 1 month.

Mr. PEPPER. Eight hundred and twenty-five thousand.

Mr. ADAMS. That was for $50,000,000. Fifty million dollars will employ a little over 800,000; but the $100,000,000 we appropriate will employ, in addition to those now on the rolls, 450,000 per month for each of the 3 months coming. So that the situation the Senator pictures will not exist if he will allow us to vote the $100,000,000.

Mr. PEPPER. Mr. President, that is typical of what we have been faced with every time this question has come up. That is simply a repetition of the assurances which the Senator from Colorado gave the Senator from New Jersey when he stood right here at this place and asked the Senator from Colorado at the time of the last appropriation whether he was right or whether Colonel Harrington was right. The Senator said, "No; there will not be a man dropped in the State of New Jersey." If the Senator from New Jersey is in the Chamber at the present time, I think he will affirm that he asked the question, and the Senator at that time said, "No; Harrington has been beguiling you with some figures." Yet they were removed, and they have been going off the rolls, and these 200,000 have already gone off on the first of this month.

Mr. ADAMS. Mr. President, let me say to the Senator that on the day when Colonel Harrington testified before our committee there were more people on the W. P. A. rolls in the United States than on the 4th of February, when we passed the bill. In other words, there had been no reduction in the rolls. As a matter of fact, between the 11th of February, 1 week after we passed the bill, and the 25th of February, within 2 weeks, there were 78,000 more put upon the rolls than were upon the rolls when we passed the bill. The passage of the bill was not followed by reductions in the rolls. The rolls at that time carried 2,965,000. Colonel Harrington testified before our committee that as of the date of his testimony the rolls carried 3,009,000, and the reduction is being made as of this week, and will be made, merely as a matter of ordinary mathematics, $61 per person per month, the very figure the Senator has been using.

Mr. PEPPER. Mr. President, let me ask the Senator from Colorado to state to the Senate whether or not, if the hundred million shall be appropriated, any persons now employed upon the W. P. A. will be cut off between now and the 30th of June.

Mr. ADAMS. There will be in the neighborhood of 24,000 taken off under the investigation of those who are not in need. Colonel Harrington says to us that on the rolls there have been not less than 2 percent who did not belong, that he has taken off 30,000, and expects to take off an aggregate of 60,000. So there are 24,000 to go off for that one reason.

Mr. PEPPER. Will any more go off?

Mr. ADAMS. Colonel Harrington gave to us, in supporting his argument for the $875,000,000 appropriation, a list of the number he expected to keep on the rolls, and that estimate, which we understood to be regarded as an adequate estimate, in view of the slight increase in employment, would show a reduction to 2,875,000 in April, to 2,775,000 in May, to 2,700,000 in June. Those were Colonel Harrington's figures. He figured a reduction from January to June of 300,000, by normal processes, voluntary retirements, and private employment. As a matter of fact, practically 150,000 a month go off the rolls voluntarily. That is the record. So the money which will be appropriated under the $100,000,000 joint resolution will keep on the rolls all of the numbers Colonel Harrington asked to have kept on with his $875,000,000, and will leave over $45,000,000 to be spent in the next fiscal year.

Mr. PEPPER. Mr. President, of course we might just as well not discuss any matter if we cannot come to an agreement as to a premise. If I have wasted my time in thinking that no one who is now working for the W. P. A. is to lose his job, if the 200,000 who have already been let off are to be put back on the rolls, there is nothing about which to argue—if I knew I could depend on the accuracy of what the Senator says.

Mr. ADAMS. I am merely suggesting that we depend on the accuracy of Colonel Harrington's figures, not mine.

Mr. PEPPER. One time the genial Senator says that Colonel Harrington does not know the truth, or he is not giving it to us, and another time the Senator relies upon Colonel Harrington's judgment instead of his own.

Mr. ADAMS. Mr. President, may I interrupt again?

Mr. PEPPER. Certainly.

Mr. ADAMS. I do not rely entirely upon Colonel Harrington, but for this purpose we are accepting his figures as accurate. I think, in fact, that there is not need for the full amount, but we have gone to the full extent of accepting Colonel Harrington's figures and applying them to his own computations.

Mr. PEPPER. Will the Senator consent to an amendment to the bill similar to the one that was put in the other bill

Mr. President, this telegram represents but a prelude of what Senators can expect should we fail to take heed of the

Union, with the exception of New York, Pennsylvania, and Illinois

which the Senator sponsored, namely, that no more than 5 percent of those now employed shall be dismissed before the end of the fiscal year?

Mr. ADAMS. I will say to the Senator that we had an experience along that line. We endeavored, as the Senator knows, to meet an argument that was being made both in and out of the Senate Chamber, that if we appropriated only $725,000,000, immediately in the midst of winter there would be 400,000, 500,000, or 600,000 persons turned out on the streets, and the Appropriations Committee said, "No; we think some reduction is proper, but we will not permit that to be done. You may go up to 5 percent but not above it."

But Colonel Harrington took a different stand. He said, "I am going to maintain the roll." He said, "The inference from the congressional action is that no one should be dropped from the rolls." When we said to him that he should not dismiss more than 5 percent he said, "We will not drop any." Not only did the W. P. A. not dismiss any, but they increased the rolls by 78,000 in the face of an appropriation which Colonel Harrington said was inadequate.

Mr. PEPPER. In the Senator's opinion, was that an unjustifiable increase?

Mr. ADAMS. The agitation for the increase was for the purpose of coercing the Congress of the United States by pressure from home, which the demand would incite and engender.

Mr. PEPPER. I have a last question I should like to ask the Senator. If the $100,000,000 appropriation is granted by Congress, will the 850,000 certified applicants in the country, who do not now have jobs, obtain employment?

Mr. ADAMS. The Senator speaks of 850,000 persons who are certified. In the first place, there is no such list of persons certified by W. P. A. There is no list of men certified by the W. P. A. who are not on the W. P. A. There is a list of applicants who have received their certification from local authorities. It is not a list of those who have passed the scrutiny and the test of the W. P. A. It is a list that is not new. It has existed for at least 2 years. There have been some 750,000 applicants certified for 2 years. Colonel Harrington and his administration, from October until January, in the face of this, cut the rolls by 350,000. In other words, there has been no embarrassment, there has been no handicap in prior days, with respect to reducing the normal rolls. It is the list from which men are drawn. But the Senator knows, unless Florida is different from other States, that when applicants come to the local authority, which may be the board of county commissioners or a welfare agency, the temptation is great to certify them without very scrupulous examination. And that is not all. Once a person is certified he stays on the list.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MURRAY. I think the statement just made by the Senator is a slander on the certifying agencies of the States. I think the State agencies very carefully scrutinize those who are placed on the eligible lists. I know that in my State of Montana we have tremendous lists. Take for instance the city of Butte. In that city alone, as a result of the reduction in mining operations, there are thousands who are not only on the local lists, but I receive letters every day from the miners' organization calling my attention to the fact that something must be done to take care of the men who are out of employment and who cannot find employment in industry.

Mr. ADAMS. Mr. President, the Senator from Montana spoke of the slandering of agencies. I do not think it is a slander to say that a county or a State is eager to put the burden on the Federal Government. That is nothing unusual. It is not slander to say that. As a matter of fact, it is the normal thing for them to do. There are counties in my State which are in difficult situations financially, and they naturally would do that. If a man is in distress, and the local authorities can get the Federal Government to put him on its rolls, of course they will do so. They are not as strict in their examination as they otherwise would be. What was said does not constitute a slander. With the exception of Montana, I think it is a statement of fact.

Mr. BILBO. Mr. President, in reference to the observation of the Senator from Colorado, I wish to make a further remark. For 3 or 4 years in the State of Mississippi the W. P. A. administration has had nothing to do with the certification of those who were eligible and were in need. Today we have between 40,000 and 50,000 on the relief rolls, and in addition between 90,000 and 100,000 persons who have been certified for nearly 3 years and who are just as much in need as are the 40,000 or 50,000 who are on the rolls today. Many of them are on the verge of starvation. Many of them are almost naked. Yet we talk about the administration taking a few off of the rolls. I want to know where we are going to get the money to put on the rolls those 90,000 or 100,000 who for 2 or 3 years have been in need of relief, on the verge of starvation.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LUNDEEN. The Senator was interrupted in the able statement he was making to the Senate with respect to W. P. A., and he did not, as I remember, give the total for the various months. I have been much instructed by the statements made by able Senators here today. We can talk about various theories of government as much as we wish, but we are confronting facts; we are confronting hungry, starving people; we are confronting a large number of unemployed, and people who are going to be thrown off the rolls. I should like to have the total of those figures given.

Mr. PEPPER. Mr. President, before I came to the Chamber this morning I called Mr. Howard Hunter, the Assistant W. P. A. Administrator, and told him I wanted some accurate information about what was going to happen to the W. P. A. rolls, because every time we have debated this question—and I say it with all kindliness to the Senator from Colorado—it has been just about as clear as mud as to what we were trying to vote on. They sent a man to me with the figures. He is an assistant W. P. A. administrator. The figures he gave me show that on the 1st of April 200,000 were actually dismissed; not "going to be" dismissed; but actually dismissed. On the 1st of May an additional 300,000 will be dropped, and on the 1st of June an additional 267,000 will be dropped, making a total of 767,000 who will be dropped between now and the end of the present fiscal year because the W. P. A. will not have sufficient funds to keep them on the pay roll.

Mr. MURRAY. Mr. President, is that in addition to the 750,000 who have previously been certified as eligible?

Mr. PEPPER. It means that persons who have already gotten jobs are going to be laid off; and, as the Senator from Mississippi properly pointed out, in all the States of this country there are literally thousands of unemployed who have been investigated by a social-service worker or a competent State agency, and have been certified to the W. P. A. as in need and actually deserving of W. P. A. employment.

Mr. ELLENDER. Mr. President, with the permission of the Senator from Florida [Mr. PEPPER] I desire at this time to read for the benefit of Senators a telegram addressed to me which I have this day received. It may shed some light with respect to the discussion that is now under way. I read:

HAMMOND, LA., *April 6, 1939.*

Senator ALLEN ELLENDER,
Washington, D. C.:

Meeting of several hundred persons discharged from W. P. A. held and appointed undersigned as committee to protest wholesale and discriminatory discharge of workers in Livingston Parish. About 925 workers badly in need of work out of 1,100 total have been let out. This is over 75 percent. Other parishes are letting out only from 10 to 20 percent. No effort made to discharge according to need of worker. Men with large families to support discharged, others not nearly so in need retained. We feel that Livingston Parish has not been dealt with fairly and we urge immediate action on your part to right this wrong. Our people are in need at best, and with wholesale dismissals much suffering and hardship will prevail.

WARY WATTS, *Chairman.*
B. D. FOSTER.
SIDNEY A. SANDERS.
HENRY MARTIN.
JOHN BARBER.

seeking to carry out the program which the W. P. A. Administrator submitted as to the number to be employed each

to be furnished and the number of people that amount of money will put on the rolls

Mr. President, this telegram represents but a prelude of what Senators can expect should we fail to take heed of the recommendations of the Administrator of W. P. A., Colonel Harrington. When the Senate considered a bill for additional funds for W. P. A. a few months ago, it was pointed out that unless the full amount requested by those in authority was made available W. P. A. rolls would have to be cut considerably. That time has arrived and the rolls are being reduced. Just stop and think, according to the telegram I have just read, 925 men out of 1,100 employed in one parish in my State have been discharged. In other parishes the rolls are being reduced from 10 to 20 percent. It may be that some cuts are justified in some sections of the country because of the absorption of labor in industry and agriculture. But, as a whole, however, I feel confident that the unemployed now in distress cannot possibly be taken care of by private enterprises in the light of past experience. As was pointed out by the able Senator from Florida [Mr. PEPPER], the reduction of W. P. A. rolls as scheduled by Colonel Harrington is about to take place. That schedule was fixed and determined several weeks ago and the Senate was warned that it would have to be put into effect, beginning in April, unless $150,000,000 additional were made available. Colonel Harrington was right a few weeks ago when he predicted what would happen if we did not appropriate $150,000,000. He is right today, and I do hope that the Senate will adopt the amendment proposed by the Senator from Florida and thereby make the additional sum of $150,000,000 available.

How silly it is to say that business will improve if we cut W. P. A. appropriations. Since 1933 business has had ample opportunity to show its intention. The Government poured out billions for relief, billions for public works, billions for the soldiers' bonus, and as long as that immense amount of money flowed into the channels of commerce we had some prosperity. Did industry go out of its way to cope with the Government in relieving unemployment? I contend it did not. Industry does not seem to desire to take chances. It must be convinced of large profits before it is willing to venture out. It is now complaining of high taxes, of certain evils that exist. It is contending for lower taxes and a removal of business barriers. It complains of a lack of confidence and other ghostlike apparitions. Strange it is that most of the giants in industry have recovered their lost fortunes during this administration. When President Roosevelt was sworn in 6 years ago, most of them were on the verge of bankruptcy, and the most of them rallied under his banner. Today they are no longer in distress and are using every means at their command to place his administration in disfavor.

No, Mr. President, let us not turn our backs on these unfortunates. It is our solemn duty to take care of them to the best of our ability. I am not a pessimist, but unless we do take care of the hungry and the poorly clad, there will lurk ahead a force that will know no bounds and that may cause our cherished institutions to crumble.

I must apologize to the Senator from Florida for this encroachment on his time.

Mr. PEPPER. The Senator need not apologize. I want to thank him for his valuable contribution.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. REYNOLDS. I am considering making the proposition of doing a little trading. I understand the Senator has presented an amendment boosting the amount to $150,000,000.

Mr. MURRAY. Not boosting it—restoring it.

Mr. REYNOLDS. Restoring it. As I said a moment ago, my State of North Carolina receives less per capita than any other State in the Union. I want to see North Carolinians eat as much food and get as much of this money as any others in the country. I think North Carolina is entitled to it because North Carolina pays more annually to maintain the Government than does any other State in the Union, with the exception of New York, Pennsylvania, and Illinois.

Mr. MURRAY. And Montana! [Laughter.]

Mr. REYNOLDS. No; Montana is away down on the list.

In view of the fact that North Carolina contributes so generously to the upkeep and maintenance of the Federal Government, I think North Carolinians are entitled to be treated as well as the people of any other State in the Union. Therefore I propose at the propert time to offer the following amendment:

Provided, That the wages paid by the Works Progress Administration for the same nature or character of work shall be uniform throughout the United States.

I ask the Senator, if I will vote for his $150,000,000, will the Senator vote for my amendment? [Laughter.]

Mr. PEPPER. I should like to make an inquiry before I answer that question. I should like to ask the Senator from New Mexico [Mr. HATCH] if I would be guilty of a felony if I entered into such a political bargain on a relief matter with the Senator from North Carolina.

Mr. HATCH. Mr. President, I have already fully advised the Senator from Florida on all questions regarding felonies in connection with the W. P. A. My former advice still stands.

Mr. PEPPER. Insofar as I may give the Senator from North Carolina assurances without entering into a covenant, I will say "yes."

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. SCHWELLENBACH. Recurring to the discussion between the Senator from Florida and the Senator from Colorado, it is my understanding that the contention of the Senator from Colorado is that even with only $100,000,000 no one will be in need or deprived of work on W. P. A., that there is a dispute in that regard between the Senator from Colorado and the Senator from Florida. In view of that I wonder if the Senator from Colorado would be willing to accept the following amendment, which I propose to offer?

Provided, That the Works Progress Administration shall so administer the funds allotted to it for the balance of the fiscal year, and so regulate the employment, that no project worker who is in need and employable and who cannot find employment in private industry at wages not less than the prevailing rate of wages for work for which he or she is reasonably fitted by training and experience shall be discharged from the Works Progress Administration rolls except for cause.

Mr. PEPPER. Mr. President, I hope that the suggested amendment will be agreeable to the Senator from Colorado.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. ADAMS. I will say to the Senator from Florida that one of the impelling motives which influenced the members of the Appropriations Committee to agree on the amount was that the appropriation might be put through expeditiously—that we might pass the House measure and have it go into effect immediately, with no requirement for a conference, so that the very discharges about which the Senator is concerned would not take place, and the $100,000,000 would be immediately available to the Administrator of the W. P. A. The Administrator has established a scale of the number who will be on relief, which he submitted in reference to the $875,000,000 proposal. So far as I can see, beyond any question, the $100,000,000 will maintain the desired amount of employment up until the 30th of June, leaving the Administrator at least $45,000,000 to carry him over and meet his expenses for the first week in July.

Mr. PEPPER. Mr. President, I do not know what I am to understand. Am I to understand from the Senator from Colorado that if my amendment is defeated, the exact thing which the Senator from Washington [Mr. SCHWELLENBACH] desired by his proposed amendment will assuredly be accomplished?

Mr. ADAMS. I do not know what the Senator from Washington may have in mind. I am merely saying that we are

seeking to carry out the program which the W. P. A. Administrator submitted as to the number to be employed each month between now and the 1st of July.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. SCHWELLENBACH. I will say to the Senator from Colorado that there is nothing concealed or hidden in the proposal I make. I think we ought to recognize the difficulty which our Appropriations Committee has. In talking to representatives of W. P. A. during the past several years I have been very critical of the manner in which they have presented their figures. I have entire sympathy with the members of the committee because of the difficulty they have in knowing the exact figures. On the other side, I have been critical of W. P. A. However, as I understand, it is the contention of the committee that nobody will lose work if $100,000,000 is provided; that is, nobody in need, nobody who is employable, will lose work; and the only ones who may lose work will be those who naturally would enter private industry during the remainder of this fiscal year. If the Senate Appropriations Committee is correct in its conclusion, I do not see why anybody should object to the amendment which I have suggested, so as to give definite instructions to the W. P. A. officials.

Mr. ADAMS. Mr. President, that is not the situation. The Appropriations Committee has never said, and Colonel Harrington has never said, that no one who was in need and who was employable, would go off the rolls except to take a place paying wages as good as or better than those paid by the W. P. A. Colonel Harrington has set up a scale as to the number to be employed in a stated time. It is inevitable that there may be some in need who will not be taken on the rolls.

Mr. SCHWELLENBACH. My amendment does not refer to taking anybody on. It is simply a matter of putting them off.

Mr. ADAMS. That is not the problem. Every week persons are going on and off. There is no fixed number on the rolls. There will not be the same set of people on the rolls next week as this week. They go off on an average of 125,000 to 150,000 a month. It is a question of replacement. It would be very easy to say that nobody in need who is on the rolls should be dropped. The rolls would automatically drop down. The question is, How many are to be placed on the rolls to replace those who are dropped? We have relied on Colonel Harrington's figures as to the number who ought to be employed. He has not said to us that no man who was in need would be dropped. He has said to us that the program will take care of so many; and we are seeking to provide the money to do that which he said he wished to do.

Mr. SCHWELLENBACH. Then I misunderstood the previous statement of the Senator from Colorado in response to the question of the Senator from Florida.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. PEPPER. I will yield; and then I wish to conclude.

Mr. BILBO. May I ask the Senator from Colorado [Mr. ADAMS] whether or not it is his understanding that Colonel Harrington proposes to take care of any of the 850,000 who are certified and who have not yet been placed on the rolls?

Mr. ADAMS. The situation is just as I have tried to explain to the Senator from Washington [Mr. SCHWELLENBACH]. The rolls are in a condition of continual movement. A man will go on the rolls from the 850,000. Other men who lose their jobs will go on the list of 850,000. The list of eligible persons is a shifting list, like the rolls. In other words, we must regard the W. P. A. matter in its true light. The rolls are not a fixed number, like the muster roll of an army, which is not subject to change. Out of the 850,000, I should imagine that 300,000 will find their way onto the rolls, replacing practically an equal number who will go off to take other employment. The exact number cannot be determined in advance. What we can determine is the amount of money to be furnished and the number of people that amount of money will put on the rolls.

Mr. BILBO. What disturbs me is that I know personally of many who are in absolute need, who are starving, who have been certified for 2 or 3 years, and who have not yet been put on the rolls. As the Senator from Florida suggests, there will be so many hundred thousand dismissed on the first of each month from now until the conclusion of the present fiscal year. I see no opportunity for any of the 850,000 to be put on the rolls. Inasmuch as approximately 40,000 of those are my own constituents, I am inclined to support the proposal for $150,000,000 or as much more as may be necessary to put on the rolls all who are entitled to relief from the Government.

Mr. PEPPER. Mr. President, if Senators will permit me, I should prefer not to yield any further. I shall conclude my remarks in 2 or 3 minutes.

I have in my hand a communication from the W. P. A. administrator of my State, which says that 23,000 who are certified in my State for relief have never been able to obtain a job. I do not believe there is a Senator who does not know from his personal experience in his own State that the effect of the reduction in the appropriation will be that more persons in his own State will be dropped from the W. P. A. rolls. There is not a Senator who does not know that persons who are certified by State agencies will not be given a job by the Federal Government, either now or hereafter, according to the sentiment indicated in the committee with respect to the appropriation.

We know, Mr. President, that the 11,000,000 unemployed, the number of which is not contested by anybody, will not have an opportunity to obtain a job. They will languish in their pitiable state because the Congress is not disposed to take care of them. More millions who are subsisting upon meager social-security benefits of three, four, five, or six dollars a month, and who are ineligible for the W. P. A., meager as its contribution is, will not have an opportunity to obtain a job from the Federal Government or from private enterprise.

Mr. President, the farmers who are thrown out of employment because they cannot sell their agricultural commodities will not find purchasers for those commodities in the W. P. A. or other Federal agencies. Those who are thrown out of their farm vocations will not have an opportunity to obtain alternative employment under such a program. Those who have been subsisting upon the meager pensions we have provided can expect no immediate succor from this Congress, with the attitude of economy which is the predominant sentiment of the Senate and the House.

Mr. President, if the members of the committee who think we should reduce the appropriation are correct, why would we not achieve more perfect success by cutting out the whole W. P. A. program and balancing the Budget, and saying that after all we have had the courage to do what they believe to be right? As it is, we do not take the medicine of either doctor. We do not take any program which would give employment to practically all those who are without a job. We do not take the program of the senior Senator from Virginia [Mr. GLASS], who believes that employment can best be furnished through the States, or the program of the junior Senator from Virginia [Mr. BYRD], who says that we ought to balance the Budget and dispense with extra appropriations.

We dilly-dally between the two extremes, half doing the one and half doing the other. We might as well expect two doctors, one giving one remedy and the other giving a remedy to neutralize the remedy of the first, to cure a patient of a pernicious ailment.

I say that the program we have followed for 6 years has been necessary and has been helpful. I ask leave to insert at this point a table compiled by Secretary Wallace showing how the national debt has had to expand to take up the shrinkage of private investment and private loans which formerly supported the business structure.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I—*Government debts, private long-term debts, and bank loans and discounts, United States, 1921–38*

Year	U. S. Government [1] (June 30)	Federal agencies [2] (June 30)	State and local [3] (June 30)	Total Government	Private long-term [4] (Dec. 31)	Loans and discounts all active banks [5] (June 30)	Total private long-term and bank loans	Grand total, Government and private
	Millions	*Millions*	*Millions*	*Millions*	*Millions*	*Millions*	*Millions*	*Millions*
1921	23,737	450	8,476	32,663	48,682	28,776	77,458	110,121
1922	22,711	730	9,893	33,334	51,200	27,759	78,959	112,293
1923	22,008	1,062	10,598	33,668	55,234	30,287	85,521	119,189
1924	20,982	1,231	11,633	33,846	60,156	31,348	91,504	125,350
1925	20,211	1,506	12,830	34,547	64,895	33,757	98,652	133,199
1926	19,384	1,659	13,664	34,707	69,861	36,051	105,912	140,619
1927	18,251	1,789	14,735	34,775	75,156	37,314	112,470	147,245
1928	17,318	1,866	15,699	34,883	80,121	39,592	119,713	154,596
1929	16,639	1,867	16,760	35,266	83,224	41,433	124,657	159,923
1930	15,922	1,871	17,985	35,778	84,500	40,510	125,010	160,788
1931	16,520	1,885	19,060	37,465	83,131	35,211	118,342	155,807
1932	19,161	2,130	19,330	40,621	80,192	28,090	108,282	148,903
1933	22,158	3,279	19,517	44,954	75,594	22,388	97,982	142,936
1934	26,480	6,735	18,823	52,038	74,300	21,431	95,731	147,769
1935	27,645	10,177	18,972	56,794	72,831	20,419	93,250	150,044
1936	32,756	11,066	19,212	63,034	71,459	20,839	92,298	155,332
1937	35,803	10,547	19,152	65,502	70,335	22,698	93,033	158,535
1938	36,576	7,989	19,170	63,735	70,000	21,380	91,380	155,115

[1] Interest-bearing debt of the U. S. Government, p. 410, 1937 Report of the Secretary of the Treasury, except that data for 1938 were taken from U. S. Department of the Treasury.

[2] Total amount of outstanding securities wholly or partially exempt from Federal income taxes of the (1) Federal Farm Loan System; (2) Federal Home Loan System, and the (3) Reconstruction Finance Corporation as reported on p. 466 of the Annual Report of the Secretary of the Treasury for 1937, except that data for 1938 from U. S. Department of the Treasury and include debt of the newly created agencies, Commodity Credit Corporation and Federal National Mortgage Association.

[3] Includes both long- and short-term issues. Annual Report of the Secretary of the Treasury for year ended June 30, 1937, p. 466, except that data for 1938 are from U. S. Department of the Treasury.

[4] Total private long-term debt in the United States: 1922, 1930, and 1934 to 1937, inclusive, are Department of Commerce estimates, Long-Term Debts in the United States, 1937 and Survey of Current Business, January 1939; estimates for 1921 from Private Long-Term Debt in United States, National Industrial Conference Board. All other years prior to 1938 based on National Industrial Conference Board data (same source) with adjustments by Agricultural Adjustment Administration to bring into agreement with the Department of Commerce series. 1938 is preliminary Agricultural Adjustment Administration estimate.

[5] Loans and discounts all active banks, Comptroller of Currency reports (1938 is preliminary).

Agricultural Adjustment Administration Division of Program Planning, Agricultural Industrial Relations Section.

Mr. PEPPER. I rose to remind the Congress that we should either take the view of the senior Senator from Georgia [Mr. GEORGE] that proper distribution can be achieved by private industry alone, or adopt the theory which some of us entertain, that it is necessary for the Government to supplement the effort of private industry. Monopoly and technological improvements have made it impossible for private industry to absorb the millions of unemployed Americans; and when we do not recognize that symptom of our ailment we ignore the necessary diagnosis of modern economic conditions.

I do not care whether 150 or 30,000 are dropped from the rolls. I am not quibbling over that point. I stress the point that Congress by this action has definitely repudiated a modern view about modern economic conditions and has refused to apply to them the necessary correctives before they can ever be brought into a happy or reasonable equilibrium.

Let us weigh this action before we throw away the opportunity we have to make America what it can and should be, before we lose our great chance to make America really free—free economically as well as politically—free for all men, free for the little man as well as the big, free even for the unemployed, for no less than any other citizen they and their families are entitled to their share of our birthright of real freedom.

AMENDMENT OF SOCIAL SECURITY ACT

Mr. BONE. Mr. President, I wish to introduce into the RECORD some helpful statements which have come to me with regard to Senate bill 959. The bill has the purpose of amending the Social Security Act to provide for the Federal Government matching equally the sums expended by the States for aid to dependent children. At present the Federal Government matches on a 50-50 basis the expenditures of the States for old-age assistance and for aid to the blind, but provides only one-third for aid to dependent children.

The only reason I have been able to discover why the Congress discriminated against the children's classification as compared with that of the blind and aged, is that in former years it was the custom for communities to share with the State the cost of aid for children. When the Federal Government stepped in to provide funds, it was assumed that the communities would continue to contribute, and that if the Federal Government contributed one-third, the community one-third, and the State one-third the needs would be met.

However, as we all know, communities, which have limited taxing ability, have been hard hit by the years of depression and have not been able to contribute the one-third which it was supposed they would provide.

In this connection I quote from a letter from Frank Bane, Executive Director of the Social Security Board, written to me under date of March 23, 1938, in which he says:

> In a number of States, where the assistance programs are financed through a division of costs among State, Federal, and local governments, certain poorer localities have encountered serious difficulties in raising the required local contribution. This is especially true in States in which the localities must depend on the property tax for their revenues and in which there is no provision for State equalization.
>
> On the whole, the State and local appropriations for aid to dependent children have been less adequate than those for old-age assistance. While this situation may be explained in part by the unusual interest which has been evidenced in the care of the aged, the fact that the percentage of Federal participation is smaller for aid to dependent children than for the other categories has not only limited the total amount of money made available from Federal, State, and local sources for this purpose, but has also made some States hesitant about entering into a program under which the State and its localities are required to carry two-thirds of the financial load.

The interest in making this logical change, to provide the same matching provision for aid to dependent children as for aid to the aged and the blind, is manifested in letters which have been received from directors of public-welfare departments of 36 States other than my own State.

The director of social security in my State, Mr. Charles F. Ernst, has long been advocating an increase in the Federal allotment for aid to dependent children.

These letters were written in response to a query from Mr. Glen Leet, editor of the Washington News Letter on Social Legislation, and have been placed in my hands by Mr. Leet. I should like to have incorporated in the RECORD as a part of my remarks, extracts from letters received by Mr. Leet.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

Loula Dunn, commissioner, department of public welfare, Alabama:

"This department is very much in favor of the increase, mainly for the following reasons:

"1. More dependent children who have been deprived of parental support will be given the care they need. The 'ill-fed, ill-clad, ill-housed' dependent children of Alabama could be far more adequately provided for in their own homes if we could secure 50-percent Federal matching for assistance which the State and county are able to render.

"2. The tendency on the part of many State and local governments to place more emphasis on aid to aged persons than on aid to dependent children would be largely corrected in that the cost to the State and local governments would be the same for both categories."

Earl M. Kouns, director, State department of public welfare, Colorado:

"We believe that the program for children is a most worth-while program, and we are depending upon Congress to change the Federal participation from one-third to one-half, as, certainly, they should give as much consideration to children as they do to the aged, the highways, and various other functions. Unless Congress changes this Federal participation early this year the various counties of the State will not have sufficient funds to make their share of the payments for aid to dependent children benefits."

Elwood Street, director of public welfare, District of Columbia:

"I approve most heartily of the proposal of the Social Security Board to increase the Federal contribution for aid to dependent children from one-third to one-half."

C. C. Codrington, commissioner, State welfare board, Florida:

"The State Welfare Board of Florida sincerly believes that Federal contribution for aid to dependent children should be one-half instead of one-third as at present. Florida's viewpoint is that this is the most important and valuable category under its administration."

Braswell Deen, director, State department of public welfare, Georgia:

"The only reaction I have had relative to the position of the Social Security Board to increase the Federal contribution for aid to dependent children from one-third to one-half has been most favorable. Personally, I very much hope this can be done."

B. Child, director, department of public assistance, Idaho:

"It is my feeling that an increase in the Federal contribution for aid to dependent children from one-third to one-half would be most helpful to State administrators in their efforts to establish adequate standards of assistance to dependent children.

"I feel that until this is done there will always be discrimination on the part of the States toward the end that their expenditures will be made in those directions which will yield the most generosity in the matching of Federal funds."

John C. Weigle, acting superintendent, department of public welfare, Illinois:

"Just as a matter of investment on the part of the Federal Government, certainly the dependent children of America who are to be the citizens of America tomorrow are entitled to as much by way of grants in aid as are the needy aged."

T. A. Gottschalk, administrator, department of public welfare, Indiana:

"This subject has been under discussion in this department quite often and we are very much in favor of such an increase in Federal reimbursement. This is also favored by the counties of the State of Indiana, who, under the Indiana plan, participate in the cost of the program."

R. B. Church, State director, board of social welfare, Kansas:

"The State Board of Social Welfare of Kansas is in accord with the proposal of the Social Security Board to increase the Federal contribution for aid to dependent children from one-third to one-half."

Margaret Woll, commissioner, department of welfare, Kentucky:

"I would heartily endorse the proposal of the Social Security Board. In fact, I see no reason for discrimination against the children in the distribution of Federal funds."

G. W. Leadbetter, commissioner, department of health and welfare, Maine:

"I am strongly in favor of this change."

J. Milton Patterson, executive secretary, board of State aid and charities, Maryland:

"I think it is very sound for the Federal Government to change their contribution for aid to dependent children from one-third to one-half.

"In the first place, it would make uniform the grants to the States for all three categories and would eliminate a lot of confusion in bookkeeping, but, most of all, it would make available to the States more money for children, and, in my judgment, the children's program is much more essential than any of the others, because we are dealing with the citizens of today and not the citizens of yesteryear."

Benjamin E. Youngdahl, director, public assistance, Minnesota:

"There is no reason known to us for giving children a smaller amount of Federal support than is given the aged group. If anything, the Federal Government should take the lead in aid to dependent children and foster it in every possible way. One reason for this statement is the fact that children do not of themselves form a pressure group—children do not lobby for themselves, and almost no one else lobbies for them; yet this aid to dependent children program is in most ways the most hopeful and promising of the various programs of aid carried on in the country today."

W. F. Bond, commissioner, State department of public welfare, Mississippi:

"I cannot see why there should be any objection at all from any source to the amendment of the Social Security Act providing that aid for dependent children shall be on a 50-50 basis between the Federal Government and the States as is now provided for in aid to the needy blind and to the needy aged. I certainly hope that this amendment is carried in Congress."

George I. Haworth, administrator, State social-security commission, Missouri:

"At a meeting of State administrators in Washington early in December, I believe it was the unanimous opinion that the Federal Government should contribute one-half for aid to dependent children, the same as for old-age assistance. This difference is very hard to explain to State officials and many States need the assistance of the Federal Government in making these grants available for a cause as worthy, if not more so than grants to the needy aged."

I. M. Brandjord, administrator, department of public welfare, Montana:

"As far as I know, the sentiment in favor of this change in the State of Montana is unanimous. It has been impossible to explain to people why the Federal Government contributes one-half for old-age assistance and one-half for aid to needy blind but only one-third for aid to dependent children. Our legislature has already passed a memorial to Congress favoring this change."

Neil C. Vandemoer, director of assistance, Nebraska:

"We see no reason why there should be a difference in the matching by social-security funds in old age, blind, and aid to dependent children."

Harry O. Page, commissioner, department of public welfare, New Hampshire:

"I am very hopeful that the Congress will pass favorably upon the recommendation of the Social Security Board that the Federal contribution for aid to dependent children be increased from one-third to one-half.

"The dependent children situation in New Hampshire is very serious at the present time. The State has never appropriated sufficient money with which to meet the needs of applications made in behalf of dependent children and as a result this department has had established for some time a waiting list of eligible applicants to whom grants could not be made because of a lack of funds."

William J. Ellis, commissioner, department institutions and agencies, New Jersey:

"At the meeting of the American Public Welfare Association in December it was the general consensus of the groups that the Federal contribution for aid to dependent children should be increased and put on the same basis as aid to the blind and aid to the aged; that is, on a 50-50 matching basis. I would strongly recommend this."

Fay Guthrie, director, department of public welfare, New Mexico:

"In my opinion, Congress should increase Federal contribution for aid to dependent children from one-third to one-half and place it on the same basis as Federal participation in old-age assistance and aid to needy blind.

"It is very difficult to obtain State appropriations for aid to dependent children inasmuch as there are few in this group who vote and the pressure comes from the old-age assistance group which has a strong, organized program in this State."

Mrs. W. T. Bost, commissioner, State board of charities and public welfare, North Carolina:

"We expressed keen interest in the proposal to increase Federal contributions for aid to dependent children from one-third to one-half."

E. A. Willson, executive director, public welfare board, North Dakota:

"Under the present act, with the Federal Government contributing only one-third, there is tendency to neglect the dependent children and favor the aged and the blind, for whom the Federal Government provides one-half of the payments."

Fred Spear, director of public welfare, Oklahoma:

"We are in full sympathy with the proposal now pending in Congress that the Social Security Board increase the Federal contribution for aid to dependent children from one-third to one-half."

Elmer R. Goudy, administrator, State relief committee, Oregon:

"We feel that the increase of the grants in aid to the States for aid to dependent children to one-half, both of grants and administration, is very important at this time. The financial burden for social-security programs and relief has become so heavy on the counties and the State that at the present time we have discontinued accepting new cases on aid to dependent children in approximately one-half the counties of the State, representing approximately 75 percent of the case load of the State, which includes the city of Portland."

Howard L. Russell, secretary, department of public assistance, Pennsylvania:

"I concur heartily in this proposal. Its adoption at this session of Congress would be of definite help to States like Pennsylvania, which, despite a critical problem of financing, is striving to maintain necessary assistance services without cutting standards."

Mortimer W. Newton, chief division of social security, Rhode Island:

"I heartily approve of the proposal of the Social Security Board to increase the Federal contribution for aid to dependent children from one-third to one-half."

Thomas H. Daniel, State director, department of public welfare, South Carolina:

"In my opinion, the program of aid to dependent children should at least be on an equal footing with that of aid to the needy aged and aid to the needy blind, insofar as Federal contribution is concerned."

Paul Savage, commissioner, department of public welfare, Tennessee:

Mr. Savage states that the Tennessee Legislature passed a resolution urging enactment of "Senate bill No. 3759 or a bill of similar nature providing for division of costs at a one-half and one-half ratio between Federal and State Governments in carrying aid to dependent children under the United States Social Security Act."

W. A. Little, director, old-age assistance commission, Texas:

"The A. D. C. group is the least adequately financed. Actually, the amount of money usually available for an individual case results in slow starvation. In comparison with the amount possible for old-age assistance, for example, in Louisiana, an A. D. C. family consisting of a mother and two children is limited to a grant of $30, whereas a single O. A. A. recipient may receive $30. The mother is barred from W. P. A. and her chances for supplementing the grant by private employment, in order to allow her presence in the home sufficient for supervision and care of the children, are slight."

J. W. Gillman, director, State department of public welfare, Utah:

"We would be favorable to such a program, as it is difficult for the State and counties of Utah to finance the two-thirds to adequately care for dependent children."

W. Arthur Simpson, director, old-age assistance department, Vermont:

"I believe that the State of Vermont will look with a great deal of favor on increasing the Federal contribution for aid to dependent children from one-third to one-half. There is no reason whatsoever why this contribution should not be on the same basis as the other public assistance programs."

William H. Stauffer, commissioner, department of public welfare, Virginia:

"It would be extremely helpful to States like Virginia, whose economic resources are not large, to have the Federal Government contribute more adequately for the support of so important program as aid to dependent children."

A. W. Garnett, director, State department of public assistance, West Virginia:

"I am heartily in accord with the proposal of the Social Security Board to increase Federal contribution to aid to dependent children from one-third to one-half. Much might be said with respect to the inconsistency between this and other categories under present law, all of which should be obvious; but beyond the strong case that could be made for equal, if not preferential, treatment of children, I am impressed with the fact that the States are in need of this subsidy in many instances in order to finance more adequately this very important category."

George M. Keith, supervisor of pensions, State pension department, Wisconsin:

"We can take but one view, which is to give complete support to this proposal. Relatively the aid to dependent children program in this State has suffered by virtue of a lower Federal contribution than is received for old-age assistance or aid to the blind, although the State itself has made a somewhat more liberal contribution than for either of the other two aids."

S. S. Hoover, director, department of public welfare, Wyoming:

"We feel that the Federal contribution should be increased from one-third to one-half, placing aid for dependent children in the same status as that now contributed by the Federal Government for old-age assistance and aid to the blind."

William B. Kirk, director, department of public welfare, Alaska:

"Although Alaska does not have an aid to dependent children program, legislation has been proposed before the territorial legislature, now in session, which would enable the Territory to cooperate with the Federal Government in an aid to dependent children program. There is no doubt that if the Federal contribution of such a program were increased from one-third to one-half, it would undoubtedly be more attractive to Alaska."

ADDITIONAL APPROPRIATION FOR WORK RELIEF AND RELIEF

The Senate resumed the consideration of the joint resolution (H. J. Res. 246) making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939.

Mr. MEAD. Mr. President, coming as I do from the most populous State in the Union, where the need for the appropriation is the greatest, and where the suffering and the grief resulting from its impairment will be largest, I am prompted to take the floor at this time and to beg the indulgence of the Senate in order that I may plead the cause of my people.

I shall not base my arguments entirely upon sentiment or upon the devastation to the morale of our unemployed which might result from an ill-advised effort or upon the overburdening of communities which would result from failure on our part to adopt the amendment offered by the Senator from Florida. I base my argument and I take my stand in support of the amendment offered by the Senator from Florida on the ground of public welfare, to insure national prosperity, to aid in the effectuation of a balanced economy, and to make possible a continuous increase and an expansion of our national wealth. I fear that the mistake we shall make if we adopt the committee report will lend encouragement to other efforts of this character, will augment the drive for a mistaken economy, and will once again result in disastrous deflation.

I have sat here in silence for the greater part of this session, voting affirmatively for billions for war preparation and for millions for the care of our domestic animal life; but I plead with you today for the unemployed Americans who, unless we adequately appropriate for their well-being, will be hungry in the days that are to come.

I have not changed my attitude. My position today is consistent with my vote when this question was before the Senate heretofore. I see no reason why I should agree to any prearranged plan or subscribe to any preconceived idea based upon the reduction of an appropriation that was as necessary when it came before the Senate previously as it is today.

I do not like to take issue with the Appropriations Committee. I admire and respect the splendid attainments of the genial chairman of the subcommittee which gave to this question unlimited time. But if the members of the subcommittee were wrong when they recommended to the Senate, as they did on a former occasion, that we deny the President $150,000,000 for this purpose, then I say to you they are wrong today when they tell us it is all right, quite correct, and entirely proper for us to give the President $100,000,000 additional, but deny him the $50,000,000 that is required.

If the $825,000,000 was right in the first instance, it is, by the record, by the admission, and by the liberality of the committee, quite correct today. Nothing has happened, no great emergency has arisen, which would make the logic of the committee today in order. Contrast, if you will, their present effort with their arguments on the floor of the Senate when they pleaded with us some time ago to deny the President and the W. P. A. the $150,000,000 requested at that time.

So, I say to you, Mr. President, that if the President was right then, he is right now. If you denied him $150,000,000 then, you ought to deny him $150,000,000 now. Either do that or give him now, without quibbling, this $150,000,000. Fifty million dollars is, I agree, a large sum of money; but when we consider $50,000,000 in connection with a program that entails the expenditure of $875,000,000, when we consider the argument, the logic, the attitude, and the changed position taken by the committee, I cannot see that it is worth our while to take up today, and perhaps tomorrow, in quibbling over this appropriation to meet human needs in the United States.

Mr. SMATHERS. Mr. President——

The PRESIDING OFFICER (Mr. LUCAS in the chair). Does the Senator from New York yield to the Senator from New Jersey?

Mr. MEAD. I yield to the Senator from New Jersey.

Mr. SMATHERS. Does the Senator from New York believe that if the contention of the Senator from Colorado [Mr. ADAMS] were correct—namely, that $100,000,000 is sufficient to carry the relief load—the Works Progress Administration would now be engaged in laying off 700,000 persons?

Mr. MEAD. I appreciate the contribution made by the Senator from New Jersey. I reiterate what I said a moment ago, that the need is as apparent today as it was when the President made his initial request to the Congress. In fact, if there has been any change at all, the change has been for the worse. The situation is even more serious, the demand today is more apparent, than it was at that time; and it is all due to the fact, as the Senator well said, that lay-offs have already taken place, and other lay-offs are imminent.

I have here a telegram from the mayor of the greatest city in America, the largest city on earth. I desire to say to you, my friends, those of you who come from the wide-open spaces, that in the great teeming center of New York agriculture that might temporarily sustain life is almost impossible. Nothing that will keep the family larder filled can be raised on the sidewalks of New York. When the great plants and factories of that city close down, and when we add to the economic chaos that follows by reducing the personnel on W. P. A., they either must, of necessity, report to the already overburdened local relief agencies or go hungry.

I say to you it is unfair, unwise, and unsportsmanlike, at this time, for the Federal Government to shift a great degree of the burden on the already overloaded and overburdened local relief agencies. We are not assuming our full share when we consider their financial conditions and the recorded number of the persons already on their relief rolls.

But let me read the telegram from the mayor who understands the need for this appropriation, from the mayor who knows, as does the mayor of every other city in the United States, that we are making a serious mistake in shifting the

not meet human needs, when all that our people needed for their comfort and for their use was at hand and available.

McKellar	Nye	Schwellenbach	Townsend
McNary	O'Mahoney	Sheppard	Tydings
Maloney	Overton	Shipstead	Vandenberg

burden of relief from the Federal Treasury to the local municipalities. This telegram is addressed to me, and similar telegrams have been addressed to other Members of both Houses of Congress from the State of New York:

While I know the entire New York delegation understands conditions and will vote for additional W. P. A. appropriation, I am most anxious about the situation, and urge you to do all you can to obtain support for this needed appropriation. I have just been officially advised that unless appropriation is approved, 25,000 will be dropped—

And he speaks about those who will be dropped in the city of New York—

on April 3, and an additional 40,000 will be dropped before June 30. Needless to say, the city is in no position to carry this additional load. The situation is most critical.

F. H. LaGUARDIA,
Mayor of the City of New York.

Mr. President, telegrams similar to this one, with all of the logic and the seriousness which it contains, might well come from all the mayors in the United States. I want to say to you that it is a wrong thing to do—it is a serious mistake to make—to begin to shift the burden, to reduce the number employed, to make the municipalities of America take up and carry the almost impossible burden which will of necessity be theirs if we impair this appropriation.

Mr. LUNDEEN. Mr. President, will the Senator yield at that point?

Mr. MEAD. I shall be glad to yield.

Mr. LUNDEEN. I wonder just what the load will be in the city of New York. Within a radius of 25 miles of that city there are approximately 10,000,000 persons. As the Senator stated, it is impossible to grow anything on the sidewalks of New York. Carrots cannot be grown on the sidewalks, or cabbages on the pavement. The people there who are without employment or savings will have to starve. Has the Senator some facts or figures showing approximately what will happen in New York, or Chicago, or Philadelphia? I am concerned with the population center of the Twin Cities in our North Star State, where we have a million persons within a radius of 25 miles.

Mr. MEAD. It would be almost impossible for me to give to the Senator accurate figures as to the human misery that will follow the reduction contemplated in the report of the subcommittee; but I will say to the Senator that the psychology of it, added to the direct loss that will result from it, will cause untold human misery. It will result in a tremendous burden upon our local governments, and it will perhaps—who knows?—begin a spiral of deflation that will bring us to the ruin that we witnessed in the dark, dreary days of 1932 and 1933.

Yes, we know that deficit spending has its friends and its foes; we know that there are men who believe that every dollar appropriated in this connection is a dollar poorly invested; but let us remember that there are some virtues in this spending program. In addition to the wonderful program of public works—self-liquidating in some instances, wealth producing in others—that has already been completed throughout the length and breadth of America by the Works Progress Administration, enriching every section, nook, and cranny of the Republic, spending under the efficient management of government has enriched the Nation. It has effected an economically sound redistrbution of the Nation's wealth. It has reduced local taxation. It has strengthened the morale of the people. It has relieved the States as well as the local governments. It has saved many cities in America from bankruptcy. It has fortified America in her fight for the maintenance of the ideals of democracy. While other nations have forfeited their political, social, and religious liberties for the so-called economic security which comes from absolutism, America, as a result of her spending program, because of the efficiency of her work-making agencies, has laid down a code and an order that will enable us to survive this chaotic era and to emerge from it with a permanent structure of government that will insure not only the freedom we now enjoy but a democratic order that will live, and an economic security that will give to every man the right to earn his living by the sweat of his brow.

There is witnessed on the floor of the Senate the clash of two distinct schools of thought. There is the opposition of serious-minded, patriotic men who believe down in the depths of their hearts that this program is in error, a colossal mistake, and that if continued it will destroy the Government, which has been in the building for a century and a half.

The other school of thought, subscribing to the philosophy enunciated by the President of the United States, recognizing the complexities of this modern machine age in which we live, firmly believe, and with all the patriotism and the ardor which emanated from the hearts of the founders of the Republic, that a false economic philosophy was responsible for the devastation to our national economy, and that if reinstituted it would again bring America to the precipice of ruin. They believe that in the complex age in which we live a balance must be effected between the power of the Government and private enterprise; between the power of its efficient population to produce and the capacity of the people to consume that which they are able to produce.

There are some who believe that we live in the world of our fathers; that the philosophy which guided them and the experience of another age should be the milepost by which we are guided today.

I am one, however, who believes that we are living in a new world, who recognizes the fact that our frontiers have long been exhausted, and that our people have been herded into great teeming centers of population by the ever-growing giant corporations of the modern day.

Mr. President, I recognize the fact that from year to year, in recent times, agriculture's share in the national income has been progressively diminishing. I am one who recognizes the fact that men no longer can earn their living on the land with security, or in trade or in commerce, because of this modern-day giant which we see everywhere in the making.

I can see my fellow American standing there in the midst of the populous industrial city of America. He is a tragic and pitiable figure. He must vie with the giant Frankenstein which has made him the object of relief, which has made it necessary for him to look to his Government for succor and for aid. I say that if we contrast that man with the rugged individualist who helped to make America in the pioneering days of our youth, if we can visualize the difficulties which beset the latter as compared with the former, then we will visualize the new world in which we live, and the dependency which, of necessity, man must have upon his Government.

The crude-tool days of the past are over; the assembly line of today is here to stay. Mass production will never yield to the individual efforts of the mechanics of yesteryear.

In those days our people saved, hoarded their wealth, in order that they might survive in times of pestilence and famine and when old age overtook them. Today, if the individuals, as well as the Nation, will devote all their energy to saving and to hoarding, of necessity the giant machines will be forced to shut down, and the impoverishment of 1929 and 1930 will come to visit us again. So a new psychology has gripped the world; a new theory of government has been instituted; a new outlook has been adopted by the economists of our age.

The phenomenon asserts itself wherever we go, because for the first time in the history of our country, for the first time in the history of the industrial world, we see people in want, in dire hunger, even suffering the pangs of starvation, in this modern world of abundant surplusage.

When, in the course of time, the enigma of today shall be solved and economic security shall once again be attained, when we shall no longer be puzzled by a paradox which permits us to produce more of this world's goods than we can use, and wear, and consume, and the fact that millions of our people are without a sufficient amount to keep body and soul together, then they will look back at the statesmanship of our time and perhaps find fault, if not severely criticize, those who would so impair appropriations that they would

intensified and job opportunities increased in the United States.

Under that system of economy our income-tax payments were reduced from $3,000,000,000 to $1,000,000,000. Relief

not meet human needs, when all that our people needed for their comfort and for their use was at hand and available.

I say, that this afternoon in the Senate Chamber, with all the brilliant attainments they each possess, these two schools of thought clash. One believes in economy in government, a reduction of the expenses of the Federal set-up, a diminution of the appropriation for work relief, as well as the elimination of the so-called excessive agencies of government.

The other believes in spending for worthwhile projects, in pensions and retirement for our people, in the extension and in the expansion of the agencies of government in order that economic security might be attained by every American.

Let me say, Mr. President, and Members of the Senate, that these two schools of thought have been clashing violently in every government on earth. Since the turn of the century, with the coming of the efficiency machines, there has resulted one surplus after another, and some, believing firmly in the experiences of the ages gone before, have tried to right the wrongs which beset the human family by methods based upon past experiences. Others have attempted, with the pioneering spirit which permeates the true progressive, to find new means and new approaches, to adopt a new concept of society and government, in order that we might meet and solve this modern-day enigma.

Since the termination of the World War, industrial nations in Europe, in an attempt to solve this vexing problem, have shifted violently from the right to the left. In their attempt to give to their people a semblance of economic security they tried conservatism, liberalism, socialism, communism, collectivism, nazi-ism, and fascism, and we have witnessed 30 radical and violent changes in the systems of government of the Old World, all because of the force of economic necessity, and the failure of the people and the governments to adapt themselves to the changes necessary to solve this perplexing problem.

Mr. President, in the United States we tried both schools of thought. We gave leadership to those who believed in economy, in saving, in a reduction in Federal authority, in a limitation upon the National Government. We gave leadership to those who believed that we should let business alone, to those who believed that we should leave relief to the States, to those who believed that primarily, no matter what the need might be, we should balance the Nation's Budget.

We gave opportunity to those who believed that we should encourage investment, that we should lend encouragement to business so that business might expand and prosper. We tried that school of thought, gave it every opportunity, subscribed to its leadership, and found ourselves in 1932 on the very precipice of ruin. In the dark, bleak winter of 1932 there was apprehension visible on the countenances of our people, and actual fear and desperation gripped their hearts.

In 1933 a new administration came into authority, an administration believing in great measure in the philosophy of its predecessor, an administration instructed by its national convention to reduce Federal expenditures by an additional 25 percent.

The new administration, recognizing its obligation, insisting upon the right to keep faith with the American people, initiated a general effort to reduce Federal expenditures.

Mr. LUNDEEN. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LUCAS in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Burke	Ellender	Hill
Andrews	Byrd	Frazier	Holman
Ashurst	Byrnes	George	Holt
Austin	Capper	Gerry	Johnson, Calif.
Bankhead	Caraway	Gillette	Johnson, Colo.
Barbour	Chavez	Glass	King
Barkley	Clark, Idaho	Green	La Follette
Bilbo	Clark, Mo.	Guffey	Lee
Bone	Connally	Gurney	Lodge
Borah	Danaher	Harrison	Logan
Bridges	Davis	Hatch	Lucas
Brown	Donahey	Hayden	Lundeen
Bulow	Downey	Herring	McCarran
McKellar	Nye	Schwellenbach	Townsend
McNary	O'Mahoney	Sheppard	Tydings
Maloney	Overton	Shipstead	Vandenberg
Mead	Pepper	Smathers	Wagner
Miller	Pittman	Smith	Wheeler
Minton	Reed	Stewart	White
Murray	Reynolds	Taft	Wiley
Neely	Russell	Thomas, Okla.	
Norris	Schwartz	Thomas, Utah	

The PRESIDING OFFICER. Eighty-six Senators having answered to their names, a quorum is present.

Mr. MEAD. Mr. President, before the calling of the roll I was developing the idea that there are two schools of thought, both patriotically and seriously subscribing to their own theories. I was attempting to point out to the Senate that both schools of thought had been given an opportunity under exactly comparable conditions to prove the efficacy of their theories; but I did not have opportunity to develop completely the idea that was in my mind.

Mr. President, I previously pointed out that under the administration of President Hoover those who believed in economy and in restriction of the Federal authority, those who believed in balancing the Budget under the trying conditions then existing, and those who would lend every degree of encouragement to enterprise for investment and plant expansion enjoyed to the very fullest degree the opportunity of proving the value and the worth of their theory.

I was pointing out that the present President of the United States when he assumed the office he now holds, in keeping with the mandate of the Chicago national convention and with a determination characteristic of the man, set out to reduce Government expenditures by 25 percent. But, Mr. President, the impaired buying power, the further reduction in the capacity of the people to consume, the increase in unemployment that resulted, and the stagnation in business and in enterprise that took place changed the attitude of the administration and impelled the leadership in the House and in the Senate to follow an entirely different course.

Mr. VANDENBERG. Mr. President, will the Senator yield to me to ask a question?

Mr. MEAD. I yield to the Senator from Michigan.

Mr. VANDENBERG. The Senator has correctly stated, of course, that President Roosevelt upon his initial inauguration proceeded upon a vigorous, courageous program of retrenchment and economy. Am I mistaken in my understanding that under that program for the first 120 days of his administration this country enjoyed the largest measure of economic recovery, as measured by all the governmental indexes, ever known in a like period of time in civilized history? Am I wrong about that?

Mr. MEAD. The Senator is not entirely correct; and if he will permit me, I will point out wherein he is not correct.

Mr. VANDENBERG. May I not be permitted to pay this tribute to President Roosevelt's first 120 days?

Mr. MEAD. If the Senator will continue to pay tribute to the President, he may have the remainder of the day to do so.

But, Mr. President, the confidence that was restored to the American people, the courage with which they were imbued upon the inauguration of President Roosevelt, the rallying to his leadership that followed, the action of the new administration in providing the bank holiday, and the memorable 100 days' session of the Congress, filled as it was with hope and promise, surely resulted in the advent of more comfortable, hopeful, and stable conditions.

All the graphs and charts that show the number of people employed and unemployed, all the figures and statistics available indicate that, while confidence and courage were restored, while the deflation that was so devastating was stopped in its tracks, there was no substantial increase in the buying power of the country. Then it was that the President of the United States and the administration inaugurated the N. R. A., and the philosophy of the N. R. A. is the philosophy of the new school of thought. The concept of the National Recovery Administration was higher wages so as to increase the buying power of the American people and shorter hours so as to create a greater diffusion of work opportunity. It was when the N. R. A. was established and that concept of our new economic order initiated that the buying power of our people was

intensified and job opportunities increased in the United States.

Mr. President, the inauguration of the Public Works Administration and other and similar agencies, and the payment of the soldiers' bonus, augmented buying power, which caused the national income to be increased from the low of approximately $36,000,000,000 in 1932 to approximately $69,000,000,000 when we started to retrench again in 1937.

What we need in America today is a unified national program, a program for human betterment, a program adapted to existing social conditions, a program that cannot be avoided by any political party, no matter what its theory of Government may be, because it is a program which is brought forward by the force of economic pressure as represented by every impoverished farmer and unemployed worker in America, an economic force that cannot be downed, and will assert itself in one form or another no matter what political party may govern this country, and no matter what the economic theories of individual Senators may be.

Mr. President, as I stated a moment ago, we experienced the results and the consequences of the wave of unwise economy which swept the Government in the closing days of the Hoover administration. We experienced the failure of the economy cuts which characterized the beginning of the Roosevelt administration. That experience is reinforced by the experience of the past quarter of a century. It indicates the need of buying power. It heralds the need of intensifying the power of the Republic to consume.

We have had no sustained prosperity in America since 1910 unless it was the direct result of augmented buying power supported by this or some foreign government. Unnatural or unusual conditions, if you will, have brought prosperity to America and pointed out the appropriateness and the logic of the spending program of the present administration.

We entered the World War in what might be termed difficult economic times. The increased buying power of both neutral and belligerent nations augmented our economy, with the result that we enjoyed prosperity as the result of the European war. Upon our entry into the World War in 1917, the augmented buying power resulting from that colossal spending program which dwarfs the small appropriation we have before us today, brought prosperity to America. It increased the number of millionaires; it greatly increased the revenue; it made America again a prosperous Nation.

With the termination of hostilities and the return to normal economic conditions, the lack of buying power again quickly asserted itself; and America, economically speaking, was once again in the doldrums. Then came the launching of a huge lending campaign, in which we poured out our money by the billions to the nations of Europe—money which was used to build roads, tenements, and houses in other countries. With the launching and continuation of that program, America again enjoyed prosperity. From 1923 until 1927 that spending program made us rich.

Along about 1926 and 1927 the lending period was terminated, and for a year or two our economy was buoyed up by the orgy of speculation which caused our people to pay idolatrous tribute to the false god of gold, as many of them invested their savings and their earnings in the security markets of the land. The farmers of America were unable to obtain the cost of production for their crops. The workers of America were being laid off as the result of a lack of purchasing power and the termination of the loan period.

We all know what happened. In October 1929, without a spending program, when the investment orgy had spent itself, America was plunged deeply into a depression which almost resulted in complete economic collapse. Senators know better than I can explain the fear which gripped the hearts of our people in 1932–33, the apprehension visible everywhere on their countenances, all because of a lack of buying power attributable to an impoverished capacity to consume, brought on by a futile wave of economy which was being tried out to save our economic structure.

Under that system of economy our income-tax payments were reduced from $3,000,000,000 to $1,000,000,000. Relief costs were increased at least $2 for every dollar saved. We unbalanced the National Budget, checked industry, and bankrupted agriculture. The example was bad. The experiences which we endured in the past should today put fear in the hearts of our statesmen when they contemplate inaugurating another wave of economy while the economic situation remains unsolved. Such procedure will only aggravate the disease; it will only intensify our difficulties; it will only add to Government expenditures; it will only make matters worse.

Mr. President, for 6 years we have enjoyed a steady upturn in business. We have witnessed our annual wealth production increase from approximately $35,000,000,000 in the economy-stricken year of 1932 to what amounted to approximately $69,000,000,000 in 1937. We cannot turn back. We cannot leave the impression upon the country that at this time, in this day, we are to forsake the American farmers and reduce the relief appropriations which we have made during the past 6 years of our steady and constant rise. We cannot send forth the message that we are going to set an example which, no doubt, will be followed throughout the land, by economizing, reducing the number of men gainfully employed, and further diminishing the buying power and the capacity of our people to consume. We should not make that mistake.

If the President was right when he asked for $875,000,000 as our share in aiding the unemployed; if he was right when we denied him that amount by $150,000,000; and then in the course of but a few weeks we change our minds and decide that he was right in asking for at least $825,000,000, then I believe we ought to change our minds again and act more consistently and say, "Mr. President, you were right then; you are right now; and we are going to be right with you now."

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. MEAD. I shall be glad to yield.

Mr. LUNDEEN. It is proposed that the money shall be used, in part at least, to further public works, is it not?

Mr. MEAD. That is quite correct.

Mr. LUNDEEN. It is proposed to build into the national economy something which will remain after the money has been expended for the benefit of the people. What objection can there be to that?

Mr. MEAD. Mr. President, I can really see no sound objection to a program of government which will enhance the assets of the Nation, which will more equitably distribute the wealth of the Nation, which will enable the municipalities to reduce their local taxation and better meet their increasing relief burden, which will enrich the Government by the completion of wealth-producing, self-liquidating, asset-building projects, which will keep America at work, which will keep the morale of our people at a high level. In my judgment, an investment in America, with America's wealth, is a worth-while investment. We have made other investments filled with sentiment for human needs—we fed the starving Belgians and the hungry Armenians—and we promised that under no circumstances would we let an American go hungry——

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. MEAD. I shall be glad to yield.

Mr. LUNDEEN. If the $50,000,000 were proposed to be turned over to Armenians, to Belgians, refugees, and foreigners, I doubt whether there would be any debate upon the matter. However, when we propose to give it to Americans, there is a long-drawn-out debate. I cannot understand that attitude of mind.

I should like to say further to the Senator that here and there there may be some unworthy persons on the rolls. Of course, such persons will get on the rolls; but why punish the vast majority of innocent persons who are on the rolls because occasionally some unworthy person gets on the rolls?

Mr. MEAD. The Senator is quite correct. If there were an appropriation here for some worthy cause in a distant

land, as the Senator well explains, I can visualize the sympathetic consideration it would receive. I know that in the past, as the RECORD will indicate, such requests have been treated with a high degree of generosity. If you could walk with me up and down the teeming centers of our industrial cities; if you could see the poor people who are hungry and in need of help who would bare their breasts for America at a moment's notice in defense of our democracy, I am sure you would rise up in your dignity and power and vote for the entire appropriation requested by the President of the United States. In my judgment, before this fiscal year is over, if not before this debate has concluded, every Senator with a due regard for his constituents and the dignity of American manhood will, when the vote is taken, vote "yea" in favor of an adequate appropriation to meet needs here in our own Republic.

RECIPROCAL TAXATION OF FEDERAL AND STATE OFFICERS AND EMPLOYEES—CONFERENCE REPORT

Mr. HARRISON. Mr. President, will the Senator from New York yield so that I may submit a conference report? If it provokes any discussion, which I am sure will not be the case, I shall not press it.

Mr. MEAD. I shall be very glad to yield for that purpose.

Mr. HARRISON. Mr. President, I submit the conference report on the reciprocal taxation bill. It is a complete report. There are no changes in the report from the action of the Senate, except clarifications of some of the Senate amendments.

The PRESIDING OFFICER. The report will be read.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses, as follows:

That the Senate recede from its amendment numbered 8.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 9, 10, and 13, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by the Senate amendment and on page 5, after line 21, of the House bill insert the following:

"SEC. 210. For the purposes of this Act, the term 'officer or employee' includes a member of the legislative body and a judge or officer of a court."

And the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 207. No collection of any tax (including interest, additions to tax, and penalties) imposed by any State, Territory, possession, or local taxing authority on the compensation, received before January 1, 1939, for personal service as an officer or employee of the United States or any agency or instrumentality thereof which is exempt from Federal income taxation and, if a corporate agency or instrumentality, is one (a) a majority of the stock of which is owned by or on behalf of the United States, or (b) the power to appoint or select a majority of the Board of directors of which is exercisable by or on behalf of the United States, shall be made after the date of the enactment of this Act."

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 208. This title shall not apply with respect to any officer or employee of a State, or any political subdivision thereof, or any agency or instrumentality of any one or more of the foregoing, after the Secretary of the Treasury has determined and proclaimed that it is the policy of such State to collect from any individual any tax, interest, additions to tax, or penalties, on account of compensation received by such individual prior to January 1, 1939, for personal service as an officer or employee of the United States or any agency or instrumentality thereof. In making such determination the Secretary of the Treasury shall disregard the taxation of officers and employees of any corporate agency or instrumentality which is not exempt from Federal income taxation, or which if so exempt is one (a) a majority of the stock of which is not owned by or on behalf of the United States and (b) the power to appoint or select a majority of the board of directors of which is not exercisable by or on behalf of the United States."

And the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "211"; and the Senate agree to the same.

PAT HARRISON,
TOM CONNALLY,
PRENTISS M. BROWN,
ROBERT M. LA FOLLETTE, JR.,
Managers on the part of the Senate.

R. L. DOUGHTON,
THOS. H. CULLEN,
JOHN W. MCCORMACK,
JERE COOPER,
ALLEN T. TREADWAY,
FRANK CROWTHER,
HAROLD KNUTSON,
Managers on the part of the House.

Mr. HARRISON. I move the adoption of the report.

The report was agreed to.

SPECIAL STATISTICAL STUDIES BY DEPARTMENT OF LABOR

Mr. THOMAS of Utah. Mr. President, will the Senator from New York yield for action on a routine bill?

Mr. MEAD. I shall be glad to yield for that purpose.

Mr. THOMAS of Utah. I ask unanimous consent that the Senate proceed to the consideration of Senate bill 2021, Calendar No. 265.

Mr. NORRIS. Mr. President, I hope the leader on the Democratic side will move an adjournment or a recess after these matters are disposed of, so that the Senator from New York may conclude his address tomorrow.

Mr. BARKLEY. That is what I am about to do.

Mr. ADAMS. Mr. President, I ask that the request of the Senator from Utah for the consideration of a bill be accompanied by an agreement that it shall not displace the pending business, and that the consideration of the pending business shall be resumed upon the conclusion of the consideration of the measure to which the Senator refers.

Mr. THOMAS of Utah. Mr. President, if this were not a purely routine matter, I should not have made the request at this time. I am sure the consideration of the pending joint resolution will not be interfered with at all.

Mr. ADAMS. That should be part of the agreement.

Mr. THOMAS of Utah. I wish to make it part of the agreement, Mr. President.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The Senate proceeded to consider the bill (S. 2021) to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the authorization contained in the act entitled "An act to authorize the Department of Labor to make special statistical studies upon the payment of the cost thereof, and for other purposes," approved April 13, 1934 (48 Stat. 582), as amended, is hereby extended without limitation as to time.

ADDITIONAL APPROPRIATION FOR WORK RELIEF AND RELIEF

The Senate resumed the consideration of the joint resolution (H. J. Res. 246) making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939.

Mr. MEAD. Mr. President, it is my understanding that I yield the floor for such business as may be transacted this evening with the understanding that tomorrow, when the pending joint resolution is again under consideration, I shall have the floor.

The PRESIDING OFFICER. Is there objection to that understanding?

Mr. CONNALLY. Mr. President, reserving the right to object, I understand that the only assurance that can be given in such a case is that the present occupant of the chair will give it. I do not want to preclude the discretion of the Presiding Officer tomorrow, the Vice President. I think it is customary for the occupant of the chair to say that if he is

in the chair, that will be the order. I have no objection to the Senator from New York having the floor tomorrow.

The PRESIDING OFFICER. The present occupant of the chair will have no control over the Vice President.

Mr. NORRIS. If a unanimous-consent agreement is entered into that the Senator from New York shall not lose the floor by these incidental interruptions, no matter who is in the chair he will enforce the unanimous-consent agreement.

Mr. CONNALLY. Mr. President, I do not wish to object. I think the Senator from New York is entitled to have the floor tomorrow; but I think it is a bad precedent for us tonight to make a unanimous-consent agreement that tomorrow, no matter what urgent business may be before the Senate, the Senator from New York may claim the floor, and probably occupy it for 3 or 4 hours. I do not think he would do so; but if it is noted in the RECORD that the Senator from New York has the floor at this time, and he gives notice that he expects to claim it tomorrow, anyone who occupies the chair tomorrow will recognize the Senator from New York, barring some unforeseen and important matter. I think it is a bad precedent to establish, however, to agree by unanimous consent to tie our hands as to what we shall do tomorrow.

The PRESIDING OFFICER. The present occupant of the chair will say to the Senator from Texas that while the present occupant is not thoroughly familiar with the parliamentary procedure, it is his opinion that the Senate today cannot bind the prerogatives of the one occupying the chair tomorrow, and that the sole right of recognition lies within the breast of the one occupying the chair tomorrow. That is the opinion of the present occupant of the chair. The opinion of the Vice President, who will be in the chair tomorrow, may be different.

Mr. CONNALLY. That is the point I am making, and that is the practice to which I think we should adhere.

Mr. BARKLEY. Mr. President, it is almost the universal practice that when a Senator has not concluded his remarks on any day, the Chair on the following day will recognize him to conclude his remarks. I do not think it is necessary to obtain unanimous consent today that the Chair tomorrow will recognize the Senator from New York, because I am satisfied that the Chair will do so anyway.

The PRESIDING OFFICER. The present occupant of the chair will state to the Senator from Kentucky that he thinks the Senator probably is correct in the statement that that is the practice; but the occupant of the chair still maintains that the Chair has the right to recognize any Senator he desires to recognize.

Mr. BARKLEY. There is no doubt about that. The Chair could ignore the Senator from New York if he were so disposed, because the fact that the Senator from New York has not concluded his remarks today does not automatically give him a right to the floor tomorrow; but we proceed here in this way day by day and year by year, and there never is any trouble about it. I suggest to the Senator from New York that he will not have any trouble in obtaining the floor tomorrow.

The PRESIDING OFFICER. The occupant of the chair will say to the Senator from Kentucky that the occupant of the chair did not cause any trouble about the matter.

Mr. NORRIS. Mr. President, in order that if the proposed procedure is followed it may not come home to plague us in the future, I suggest that the Senate, by unanimous-consent order, give the Senator from New York the floor at any time it desires; and if the unanimous-consent agreement that is suggested should be entered into, the Senator from New York would be entitled to the floor tomorrow regardless of what any Presiding Officer might think, because the Senate itself, and not the Presiding Officer, would have made the order.

The PRESIDING OFFICER. The Chair would like to have the Senator from Nebraska discuss that parliamentary point tomorrow at noon with the Vice President.

Mr. MEAD. Mr. President, I appreciate the efforts of the Senators in my behalf. I am perfectly willing to accept the suggestion of the majority leader and let precedent and custom guide me in my efforts to obtain the floor tomorrow. I shall not ask unanimous consent, as suggested, but I appreciate the efforts put forth in my behalf. I am sure I shall find opportunity to complete my argument.

The PRESIDING OFFICER. The present occupant of the chair is in the same position as is the Senator from New York. He desires to be guided by precedent and custom.

Mr. MEAD. I thank the Chair.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, if the Senator from New York will yield for that purpose, I move that the Senate proceed to the consideration of executive business.

Mr. MEAD. I yield.

The PRESIDING OFFICER (Mr. LUCAS in the chair). The question is on the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. WHEELER, from the Committee on Interstate Commerce, reported favorably the nomination of Frederick I. Thompson, of Alabama, to be a member of the Federal Communications Commission for the unexpired portion of the term of 7 years from July 1, 1934, vice Eugene O. Sykes, which was ordered to be placed on the Executive Calendar.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state in their order the nominations on the Executive Calendar.

CUSTOMS SERVICE

The legislative clerk read the nomination of Florence Clarke Lynch to be appraiser of merchandise in customs collection district No. 10, with headquarters at New York, N. Y.

Mr. BARKLEY. Mr. President, that nomination was passed over at a former executive session at the request of the Senator from Utah [Mr. KING]. The Senator from Utah is present at this time. I do not know what his wishes are in the matter.

Mr. KING. Mr. President, I ask that the nomination go over until tomorrow.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

That concludes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess until tomorrow, Friday, April 7, 1939, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 6, 1939

COAST GUARD OF THE UNITED STATES

The following-named district commanders, with the rank of lieutenant, to be district commanders, with the rank of lieutenant commander, in the Coast Guard of the United States, to rank as such from the dates set opposite their names:

Sigval B. Johnson, March 8, 1939.
Irwin B. Steele, March 8, 1939.
Frank E. Allison, March 8, 1939.
Ward W. Bennett, March 9, 1939.
Martinus P. Jensen, March 15, 1939.

APPOINTMENTS AND PROMOTIONS IN THE NAVY

The following-named commanders to be captains in the Navy, to rank from the 13th day of February 1939:

Alfred T. Clay	Edgar M. Williams
James B. Will	Herbert O. Roesch
Herbert W. Underwood	Alfred G. Zimermann
Miles P. Refo, Jr.	Howard S. Jeans

The following-named lieutenant commanders to be commanders in the Navy, to rank from the 1st day of July 1938:

John H. Keefe	Junius L. Cotten
Evan G. Hanson	Hayden H. Smith
Benjamin O. Wells	Albert L. Hutson
Harold F. Ely	Miles R. Browning
Bronson P. Vosbury	

The following-named lieutenant commanders to be commanders in the Navy, to rank from the 1st day of August 1938:

Robert L. Mitten	Lester M. Harvey
Herbert R. Sobel	John F. Warris
Edmund D. Duckett	Harold J. Brow
Clyde C. Laws	

The following-named lieutenant commanders to be commanders in the Navy, to rank from the 1st day of September 1938:

David Rittenhouse	James M. Connally
Orie H. Small	Arthur E. Bartlett
Elmer B. Robinson	Henry C. Flanagan

The following-named lieutenant commanders to be commanders in the Navy, to rank from the date stated opposite their names:

Allen D. Brown, September 8, 1938.
Gerald L. Schetky, February 1, 1939.
George C. Dyer, February 13, 1939.

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the date stated opposite their names:

James G. Sampson, June 23, 1938.
Clyde W. Smith, February 1, 1939.
Charles W. Wilkins, February 1, 1939.

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the 13th day of February 1939:

Bernard L. Austin	Gordon M. Stoddard
Joseph M. P. Wright	Marcel E. A. Gouin
Norman W. Ellis	John M. Kennaday
James R. Pahl	Thomas H. Templeton
William J. Longfellow	Edwin R. Wilkinson
George W. Patterson, Jr.	William D. Brown
Joseph A. Callaghan	Warren D. Wilkin
Howard L. Collins	Wayne N. Gamet
James S. Laidlaw	Everett W. Abdill
Adrian M. Hurst	Willis E. Cleaves
John W. C. Brand	Edward W. Young
William V. Davis, Jr.	Robert C. Sutliff
John N. Opie, 3d	Adolph H. Oswald
Aurelius B. Vosseller	

Lt. (Jr. Gr.) Frank G. Raysbrook to be a lieutenant in the Navy, to rank from the 2d day of November 1938.

The following-named lieutenant commanders to be lieutenant commanders in the Navy, to rank from the 1st day of July 1938, to correct the date of rank as previously nominated and confirmed:

William A. Bowers	John H. Brady
David L. Nutter	Henry F. Agnew
John A. Morrow	William J. Mullins
Harry A. Dunn, Jr.	

Medical Director Benjamin H. Dorsey to be a medical director in the Navy, with the rank of rear admiral, to rank from the 1st day of July 1936.

The following-named passed assistant dental surgeons to be dental surgeons in the Navy, with the rank of lieutenant commander, to rank from the 1st day of August 1938:

Herman P. Riebe	Ralph W. Malone
Eric B. Hoag	Frank K. Sullivan
Rae D. Pitton	Arthur Siegel
Clifford T. Logan	Hector J. A. MacInnis
Alvin F. Miller	Alfred Dinsmore
James L. Purcell	Edward H. Delaney

Pay Director Trevor W. Leutze to be a pay director in the Navy, with the rank of rear admiral, to rank from the 17th day of August 1928.

Ira N. Curtis, a citizen of Wisconsin, to be an assistant civil engineer in the Navy, with the rank of lieutenant (junior grade) to rank from the 20th day of March 1939.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 6, 1939

POSTMASTERS

CALIFORNIA

Herbert A. Wegmann, Avalon.

NEW JERSEY

Mary R. Warren, Tuckahoe.

OHIO

Harry J. Dixon, Warren.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 6, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Saviour and Redeemer, draw aside the veil of grief; rise as the sun from the open sky and drive away the darkness. Over against every fear, every temptation, and every want reveal Thyself with the knowledge of the great God not far away. O Thou who wilt bow the head upon the cross and pass beneath the shadow of pain and dying, pity us as we linger here. May we not mourn as those who have no hope of eternal morning after the close of a fading world. As watchers on the mountain may we wait for the dawn and rejoice in the coming glory of the future. Heavenly Father, when we draw near to our release and emancipation and view the horizon of the spiritland, with joy and ecstasy may we enter in and find sweet employment in the spaces of eternity. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. MITCHELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to insert a speech which I delivered on the occasion of Founders Day at Tuskegee last Sunday.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from New York [Mrs. O'DAY]?

There was no objection.

Mrs. O'DAY. Mr. Speaker—

By all the laws of the Medes and Persians a theater manned and operated by out-of-work actors, designers, and directors should have been the most horrible thing ever seen on land or sea; instead it was one of the finest things that ever happened in the American theater. That will give you an idea of what a cockeyed world we're living in. All the gentlemen of the Federal Theater did—those men and women who weren't good enough for jobs—was wind up and present a series of shows which put all the dapper little boys of Broadway to shame.

The success of the Federal Theater plays might be considered a miracle if it hadn't been apparent for years that there was a wealth of artistic talent in this country buried for lack of opportunity. Those plays of last year, which, I understand, are to be played on the road next season, are not only great plays by some peculiar standard which is constructed to handle special cases but they are great plays by any standard. They make you want to wrap yourself in the folds of Old Glory and go pip! pip! That's how extravagant I feel about them.

When a eulogy of this sort, written by Kyle Crichton, appears in Collier's Weekly, that is news and inspires one to look into this Federal Theater project to see just what it has accomplished. To be sure, it is only a very, very small segment of the gigantic W. P. A. undertaking, but it has many outstanding achievements to its credit.

A few months ago the project's play Prologue to Glory was chosen by Burns Mantle to be published in his annual volume of 10 best plays. Shortly after Random House published two volumes that contained two of the Theater project's plays. Another, One Third of a Nation, has been taken over by the screen. The Chicago Federal Theater earned the joint thanks of the United States Public Health Service and the American Medical Association by producing the first play ever written as a part of the fight to eradicate syphilis—Spirochete.

This play earned a Rockefeller scholarship for the author, Arnold Sundgaard. Shirley Graham, a Chicago project composer, received a similar prize for her score for one of the Federal Theater's plays for children. Two of the Guggenheim fellowships have been awarded Federal Theater workers, one to Arthur Arent project, author of One Third of a Nation, and the other to Mordecai Gorelik, who returned from his year's study in Europe to design many sets for commercial productions, including those for Odets' Rocket to the Moon.

So many talented persons have been drawn from Federal Theater ranks that Warner Bros. recently referred to it as "The best proving ground for acting talent." Metro-Goldwyn-Mayer, Paramount, and Republic Pictures have recruited hundreds of actors and actresses from Federal projects and, as for the State, 88 out of 94 plays produced on Broadway this season have employed former actors, directors, designers, playwrights, or technicians. It is estimated that some 3,000 skilled theatrical people have been restored to private employment in their professions.

Mr. Crichton's appraisal of the project's plays and this brief summary of its success in restoring its workers to private employment tell two sides of the story. The third and perhaps most important phase of the work done by this Works Progress Administration project is that, in a little more than 3 years, it has brought the stimulation and cheer of the theater into the lives of 40,000,000 Americans, most of whom had long been deprived of this opportunity and would never have been able to see a play performed by actors in the flesh except for the Administration's intervention.

From Seattle to Boston, from Detroit to Miami, the unemployed, the destitute, the underprivileged, the sick, lame, and aged have had the greatest of all entertainment mediums brought to them—free when they could afford to pay no admission, priced at from 5 cents to $1.10 when their limited means would permit.

Another new audience is also being created for the commercial theater. This consists of young people now in public and high schools. In cooperation with boards of education, Federal Theater is presenting the best of the classical plays to this young audience, whetting its appetite for the regular fare of the commercial theater. This source alone should feed the drama for many years to come.

None of these developments were accidental or unexpected. Neither was the opposition which the enterprise aroused among those who habitually oppose anything intended to provide a fuller life for more people. It was inevitable, for example, that certain elements would be angered by One-Third of a Nation, which exposed the miseries and dangers of slum dwellings, and by Power, which dramatized proven facts concerning the cost of electricity to the consumer. Harry L. Hopkins, first Works Progress Administrator, and Hallie Flanagan, National Director of the Federal Theater project, anticipated the antagonism that these plays would arouse. But they were convinced that any theater worth its sale must also have as one of its ingredients a little dynamite. They planned accordingly and met all biased opposition with dignified silence, letting the program speak for itself.

And it is an elcquent language that the program speaks; less than 2 percent of its 926 produced plays have been concerned with modern social problems. Most widely represented among authors has been Shakespeare. Others include Ibsen, Marlowe, Moliere, Shaw, O'Neill, Euripides, Aristophanes, Sheridan, Mark Twain, Lewis Carroll, Pirandello, Schiller, Chekhov, Hauptmann, Capek, Oliver Goldsmith, Lord Dunsany, and a score of others known and revered wherever the drama has penetrated, not to mention a dozen or more plays written by contemporary playwrights.

Born of economic necessity, the Federal Theater project has exerted a profound influence on the American theater as a whole, has already rehabilitated approximately 20 percent of its enrollment, has relieved and brightened the drab existence of that "one-third of the Nation" referred to by President Roosevelt in his second inaugural address, and has, furthermore, completely vindicated the administration's contention that the skills of theater artists and workers are as worthy of conservation as those of carpenters, painters, lawyers, physicians, and bricklayers. It has kept some 7,800 people employed when they could find no other employment, demonstratably nourished the commercial theater, and rescued the American drama from the slow death it faced in 1935 when Works Progress came upon the American scene.

SUBCOMMITTEE OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. BOREN. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Interstate and Foreign Commerce assigned to consider the bill H. R. 5220 may be permitted to sit this afternoon while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXTENSION OF REMARKS

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial by the Honorable Felix Hinkle, editor of the Canton Economist.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. SECCOMBE]?

There was no objection.

Mr. REED of New York asked and was given permission to extend his own remarks in the RECORD.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a newspaper article and statement by the Honorable W. Arthur Simpson, director of old-age assistance for the State of Vermont.

The SPEAKER. Is there objection to the request of the gentleman from Vermont [Mr. PLUMLEY]?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio speech by myself.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. FISH]?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an article on neutrality by former President Herbert Hoover.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. FISH]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. RICH]?

There was no objection.

Mr. RICH. Mr. Speaker, I want to show the Members where we can get the money. According to a statement which I have in my hand showing comparative analysis of receipts and expenditures, the United States Government has received in principal on foreign obligations the sum of $73,754.75. The same statement shows that the United States Government has received in interest on foreign obligations the sum of $256,176.91 for this year to date. A measly paltry sum on our foreign debt.

Mr. Speaker, various foreign governments now owe the United States over $12,000,000,000, the interest on which amounts to at least $250,000,000 a year. These foreign countries, including Russia, Germany, Italy, Great Britain, and France, are at the present time spending hundreds of millions of dollars for war preparations.

This country should demand of these foreign governments that they pay their obligations to America, and pay them promptly. The following nations owe the United States of America about the following amounts:

Hungary	$2,000,000
Italy	2,000,000,000
Latvia	7,000,000
Poland	215,000,000
Rumania	64,000,000
Yugoslavia	61,600,000
Belgium	406,000,000
Czechoslovakia	165,500,000
France	3,921,500,000
Great Britain	4,500,000,000
Greece	20,200,000

Why should they expect any more aid and assistance from America? Let them pay their obligations to us. That is one place we can get the money. Let the administration notify them at once if they do not pay we do not help.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. MILLS of Louisiana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a list of the P. W. A. projects in my congressional district.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana [Mr. MILLS]?

There was no objection.

IMPORTATION OF DISTILLED SPIRITS FOR CONSUMPTION AND CERTAIN ARTICLES FOR EXHIBITION AT THE NEW YORK WORLD'S FAIR, 1939, AND THE GOLDEN GATE INTERNATIONAL EXPOSITION OF 1939

Mr. CULLEN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 5287) relating to the importation of distilled spirits for consumption at the New York World's Fair, 1939, and the Golden Gate International Exposition of 1939, and to duties on certain articles to be exhibited at the New York World's Fair, 1939.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman from New York explain the effect of this bill?

Mr. CULLEN. I shall be pleased to do so. I shall take only a few minutes, because I do not believe there is any real opposition to the bill.

This is the customary bill dealing with articles used or exhibited at various expositions we have had in this country. This bill deals specifically with the San Francisco Exposition and with the New York World's Fair. There has been some objection to the bill from some of the hotel men's organizations throughout the States, but that has been withdrawn, and they are satisfied that the bill is all right and should be passed. I hold in my hand a letter from the American Hotel Association withdrawing its objection to the bill; and if the gentleman wishes me to read it, I shall do so.

Mr. MARTIN of Massachusetts. I understand the bill properly takes care of any import or excise taxes?

Mr. CULLEN. Absolutely. The bill safeguards the Government in that respect in every particular.

The reason I am asking that the House consider the bill at this time is that the world's fair opens on the 30th of April, and the San Francisco Fair is now going on.

Mr. FISH. Reserving the right to object, Mr. Speaker, did not this bill have the unanimous report of the committee?

Mr. CULLEN. Yes; absolutely.

Mr. FISH. And everybody connected with the fair believes it is needed immediately?

Mr. CULLEN. That is right.

Mr. FISH. I hope the bill will go through without any opposition on this side.

Mr. RICH. Reserving the right to object, Mr. Speaker, is there any expense in connection with this bill similar to what we had here a few days ago in the bill requesting an appropriation of a couple of million dollars?

Mr. CULLEN. Not a dollar of expense is incurred under this bill.

Mr. RICH. The gentleman will recall that last year when we had the World's Fair bill under consideration it was stated that we would not be asked for any additional funds.

Mr. CULLEN. That is an entirely different bill.

Mr. RICH. We will be watching for new bills along that line.

Mr. JENKINS of Ohio. Reserving the right to object, Mr. Speaker, in order to ask a question, has the gentleman taken care of all the amendments that were brought up in the committee, especially the ones that related to the California situation? Has not that matter been satisfactorily arranged and adjusted?

Mr. CULLEN. The matter has been satisfactorily arranged and adjusted, and the amendments are incorporated in the bill.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

Mr. CULLEN. Mr. Speaker, for the information of the Members of the House, I may say I have received the following letter from the Acting Secretary of the Treasury:

TREASURY DEPARTMENT,
Washington, D. C., March 31, 1939.

Hon. THOMAS H. CULLEN,
House of Representatives.

DEAR MR. CULLEN: Reference is made to your request of March 30, 1939, orally transmitted by Mr. Milton Cooper, clerk of the Committee on Ways and Means, for the comments of this Department on H. R. 5287, a bill "relating to the importation of distilled spirits for consumption at the New York World's Fair, 1939, and the Golden Gate International Exposition of 1939, and to duties on certain articles to be exhibited at the New York World's Fair, 1939." You have particularly requested to be informed as to whether, under the provisions of the bill dealing with importations of alcoholic beverages for on-premises consumption in the national pavilion restaurants of foreign governments at the two world's fairs, such beverages would be subject to the customs duties and internal-revenue taxes applicable generally to imported alcoholic beverages.

This bill is a revision of H. R. 3693, Seventy-sixth Congress, on which the Department reported to Chairman DOUGHTON under date of March 4, 1939. The present bill incorporates all the amendments suggested by the Department in its report on the previous bill. In addition, H. R. 5287 contains a new section 3, section 3 in the previous bill having become section 4. The new section 3 merely makes applicable to the Golden Gate International Exposition of 1939 the same privileges accorded by section 2 to the New York World's Fair, 1939.

While section 1 of H. R. 5287 provides for certain exemptions from the requirements of the Federal Alcohol Administration Act, as amended, and certain regulations in the case of alcoholic beverages imported under stated conditions for consumption in the national pavilion restaurants of foreign governments at the two

world's fairs, these exemptions relate to labeling and bottling requirements, and there is nothing in the provisions of this section which would authorize any exemption of such alcoholic beverages from the payment of appropriate customs duties and internal-revenue taxes applicable generally to imported alcoholic beverages. Under the provisions of H. R. 5287, as reported by you from the Committee on Ways and Means, no alcoholic beverages could be released from customs custody for removal to national pavilion restaurants of foreign governments for on-premises consumption as contemplated by the bill, except upon payment of such duties and taxes.

Chairman DOUGHTON was informed in the Department's report of March 4, 1939, that if the changes suggested in that report were made in H. R. 3693, the bill would present no unusual administrative difficulties for the Treasury Department and the Department would interpose no objection to its enactment. Since H. R. 5287 incorporates the changes suggested by the Treasury, the Department has no objection to its enactment.

Very truly yours,

STEPHEN B. GIBBONS,
Acting Secretary of the Treasury.

The SPEAKER. Is there objection to the request of the gentleman from New York for the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Federal Alcohol Administration Act, as amended, shall not apply to the importation, for the account of a foreign government, of distilled spirits, wine, or malt beverages produced in its own country, for on-premises consumption in the national pavilion restaurant of such foreign government at the New York World's Fair, 1939, or at the Golden Gate International Exposition of 1939; nor shall regulations 13 under the provisions of the joint resolution approved June 18, 1934, entitled "Joint resolution to protect the revenue by regulation of the traffic in containers of distilled spirits" apply to such importation, if such distilled spirits, wine, or malt beverages are entered for customs purposes in the name of the duly authorized representative of the national pavilion restaurant of the foreign government responsible for the importation: *Provided*, That the individual containers of all such distilled spirits, wine, or malt beverages shall, prior to release from customs custody, have firmly affixed thereto a label stating the country of origin of such beverages, and bearing a statement to the effect that the same have been imported solely for consumption at the New York World's Fair, 1939, or the Golden Gate International Exposition of 1939, as the case may be: *Provided further*, That the removal from the premises of any national pavilion restaurant of any distilled spirits, wine, or malt beverages imported under the provisions of this act for on-premises consumption in such national pavilion is forbidden otherwise than for destruction or exportation under customs supervision, and in the event any of the distilled spirits, wine, or malt beverages so imported are not consumed upon the premises of the national pavilion restaurant and are removed from such premises for consumption or for sale or other commercial purposes in the United States, such distilled spirits, wine, and malt beverages so removed shall be seized and forfeited. All distilled spirits, wine, and malt beverages removed in violation of this proviso, the containers thereof, and every vehicle or vessel used in the transportation thereof, shall be seized and forfeited. Such seizure and forfeiture, and the disposition of such property subsequent to seizure and forfeiture, or the disposition of the proceeds from the sale of such property, shall be in accordance with existing laws or those hereafter in existence relating to seizures, forfeitures, and dispositions of property or proceeds, for violation of the internal-revenue laws: *And provided further*, That nothing in this section shall authorize the importation of distilled spirits in containers of larger than 1-gallon capacity.

SEC. 2. The joint resolution entitled "Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the New York World's Fair, 1939, New York City, N. Y., to be admitted without payment of tariff, and for other purposes," approved August 16, 1937 (50 Stat. 668), is amended by adding at the end thereof the following:

"SEC. 2. Notwithstanding the provisions of the last proviso to the foregoing section, the New York World's Fair 1939, Inc., shall not be liable for the payment of duty on articles imported under this joint resolution, to be exhibited or used by or for the account of a foreign government, if (a) the New York World's Fair 1939, Inc., declares at the time of entry that the articles are to be so exhibited or used; (b) the New York World's Fair 1939, Inc., furnishes to the appropriate collector of customs the name and address of the duly authorized commissioner of the foreign government by which or for whose account the articles are to be so exhibited or used; and (c) the New York World's Fair 1939, Inc., within 30 days from the date of entry furnishes to the appropriate collector of customs a declaration of such duly authorized commissioner that his government will pay all duties, taxes, and other charges accruing on such articles, under such regulations as the Secretary of the Treasury may prescribe. Such commissioner shall possess all the rights of a consignee. This section shall remain in full force and effect until 90 days after the final termination of the New York World's Fair."

SEC. 3. The joint resolution entitled "Joint resolution providing for the importation of articles free from tariff or other customs duty for the purpose of exhibition at the Golden Gate International Exposition, to be held at San Francisco, Calif., in 1939, and for other purposes," approved May 18, 1937 (50 Stat. 187), is amended by adding at the end thereof the following:

"SEC. 2. Notwithstanding the provisions of the last proviso to the foregoing section, the San Francisco Bay Exposition shall not be liable for the payment of duty on articles imported under this joint resolution, to be exhibited or used by or for the account of a foreign government, if (a) the San Francisco Bay Exposition declares at the time of entry that the articles are to be so exhibited or used; (b) the San Francisco Bay Exposition furnishes to the appropriate collector of customs the name and address of the duly authorized commissioner of the foreign government by which or for whose account the articles are to be so exhibited or used; and (c) the San Francisco Bay Exposition within 30 days from the date of entry furnishes to the appropriate collector of customs a declaration of such duly authorized commissioner that his government will pay all duties, taxes, and other charges accruing on such articles under such regulations as the Secretary of the Treasury may prescribe. Such commissioner shall possess all the rights of a consignee. This section shall remain in full force and effect until 90 days after the final termination of the Golden Gate International Expcsition."

SEC. 4. Unbound books of all kinds, bound books of all kinds except those wholly or in part in leather, sheets or printed pages of books bound wholly or in part in leather, pamphlets, music in books or sheets, and printed matter, all the foregoing, if their entry is not prohibited, and if of bona fide foreign authorship and classifiable under paragraph 1410 of the Tariff Act of 1930, shall be admitted without payment of duty if imported for gratuitous distribution within the exhibits of foreign governments at the New York World's Fair, 1939.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate insists upon its amendments to the bill (H. R. 3790) entitled "An act relating to the taxation of the compensation of public officers and employees," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HARRISON, Mr. BROWN, Mr. CONNALLY, and Mr. LA FOLLETTE to be the conferees on the part of the Senate.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1940

Mr. COLLINS, from the Committee on Appropriations, reported the bill (H. R. 5610) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1940, and for other purposes (Rept. No. 383), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. STEFAN reserved all points of order on the bill.

Mr. COLLINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5610) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1940, and for other purposes, and pending that, I ask unanimous consent that general debate on the bill be limited to 1 hour and confined to the bill and that the time be equally divided between the gentleman from Nebraska [Mr. STEFAN] and myself.

The SPEAKER. The gentleman from Mississippi moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5610; and, pending that, asks unanimous consent that general debate on the bill be limited to 1 hour and confined to the bill, the time to be equally divided between himself and the gentleman from Nebraska.

Is there objection to the request?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Mississippi.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5610, with Mr. PARSONS in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. COLLINS. Mr. Chairman, this bill is one making appropriations for the conduct of the affairs of the National Capital, termed the District of Columbia, for the fiscal year 1940. I believe it is of particular interest to the Members of this House, for we all have pride in seeing that the affairs of the Capital of the country are carried on efficiently and economically. In other words, it is more or less a test of the ability of the Congress of the United States to do a job.

It is with peculiar pride that I am submitting to this House today this particular bill which provides funds for carrying on not only the general activities of the District, but also some of the activities of the National Park Service, the National Capital Park and Planning Commission, and the National Zoological Park, and certain engineering activities within the District of Columbia conducted by the Engineer Corps of the Army.

The regular Budget for 1940 proposed appropriations for the District of Columbia totaling $47,677,780. This committee recommends appropriations totaling $46,902,707; in other words, we have effected a reduction of $775,000 in the Budget estimates.

Another significant fact is that the amount recommended by this committee is $1,463,345 less than was carried in the 1939 appropriation bill and the deficiency items which have been passed since that bill was passed. These economies are proposed without impairment of any of the services rendered to the residents of the District of Columbia.

Appropriations for the District are under three headings: Those payable from the gasoline-tax fund, water revenues, and general funds made up principally of taxes on real estate, personal property, license taxes, intangible taxes, and other taxes of similar type.

GASOLINE-TAX AND WATER FUNDS

The gasoline-tax fund comes from taxes on automotive vehicles which are comparable with taxes paid in other jurisdictions in amount and in type; and also from a 2-cent gasoline-tax fund, and are sufficient to take care of all the street improvements and kindred street items in a very satisfactory manner. The water-revenue items are sufficient to take care of additional water mains and the general upbuilding of the water system; and, in addition, there is laid aside approximately $500,000 each year for investment in Government securities to take care of a major enlargement or rebuilding of the water system, 10, 15, or 20 years hence. In addition, there will be a slight surplus in the water fund at the end of the fiscal year 1940, notwithstanding the fact that water rates in the District of Columbia are abnormally low. It is only the general fund to which we must look with concern, because water revenues and gasoline taxes are sufficient to take care of the items for which they are raised.

GENERAL FUND

This bill would represent a deficit over revenues of $3,484,000, and I mean by "revenues" revenues based on all taxes currently raised, plus a tax of $1.50 on real estate, and eliminating the onerous business-privilege tax, about which so many of the local citizens have complained. In other words, a $1.50 rate on real estate, with the business-privilege tax eliminated, would mean a deficiency of appropriations in comparison with revenues of $3,484,000.

At the present time the real-estate rate in the District of Columbia is $1.75 per hundred dollars, 25 cents over the estimated rate that I have just given you. If the $1.75 rate were continued, this deficit would shrink to $284,000 instead of $3,484,000, for the 25-cent addition to the real-estate rate would mean added revenues of $3,200,000. In other words, continuing the real-estate tax would mean that the revenues for the District of Columbia would be sufficient without increasing taxes to pay the current expenses in the operation of this municipality which we call the District of Columbia. I believe this is a very encouraging sign not only to us who have the responsibility of making appropriations for the District, but likewise to the people who have come here to make Washington or the District of Columbia their home.

Generally, I believe I should take up with you some of the larger items in the pending measure.

Mr. LEAVY. Mr. Chairman, will the gentleman yield there?

Mr. COLLINS. Yes.

Mr. LEAVY. I want at the outset to compliment the gentleman and say that in my judgment I think he is perhaps the best-informed man on the floor of this House concerning municipal financing in this city, but I am wondering if there is any reason why this real-estate tax should be cut from $1.75 to $1.50.

Mr. COLLINS. Well, it will not be, I will say to the gentleman.

Mr. LEAVY. And there is no particular reason why it should be, is there?

Mr. COLLINS. No; and it will not be.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. Let me go along for a moment and then I shall yield.

Mr. SMITH of Virginia. I want to ask the gentleman a question on that point.

Mr. COLLINS. Yes.

Now, with reference to some of the various provisions of this bill, there are about 14,000 employees in the District of Columbia. There are two types of promotion they can get. One is promotion within the grade and the other is promotion from one grade to another grade. In this bill the total administrative promotions are limited to $50,000 and reallocations are limited to $35,000 for the fiscal year 1940. This is more or less in line with the established policy of subcommittees in dealing with civil-service employees.

PUBLIC UTILITIES COMMISSION

We have a Public Utilities Commission here and it has been operating, in my judgment, in an efficient manner. At times it has had what has been known as a people's counsel. For the last several years an appropriation has been carried for the salary of this people's counsel, but for some reason the President has never seen fit to fill the vacancy which existed in that office. This bill eliminates the salary because of the fact it has not been used in recent years.

DEPARTMENT OF INSURANCE

The department of insurance is likewise a very efficiently administered department. We find insurance rates in the District of Columbia entirely too high, although they are below what we would find in other jurisdictions. There are very few fire hazards in the District of Columbia. Fires are negligible not only in number but in size, and the result is that premiums in the District of Columbia amount to about four times as much as fire losses. It is usually figured that premiums should be double fire losses. We have recommended that these rates be lowered.

PUBLIC LIBRARY

Next is the Public Library. This District is blessed with a well-administered library system, with a main library and seven or eight branch libraries. It provides facilities for grown-ups and also for the schools. Not only can school children go to the libraries and find material there, but the libraries, through a basket and delivery system, sends books and documents into the schools themselves for the use of the pupils.

This bill provides for the beginning of the construction of a new main library building. Money for the plans has already been expended and a block of land on Pennsylvania Avenue has been definitely earmarked for that purpose. This proposed new building will be used to house the main library and also the administrative offices of the Board of Education of the District of Columbia.

PUBLIC PLAYGROUNDS

On the subject of playgrounds we found that there are several agencies operating recreational activities in the District of Columbia, particularly a department known as Public Playgrounds outside the school system, another known as the Community Center Department, which is a part of the school system, and then there is still another under National Capital Parks. In addition to these three, the Welfare and Recreation Association, a governmental corporation, operates a number of golf courses, tennis courts, and other recreational activities. This bill undertakes to consolidate playgrounds and the community centers and places them under the school system.

PUBLIC SCHOOLS

Appropriations for public schools are practically the same as they have been during the current year, allowing for normal increases that we find in practically all school budgets in the country. Several new school buildings are proposed, and in that connection let me tell you what most of you probably already know, that the cost of school systems in The District of Columbia police have many problems that a any other municipality in the country, according to a report made I think by the President's commission dealing with the subject of education.

POLICE DEPARTMENT

Police Department: This department is an efficiently operated agency in my opinion. I have a very high regard for the Superintendent of Police, Major Brown. I know that he is trying his very best to make it an efficient organization. The District of Columbia police have many problems that a jurisdiction of similar size would not have, because this is the Capital of the country and the population here is at times nearly doubled, due to visitors, transients, and so forth. There is a growing demand for an increase in the size of the police system. This committee proposes in this bill an addition of 25 policemen, 4 of them to be used exclusively in the inspection of shops where liquor is sold, so as to reduce the sale of liquor to minors and intoxicated persons, and to prevent any other violation of the law by these establishments. The other 21 of the 25 are to be assigned to motorcycle duty. That is in line with the suggestions made by the American Automobile Association and the Keystone Automobile Association.

FIRE DEPARTMENT

Fire Department: According to the Griffenhagen report, the Fire Department is too large and too expensive. The fire hazards here are negligible. This bill provides a reduction of $68,890 in the Budget estimate for the Fire Department, in proposing a reduction in the number of fire stations and also that vacancies occurring in that department shall not be filled, because we believe that a consolidation of fire stations will mean the use of a lesser number of firemen.

HEALTH DEPARTMENT

Health Department: Appropriations for public health in the District of Columbia have been practically doubled during the last 5 years. Realizing that the public health situation is acute here at times, because of the large number of transients and the fact that medical service is free, which causes a large number of people from surrounding States to come here because it is free, and that residential requirements have not been insisted upon in the past, this bill has placed a 1-year-residence limitation upon those who are admitted to the free hospitals, except in emergency cases. In some of the States the law requires 5 years residence. In addition, we found certain crowded conditions in one of the municipal hospitals here, and in order to relieve that this committee has increased by about $200,000 the appropriations for what is termed in this bill "medical charities," meaning thereby private hospitals that treat charity cases, for which they make a charge of around $2.50 per day, which is paid out of the District revenues. We found that these medical charities have been used to the fullest extent in the District of Columbia. We found also that these private hospitals are in grave danger of having to "close up shop" because of the load that is placed on them.

We realize that private hospitals are necessary for the well-being of any municipality, and, therefore, we have come to the conclusion that they should be aided and assisted as much as possible by this municipality, provided the payments to them are not in excess of the cost of taking care of these patients at a municipally owned hospital.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. Yes.

Mr. HANCOCK. Do I understand the gentleman to say that the District paid $1.50 to $2 a day for charity patients?

Mr. COLLINS. It amounts to about $2.50 per day.

Mr. HANCOCK. Can the hospitals do it for that amount?

Mr. COLLINS. No.

Mr. HANCOCK. In my home city we pay $4 to the hospitals.

Mr. COLLINS. Every private hospital in the District of Columbia loses money on every patient that it takes in.

Mr. HANCOCK. And that deficit is made up by the Community Chest?

Mr. COLLINS. It is not made up here by the Community Chest. Take, for instance, Providence Hospital, which has treated about one-third of all the charity patients in the District of Columbia, and has not been paid a single penny by the District of Columbia for that service.

This bill undertakes for the first time in recent years to help Providence Hospital.

Mr. HANCOCK. Does not the Community Chest make any contribution to the private hospitals?

Mr. COLLINS. They have, but I understand it is not available this year for that purpose. I may be mistaken about that, however.

Mr. HANCOCK. Where do the funds come from?

Mr. COLLINS. From private subscriptions. All of the patients that are treated by private hospitals are treated at a loss by the institution.

Mr. HANCOCK. And private subscribers have to make up the loss?

Mr. COLLINS. Yes.

Mr. HANCOCK. Does not the gentleman think the District ought to pay the cost of those charity patients?

Mr. COLLINS. I do; but we are not doing it in this bill. We are paying part of it, but not all of it.

Mr. HANCOCK. But we are approaching full payment?

Mr. COLLINS. No. We pay about half of it, but I think we ought to give them all the assistance we can, because I do not believe we can afford to have them closed.

Mr. HANCOCK. I think we ought to pay cost.

Mr. COLLINS. Well, I am not going to argue with the gentleman about that.

PUBLIC WELFARE

Now, with reference to public welfare, this bill is giving to the House Budget estimates for public welfare, plus social security amounts of two and one-half million dollars. In addition to that sum of money, the recipients of relief are taken care of by W. P. A. The average expenditures through W. P. A. are in excess of $6,000,000 in the District. In addition to that, there are large and extensive stocks of goods, merchandise, and perishables to which these relief patients go for food and clothing. The undisputed testimony is to the effect that the amount appropriated, plus the social security grants, plus the surplus commodities, plus W. P. A. grants, estimated to be around $6,000,000 for the fiscal year 1940 for the District of Columbia, will be sufficient to take care of all relief needs in the District of Columbia for the fiscal year 1940.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. I will be glad to yield to the gentleman.

Mr. COX. I was interested in the item the gentleman discussed in connection with appropriations made for relief of the sick. The gentleman referred to the very fine work that has been done by Providence Hospital. Is the gentleman able to inform the Committee as to the proportionate

part of charity or assistance to the poor that is rendered by that hospital?

Mr. COLLINS. It has been rendered free in the past.

Mr. COX. In other words, what part of the load does that particular institution carry?

Mr. COLLINS. It has been carrying about one-third, and the District has made no appropriation in the past for Providence Hospital.

Mr. COX. From what source does the hospital secure support for the care of the poor?

Mr. COLLINS. I imagine it has gotten some funds from the Community Chest but largely from charitably inclined citizens of the District of Columbia.

THE NATIONAL GUARD

We have in Washington a very fine militia, commanded by Brig. Gen. Albert Cox, an upstanding citizen of North Carolina and Washington. The militia, or National Guard, is housed down on Pennsylvania Avenue in an old, dilapidated hotel. They are in need of an armory—not a riding hall or a drill hall but a modern, up-to-date armory. You might call it a glorified warehouse. Those of us who keep step with the progress of matters military know that armies in the future are going to be on wings and on wheels. We ought to have a place where we can house modern, effective implements, instead of a place where the boys can march, because I do not think we are going to make much headway at marching in front of machine-gun fire. So this bill provides for a modern armory, or, at least, provides for the acquisition of ground and plans for a modern armory. We took into consideration in our work the advice of that magnificent soldier, the present Chief of Staff of the Army, who gave us very valuable suggestions and advice. So we can look forward in the next year or so to an adequately housed National Guard for the District of Columbia.

LEGISLATIVE PROVISIONS AND LIMITATIONS

Now, with reference to some of the legislative provisions, for all of these bills have certain legislative provisions. Most of them have been carried through the years, because at one time appropriations were made by the legislative committees. I believe this bill is as free of legislation as it is possible to write a bill.

The first item of a legislative nature provides that the executive secretary of the Commission on Mental Health shall receive a salary at the rate of $3,000 a year. We put that in the bill because the present rate is $3,800, and we felt that $3,000 was more in line with the duties of the office.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. STEFAN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. COLLINS. Mr. Chairman, the next item relates to the cost of the public library administration school building, and fixes the outside limit at $1,118,000.

The next item relates to the filling of vacancies in the fire department, which I have already discussed.

The next item provides that when one piece of fire equipment is replaced by a new and modern piece of fire equipment, the use of the old fire equipment is prohibited.

The next item provides one year's residence for persons at Gallinger Hospital, unless the case is an emergency one.

The next item provides a maximum cost of $500 a year for inmates at the National Training School for Girls. The cost of keeping inmates in many similar institutions elsewhere is $400. We felt that a maximum should be placed upon this institution so that the cost would not be prohibitive.

The next item relates to the National Training School for Girls and provides that the Attorney General can bring condemnation proceedings for the acquisition of land—a provision that must be carried in these bills.

The next item is provision for a bridge across Rock Creek at Massachusetts Avenue instead of the culvert that is there now. Those of you who go out Massachusetts Avenue may not realize it, but you are riding across an embankment, under which is a culvert through which runs Rock Creek. It is proposed that this embankment be eliminated and a 60-foot bridge be used in its stead. The proposed improvements there will cost just about the same for the bridge as they would for the improvement of the culvert, and the change from the culvert to the bridge is recommended by the Engineer Commissioner of the District of Columbia. In this connection I may add that this bill provides for an additional driveway through Rock Creek Park, through which most of you drive when you come to the Capitol every day, instead of the single-lane highway that is there now.

The next legislative item relates to a subject I have already discussed—the $50,000 for step-ups and $35,000 limit for the change of grades of District of Columbia employees.

Mr. Chairman, I have mentioned in this time some of the salient features of this bill. I may say, in conclusion, that this work represents the unanimous judgment of the membership of this subcommittee. We are in complete agreement. There are no controversial items in the bill. We feel that we have done a measurably good job. Under the 5-minute rule, I shall be very happy to answer any question any of you may wish to ask about any subject in the bill. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Nebraska is recognized for 25 minutes.

Mr. STEFAN. Mr. Chairman, I yield myself 15 minutes.

The CHAIRMAN. The gentleman from Nebraska is recognized for 15 minutes.

Mr. STEFAN. Mr. Chairman, I am glad to join my distinguished colleague the Honorable Ross COLLINS, of Mississippi, in stating that this annual appropriation bill for the District of Columbia comes to the House by unanimous vote of the subcommittee. I know that many Members feel that they have little interest in the affairs of the government of the District of Columbia—yet they should have an interest, due to the fact that as long as the city is operated under the present system every Member becomes a legislator for the District and its inhabitants, and the constituents and taxpayers of each district in the land have personal and financial interest in it.

The gentleman from Mississippi [Mr. COLLINS], chairman of the subcommittee, has worked many months on this bill. He has worked morning, afternoon, and night. I believe that he knows more about the fiscal affairs of the District than any Member of the House. As senior minority member of the subcommittee, I am glad to say to you that we have labored over this bill without friction and without one word or thought of party politics. We have tried to be fair. You have read daily in the local newspapers about the various questions in which the people of Washington are interested. You have been reading daily about investigations and plans for making changes in the form of government. All of these events have been discussed by the membership of this subcommittee; but we are an appropriating body and not a legislative one, and therefore, with what available material and program we had before us, I feel that we have brought out a carefully considered bill that will appeal to you on its merits. It comes to you with figures below the Budget and with the sincere belief of Members who have listened attentively throughout the hearings that it contains sufficient funds to carry on the activities during the next fiscal year. The Budget estimates aggregated $47,677,780. This bill now carries a total of $46,902,707—$775,073 below the Budget estimates.

I personally feel that until we have some new legislation changing certain conditions here, your subcommittee on appropriations can do nothing better than follow the guidance of our most able and distinguished chairman.

In paying tribute to the ability and fairness of my chairman, I wish to add my tribute to the unusually hard work and helpful guidance of the District Auditor, Major Donovan, and also our committee clerk, Mr. William Duvall. They have greatly aided the subcommittee in the arduous task of preparing this intricate appropriation bill.

Following the completion of the hearings on this bill, I have been asked many questions by both old and new members regarding various phases of the appropriations for the District government. Although the chairman has covered much of the ground, I will endeavor to reply to just a few of the questions.

Question. How much do we appropriate each year for the District of Columbia?

Answer. We have been appropriating around $47,000,000 a year. This includes the $5,000,000 Federal contribution. However, none of the Federal contribution is applied to the expenses of the Water Department, because that pays its own way. The hearings show the substantial amount of water furnished to agencies of the Federal Government without charge.

Second question. What is the annual cost of relief and what is the total of aggregate annual expenditures?

Answer. The amount of annual relief runs to around ten millions. Since 1932, the Federal Government has turned over to this city about $71,000,000 in all forms of assistance and relief. It is safe to say that with the ten millions relief and the annual appropriations here, the annual expenditures for the District government would amount to about $57,000,000. Of course, that does not include other huge Federal expenditures within the District in which the local government does not share, such as the Mount Vernon highway and purely Federal activities. The tax question and the various legislative questions for the district are unusually interesting and are being studied by other committees. .

Third question. How many people pay real estate and personal taxes in this city?

Answer. There are about 627,000 people in Washington. The hearings which we held are very complete on that matter and are available to you. Briefly, however, it may be interesting for you to know that there are only about 86,000 people in this city who pay real-estate and personal taxes. That does not include the various corporations. The city is growing rapidly and the hearings will disclose to you the fact that throughout the Nation, Washington is considered somewhat of a boom town and all roads lead to Washington. It was testified that about 38,000 people are here looking for some kind of a job. That does not include the 12,000 people assigned to W. P. A. To somehow solve the problem of the floating population and those thousands who come here to stay because they feel they can get a job or relief, is this city's most difficult task. The testimony of school officials shows that there are about 2,400 Maryland and Virginia students who secure free education here. This, they say, is at a cost of over $200,000 a year and this is paid for by District taxpayers and the taxpayers in the States because the Federal contribution is applied to the school funds. Washington's educational system is held in high esteem and the hearings contain valuable and interesting information on that subject. Procurement of a teaching position in the Washington public schools is a worthy ambition for any teacher.

Fourth question. What are some of the large items of taxation here?

Answer. The real-estate tax, of course, brings in the most money, amounting to around $20,000,000 per year. Personal taxes—tangible and intangible—around $4,000,000; liquor taxes including the license tax, about $2,000,000; the corporation franchise tax about $3,000,000; the automobile taxes, including the weight and personal-car tax, around one million and a half; the insurance tax around half a million; and the business tax around two hundred and seventy thousand. Those are merely in round figures. The hearings disclose much more of this information.

Fifth question. Could the city be run on local revenues, without Federal contribution?

Answer. That question is one of the old ones here. The answer, of course, is "No." There are other committees which have made exhaustive studies of that matter and the legislative committee may make certain recommendations affecting sources of revenue. Until new legislation is passed, however, there is nothing that this committee can do except to continue an annual lump-sum contribution from the Federal Government.

Sixth question. What about relief here; is enough money appropriated?

Answer. If you want to take in all of the people who want jobs and relief, the answer is "No." While Washington is somewhat different from any other city in the country, the principles are the same. More people want help than can be accommodated out of available resources. Yet our information from a reliable relief source is that we are appropriating sufficient funds to carry the necessary load. You should know, however, that, while there are rules and regulations, most anyone who comes here and is broke can get free hospitalization. Anyone coming here can usually get some kind of help. The growth of the Government business here is so well known throughout the land that hordes of people are coming here trying to get some kind of a Government job, and, failing to do this, many apply for relief. The private charitable organizations have done marvelous work in helping out under these conditions. Because of these serious conditions here these private charitable organizations should be given more enccuragement. While it is claimed that many former Washingtonians are moving out and building in nearby Virginia and Maryland, my impression from the evidence given is that the city is going to continue to grow rapidly, and the majority of the new population will not be of the class that comes here to build a home and to be altogether self-sustaining.

Seventh question. What is the needed hospitalization outlay here?

Answer. That is problematical, due to the fact that the hearings disclose that overcrowded conditions may exist continuously because of the influx of people coming here for free hospitalization from nearby States. The hearings and investigations develop that matter. One fact, however, should be stated here regarding the valuable work which is being done for humanity by the efficient staff of visiting physicians and surgeons. More than 100 of these doctors give their time and service free to these public institutions. They are known as the staff of visiting doctors. The chief of that staff is Dr. Walter Bloedorn, a prominent doctor of this city, who has a very high standing in his profession and has the confidence of many people here. I have been informed that the free services of this staff each year can be figured close to $400,000. My impression is that this staff of doctors should be highly commended and encouraged in the service they are rendering to the unfortunate people of this District.

Mr. LEAVY. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Washington.

Mr. LEAVY. I wish to ask the gentleman a few questions with reference to the milk situation in Washington. The gentleman seemed to take the lead in interrogating witnesses when this matter was before the subcommittee. I appreciate, of course, that the gentleman's committee cannot legislate on this subject, but it does appear that there must be more or less of a milk monopoly in the District of Columbia, and that the purchase of milk is limited to a very small territory. The hearings seemed to indicate that the farmer gets in the neighborhood of 6 cents a quart, the distributor 8, and that the consumer pays 14. The testimony further showed that one distributor handles nearly 50 percent of the milk distributed in Washington. Is that correct?

Mr. STEFAN. The gentleman from Washington has always been alert and has always fought for the interests of the producer, especially the dairymen. The gentleman will remember, of course, that yesterday we made provision for an investigation of the milk situation in Washington. If the gentleman will look at page 545 of the hearings, he will find a complete statement as to the milk situation here. Is the gentleman asking a specific question as to whether there is a milk monopoly in the District of Columbia?

Mr. LEAVY. I am asking the gentleman expressly about that subject and would be glad to have the gentleman's opinion, if he cares to give it.

Mr. STEFAN. I cannot speak with the force of authority or present facts that come from an official source, but it is my personal opinion that there is a kind of monopoly here. I believe the producers, the farmers, the men who milk the cows, the dairymen in Maryland and Virginia, and the milksheds about this city would be better able to protect themselves if they organized in a cooperative way and distributed their own milk instead of placing themselves at the mercy of some distributor who does not milk the cows himself. I sympathize with the farmers in this territory who have to sell their milk at around 6 cents to a distributor who gets an additional 8 cents. The consumer has to pay 14 cents for it. I know that my colleague from Washington has been diligently battling for the producer and dairymen in order that the producer may secure a larger share of the actual value of the milk he himself produces.

Mr. LEAVY. One other observation, if the gentleman will permit. I am conscious of the fact that the distributor is entitled to a reasonable profit, but the major consideration is the producer and the consumer. It seems we are not meeting that situation, and the gentleman's committee might possibly have had the power to exercise some control here, as it is my understanding the inspectors who draw their pay from this appropriation go out into nearby Virginia and Maryland, and even go over into Pennsylvania and there inspect the farmers' barns and dairy equipment. They cannot go beyond there.

Mr. STEFAN. The gentleman is absolutely right. There is a minute inspection made of the milk to safeguard the health of the babies and the people who live in Washington. The chairman of the committee and the membership of this committee, I may say to the gentleman from Washington, went into the subject very thoroughly; but we are an appropriating committee, not a legislative committee. We hope that the investigation, which was passed by the House yesterday, will develop these things the gentleman is trying to develop to safeguard the interest of the producer as well as the consumers.

Mr. DOWELL. Will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Iowa.

Mr. DOWELL. Does the gentleman's committee limit this inspection to such an extent it will necessarily limit the product in the District of Columbia?

Mr. STEFAN. Of course, this committee could limit by eliminating or cutting down all of these appropriations.

Mr. DOWELL. Does the gentleman's committee by this appropriation limit the matter?

Mr. STEFAN. No. The committee did not limit any of the appropriation for inspection, feeling the amount suggested in the request of the Commissioners was sufficient. I believe we have appropriated a sufficient amount of money to make a thorough inspection of the milk which is consumed in Washington.

[Here the gavel fell.]

Mr. STEFAN. Mr. Chairman, I yield myself 6 additional minutes.

Mr. MOTT. Will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Oregon.

Mr. MOTT. This bill, as I understand it, appropriates about $47,000,000 to help defray the expenses of operating the government of the District of Columbia. What percentage does that bear to the entire cost of the operation of the District of Columbia government?

Mr. STEFAN. All of it.

Mr. MOTT. Does not the District of Columbia pay anything on its own account?

Mr. STEFAN. Absolutely. The $5,000,000 Federal contribution is included in the $47,000,000.

Mr. MOTT. Of the $47,000,000 included in this bill, how much comes out of the Federal Treasury?

Mr. STEFAN. Five million dollars.

Mr. MOTT. All of the rest comes from the District?

Mr. STEFAN. Probably most of it.

Mr. MOTT. I want to inquire about the appropriation for the Police Department. I notice that the increase in the appropriation for the police force over last year is $43,975, which is a rather negligible increase. Is it not a fact that the city of Washington is very seriously underpoliced?

Mr. STEFAN. The committee took that into consideration, and we think we have appropriated sufficient funds to carry on the police activities of the District of Columbia to safeguard the life and property of all its inhabitants.

Mr. MOTT. Right after the death of the young son of one our colleagues, the gentleman from Florida [Mr. CALDWELL], I took up with the Police Department the matter of stationing an officer at the intersection of Connecticut Avenue and Woodley Road because that is where he was killed. It is a very dangerous intersection.

Mr. STEFAN. May I say to my colleague that we have furnished the Police Department with sufficient funds to put on additional policemen to take care of those very things that the gentleman is discussing. Numerous motorcycle policemen have been added to the force, which will take care of these matters.

Mr. MOTT. The department told me at that time that in doing so they would probably have to take away an officer from some other important intersection. I was also informed that the police department was not sufficiently large to take care of the street traffic of Washington.

Mr. STEFAN. We think we have provided sufficient funds to take care of that situation.

Mr. MOTT. I am glad the gentleman thinks that is so, because he knows a great deal about the matter.

Mr. DOWELL. What is the number of policemen in the city?

Mr. STEFAN. The gentleman will find that detailed in full in the hearings—about 1,397 policemen.

Mr. DOWELL. How does the number compare with that in other cities?

Mr. STEFAN. Of course, Washington is a rather unique city. There is much service rendered by the police here that is not rendered in other cities.

Mr. MOTT. How does the number of policemen in the city of Washington compare with the number in San Francisco, which is a city of comparable size?

Mr. STEFAN. That is in the hearings.

Mr. MOTT. Does the gentleman know whether it is more or less than San Francisco?

Mr. STEFAN. I think it is more.

Mr. MOTT. Why should it not be as much?

Mr. STEFAN. We have about 1,397 policemen here. The hearings give you full details. You have them to examine and read. I believe San Francisco has a population of about 750,000 and has about 1,266 policemen. The need for these additional policemen is that this is the Nation's Capital and the activities here are so much more numerous and diversified than San Francisco, so that city cannot be used as a comparison. If you read the hearings you will find a table showing the number of police here is not excessive as compared to other cities of this size, taking into consideration, of course, that Washington is a capital city.

Mr. MOTT. Then why should there be fewer in Washington than in San Francisco?

Mr. STEFAN. I did not say there were fewer. I told the gentleman to refer to the hearings. They are complete with such information.

Mr. MILLER. Will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Connecticut.

Mr. MILLER. May I refer to page 45, the section applying to Gallinger Hospital? I notice there an item for a chief medical director, $7,500, and two associate medical directors, $3,200. May I ask the gentleman if this means the abolishment of the staff of five resident physicians which they now have?

Mr. STEFAN. No; those five resident physicians remain as at present.

Mr. MILLER. Where is their appropriation carried in the bill?

Mr. STEFAN. The act is not carried in this bill. It merely continues through. They hold office under a con-

tinuing act, and it is not necessary that they appear in this bill.

Mr. MILLER. Is this part of the $606,000?

Mr. STEFAN. That is right. Those five men are provided for.

Mr. MILLER. May I ask why a salary of $7,500 is set for a chief medical officer here, when the Veterans' Administration gets its chief medical officers at $5,600?

Mr. STEFAN. That was arranged through the various hospitals in the city, by agreement of Georgetown University, George Washington and other authorities——

Mr. MILLER. I believe the gentleman misses my question. Why are we paying $7,500 for a chief medical officer here in Washington when the Veterans' Administration gets its chief medical officers at $5,600?

Mr. STEFAN. The amount is high. I understand it is in the bill because they want a man who is efficient. There is some serious controversy over this item.

Mr. MILLER. The Veterans' Administration has some very efficient chief medical officers at $5,600.

Mr. STEFAN. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. BOLLES].

Mr. BOLLES. Mr. Chairman, at 12 o'clock today I arrived at the House and received a copy of this appropriation bill. I do not believe in dealing in futilities, and it is futile to object to any of the items in this bill; but it would seem to me that the members of the House Committee on the District of Columbia might have had opportunity to study this bill in some way, because it is reeking with legislation.

One item in the bill to which I do object, and which I think will be a reflection both on the committee and the House if it remains as it is, is the item regarding the fire department.

For the pay of officers and members of the fire department—

And so forth—

Provided, That vacancies occurring under this appropriation shall not be filled; and the Commissioners, in submitting their estimates for the fiscal year ending June 30, 1941, shall provide for the reduction in the number of existing Fire Department stations and a reduction in the number of Fire Department personnel.

I have but a few moments, but I wish to say that this is one of the few cities in the United States where the firemen do not have a 60-hour week or have not been given some consideration of this character. In this House and in the body at the other end of the Capitol we pass measures which are signed by the President and which provide certain things for people in every walk of life. We set prices for them, we set hours for them, and we have decisions made by the National Labor Relations Board for them; but here in the city of Washington we work the firemen 72 hours a week without proper holidays, and we pay no attention to this situation in the appropriation bill, although legislation correcting this situation was agreed to by the House Committee on the District of Columbia.

I find other items through the bill which, if I had time, I could show you are matters of legislation. If the subcommittee handling appropriations for the District appropriates and legislates at the same time, we had better abolish the House District Committee. [Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin has expired. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That in order to defray the expenses of the District of Columbia for the fiscal year ending June 30, 1940, any revenue (not including the proportionate share of the United States in any revenue arising as the result of the expenditure of appropriations made for the fiscal year 1924 and prior fiscal years) now required by law to be credited to the District of Columbia and the United States in the same proportion that each contributed to the activity or source from whence such revenue was derived shall be credited wholly to the District of Columbia, and, in addition, $5,000,000 is appropriated, out of any money in the Treasury not otherwise appropriated, to be advanced July 1, 1939, and all of the remainder out of the combined revenues of the District of Columbia, namely.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to compliment the gentleman from Mississippi [Mr. COLLINS] as well as the gentleman from Nebraska [Mr. STEFAN] and their associates on the subcommittee of the Committee on Appropriations for their work in connection with this bill. It is work for which they receive no credit back home, but under the present set-up it is necessary for the Congress to legislate for the District of Columbia and someone must spend weeks investigating and making recommendations for us to act on.

My main purpose in rising today is to refer to a matter which I believe is of grave importance. I am pleased to notice in the report that the committee has recommended an increase in the appropriation for the Police Department. This prompts my remarks. The third paragraph under the heading "Police Department" states:

It is the opinion of the committee that the police should pay special attention to minors on the streets with a view to preventing traffic accidents, and to places where intoxicants are sold, and the selling of liquor to intoxicated persons.

In my opinion, it should not be necessary for the Congress of the United States to tell the Police Department it is their duty to enforce the laws relating to the sale of alcoholic liquor any more than it is their duty to tell the police department to enforce the laws relating to murder or robbery.

I have given some attention to the sale of liquor and liquor regulations in the last few months, being in correspondence with Commissioner Hazen and with the Alcoholic Beverage Control Board. I was greatly exercised when I returned to Washington last fall and read in the papers that the Alcoholic Beverage Control Board, over the protest of a large majority in the neighborhood, granted a license for the sale of liquor out on Georgia Avenue. The protest was led by the clergy, civic organizations, the Parent-Teachers' Association, and other public-spirited citizens who opposed the issuance of that license. It might have been lawful to issue the license, but I say where you find a situation such as that in a community the license should not be issued. The will of the people living in the neighborhood should prevail.

There is no Member of this House who did more to bring about the repeal of the eighteenth amendment than I did. I spent my own money, making hundreds of speeches, and worked for years for that cause, as I did not believe in prohibition then and do not believe in it now; but I say to you now if we do not protect the youth of this country, if we do not provide ways and means to keep intoxicants from them, prohibition is going to return just as sure as you are in this room today, and one of the first places that will be affected is the District of Columbia. We read about school children getting liquor in the District of Columbia. That must be prevented, and it can be stopped. I want to say to Major Brown, in whom I have great confidence, and who has made an excellent Superintendent of Police, "Notify each and every one of your men, Major Brown, that it is their duty to enforce the liquor laws just the same as it is to enforce any other law. Hold them responsible for what happens in their precincts and districts. Bear down on them. You are doing wonderful work with your boys' clubs, and here is another way you can help them to become good citizens: Get their cooperation, and you will soon stop this illegal sale of liquor to minors."

I am pleased the committee is providing the Alcoholic Beverage Control Board some additional men. It is true the Board has been handicapped because they have had only two inspectors. If the old and new inspectors go from place to place and where they find a violation of the law by the sale of liquor to minors or the sale of liquor to intoxicated persons, bring the violators before the Board, and, no matter whether it be the largest hotel in Washington or the smallest retail dealer, let the Board take their license away, then you can bet anything you have there will be no more violations in the District of Columbia along that line. That is the way to stop violations. Take their licenses away.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Pennsylvania.

Mr. RICH. Several years ago the same Board permitted a liquor license to be granted to a distributor located within

500 feet of a church, which is contrary to the law of the District. As the gentleman states, if they do not compel the persons who are dispensing liquors to abide by the laws and the rules, they will eventually find it will be to their detriment and that the people will resent the selling of liquor to children here in the District.

It was brought to our attention just recently that in the case of the Government rum house, where they sold it in half pint bottles, the boys in the high schools were purchasing those half pint bottles.

Mr. COCHRAN. I thank the gentleman from Pennsylvania for his contribution. Let me say in reply: I am sure if the officials who have that rum house in charge know this to be true it certainly will be stopped. I cannot conceive that any Government official who has the least self-respect would for one moment approve of what the gentleman has just pointed out.

Mr. Chairman, I ask that we pause for a moment and compare the situation during the preprohibition days and the conditions at the present. Who ever heard of a taproom, such as we have now, prior to prohibition? In my city and in Washington you might have found a back room called a wine room; but if you did, it was in violation of the law. Now you have licensed places, known as taprooms, where women can sit down and drink intoxicants. We told the people when we sought to repeal the eighteenth amendment the saloon—the evil—was gone. But in its place comes the tavern. Those who are benefiting as a result of the repeal of the eighteenth amendment are the ones who should strive to enforce the laws and regulations. They can keep liquor from minors and people who are intoxicated if they want to. It will be to their benefit to do so before it is too late.

My city is the greatest beer-manufacturing center in the world. Tens of thousands of our citizens are employed in this industry. I want to protect them and their jobs, and the way to do it is by strict regulation of wholesale and retail sales.

Now, Mr. Chairman, I want to refer to another matter. I do not know whether you know it or not, but the wholesale distribution of liquor in the District of Columbia is in the hands of about 25 men or corporations. Just think of it. No hotel or anyone else that has a license to retail liquor can secure such liquor unless he buys it from one of these men. No individual can have liquor shipped direct to him since the new regulations that requires all to buy from the wholesaler.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. In an issue of a newspaper, National Beverage News, supported by these wholesalers, published during the first week in January, there was a long editorial commending the Alcoholic Board for the issuing of the license on Georgia Avenue, praising the Board for ignoring the protests, and in that same issue there was a column and a half open letter, addressed to the Alcoholic Board signed by the leader of the wholesalers, he telling the Alcoholic Board what it should do, and what kind of regulations and rules it should adopt. I read it, and I communicated with Commissioner Hazen about it. He replied that he and the Board were so indignant the man was called before the Board and censured. That was the proper course to take. What right have the wholesalers or anyone else to dictate to the Alcoholic Board of the District of Columbia or the Commissioner what kind of rules and regulations should be adopted?

You have a regulation issued by the Alcoholic Board which provides that if a retailer does not pay his bill within a certain number of days they will take his license away. I think this makes a collection agency out of the Alcoholic Board for the benefit of the wholesaler.

Those who are now making the money out of the sale of liquor in the District of Columbia had little or nothing to do with bringing about the repeal of the eighteenth amendment. Now that they have been provided with a business that brings them large revenues, why should they not be the leaders in demanding proper regulation? If they do not, they should be put out of business.

You have not a hotel in the city of Washington today whose balance sheets are not out of the red by reason of being permitted to sell liquor in the District of Columbia. When prohibition was here most of them were in the hands of a receiver. They should appreciate what has been done for them. They should cooperate and obey the law, and the law is that liquor shall not be sold to minors or to an intoxicated person or after certain hours or on Sunday.

In the same issue of the paper I have referred to a moment ago, there was another lengthy article demanding that the Alcoholic Board provide a resale price for one and all in the sale of liquor. Why, I can buy liquor in the city of St. Louis, where I come from, by the bottle cheaper than I can buy it by the case in Washington; and why? Because wholesale distribution in Washington is in the hands of these few men who set the price. Retailers sell liquor in St. Louis for a fair profit and do not gouge the public.

I want to express the hope that the Commissioners, the Alcoholic Board, and the superintendent of police will cooperate, go after the violators, treat them as they should be treated, and then we will find a different situation in Washington than the one I have just described. [Applause.]

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

ALCOHOLIC BEVERAGE CONTROL BOARD

For personal services, streetcar and bus transportation, telephone service, not exceeding $1,000 for the purchase of samples, not exceeding $100 for witness fees, and not less than $8,000 for beverage tax stamps, and other necessary contingent and miscellaneous expenses, $44,580.

Mr. ALEXANDER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was much interested in what the gentleman from Missouri [Mr. COCHRAN] just said about this District liquor problem and Liquor Control Board. I notice in the appropriation here there is included for this Board's expenses an item of $44,580, and I also notice on page 11 of the hearings there is an item of $1,950,000 shown as the alcoholic beverages, tax, and license fees which have been received by the District or by the Government on the sale of liquor during the past fiscal year.

Some days ago, before this Congress, I made the following reference and assertion, and I think it is worthy of notice and attention again at this time. In the State of Pennsylvania last year, under their liquor control act, under which the State handles its own liquor sales, I understand the State sold to all takers approximately $100,000,000 of liquor on which it realized a profit or revenue for the State expenses of approximately $37,000,000, or nearly 40 percent. I do not know whether you gentlemen know it or not, but in the District of Columbia last year, as I understand the figures, there was approximately one-half the liquor sold here that was sold in the entire State of Pennsylvania in dollar volume; that is, approximately $50,000,000 worth of liquor was legally sold in the District of Columbia last year, and as is shown by these figures on page 11, which I have just referred to, the Government realized only a gross of $1,950,000 from that $50,000,000 sale, as against $37,000,000 of revenue in the State of Pennsylvania on sales of $100,000,000.

In view of these facts and figures I can see no reason why we should consent to or approve of an appropriation of $44,580 for expenses for this Alcoholic Beverage Control Board when they are running this business here, as is manifestly true, on such a very impractical, inefficient, and unbusinesslike basis, as compared with the figures which I have quoted from the State of Pennsylvania.

I submit to this Committee that it is high time that we, as Members of Congress, whether or not we are on the Committee on the District of Columbia or on the Committee on

to those who are upon this floor that Judge SUMNERS intro- | Government as a whole. They separated it from any State

Appropriations, should take official cognizance of this situation, because we, the Representatives of the United States of America, are asked to make an appropriation of several million dollars of the taxpayers' money for the benefit of the District of Columbia, when at the same time we are losing approximately fifteen or sixteen million dollars of revenue on the sale of liquor in this city because of the way it is being handled. We could not only eliminate the entire appropriation from this bill but also have several million dollars left over and never notice the difference as far as the price of liquor is concerned, according to the remarks just made by the gentleman from Wisconsin.

Mr. KITCHENS. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Arkansas.

Mr. KITCHENS. I understood the gentleman to state that in the State of Pennsylvania around $100,000,000 last year was spent for liquors. I am wondering if that is the reason why the State of Pennsylvania is in such dire need for relief money from the Federal Government today.

Mr. ALEXANDER. Not being a resident of Pennsylvania, I am not familiar with their relief situation, but I assume the gentleman's conclusion is that they are spending too much on liquor and not enough for taxes or for essentials?

Mr. KITCHENS. Last year or year before last we spent in the State of Pennsylvania for relief purposes $214,000,000, and it seems they have used about half of it in the purchase of liquor. I voted against the $150,000,000 for relief the other day, and I voted against the $100,000,000 for relief. I did it as a protest against the manner in which our relief moneys are being expended in the United States, such as paying men in the State of Pennsylvania $68 to $90 per month for relief work and paying the people in Arkansas $19 to $32 per month.

Mr. ALEXANDER. I thank the gentleman for his observations.

The CHAIRMAN. The time of the gentleman from Minnesota has expired. The pro forma amendment will be withdrawn without objection, and the Clerk will read.

The Clerk read as follows:

For printing and binding, $53,300: *Provided*, That no part of the appropriations contained in this act shall be available for expenditure for printing and binding unless the need for such expenditure shall have been specifically approved by the Commissioners of the District of Columbia, or by the purchasing officer and the auditor for the District of Columbia acting for such Commissioners.

Mr. KENNEDY of Maryland. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. KENNEDY of Maryland: On page 13, after line 20 insert the following:

"For the use of the Senate and House Committees on the District of Columbia, acting jointly or separately as the chairmen of the two committees may decide, to pay for technical counsel and for bill drafting, statistical, and other assistance in connection with legislation for the revision of the organization of the District of Columbia and for extra services performed in the making of sundry investigations and examinations and the drafting of proposals for the revision of the organization of the District of Columbia, to be expended without reference to the Classification Act of 1923, as amended, and the provisions of section 3709 of the Revised Statutes of the United States (41 U. S. C. 5), $12,500, to be immediately available."

Mr. COLLINS. Mr. Chairman, I accept the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

Not to exceed $350,000 of the unexpended balance of the appropriation of $500,000 contained in the District of Columbia Appropriation Act for the fiscal year 1939 for beginning the construction in square 533 of the first unit of an extensible building for the government of the District of Columbia is hereby reappropriated and made available for beginning the construction in square 491 of the first unit of an extensible library building, including quarters for the administrative offices of the Board of Education, and the Commissioners are authorized to enter into contract or contracts for the construction of such first unit at a total cost, including improvement of grounds and all necessary furniture and equipment, not to exceed $1,118,000: *Provided*, That the unexpended balance of the appropriation of $60,000, contained in such act for the preparation of plans and specifications for a library building to be constructed on square 491 is continued available for the same purpose during the fiscal year 1940, and shall be available for the employment of professional and other services, without reference to the Classification Act of 1923, as amended, civil-service requirements, or section 3709 of the Revised Statutes.

Mr. RICH. Mr. Chairman, I make the point of order against the language beginning on line 23, page 18, after the word "education", down to the end of the paragraph on page 19, ending in line 10. It is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Mississippi desire to be heard on the point of order?

Mr. COLLINS. The gentleman makes his point of order to the language beginning with the word "and", in line 23, and ending with line 10 on page 19?

Mr. RICH. Yes.

Mr. COLLINS. And not to the entire paragraph?

Mr. RICH. Not to the entire paragraph.

Mr. COLLINS. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. RANDOLPH. Mr. Chairman, I move to strike out the last word. I feel it appropriate I should call the attention of the House and the country today to the condition which invariably exists when appropriations or legislation for the District of Columbia are considered by this body. My remarks I am certain will not be construed by the absentees as any criticism of their course in not being present on the floor today, but I call attention to the fact that there are but 25 or 30 Members of this body giving consideration at this time to the District of Columbia appropriations for the coming year, a bill which carries in it items of much interest not only to those who reside in the Nation's Capital, but to the country at large. I rise at this time to reiterate a belief that I have held during my entire tenure in Congress. It is to the effect that bona fide residents of the District of Columbia who have no voting privileges in any of the States should no longer be denied what is not only a right but is a responsibility. They should discharge their duties of the franchise in this particular section of the United States. I feel that it is basically unsound that any group of individuals, be they living in the smallest hamlet of America or in the Capital City of the land, should be denied participation in their Government by the direct use of the ballot. I call attention of the membership present today to the resolutions that have been pending before the Congress for a great many years, looking toward an amendment to the Constitution which would allow the voteless citizens of the District of Columbia to participate in the election of a President of the United States, in the election of a Representative in the lower House, and in the election of a Senator in the upper House, and also a certain amount of local self-government. These resolutions have been before the Congress for a great many years, one introduced by the gentlewoman from New Jersey [Mrs. NORTON] who was at one time the distinguished head of the House District Committee. I have myself introduced a resolution somewhat similar, though somewhat different from the one that the gentlewoman from New Jersey sponsors.

In the other body Senator CAPPER, of Kansas, and Senator LEWIS, of Illinois, have sponsored identical resolutions as those now before the House. The reason I rose at this particular moment was to call the attention of the Committee to the fact that within the last 2 days the chairman of the important Committee on the Judiciary of the House of Representatives, the gentleman from Texas, Judge SUMNERS, able and distinguished Member of this body, has seen fit to introduce a resolution which embodies the thoughts of the other resolutions. I congratulate Judge SUMNERS, as chairman of the Committee on the Judiciary of the House, the committee which will have consideration of this legislation in the future as it has in the past. I believe it is safe for me to say today

Mr. MARCANTONIO. Mr. Chairman, will the gentleman

Mr. RANDOLPH. Was the gentleman in favor of the

to those who are upon this floor that Judge SUMNERS introduced such a resolution not because of any group getting behind him to do that but because, in his solemn judgment, sitting here as a Member of Congress year in and year out, with a long service to his credit, he believes what I believe and what many other Members of this Congress believe, and it is that the people who reside in the District have not only the inherent right but the highest responsibility in the definite obligation of direct participation of government. [Applause.]

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. RANDOLPH. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RANDOLPH. It is conservatively estimated that 170,000 men and women live in the District of Columbia who cannot establish legal residence in any other State in the Union. A large majority of those individuals have no moorings in any other State. Under the laws they cannot be in those States as voting citizens. I have talked to dozens of men and women who were born in the District of Columbia, who are living their lives here, who properly desire, as citizens of the United States, to participate with the vote, upon matters which I have oulined—President of the United States, Representatives in Congress, and a degree of local government. Many of you will remember the large number of these persons who overwhelmingly, in a citizens' plebiscite last year, demonstrated their belief in such a principle. Their voluntary action was truly challenging to all of us.

I feel that it is not stretching the truth to say to the membership of this body that we are seeing in the world certain definite trends toward dictatorships, and we are aware of that fact, and we stand aghast at what is happening. In the United States of America we are happy to say that we live under a government in which the processes of democracy are extended to the citizens in the fullest degree. I believe it is timely that we can once again give attention to the realization, which I have in my heart and many of you have in your hearts, that we should extend the rights and responsibilities of democracy to all men and women in this country who are eligible to participate. Throughout America there are thousands and thousands of citizens who do not know that in the District here there is no voting power. Members of Congress are increasingly becoming determined to join in this fight for suffrage in Washington.

Again, I call to the attention of those individuals who are not especially interested in the appropriation bill for the District of Columbia or especially interested in the legislation that comes before you from the Committee on the District of Columbia, that those two groups are charged with heavy responsibilities; and today I congratulate the chairman of the Subcommittee on Appropriations and those who worked with him for the diligence they have shown in connection with District of Columbia matters. The same words can apply to the membership of the House District of Columbia Committee. The work is not easy, but it must be done, and all Members should join in their efforts to see that fair play and proper measures are the result. [Applause.]

[Here the gavel fell.]

Mr. RICH. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I cannot help but sense the feeling that the "mayor" of the District of Columbia has for the people who would like to have the vote. I think that every citizen of this country should have the vote, but I cannot help but recall some of the history of this country at the time that George Washington and L'Enfant were trying to make a survey of an area 10 miles square which was supposed to be set aside as the District of Columbia, owned and controlled by the United States Government. Everyone who has read their history knows that that is the condition, that the Federal Government is supposed to look after and see that the District of Columbia is used for the purpose of the Federal Government as a whole. They separated it from any State so that no State could have control over this area of ground. Anyone who has moved into the District certainly knew that. Those who were born here certainly were taught that that was the purpose of this area. So I say they should have the vote, but in my own home district people have to go 3 or 4 miles to vote. There is no point in the District of Columbia where, if the citizens here would want to establish a residence they would have to go more than 2 or 3 miles into Virginia or into Maryland, and there they could vote for Representatives and could vote for Senators, and they could have the same rights and privileges that the people have in our own districts.

I am not trying in any way to interfere with the rights of the people of the District of Columbia, but I do think that whenever the time comes that we permit the District of Columbia to be operated by citizens who live here and that the Federal Government is not going to retain control over this area, then we are doing something that we will eventually realize is the wrong thing.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. POAGE. The whole purpose of establishing the District was to take it out of the control of the local political control, was it not?

Mr. RICH. That is right.

Mr. POAGE. Now, if we are going to give them the vote, why not give it back to the State of Maryland and let them pay taxes like everybody else in the United States pays?

Mr. RICH. Well, there are many arguments to be made about this. As far as the people of the District of Columbia are concerned, they can go and establish a residence in Virginia or in Maryland, and they will not have to go more than 3 miles. They can then vote for every office that you and I have the privilege of voting for in our own districts.

Mr. KENNEDY of Maryland. Mr. Chairman, will the gentleman yield.

Mr. RICH. I yield.

Mr. KENNEDY of Maryland. The gentleman does not seriously contend that a resident of Washington could go into Maryland and establish a residence there for the purpose of voting?

Mr. RICH. There are people living here in the District of Columbia who have lived here for many years, yet who have maintained a voting residence in Pennsylvania. The same is true with respect to the States of Maryland and Virginia.

Mr. KENNEDY of Maryland. A very small percentage.

Mr. COLLINS. Five percent.

Mr. RICH. I think certainly an arrangement could be made whereby through payment of a per capita tax to these States a voting residence could be established.

Mr. KENNEDY of Maryland. Not in Maryland. There we have a declaration of intention act.

Mr. RICH. I do not know anything about the laws of the various States, but I believe some arrangement of this kind could be made with the States of Maryland and Virginia.

Mr. KENNEDY of Maryland. I agree with the gentleman that he does not know anything about the law.

Mr. RICH. Such an arrangement could be made to give them the right to vote, but I think it is wrong to give to the residents of the District of Columbia the right to control this 10-mile square area which was set aside for the use of the Government of the United States.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. POAGE. Anyone who has once established a residence in Texas can remain a citizen of the State of Texas and go anywhere in the world to make a living, yet vote in Texas so long as he keeps his residence in Texas. We have a poll tax in Texas, and I am very proud of it. If he is willing to pay his poll tax in the State of Texas, he can vote there. We have several thousand people who come up here to make a living, but we are glad to have them vote in Texas so long as they pay a poll tax in Texas.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. MARCANTONIO. Does not the gentleman know that as a matter of fact when a person attempts to vote in a State where he does not actually reside that he is violating the law?

Mr. RICH. I am sure the gentleman from New York knows that I do not want anybody to disobey any law. I want the people to be able to do it legally, honorably, and as a matter of right.

[Here the gavel fell.]

The Clerk read as follows:

For personal services of teachers and librarians in accordance with the act approved June 4, 1924 (43 Stat. 367–375), including for teachers colleges assistant professors in salary class 11, and professors in salary class 12, and including $12,200 for health and physical education teachers to supervise play in schools of the central area bounded by North Capitol Street on the east, Florida Avenue on the north, the Mall on the south, and Twelfth Street on the west, $7,170,140: *Provided*, That teaching vacancies that occur during the fiscal year 1940 wherever found may be filled by the assignment of teachers of special subjects and teachers not now assigned to classroom instruction, and such teachers are hereby made eligible for such assignment without further examination: *Provided further*, That the average of the salaries paid librarians in the public schools shall not exceed the average of the salaries paid employees performing the same grade of work in the Free Public Library.

Mr. THILL. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. THILL. Mr. Chairman, I make a point of order against the language appearing in lines 19 to 23 on page 24 reading as follows:

Provided further, That the average of the salaries paid librarians in the public schools shall not exceed the average of the salaries paid employees performing the same grade of work in the Free Public Library.

Mr. Chairman, I make the point of order that this is legislation on an appropriation bill and is not authorized by law.

The CHAIRMAN. Does the gentleman from Mississippi desire to be heard on the point of order?

Mr. COLLINS. Mr. Chairman, this is clearly a limitation upon an appropriation and is in order under the rules.

The CHAIRMAN (Mr. PARSONS). The Chair is ready to rule. The Chair has read the language indicated by the gentleman from Wisconsin and feels that it is a limitation.

The point of order is overruled.

The Clerk read as follows:

Qualified Federal personnel is authorized with the approval of the head of the Federal agency concerned, and upon request by the Board of Education, to give lectures in the public schools on the effects of alcoholic liquors and narcotics.

Mr. RANDOLPH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in connection with the remarks made by the gentleman from Pennsylvania relative to the right of residents of the District of Columbia to vote, would the gentleman be kind enough to answer a question?

Mr. RICH. I will do my best.

Mr. RANDOLPH. I am certain of that, and do it well. The gentleman does not contend that because we have a Constitution it is wrong for us ever to attempt to amend it, does he?

Mr. RICH. No, indeed.

Mr. RANDOLPH. Did the gentleman believe in the amendment which gave to the women of the United States the right to participate in government?

Mr. RICH. I think that the women of this country should have the right to participate in government.

Mr. RANDOLPH. I am pleased that you believe that was a proper amendment.

Mr. RICH. I think any changes that we need and that are necessary for the benefit of the people of the country should be brought about in the way provided in the Constitution, by vote of the people of this country themselves.

Mr. RANDOLPH. Was the gentleman in favor of the constitutional amendment which brought about prohibition in this country?

Mr. RICH. That is water over the dam. We are now drinking beer.

Mr. RANDOLPH. I am certain the gentleman is sincere in his remarks, and I always respect him.

I discuss this matter at this time only to bring out the fact that certain arguments have been made here today to the effect that it is wrong to attempt to amend the Constitution of the United States.

Mr. RICH. Not if the proposed change is submitted to a vote of the people of the country. If they themselves want to change the Constitution, if they want to give the people of the District of Columbia the right to control this area and run it themselves, their word is final.

Mr. RANDOLPH. The resolutions which have been introduced in the Congress of the United States, in the House and in the Senate, respectively, call, of course, for action by this Congress and then go to the States for ratification. I call attention to the fact that the procedure in connection with this matter is entirely right and proper.

I make the prediction this afternoon on this floor—and I know that predictions are dangerous—that some day in the United States—I do not know whether it will be in my lifetime or not—but some day the residents of the District of Columbia will be given the right to participate in the affairs of government. They will have the right to vote for President of the United States, the right to vote for Representatives in the Congress, and perhaps the right to participate in local government. That is a fundamental part of the processes of our democracy.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Will all of the colored people have the right to vote like they have in Wisconsin, or will they be denied that right like they are denied the right to vote in dozens of States below the Mason and Dixon's line?

Mr. RANDOLPH. As the gentleman knows, I come from the State of West Virginia, which is a Commonwealth south of the Mason and Dixon's line. The colored population of West Virginia has the right to vote, and may I say that I am happy many of them are voting Democratic.

Mr. SCHAFER of Wisconsin. There are a great many States below the Mason and Dixon's line that chase the colored voters away from the polls when they do want to vote.

Mr. RANDOLPH. The gentleman's observations may be true in certain parts of the country, but in West Virginia the prerogatives of the colored voters are well taken care of and they are exercising honestly this high right of citizenship.

Mr. RICH. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Pennsylvania.

Mr. RICH. May I say to the gentleman from West Virginia that I do not desire to keep anyone in this country from voting. However, I believe the founders of our country made a wise provision when they tried to set apart a section of the country in which the Federal Government could own and control its own buildings and keep its operations free from interference by the citizens of various States. It was a wise thing to do this. I think we are making a mountain out of a mole hill by turning this right over to the citizens of the District of Columbia when it rightfully belongs to the citizens of the United States. However, if the citizens of the United States are willing to make the District of Columbia a place that may be owned and controlled by the citizens of the District of Columbia, then I have no objection and I think the people of the entire United States would have the right to say so. I question very much if the gentleman will ever live to see the day when the citizens of the United States will do this.

[Here the gavel fell.]

Mr. RANDOLPH. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There was no objection.

Mr. RANDOLPH. Mr. Chairman, I think it does some good to discuss these matters on the day when the District of Columbia appropriation bill is being considered, as well as on other legislative days.

At first we had but few residents of the District of Columbia; however, I call the attention of the membership to the fact there are residing in the District of Columbia between 650,000 and 700,000 men and women today. Conditions have changed. There are heavy burdens of municipal government which face the men and women who reside here today which did not face the people here 125 or 150 years ago.

[Here the gavel fell.]

The Clerk read as follows:

For additional fire-fighting apparatus, including two passenger automobiles at not to exceed $650 each, and two chiefs' automobiles, at not to exceed $1,100 each, $55,000: *Provided*, That no part of this appropriation shall be available for such purchases except by the exchange of fire-fighting apparatus and motor vehicles to be replaced.

Mr. SCHWERT. Mr. Chairman, I make a point of order against the language on page 39, following the word *"Provided."*

The CHAIRMAN. The gentleman's point of order comes too late. The Clerk read through to the Health Department provision.

Mr. SCHWERT. This is under the Fire Department.

The CHAIRMAN. The point of order must be made at the end of the paragraph. The Clerk will read.

The Clerk read as follows:

Gallinger Municipal Hospital: For personal services, including one chief medical director at $7,500 per annum, and two associate medical officers at $3,200 per annum each, to be appointed without reference to civil-service requirements, and including not to exceed $2,000 for temporary labor, $606,840, of which $26,760 shall be available for out-patient relief of the poor, including medical and surgical supplies, artificial limbs, and pay of physicians: *Provided*, That no part of this appropriation shall be available for the care of persons, except in emergency cases, where the person has been a resident of the District of Columbia for less than 1 year at the time of application for admission.

Mr. MILLER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MILLER: Page 45, after line 10, strike out all of lines 11, 12, and 13, and to the first comma in line 14.

Mr. MILLER. Mr. Chairman, may I say at the outset that no Member of the Congress has a higher regard for the medical profession and no Member realizes more that the members of this profession give perhaps more generously of their time and services than those of any other profession in this country. I call attention to the fact that this bill carries an appropriation for a chief medical officer at a salary of $7,500 and to associate medical officers at $3,200.

As I remarked to a member of the committee when he was making his statement, the Veterans' Administration secures very able men as chief medical officers in their hospitals throughout the United States at a cost of $5,600. We have read a lot in the newspapers during the past few months about the situation at Gallinger Hospital. I have been very much interested in all hospitals, and particularly those in Washington. I make this statement to indicate that I am not one who talks about a thing then does nothing about it.

I have visited Gallinger Hospital several times. A member of my immediate family in the past month has devoted 104 hours of free service to that hospital.

I believe its request for this appropriation is due to an agreement that was recently signed between the District Commissioners and Georgetown University and George Washington University. I have this agreement in my hand and a reading of it will convince anyone that under this agreement we are turning over the control of Gallinger Hospital to the medical authorities.

May I call attention to the fact that a medical school in the United States to be considered an improved medical school must have control of 200 free beds. In my own State we have Yale University, with its medical school, which university contributes $300,000 a year to the maintenance of the City Hospital in New Haven, Conn.

On July 1, last, pursuant to an act of this Congress, there were employed at Gallinger Hospital five resident physicians at a salary of $5,600 each. The record made by those five men is very interesting. Since their appointment the mortality rate has been reduced 20 percent. The average and total number of days per patient spent in Gallinger has been reduced materially since the appointment of this staff. I asked if these five men were to be continued, if there was provision in this act for their retention, and was told this was a continuing appropriation. So, by setting up a chief medical officer possibly to try to coordinate their activities and the activities of the visiting men, we are simply admitting that the superintendent of the hospital is not capable of doing that. I believe the record indicates he is well able to coordinate the activities not only of the resident staff but of the visiting men.

I wish to inject this one thought from the point of view of one who has suffered under the system. You cannot operate a hospital and depend altogether for control on visiting men. It is a rather tragic experience to be prepared on a certain morning for an operation by a visiting man, and then when you are all ready to go over and take the ride, to be told that So and so cannot come today, he has his private patients to take care of, and perhaps have that happen two or three times.

I appreciate the value to Gallinger of visiting men, and I appreciate the services that are rendered by the faculties of George Washington and Georgetown Universities and the services of the men in the District, but I maintain that the control of the hospital should very definitely be in the superintendent of the hospital and in the resident men. I hope this committee will see fit to strike out this appropriation of $7,500 for a chief medical officer and $6,400 for each of two associate medical officers.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. Briefly, what is the gentleman's objection to the addition to the staff at Gallinger Hospital of a chief medical director?

Mr. MILLER. There is absolutely no need of it. I dare say, the person has already been selected in the minds of some people. The salary of $7,500 is exorbitant in comparison with the salaries paid by other hospitals of like size and kind.

Mr. NICHOLS. Is it the gentleman's view that Dr. Bocock should be able to discharge the duties as laid down here for this medical director?

Mr. MILLER. He is the superintendent of the hospital; yes. He should be able to coordinate the activities of his staff of five plus the visiting men, and the control should certainly be in his hands, although it is not under this agreement.

Mr. NICHOLS. What is the agreement?

Mr. MILLER. The agreement to which I refer, as I stated in the record, is an agreement between the Commissioners and the Universities of Georgetown and George Washington. In my opinion, this provision in the bill is simply carrying out the purposes of this agreement.

Mr. NICHOLS. I believe that is surely what it is. I may say to the gentleman I have an open mind on this subject. Does the gentleman's amendment provide for the striking out of the appropriation for the two associate medical officers?

Mr. MILLER. The two associate officers and the chief medical officers. Of course, if this clause is not stricken out and the men are continued in service, I can see no reason why they should not come under the classified civil service.

Mr. NICHOLS. I know the gentleman's wife spends a great deal of time every day at Gallinger Hospital and is tremendously interested in that hospital.

Mr. MILLER. The gentleman is correct.

Mr. NICHOLS. I also know, by reason of having been for some time a member of the Committee on the District of Columbia, the legislative committee, that Gallinger Hospital

has always been, to put it mildly, a pain to members of that committee. I thought surely this was an effort to relieve or cure some of the conditions existent at Gallinger Hospital which have given rise to all this complaint. I am frank to say I am convinced that the gentleman, by reason of his interest and his wife's daily activity at the hospital, probably is very much better advised on the subject than I am.

Mr. MILLER. May I say to the gentleman that if we can afford $14,000 more for Gallinger, there is a great deal more need for additional nurses. The employment of three or four well-trained social workers would bring greater benefit and more economy to Gallinger Hospital than can possibly be obtained by hiring an additional director.

Mr. NICHOLS. Then, is it the gentleman's opinion that if we are going to spend this amount of money it would be better to spend it at the bottom rather than at the top of the staff?

Mr. MILLER. The gentleman has put his finger right on the point of the question.

Mr. NICHOLS. I presume the gentleman agrees that something does need to be done at the bottom?

Mr. MILLER. Absolutely.

Mr. NICHOLS. And that the present appropriation is absolutely unnecessary?

Mr. MILLER. Absolutely, in my opinion.

[Here the gavel fell.]

Mr. COLLINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as has been indicated by the gentleman from Oklahoma [Mr. NICHOLS], Gallinger Hospital has been a pain to everyone whose duty it is to handle the affairs of the District of Columbia. We have two well-known medical schools in the District, Georgetown University and George Washington University. It is the duty of these schools to turn out capable medical men. Gallinger Hospital is a hospital with a large number of patients having various types of diseases and it is most useful to these medical schools in the training of students. After all, we must look to the medical schools for the competent physicians of the future. Under the proposal that was incorporated in the bill last year adding full-time resident physicians to the staff at Gallinger Hospital—and I quite agree with the gentleman that they are necessary and that they should be capable men—they were selected and are capable of, and are performing their work most efficiently. In one particular branch the mortality rate has been reduced by 20 percent, so I have nothing but praise for those men. Frankly, I imagine I was more largely responsible for these resident physicians being placed there than any other one man in the House. However, that scheme virtually took away from the medical schools the use of this hospital, and naturally they objected because they felt it should be used not only for the cure of the sick but to enable future physicians to become acquainted with all types of disease.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. Let me finish my statement and then I shall be pleased to yield.

So there was quite a snarl and hearings and so on over it. This committee was very fortunate in being able to get the heads of the schools, Dr. Marvin and Father O'Leary, and Dr. Ruhland together so we would work harmoniously in the running of this hospital in the future.

Two of the men against whose appropriation the gentleman is objecting are night physicians. If you take them away there will not be any physician in the hospital at night except internes. Certainly, common humanity demands that these two men stay there.

Now, in order to give the Director of Health in the District of Columbia somebody who is a medical man of great capacity, so that the Director of Health in the District of Columbia would have absolute control over the hospital and so that the medical schools would not have control over it, it was decided and agreed that there should be a chief medical officer out there, and that his salary should outrank that of the full-time resident physicians.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. I most emphatically deny the accusation the gentleman has made that anybody has been selected. I absolutely know that that statement is untrue. I know the gentleman made it innocently, but I know it is not true.

If we want this hospital run, and run correctly, and run for the benefit of the poor people who have to accept a charity institution, I think we ought to go ahead and try to work out the plan that has been formulated by these medical men and see if we cannot run Gallinger Hospital as it should be and as all of us want it operated. This is only for a year, so let us try out the experiment. These men, Father O'Leary, Dr. Marvin, and Dr. Ruhland, the Director of Health of the District, are outstanding men in their lines and I believe they are honorable men, and I do hope there will be no objection to trying out at Gallinger Hospital this experiment which we are proposing here today.

[Here the gavel fell.]

Mr. NICHOLS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I asked the chairman of the subcommittee to yield to me a moment ago in the hope the gentleman would answer a question.

Mr. COLLINS. Pardon me.

Mr. NICHOLS. I do not mind having time taken out of my time for the chairman of the subcommittee to point out to the committee what the duties of this medical director will be.

Mr. COLLINS. The duty of the medical director will be to have general supervision of the medical activities of this hospital and his salary will not be in excess of the salary of the man who is in charge of Walter Reed or the Naval Hospital, both of which hospitals have a smaller patient load than Gallinger Hospital.

As a business administrator, the present superintendent of the hospital is an excellent man, but I am at the same time convinced, and everybody else who has had anything to do with this question is convinced, that we ought to have along with him a full-time man who stands high in the medical profession.

Mr. NICHOLS. I just yielded to the gentleman to answer my question.

Mr. COLLINS. I thought I was doing that.

Mr. NICHOLS. Now, Mr. Chairman, the statement of the chairman is that this gentleman's duties will be to have general supervisory control over the hospital. Why, Mr. Chairman, a distinguished man, a distinguished physician brought here from another city, Dr. Ruhland, of whom I know nothing except by reputation, was employed as Director of Health. Is that right?

Mr. COLLINS. This is only a small part of his activities.

Mr. NICHOLS. In addition to that, Dr. Ruhland could not administer the affairs of this hospital because of his other duties, so a Dr. Bocock, an eminent physician, I am advised, thoroughly capable and qualified, was hired, I presume, at an adequate salary as superintendent of the hospital.

Mr. COLLINS. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. COLLINS. Dr. Bocock has been there for a great many years.

Mr. NICHOLS. All right, but he is a competent physician, is he not, and a man of high standing and qualifications?

Mr. COLLINS. I stated a minute ago I thought he was a good administrator.

Mr. NICHOLS. Well, is he not a good doctor?

Mr. COLLINS. I do not know anything about his medical ability.

Mr. NICHOLS. All right, Mr. Chairman, I am willing to take the record. It is Dr. Bocock's reputation that he is a good physician and he is superintendent of this hospital. I am frank to say I know very little about hospitals. I have never been a patient in one and, thank goodness, few of my immediate family have, so I know very little about them, but if Dr. Bocock is earning the salary that he is paid, then he ought to be able to run that hospital not only as an executive but as a physician, and not only is he there but this medical department has another man who is the business manager. I am speaking of Dr. Hayden.

Mr. COLLINS. No; that job has been eliminated, I may say to the gentleman.

Mr. NICHOLS. All right; but anyway, Mr. Chairman, I certainly want to see anything done that will make Gallinger Hospital a better institution. The good women of this town, ever since I have been here, have been complaining about the conditions at Gallinger—not the personnel, if you please, but the conditions that exist there. I was hopeful this year the committee would bring in a recommendation which would provide better facilities, more nurses, something that would make Gallinger a better hospital; and it is my judgment and my opinion, based upon the statement of the distinguished gentleman from Connecticut—who, I submit, has been more interested in Gallinger Hospital than any Member of this House, not even excepting the distinguished chairman of this subcommittee——

Mr. COLLINS. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. COLLINS. The number of employees at Gallinger Hospital is increased by this bill by 82.

Mr. NICHOLS. Under this appropriation bill?

Mr. COLLINS. Under this appropration bill; and, together with W. P. A. workers, if we cut down the number of patients at Gallinger Hospital to the extent we believe we will do by adding to the appropriations for medical charities, we will have more than one employee at Gallinger Hospital for every patient we have there.

Mr. NICHOLS. All right.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. Yes.

Mr. MILLER. Will the gentleman ask the chairman of the committee why or how the appointment of these five doctors interferes with the training of students, a statement having been made to that effect?

Mr. NICHOLS. Of course, that is asking him, as the gentleman well knows, and as everybody else does who is conversant with the thing, as to whether or not Gallinger Hospital should be controlled by a board of doctors appointed for that purpose or by doctors who are associate doctors, instructors in the different medical institutions. I do not know about that, and I do not think that should concern this amendment. I do not think it should creep in here, but I do agree with the gentleman that $7,500 for another executive for Gallinger Hospital will not cure the situation at Gallinger Hospital; and if this committee has brought in a sufficient number of employees, like nurses, employees in a subordinate position, attendants, to correct the situation in Gallinger, I am for that, and that is fine, but I do not think we ought to set up out there another high-priced executive to improve the conditions in the hospital, because I do not think it will do it.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I move to strike out the last word for the purpose of asking a question of the chairman of the subcommittee. I would like the gentleman in charge of the bill to state whether this new medical director position, carrying a salary of $7,500 per annum, is to be filled by appointment under the merit system under the civil service or by political appointment under the spoils system?

Mr. COLLINS. Oh, there will not be any political appointment in it. As far as I am concerned, it can be civil service or in any other way. I do not believe you will get the best medical men to go into a competitive civil-service examination.

Mr. NICHOLS. There are no doctors under civil service.

Mr. COLLINS. Oh, yes; they are. If you are going to have it that way, I would not have any additional medical officers out there at all.

This is the best proposition made by anybody that has anything whatever to do with that hospital. If it is the wish of the Congress to strike this down and let bad conditions continue out there, well and good, but this is what the medical schools, the Director of Public Health of the District of Columbia, and the Commissioners of the District of Columbia, after many conferences, have decided is the best thing to do, and if it is done, Gallinger Hospital will go along in an orderly and efficient way. As far as I am concerned, I want to try it.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I have the floor, and I will now yield to the gentleman in charge of the bill to answer the question. I do not yield for a speech. Does this bill provide that if we create this new medical director position, which pays $7,500 a year, that the appointment to fill the position will be made under civil-service provisions?

Mr. COLLINS. I do not know how he will be selected, and I do not care, so long as we get a good man. I am not interested in anybody and I do not propose to recommend anybody. I do not know anybody who is capable.

Mr. SCHAFER of Wisconsin. Mr. Chairman, it is clearly evident from the answer of the distinguished gentleman who has charge of the bill that we are about to create a new Government position carrying a salary of $7,500 a year and that that position will be filled under the political spoils system.

Mr. COLLINS. And I want to emphatically deny the truthfulness of the gentleman's statement in just as strong language as parliamentary usage will permit. It will take very much more than the statement of the gentleman from Wisconsin to make me believe that the person appointed to this position will be a political appointee.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I have the floor, and now I ask the gentleman to point out the language under existing law, or language in this bill, which will make it mandatory that the position be filled in compliance with civil-service requirements.

Mr. COLLINS. I imagine the job will be filled by Dr. Ruhland, the Public Health Commissioner of the District of Columbia, with the collaboration of the presidents of George Washington University and Georgetown University, and I do not believe that they are political spoilsmen.

Mr. SCHAFER of Wisconsin. Mr. Chairman, the gentleman has answered my question and has admitted that this position will be filled without considering the civil-service merit system. As far as the oration delivered by the gentleman in charge of the bill is concerned, which would seem to indicate that he believes we cannot get qualified people for this position under the civil service, let me remind him that disabled war veterans in this country are hospitalized in Government institutions, for which the entire medical personnel has been appointed under the civil service.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. RANDOLPH. Mr. Chairman, I move to strike out the last two words. Without addressing myself to the controversy in connection with the new medical officer for Gallinger, and only taking cognizance of the debate here as it concerns conditions at Gallinger Hospital, I wish it to be said for the RECORD that the House District Committee, through a subcommittee on public health and hospitals and charities, under the leadership of the gentleman from Kentucky [Mr. BATES], held what I consider to be painstaking and thorough hearings in connection with an investigation of conditions at Gallinger Hospital. I call upon my colleague [Mr. BATES] at this time, if he will be so kind, to tell the members of this committee what our findings were in connection with that matter.

Mr. BATES of Kentucky. Mr. Chairman, we worked very hard on the investigation. We had before us the president of both institutions, Dr. Ruhland and Dr. Bocock, and it was our conclusion that there should be $200,000 more appropriated this year than last year to employ additional nurses, nurses' aides, and attendants. I do not think we had any evidence that would indicate that we needed this $7,500 man. That seems to have been worked out after we had our hearings.

Mr. RANDOLPH. Mr. Chairman, the chairman of the subcommittee has stated in brief manner what was brought before our committee in the way of testimony. I feel it is only right for the membership of this committee to know that the conditions which we found and which we then represented to the gentleman from Mississippi [Mr. COLLINS] and his subcommittee have in part been remedied.

Mr. COLLINS. More than in part. More than $200,000 has been added for the hospitalization of indigent persons.

Mr. RANDOLPH. Will the gentleman direct his answer to the question of mine, as to the number of nurses who, by the transfer system, will actually be given to Gallinger for work at that institution?

Mr. COLLINS. The number of employees, nurses, attendants, and so on, has been increased by 82. In addition to that, we have almost doubled the appropriations for private hospitals in the District of Columbia, so that those private hospitals in the future can take a still larger load of indigent persons. When they take this larger load, when the law is changed on mental cases so that a shorter time will elapse before incarceration in St. Elizabeths Hospital, that will reduce the daily average population by over 100 cases at Gallinger. With more beds for tuberculosis patients at Glenn Dale, we figure we are going to work the Gallinger Hospital load down to about 600. That will give us more than one nurse, attendant, or employee for every patient that we have at Gallinger Hospital.

Mr. RANDOLPH. Mr. Chairman, I have said several times, and I repeat, that the District of Columbia Committee is only a legislative committee, and when we come here in the consideration of the District appropriation bill, we only exercise our individual rights and preferences in any matter. But for the RECORD I do repeat that your Committee on the District of Columbia, aside from its legislative duties, is doing its duty in investigating conditions in the District of Columbia, that we believe should be corrected or amended.

In connection with Gallinger Hospital, after a most painstaking and thorough investigation, we made recommendations and went before the Subcommittee on Appropriations, and I am certain that because of our work a number of the recommendations which the gentleman [Mr. COLLINS] brings in are included in this bill.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. MILLER. I think the committee headed by the gentleman from Kentucky [Mr. BATES] did a remarkable piece of work. Their recommendations are sound, and that committee should be complimented for a mighty able piece of work.

Mr. RANDOLPH. I thank the gentleman.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield for Mr. BATES to answer.

Mr. NICHOLS. Was this $7,500 job a part of the recommendations that your subcommittee made?

Mr. BATES of Kentucky. It was not.

Mr. NICHOLS. Well, let us have that clear.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. MILLER].

The question was taken; and on a division, there were ayes 10 and noes 29.

So the amendment was rejected.

The Clerk read as follows:

For purchase, installation, and modification of electric traffic lights, signals, and controls, markers, painting white lines, labor, maintenance of non-passenger-carrying motor vehicles, purchase (including exchange) of a 1-ton truck at not to exceed $870, printing and binding, postage, telephone service, heating, electricity, repairs to equipment of inspection stations, continuation of the operation of parking meters on the streets of the District of Columbia, including maintenance and repair, not to exceed $7,500 for such expenses as the Commissioners, in their discretion, may deem necessary in connection with traffic safety education, and such other expenses as may be necessary in the judgment of the Commissioners, including not to exceed $32,000 for the operation and maintenance of electric traffic lights, signals, and controls, $136,250, of which not less than $25,000 shall be expended for the purchase, installation, and modification of electric traffic-light signals and $1,000 shall be available for directional signs: *Provided*, That no part of this or any other appropriation contained in this act shall be expended for building, installing, and maintaining street-car loading platforms and lights of any description employed to distinguish same.

Mr. NICHOLS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NICHOLS: On page 71, in line 1, after the second word "of" appearing in said line, and before the word "parking", insert the following words: "the present."

Mr. COLLINS. Mr. Chairman, I accept the amendment.

The CHAIRMAN. Without objection, the amendment will be agreed to.

There was no objection.

The amendment was agreed to.

Mr. BROWN of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Ohio: On page 71, after line 16, insert a new sentence, as follows:

The Commissioners of the District of Columbia are authorized and directed to designate, reserve, and properly mark appropriate and sufficient parking spaces in the streets adjacent to all public buildings in the District of Columbia for the use of Members of Congress engaged on public business.

Mr. COLLINS. Mr. Chairman, I will accept that amendment.

The CHAIRMAN. Without objection the amendment will be agreed to.

There was no objection.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. COLLINS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. RAYBURN] having resumed the chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 5610) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1940, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

Mr. COLLINS. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on Monday next the gentleman from Maine [Mr. OLIVER] may address the House for 25 minutes after the completion of the legislative program for the day and any special orders that may have been entered.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter written by the gentleman from Kentucky [Mr. MAY], chairman of the Committee on Military Affairs, with regard to pending legislation.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from the Assistant Administrator of the Farm Security Administration with regard to the work of that Administration.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. KEE and Mr. MURRAY asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech I made before the League of Republican Women in Washington.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial appearing in the Janesville Daily Gazette, edited by our colleague, the gentleman from Wisconsin [Mr. BOLLES].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article by Paul Mallon.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the late J. D. Ross, administrator of the Bonneville project, and to include therein three brief editorials.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short article appearing in a recent issue of the magazine Month.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. CROWTHER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short article on the use of riders on legislative bills.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

ORDER OF BUSINESS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MARTIN of Massachusetts. Can the majority leader, who is now presiding as Speaker pro tempore, tell us what the program will be for next week?

The SPEAKER pro tempore. As far as has been determined, Monday will be District day and there will be a number of bills from the Committee on the District of Columbia.

I may say that since talking with the gentleman this morning the gentleman from North Carolina, chairman of the Committee on Ways and Means, told me that that committee had unanimously reported a bill and that Members on both sides were anxious to have the bill considered and thought it could be called up by unanimous consent. I told the gentleman from North Carolina that if he would consult with the gentleman from Massachusetts [Mr. TREADWAY], and with the gentleman from Massachusetts [Mr. MARTIN], and they were agreeable, that after the District bills were disposed of on Monday they might submit a unanimous-consent request to bring that bill up.

Mr. MARTIN of Massachusetts. I understand that is perfectly agreeable to the Republican members of the committee.

The SPEAKER pro tempore. Then that will be done.

On Tuesday it is probable that the housing bill will be called up under a rule.

On Wednesday the calendar will be called under the Calendar Wednesday rule. The call rests with the Committee on Interstate and Foreign Commerce. They have some legislation ready. If the housing bill is disposed of on Tuesday, then it is planned to bring up a bill from the Committee on Coinage, Weights, and Measures, providing for stabilization and devaluation, under a rule, which will probably take Thursday and Friday.

Mr. MARTIN of Massachusetts. I thank the gentleman.

EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address delivered by myself at the graduation exercises of the National Police Academy of the Federal Bureau of Investigation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia [Mr. RANDOLPH]?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. KEEFE] is recognized for 30 minutes.

Mr. KEEFE. Mr. Speaker, the American people, and especially Members of this Congress, are constantly being coerced and intimidated by hundreds of propaganda agencies in an effort to compel the American people and Members of Congress to take sides in foreign affairs. The proponents of communism and nazi-fascism are insidiously making use of the radio and the press in an attempt to transfer to America the troubles of Europe and Asia in an effort to involve us on one side or the other of their numerous controversies. They have all become so bold as to declare that if an American citizen condemns communism he thereby arrays himself on the side of Hitler and Mussolini, and one who is patriotic enough to condemn nazi-fascism is immediately designated by some as a Communist. To any real, honest, thoughtful, patriotic American nothing could be further from the truth.

As a Member of Congress, I know that I speak the convictions of a vast majority of this House when I say that an overwhelming majority are endowed with a spirit of true American patriotism, and I believe that every Member of this House under his oath condemns and outlaws as foreign to our system of government the entire unholy trinity—communism, fascism, and nazi-ism.

Years before the people of America ever heard of nazi-ism-fascism the influence of bloody communism had manifested itself in America, and all thinking patriots have continually denounced it in no uncertain terms.

Since the rise of nazi-fascism in Europe and Asia, and especially during the last few months, the busy propaganda agencies who seek to involve the people of America in foreign entanglements, have heaped upon our people a barrage of propaganda against nazi-fascism, and due to the intensity of this campaign, I am fearful that the attention of many of our citizens has been diverted from the foul and evil influence of communism, because of the threat alleged to emanate from the forces of Hitler and Mussolini. Because nazi-fascism, for the moment, is claiming the front pages of our newspapers, and the air lines of our radio communication, and because the Russian Communist is apparently taking no active part in the events of the day, we are asked to believe that nazi-fascism is the chief and only menace to the welfare and maintenance of our democracy.

Secretly and cleverly, throughout this land, avowed Communists who have wormed their way into high places in the Government, are now seeking to aline us as allies of communistic Russia, and to identify Communist ideals as part and parcel of our future economy.

The sleek and oily Communist, who has already bored within our institutions, and has already undermined them, cleverly seeks to build up the picture by continual propaganda, so as to convince the people of America that nazi-fascism and Hitler are the real threat and that we must arm to the teeth and inject ourselves into foreign affairs in order to defend ourselves against the threat of Hitlerism.

The Communist, very cleverly and adroitly, has taken full advantage of the situation and under cover, and behind the shield of the passions of the people of America, is continually

and secretly impregnating our democratic institutions with Communist ideas, while we are being blinded to the fact by the continuous anti-Hitler propaganda.

I want to call the attention of this Congress, and the people of America, to the fact that abhorrent to our sense of justice as have been the recent acts of Hitler, we cannot allow that situation to blind and confuse us, and cause us to give up the fight for one moment against what I conceive to be the greater menace to the welfare of this country that is to be found in the subversive and destructive actions of Communists and their "pink" sympathizers.

While I condemn as foreign to our ideas of democracy the principles of nazi-fascism, and while I condemn the attempt of foreign-inspired bunds or societies who seek to impose their ideas upon us through the dissemination of Nazi-Fascist propaganda and other foreign "isms," yet I want to direct your attention to the fact that no one has as yet accused nazi-fascism in America of inspiring sit-down strikes, sabotage of shipping and industrial plants, and the inciting of industrial riots and labor disputes; and no one has pointed out that the Nazi-Fascist organizations in America have wormed their way into the inner councils of the Government.

I am directing this to your attention because I am convinced that we must not relax for one moment our fight against communism, which is the real threat that we have to meet. I repeat that I condemn both communism and nazi-fascism as being entirely repugnant to the ideals upon which this democracy was founded and which have succeeded in building and maintaining the freest, most advanced, and finest system of government that the world has ever known.

Members of Congress, in the natural excitement incident to the clash rapidly developing on foreign soil, we must not forget that communism is our common and greatest enemy. I say to you that it is my humble opinion that if nazi-fascism is to develop as a serious threat in the domestic affairs of this country it will only be because of a continuation of the threat of communism to take possession of our form of government.

If we would safeguard ourselves against the Nazi-Fascist threat, the safest and best way to defend ourselves at home is to destroy communism and to outlaw communistic doctrine and to rid our country of those who are preaching it by deporting them back to the country whose ideals they continually laud. I repeat that the real, serious threat to our Government and its institutions lies in the insidious activities of Communists and their sympathizers, and that the threat of nazi-fascism will be reduced in this country only in the proportion that we stamp out the threat of communism.

I am happy to note that this House, without a dissenting vote, enacted legislation that would make it a deportable offense for any alien to advocate any change in our system of Government, and I am inclined to believe that the time is here when we must even go farther in legislation and curb the activities of alleged citizens who, hiding behind the constitutional guaranty of free speech and free assembly, continually advocate the destruction of our system of government and the acceptance of communism or fascist-nazi-ism.

I am of the opinion that the thing most vitally needed in America today is a militant, passionate revival of American patriotism. There was a time in the history of this country when the glamorous achievements of the civil, military, and naval heroes of this Nation were constantly being glorified in literature, in history, on the platform, and in the public schools to the end that we were thrilled, as Americans, by the constant recital of their magnificent achievements. There is not a Member of Congress or a citizen of this great Nation, whose bosom has not swelled with pride, and whose heart has not beat faster in harmony with our great symphony of progress, when the achievements of the heroes of the past have been depicted and directed to our attention.

For many years the youth of America were taught to respect and revere the memory of our great national heroes, and our forefathers and early citizens, who, by word and deed have contributed so much to the writing of a great national history. What a sad change has taken place since the smear artists of communism, or some other "ism" have been permitted in this free country to carry on a program designed and calculated to destroy the traditional spirit of patriotism surrounding the character and achievements of our great national heroes, and thus lay the foundation for the complete destruction of our system of government. These agitators carrying on their nefarious work under the guise of alleged historical research, have evidenced a common purpose to break down and destroy the patriotic impulses of the people of America by cleverly assassinating the character of many of our great national heroes, by causing them to be depicted in radio skits, alleged drama, and in contemporary literature as individuals unworthy of continued respect and adulation.

Time will not permit me to depict a long series of incidents that are available to indicate this purpose, but as one concrete evidence of this influence I direct your attention to the volume entitled "Washington City and Capital," published in 1937 under the direction of the Federal writers' project, Works Progress Administration, and printed in the United States Government Printing Office that you and I support and maintain with our contribution of Federal taxes. This work is distributed throughout the country as an alleged authentic history of Washington, the Capital City of the United States, and contains in it, among other things, a section beginning on page 68 thereof, under the heading "The Negro in Washington."

I do not want anything that I shall say to be interpreted as evidencing any ill-feeling on my part toward the Negro or his race, because I am fully aware of the splendid contribution that the Negro race has made, under very adverse circumstances, to our national life, and I have the most charitable feeling toward the thousands of fine, honest, hard-working, decent Negro citizens of this country who are continually adjusting themselves under adverse circumstances, and who are loyal to the institutions and traditions of this Government.

I am not insensible to the magnificent achievements of many members of the Negro race, and I recall as a boy the words of wisdom which I frequently had an opportunity to hear coming from the lips of that great Negro—Booker T. Washington. I have repeatedly been thrilled by the magnificent voice and artistry of Marian Anderson, and Paul Robeson, and I have been inspired by the poetic magnetism of Paul Dunbar, and I applaud the outstanding achievements of the Negro race in the field of athletics and sports. But, I say to you, Members of Congress, that in this discussion it makes no difference to me what an individual's outward color is if his or her heart and soul is red, exemplifying the flag of communism which has been drenched by the blood shed by millions of innocent people in Russia and Spain, I shall condemn and denounce them equally, because they are all part and parcel of the same vicious circle.

In reading the article referred to in this so-called guide book I was impressed by the very obvious spirit running through it, which indicated, to me at least, an attempt on the part of the writer to portray the oppression of the Negro by the white race and thereby stimulate a feeling of class hatred. To me this insidious propaganda, whether it be right or wrong, can only result in stimulating racial intolerance.

In this article, found on page 75 of this guide book, there appears a statement which to me supports this conclusion. The writer states, in referring to the disposition of hundreds of slaves who were freed after the Civil War:

> They were settled in Arlington in a place known as "Freedmen's Village," very near a tract left by George Washington Parke Custis to his colored daughter, Maria Syphax.

My attention was challenged immediately to this vicious statement, and I have deemed it advisable to pause for a moment and consider the full import and meaning of that statement. Any reasonable interpretation of the statement must force the conclusion that George Washington Parke Custis was the father of a colored daughter, and that he recognized his paternity by leaving a tract of land to his colored daughter in his last will and testament.

Although born and reared in the State of Wisconsin, I considered this statement to constitute a distinct attempt to

defame the character and integrity of George Washington Parke Custis, and in considering the import of this statement, I was forced to realize that George Washington Parke Custis was the stepgrandson of George Washington, the grandson of Martha Washington, and the son of George Washington by adoption, thus making him a member of the first family of our country.

I recalled that George Washington Parke Custis was taken into the home of George and Martha Washington at Mount Vernon and reared under the careful guidance of the Father of our Country, and I envisioned the picture of the father of this young man dying in the arms of George Washington as a result of fever contracted in the service of the Continental Army, and the last request being made to the Father of our Country to take this young man and to educate and care for him. George and Martha Washington assumed this responsibility and contemporary history unequivocally records that as a result of their benign influence George Washington Parke Custis was the idol of his grandmother and the hope of his foster father, and the restraint placed upon him by his guardians was only that which might save him from habits of dissipation or licentious association. Contemporary writers have indicated that it was small wonder that as a result of this influence that George Washington Parke Custis should reach his early manhood with the loftiest ideas of honor and propriety of conduct; that his unswerving integrity was almost as marked as that of Washington himself; that he abhorred the licentious vices of other young men of his age, while his patriotism and generosity, which he breathed in with the atmosphere of Mount Vernon where he lived, were manifest throughout his entire life.

I further envisioned the fact that when young Custis came into his inheritance and married that he established a home at Arlington and as a result of a very happy union there was born a child who grew into beautiful womanhood and who was sought by many of the prominent young men of the day. Among those seeking the hand of the daughter of George Washington Parke Custis was Lt. Robert E. Lee whom she selected as her mate from among a large number of suitors, and thus, through this marriage, George Washington Parke Custis further became identified with the history of this Nation as the father-in-law of Robert E. Lee. The home which he built at Arlington, and which later was occupied by his daughter and General Lee, has been preserved by the people of this Nation as a national shrine to which thousands of American citizens make a pilgrimage to receive inspiration and revival of patriotic impulse.

With this historical background before me, and with the knowledge of the character and reputation of George Washington Parke Custis, you can well imagine what a shock I received to read in an alleged accurate historical document, published by the United States Government, under a Federal Writers' Project—Works Progress Administration project—that this great national character was the father of a colored daughter begotten as a result of a licentious relationship with a Negro slave in the employ of his grandmother, Martha Washington.

This statement so impressed itself upon me that I deemed it my duty as a Member of Congress to investigate, and I directed a letter to the head of the Works Progress Administration, Col. F. C. Harrington, who referred my communication to Mr. Henry G. Alsberg, director of the Federal Writers' Project under W. P. A. I desired to know the authority for this statement already referred to. My letter was answered by Mr. Alsberg under date of February 21, 1939, and he stated: "The authority for the statement you refer to has been taken from E. Delorus Preston, Jr."

I immediately contacted the Congressional Library and requested information as to E. Delorus Preston, Jr., and was advised that he is not listed in the public catalog as the author of any works in the Library, nor in the union catalog as the author of any works in any subscribing library, not in the cumulative book index as the author of any book or separately published article, nor in the several encyclopedias and Who's Who—either white or colored.

In view of the fact that I consider this statement to be a gross libel upon the character of one of our first citizens, I pursued the inquiry further and requested information as to who E. Delorus Preston, Jr., is or was, and I was advised by Mr. Alsberg that Dr. W. H. Siebert, of Ohio State University, would vouch for the historical reputation of Mr. Preston and his work. I immediately wrote Dr. Siebert for information, and on February 27 received a letter from Dr. Siebert, who is a professor of history at Ohio State University, in which he states as follows:

> Mr. Preston is a colored man whose parents live in Washington. He graduated from Howard University in June 1918, and taught in Negro schools in the South for several years. He entered the Graduate School of Ohio State University in September 1931, his major subject being history. He wrote a dissertation on the underground railroad for fugitive slaves through a section of Ohio. My recollection is that he has published other articles in the Journal of Negro History. I recommended him to various positions in Negro colleges, etc., since that time, but have no record of the places he may have filled.

In view of the very scant background of Mr. Preston as a historical writer, I deemed it advisable to pursue the inquiry a step further, and upon inquiry being made as to who directed the preparation of this material, I was informed by Mr. Alsberg that—

> The final writing of the essay was done by Prof. Sterling Brown, and the book was prepared under the editorial direction of Joseph Gauer, a member of my staff.

I ascertained that Prof. Sterling Brown was a member of the history staff of Howard University, which, by the way, is supported and maintained in large measure by appropriations made by this Congress; and on March 1, 1939, I directed a letter to Prof. Sterling Brown at Howard University, which has not been returned to me as the writer, in which I asked him to furnish me with the source of information upon which he based the assertion in reference to the character of George Washington Parke Custis. Despite the fact that the institution which he serves is, as already stated, supported in large measure by the taxpayers of the United States, I, as a Member of Congress, have not as yet received a reply to my letter and, despite repeated telephone calls, I have been unable to contact the gentleman.

It therefore appears—and I think the conclusion is inevitable—that here is a concrete evidence of a deliberate plan to put into a Government-sponsored publication a statement that could have no other purpose or effect than to tear down and destroy the character and reputation not only of one of the first citizens of Virginia but, by innuendo, the family and household of George and Martha Washington and Robert E. Lee.

Mr. Speaker, I made a further investigation and I found that the statement that—

> They were settled in Arlington in a place known as Freedmen's Village very near a trace left by George Washington Parke Custis to his colored daughter Maria Syphax—

was absolutely false. I did find by going through the Congressional Globe, which contains much valuable material on this question, that due to the character of this man who abhorred slavery, when he came into his inheritance from his mother, he did receive a considerable number of slaves. This young woman Maria Syphax was the daughter of two old retainers who had served his grandmother and George Washington for many, many years. When she passed to him as part of his inheritance, he manumitted her or freed her, and upon her marriage he gave her a little 17-acre tract of land upon which she lived at or near the present Arlington.

I cannot conceive that this statement, based as it apparently is, upon the mere assertion of a young Negro student trained in Howard University, and the facts disputed by tremendous evidence to the contrary to be found in the Congressional Library, is but another evidence of the insidious influence that communism has prompted in cultivating racial prejudice. Here, in a Government-sponsored publication, with no authority other than the mere word of E. D. Preston, Jr., is a gross libel upon the character and reputation of one of our first citizens. This libel has been achieved

and is being disseminated by the Works Progress Administration through the instrumentality of the Federal Writers' Project, a project that has cost the taxpayers of this Nation since the summer of 1935 through February 28, 1939, $15,016,632, and the net result of the effort is the dissemination of libelous misstatements and untruths that are continually found in these volumes, which are produced at your expense and mine.

As a citizen of America and as a Member of Congress, I do not intend to sit by and see this besmirching effort continued by appropriating funds which make it possible to scatter such libels to the four corners of the world.

I want to enter my vigorous protest, and I call upon you to protest, and I say to you that, regardless of whether the allegation is true or false, the effort to publicize the fact more than 100 years after a man's passing only merits reproach and condemnation; and I want to say to you Members of Congress that I hang my head in shame when I contemplate that this Government, which I love and respect, should knowingly, by its own actions, countenance and permit such a thing to take place.

I know, and you know, that the heart of America is sympathetic to the effort of the decent colored people of this country to increase their opportunity for racial betterment; but I say to you that when they and we allow the influence of communistically inspired agitators to write libels such as the one I have just referred to, they are serving no useful purpose in the advancement of racial progress. A Communist is a Communist, be he black, white, brown, or yellow; and we, as Americans, be we white, brown, or black, should unite in a common purpose to stop this menace wherever it raises its head in order that we may preserve the integrity and a continuance of the spirit of passionate American patriotism that must at all times be kept burning fiercely if the ideals and traditions of our democracy can be preserved. [Applause.]

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore (Mr. SHEPPARD). Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. Under a previous special order the gentleman from California [Mr. BUCK] is recognized for 20 minutes.

Mr. BUCK. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and include therein certain excerpts from testimony before the Ways and Means Committee in the social-security hearings and certain private and other documents that were introduced at those hearings.

The SPEAKER pro tempore (Mr. RAYBURN). Is there objection to the request of the gentleman from California [Mr. BUCK]?

There was no objection.

Mr. BUCK. Mr. Speaker, I ask unanimous consent that my time to address the House at this time may be extended 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. BUCK]?

There was no objection.

THE SOCIAL SECURITY ACT—OLD-AGE RESERVE ACCOUNT

Mr. BUCK. Mr. Speaker, the Ways and Means Committee has been engaged in holding hearings on proposed amendments to the Social Security Act since February 1. The question of aid to the aged and old-age benefit payments has been very largely and broadly discussed. One subject which has been covered by nearly every witness of prominence who has appeared before us has been the question of the size and the management of the old-age reserve account established under title II of the Social Security Act. Section 201, which establishes the account, reads as follows:

SEC. 201. (a) There is hereby created an account in the Treasury of the United States to be known as the old-age reserve account hereinafter in this title called the "account." There is hereby authorized to be appropriated to the account for each fiscal year, beginning with the fiscal year ending June 30, 1937, an amount sufficient as an annual premium to provide for the payments required under this title, such amount to be determined on a reserve basis in accordance with accepted actuarial principles, and based upon such tables of mortality as the Secretary of the Treasury shall from time to time adopt, and upon an interest rate of 3 percent per annum compounded annually. The Secretary of the Treasury shall submit annually to the Bureau of the Budget an estimate of the appropriations to be made to the account.

(b) It shall be the duty of the Secretary of the Treasury to invest such portion of the amounts credited to the account as is not, in his judgment, required to meet current withdrawals. Such investment may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at par, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the account. Such special obligations shall bear interest at the rate of 3 percent per annum. Obligations other than such special obligations may be acquired for the account only on such terms as to provide an investment yield of not less than 3 percent per annum.

(c) Any obligations acquired by the account (except special obligations issued exclusively to the account) may be sold at the market price, and such special obligations may be redeemed at par plus accrued interest.

(d) The interest on, and the proceeds from the sale or redemption of, any obligations held in the account shall be credited to and form a part of the account.

(e) All amounts credited to the account shall be available for making payments required under this title.

(f) The Secretary of the Treasury shall include in his annual report the actuarial status of the account.

There has been much loose and some intemperate talking and writing about this account and about its management. It is for the purpose of informing the House as to just what this account is that I have asked for time today. It is not my intention to discuss the size of the reserve account, or whether one is desirable or necessary, though I think one is. Those questions I shall reserve for a later date. It is the soundness of the account and the propriety of its method of operation, which has been impugned, that I propose to cover. Some of this loose talking has gone so far as to charge slippery bookkeeping, embezzlement, misappropriation, or theft of the taxes that have been levied on a pay-roll basis under the Social Security Act and paid by employers and employees into the Treasury. Some statements and some articles which have appeared in newspapers and magazines might ordinarily be dismissed lightly, but when a large sum of money is involved, it is important that the operations of the account, no matter what its size may later by determined to be, be made understandable to the public, and particularly to those who are paying the taxes under the act. As matters stand now, the purpose of the old-age reserve account has not only been misunderstood but it has been misrepresented, possibly in some cases deliberately misrepresented for political purposes.

I had hoped and I still hope that we may consider amendments to the Social Security Act in committee and on the floor of the House in a nonpartisan way in order to solve the many problems necessary to bring social justice and security to our people in their declining years by making such changes in the law as experience in the administration of it makes desirable or necessary. I must confess this hope has been somewhat weakened on account of numerous questions asked by certain members of the minority in committee, which seem to indicate a studied desire to make the public believe that their future security is in doubt because the amounts credited to the old-age reserve account have been invested in United States Government bonds.

For instance, at the request of one of the minority members of our committee an article by Mr. John T. Flynn, a popular journalist, which appeared in Harper's Magazine for February 1939, was inserted in the RECORD, apparently for the purpose of discrediting the old-age reserve account. The article was headed "The Social Security Reserve Swindle." I do not know that Mr. Flynn wrote the title for his article.

Sometimes authors do not. But in the course of the article he not only stated, I quote:

No government would dare attempt to support itself out of a pay-roll tax if it honestly proclaimed its purpose—

And—

It is a grave mistake to associate taxes with pay rolls—

And further—

It (the Government) will not pay adequate pensions—this is the point I aim at—because all the time it will be spending the old-age insurance premium for other things—paying the ordinary expenses of the Government.

The whole article is an attack on the reserve system, although I must say that after he had thrown the last brick, as follows:

The idea of a reserve should be taken out of the act altogether—

Mr. Flynn did try to carry some water on the other shoulder by adding:

Of course, some reserve is inescapable—a billion or two, or even three or four. But the question would be well worth considering whether investment of such reserves ought not to be limited to the open bond market to prevent a political government from exploiting the reserve as part of the public fiscal policies.

In the words of Dr. J. Douglas Brown, professor of economics at Princeton University and chairman of the Advisory Council on Social Security, 1937–38—

In attacking the reserve he (Mr. Flynn) poured out the baby with the bath. That is, he overwhelms his point and attacks many other points concerned with the social-security program for which he does not give adequate proof of his position. For example, he attacks pay-roll taxes in one sense only, without adequate justification.

It may be added that Dr. Brown does not personally believe in a large reserve, so his condemnation of the attack is the more noteworthy.

Subsequently Mr. Flynn appeared in person before the committee and recanted, as far as pay-roll taxes were concerned. In his opening statement, as found on page 1695 of the unrevised committee print of the hearings, Mr. Flynn stated:

I am not opposed to the pay-roll tax, because I think that is the proper way to finance old-age benefits. I think the people should pay for their old-age benefits so that those who receive them may receive them without the imposition of charity.

But he did insist that if there were to be any reserve at all, it should be very small, simply to take care of cash payments and intervals when there was a discrepancy between collections and benefits. He stated in response to questions that he did not believe that it was right or sound to invest trust funds handled by the Government in Government bonds. Subsequently, Mr. Flynn, in an article appearing in the Washington News, and no doubt elsewhere, repeated this contention by extending his opposition to the manner in which the old-age reserve account has been invested to opposition to similar investments of such funds as the civil-service retirement funds and many others.

When as able a writer as Mr. Flynn uses intemperate language in connection with a perfectly legitimate financial operation of the Government sanctioned by long-standing practices it is bad enough. It disturbs the confidence of the public to have their country's obligations called I O U's, to have the old-age reserve account designated as empty, as it was shown in a cartoon appearing in the Washington Post of April 3, 1939, that bears every evidence of being boiler-plate stuff sent out from some political agency, when it is actually earning interest on moneys appropriated to its credit annually by Congress. Worse, though, have been statements made by Members of the House, which I would like to say had been thoughtlessly made were it not evident that they have been deliberately prepared. I refer to the joint political statement issued by the minority members of the Ways and Means Committee following the able presentation by Secretary Morgenthau of certain suggestions with reference to the size of the reserve account. Only the other day, March 27, on the floor of the House the gentleman from New York [Mr. REED] sought recognition for 1 minute and, under leave to revise and extend his remarks, made a good many charges and statements which I contend are not supported by the facts. Personally, I am very fond of the gentleman from New York, and he is an able and useful member of the Committee on Ways and Means, but on this occasion for some strange reason he allowed his partisan prejudice and passion to overcome his usual sense of fairness and judgment. Perhaps the fact that on that day the Supreme Court had overruled his judgment on a question of constitutionality might have caused him to become upset and bewildered. In his remarks he chided the able and beloved chairman of our committee [Mr. DOUGHTON] for failing to note that he had introduced a concurrent resolution in 1937 on the subject of social security. I wonder if instead of Chairman DOUGHTON's memory failing that of the gentleman from New York might not be faulty, as I do not recall nor do the records of the committee disclose that he ever sought or asked for its consideration by the committee. Even on April 14, 1937, when the gentleman from Massachusetts [Mr. TREADWAY] moved that the Ways and Means Committee proceed to hold hearings on 13 bills and proposals relating to old-age assistance the gentleman from New York did not ask that these hearings include his resolution. Possibly he was content with having made a political gesture.

The country also well understood the political gesture concontained in the Republican platform of 1936 to which he referred by administering the most overwhelming defeat any party or candidate ever suffered in our history. Political gestures will not deceive. The people remember that it was the present Democratic administration under the leadership of President Roosevelt which inaugurated and placed upon the statute books the most ambitious humanitarian social-security program ever undertaken.

I would not suggest that the gentleman from New York lacks intelligence to understand the principles underlying the Social Security Act. I would suggest, however, that he apply his undoubted mental gifts along more constructive channels rather than making wild assertions having no basis of fact. In his closing statement he stated:

This whole unsavory mess, this spending of trust funds for boondoggling and election expenditures, would never have occurred had the original recommendation of the President's Economic Council been followed.

The gentleman knows, for he put it in the hearings himself at page 1104, that that proposal provided for a reserve which on the actuarial estimates of the committee would be maintained at about $15,250,000,000, which would have likewise been invested in Government obligations, the proceeds of which would have gone into the General Treasury, and would thereafter be appropriated by Congress for Federal activities. The implication about election expenditures is not only uncalled for but a purely partisan effort to create an unfavorable public attitude not so much toward the account as toward social security as a whole. Yes; if confidence in the administration of the account can be destroyed, the whole old-age benefit system will ultimately feel the ax.

He continued:

Instead of adopting a wise, honest, straightforward policy, a rubber-stamp group listened to the persuasive appeal of the President to set up a fake reserve. The possibility of obtaining $1,000,000,000 to spend as political whim or caprice might suggest was as irresistible to the New Dealers as cheese is to a lot of ravenous rats.

I was amazed that the gentleman would make such an intemperate and scathing attack on a large majority of the Members of the House, especially Members of his own political party. I am equally amazed that none of his colleagues on that side of the aisle has seen fit to make reply thereto. An examination of the CONGRESSIONAL RECORD, April 19, 1935, discloses that those who voted for this unwise, dishonest policy, who were rubber stamps, who voted to set up what he terms a fake reserve, whom the gentleman from New York characterizes as "ravenous rats" were 372 Members. Of this number 74 were Republicans, practically 75 percent of the total Republican membership at that time. I shall not take the time to read the entire list of these 74 Republicans whom the gentleman characterizes as "ravenous rats", but will only mention a few of them. Among this list I find

such stalwart Republicans as the gentleman from Massachusetts [Mr. TREADWAY], the gentleman from New York [Dr. CROWTHER], the gentleman from Ohio [Mr. JENKINS], the gentleman from California [Mr. GEARHART], the gentleman from Kansas [Mr. CARLSON], the gentleman from Michigan [Mr. WOODRUFF], all now colleagues of the gentleman from New York on the Committee on Ways and Means. In addition I find the names of the gentleman from Massachusetts [Mr. MARTIN], the minority leader, the gentleman from California [Mr. ENGLEBRIGHT], the Republican whip, and the former minority leader, the gentleman from New York [Mr. SNELL]. This impugning of the intelligence or motive or honesty of his own Republican colleagues goes likewise to the sincerity and honesty of those outstanding men and women who constituted the Advisory Council on Social Security appointed by Senator HARRISON, of Mississippi, Senator BYRD, of Virginia, and Senator VANDENBERG, of Michigan, of the Senate Special Committee on Social Security, and the Social Security Board in May 1937. The members of this council for whose personnel and appointment Senator VANDENBERG claims considerable credit, in their final reports state:

On April 29, 1938, the council unanimously approved the following statement concerning the financing of the old-age insurance system.

"The Advisory Council on Social Security has been giving much attention to the problem of financing the old-age-insurance system. The council recognizes that there are other ways of financing the old-age-insurance system which upon further study may prove to have greater advantages than the present system. The entire subject, however, is so complex that the council is not yet prepared to express a final judgment as to the method of financing which would be most desirable from a social and economic standpoint.

"Upon one aspect of the general problem the Advisory Council deems it advisable to make a public statement at this time to allay unwarranted fears. This relates to the method of handling the funds collected for old-age-insurance purposes.

"In accordance with the statutes, the taxes collected from employers and employees under title VIII of the Social Security Act are paid into the general fund of the Treasury. While not expressly provided by law, it was understood at the time of the enactment of the Social Security Act that amounts equivalent to the entire proceeds of these taxes, less costs of administration, shall be appropriated annually by Congress to the old-age reserve account. Congress has not only done so, but to date has appropriated somewhat more to the old-age reserve account than has been collected from the taxes levied in title VIII of the Social Security Act. Thus, up to the end of March 1938, $636,100,000 had been invested to the credit of the old-age reserve account and $577,447,532 had been collected from the taxes for old-age insurance purposes.

"A proportionate part of the moneys appropriated by Congress to the old-age reserve account has been turned over periodically to this account and has been immediately invested in special securities of the United States Government bearing 3 percent interest.

"The special securities issued to the old-age reserve account are general obligations of the United States Government, which differ from other securities of the Government only in the higher rate of interest they bear and in the fact that they are not sold in the open market. The issuance of such special securities is not only expressly authorized by law but is required by the provision of the Social Security Act that the old-age reserve funds are to be invested so as to yield an interest return of 3 percent.

"The United States Treasury uses the moneys realized from the issuance of these special securities by the old-age reserve account in the same manner as it does moneys realized from the sale of other Government securities. As long as the Budget is not balanced, the net result is to reduce the amounts which the Government has to borrow from banks, insurance companies, and other private parties. When the Budget is balanced, these moneys will be available for the reduction of the national debt held by the public. The members of the Advisory Council are in agreement that the fulfillment of the promises made to the wage earners included in the old-age insurance system depends upon, more than anything else, the financial integrity of the Government. The members of the council, regardless of differing views on other aspects of the financing of old-age insurance, are of the opinion that the present provisions regarding the investment of the moneys in the old-age reserve account do not involve any misuse of these moneys or endanger the safety of these funds."

That is the opinion of the outstanding men and women who constituted the Advisory Council, and I insert herewith a list of their names in the RECORD:

REPRESENTING EMPLOYEES

G. M. Bugniazet, secretary, International Brotherhood of Electrical Workers of America, and president, Union Cooperative Insurance Association, Washington, D. C.

Harvey Fremming, president, Oil Field, Gas Well, and Refinery Workers International Union, Fort Worth, Tex.

John P. Frey, president, Metal Trades Department of the American Federation of Labor, Washington, D. C.

Sidney Hillman, president, Amalgamated Clothing Workers of America, New York, N. Y. (Lee Pressman, general counsel, Congress of Industrial Organizations, Washington, D. C., served as alternate for Mr. Hillman.)

Philip Murray, vice president, United Mine Workers of America, Washington, D. C.

Matthew Woll, vice president, International Photo Engravers' Union of North America, and president, Union Labor Life Insurance Co., New York, N. Y.

REPRESENTING EMPLOYERS

Marion B. Folsom, treasurer, Eastman Kodak Co., Rochester, N. Y.

Walter D. Fuller, president, Curtis Publishing Co., Philadelphia, Pa.

Jay Iglauer, vice president and treasurer, Halle Bros. Co., Cleveland, Ohio.

M. Albert Linton, president, Provident Mutual Life Insurance Co., Philadelphia, Pa.

E. R. Stettinius, Jr., chairman of the board, United States Steel Corporation, New York, N. Y.

Gerard Swope, president, General Electric Co., New York, N. Y.

REPRESENTING THE PUBLIC

J. Douglas Brown, Princeton University, Princeton, N. J.

Henry Bruère, president, the Bowery Savings Bank, New York, N. Y.

Paul H. Douglas, University of Chicago, Chicago, Ill.

William Haber, University of Michigan, Ann Arbor, Mich.

Alvin H. Hansen, Harvard University, Cambridge, Mass.

Lucy R. Mason, general secretary, National Consumers' League, New York, N. Y. (Resigned. Miss Josephine Roche, the Rocky Mountain Fuel Co., Denver, Colo., was appointed to fill the vacancy).

Theresa McMahon, University of Washington, Seattle, Wash.

Gerald Morgan, Hyde Park, N. Y.

A. H. Mowbray, University of California, Berkeley, Calif.

T. L. Norton, University of Buffalo, Buffalo, N. Y.

George W. Stocking, University of Texas, Austin, Tex.

Elizabeth Wisner, past president of the Association of Schools of Social Work, New Orleans, La.

Edwin E. Witte, University of Wisconsin, Madison, Wis.

It must be recalled, as I said before, that the investment of trust funds in special Government securities was no innovation under the Social Security Act. Hence by attacking this method of investment the gentleman from New York impugns the motives and action of the late Republican Secretary of the Treasury Andrew W. Mellon, who in administering the adjusted-service certificate fund for World War veterans and the civil-service retirement fund invested the funds in special Government obligations. I point out to you that those securities bore 4-percent interest as against the 3 percent payable on the special obligations issued to the old-age reserve account. Since the late Mr. Mellon is no longer here to defend his handling of these reserve accounts and since no Member on the minority side has seen fit to defend his action I shall insert at this point the same extracts from Secretary Mellon's annual reports to Congress in 1925 and 1926 giving an accounting and his views on the investment of these funds in Government securities that I placed in the hearings before our committee.

CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Section 11 of the act as amended authorizes the Secretary of the Treasury to invest from time to time in interest-bearing securities of the United States or Federal farm-loan bonds such portions of the civil service retirement and disability fund as in his judgment may not be immediately required for the payment of annuities, refunds, allowances, etc., and that the income derived from such investments shall constitute a part of such fund for the purpose of paying such annuities, etc.

Where, under the provisions of section 12 of the act as amended, gross or net returns are made of funds previously contributed by employees, accrued interest is required to be included therein, computed at the rate of 4 percent per annum compounded on June 30 of each fiscal year.

The same consideration as to savings and simplified procedure are accordingly now applicable to investments made by the Treasury for account of the adjusted service certificate fund appearing in the article in the Annual Report of the Secretary of the Treasury for the fiscal year 1925, page 118.

The following procedure, therefore, was prescribed effective July 1, 1926:

(1) Investments for account of the fund will be made in special issues of Government obligations bearing interest at the rate of 4 percent per annum payable on June 30 in each year, or on earlier redemption, as follows: Certificates of indebtedness, civil service retirement fund series; Treasury notes, civil service retirement fund series. Such obligations will be issued in denominations of $100,000 or multiples thereof, and at par as of dates of issue.

(2) The Treasurer of the United States will act as disbursing officer for the investments in the same general manner as at present, making payments therefor from approved advances from the fund upon accountable warrants. The Commissioner of Accounts and Deposits will be responsible for the investments from available funds and the Commissioner of the Public Debt for issuance of the securities and safe-keeping thereof in the same general manner as is done with the adjusted service certificate fund. Credits to meet monthly requisitions of the disbursing clerk of the Bureau of Pensions for authorized payments will be provided from current deductions and through redemptions of the special issues, after such deductions or the proceeds of the redemptions have been covered into the Treasury to the credit of the fund.

ADJUSTED SERVICE CERTIFICATE FUND

On January 2, 1925, the Secretary of the Treasury made the following statement regarding the adjusted service certificate fund provided for in the Adjusted Compensation Act:

"The Adjusted Compensation Act provides for an appropriation on the 1st of January in each year to the adjusted service certificate fund of an amount, based upon the American Experience Table of Mortality, which, if kept invested at 4 percent compounded annually, would be sufficient to pay the face value of the adjusted-service certificates upon their maturity in 20 years or upon prior death of the veteran. The Secretary of the Treasury is authorized to invest and reinvest the moneys in the fund in interest-bearing obligations of the United States and to sell these obligations for the purposes of the fund.

In order that the fund shall be sufficient to meet the payments in accordance with the plan outlined by the act, it is necessary that the moneys be invested when received and kept invested until payments out of the fund are required. No purpose is gained by the investment of the fund in securities returning more than 4 percent compounded annually, since this would simply mean an accumulation in the fund of more money than was necessary to meet payments. On the other hand, if less than 4 percent compounded annually is received, the fund will be insufficient to meet all payments to become due. There are no Government securities in the hands of the public bearing interest payable annually (as distinguished from semiannually) and none which give the exact return of 4 percent annually on their market price. During each year the fund will be drawn upon to pay certificates matured on account of death, and this continuous liability will require almost daily realization of cash, which can only be obtained by the sale or redemption of securities in the fund. The greater part of the fund will remain intact until the maturity of the certificates at the expiration of 20 years, at which time cash will have to be realized. Since the securities then in the fund will probably not be suited to existing market conditions, the likely solution at that time will be for the Treasury to redeem the securities in the fund with the proceeds of new securities which will meet the market then existing. It is apparent, therefore, that the purchase for the fund of any of the present outstanding Government securities will not meet the exact requirements of the fund and will probably be unsatisfactory for sale when, on maturity of the certificates, the major fiscal operation to provide cash must be undertaken.

If the Treasury were in the Government bond market on the 1st of January in each year to buy $100,000,000 of its securities, the purchases could not be made in one day, nor could such a large order be filled without unduly increasing the market price which the fund would have to pay. If, also, the Treasury in the course of the year was required to sell securities to provide the fund with cash, the tendency would then be to depress Government securities on the market. So if the practice of buying and selling on the open market were used, the Treasury would be continually purchasing on a high market.

The $100,000,000 called for by the Adjusted Compensation Act of January 1, 1925, was authorized by the deficiency appropriation bill signed December 5, 1924. The Secretary of the Treasury has invested this sum in $50,000,000 par amount 5-year special Treasury notes, dated January 1, 1925, and payable January 1, 1930, and in $50,000,000 par amount special Treasury certificates of indebtedness, payable 1 year from date, with right in each case of certain prior redemptions. Both securities call for interest at 4 percent per annum, payable annually, or on the prior redemption of the security. It is expected that these special certificates of indebtedness will be redeemed from time to time during the year to provide the fund with cash with which to meet current obligations; that any such certificates remaining unredeemed at the expiration of the year will be refunded into other certificates or into notes; and that at the maturity of the notes, they will be refunded into securities of similar tenor until payments become due on the maturity of the adjusted-service certificates some 20 years later.

This method of handling the adjusted service certificates fund has the following advantages:

1. The securities exactly fit the actuarial requirements which are by law made the basis for fixing the appropriations for the fund.

2. The bond market is not disturbed by a purchase of a very large block of securities early in January and by a subsequent continuous pressure for the sale of securities to provide cash for the fund throughout the year, the effect of which would be buying on a high market and selling on a low market.

3. Commissions to brokers on the purchase and sale of Government securities are saved.

4. It is not necessary to borrow on December 15 (the usual financing day nearest January 1) additional cash and carry this cash, with a consequent loss of interest, until it can be invested in Government securities on the market after the first of the year when the appropriation becomes available.

5. Cash demands of the fund can be immediately satisfied by the redemption by the Treasury of the special certificates of indebtedness and the whole plan has great flexibility.

6. When the adjusted-service certificates mature about 1944, the Treasury will be in position to do the necessary financing to meet the conditions then existing without being compelled to sell a lot of miscellaneous Government securities perhaps unsuited to the market and to the Treasury's program.

The working of this plan can best be illustrated by its first operation. On December 15, 1924, the Treasury, in addition to any money to purchase investments for the fund, required $225,000,000 to carry it through to the next financing period in March 1925, and sold for cash about $225,000,000 of its 4-percent bonds of 1944–54. As of January 1, 1925, the Treasury sold to the fund $100,000,000 of its special certificates of indebtedness, making total sales in December and January of $325,000,000 of Government obligations. This was the plan actually used. Had the other method of applying the appropriation to the purchase of securities in the open market been adopted, the Treasury would have had to sell for cash $325,000,000 of its bonds on December 15, 1924, and consequently would have lost the interest of $100,000,000 from December 15 until the securities for the fund could be bought on the market after January 1, 1925. There is, as will be noted, no difference in the final amount of public debt incurred between the plan of selling special securities direct to the fund and the plan of using the fund to buy securities in the market. In either case the fund would hold $100,000,000 of Government obligations and there would be $100,000,000 less of such obligations in the hands of the general public. It seems quite clear, therefore, that the sale of the special securities direct was the only feasible way of handling the investment required by the Congress.

Nor are these the only cases where funds, trust or otherwise, have been invested by the Secretary of the Treasury or the Treasurer of the United States in Government securities. The total as of December 31, 1938, of Government securities and Government-guaranteed obligations held as investment in trust funds, which by law are under the control of the Secretary of the Treasury or the Treasurer of the United States and in accounts under the control of certain governmental corporations which are handled through the Treasury Department, was $4,988,048,906. In addition thereto there were investments in Federal farm-loan bonds, Philippine, Puerto Rican, and certain other bonds sufficient to bring the total amount to $5,032,381,290. I insert herein a table showing the exact investment in these funds, as previously placed in the committee hearings.

Government securities, by issues, and other securities held as investments (1) in trust funds which by law are under the control of the Secretary of the Treasury or the Treasurer of the United States and (2) in accounts under the control of certain governmental corporations and agencies the investments of which are handled through the facilities of the Treasury Department, as of Dec. 31, 1938

[Face amounts]

Title	Postal Savings System	Federal Deposit Insurance Corporation	Individual Indian trust funds	Mutual mortgage insurance fund and housing insurance fund	Federal Savings and Loan Insurance Corporation	Civil-service retirement and disability fund	U. S. Government life insurance fund	District of Columbia, teachers' retirement fund	Alien Property Custodian funds	Miscellaneous accounts	Total
Pre-war and other bonds:											
2½-percent postal-savings bonds	$25,895,400										$25,895,400
United States savings bonds			$85,575							$22,500	108,075
3-percent adjusted service bonds of 1945			400								400
Treasury bonds:											
4¼-percent bonds of 1947–52	19,432,000	$4,631,000	45,000	$2,940,000			$41,272,000	$1,142,200		459,100	69,921,300
4-percent bonds of 1944–54	34,541,000	11,635,000	1,240,900	2,845,000			14,106,000	134,000	$9,800,000	137,000	74,438,900
3¾-percent bonds of 1946–56	20,744,000	7,338,000	16,000	2,788,100			2,200,000	118,000		456,000	33,660,100

Government securities, by issues, and other securities held as investments (1) in trust funds which by law are under the control of the Secretary of the Treasury or the Treasurer of the United States and (2) in accounts under the control of certain governmental corporations and agencies the investments of which are handled through the facilities of the Treasury Department, as of Dec. 31, 1938—Continued

[Face amounts]

Title	Postal Savings System	Federal Deposit Insurance Corporation	Individual Indian trust funds	Mutual mortgage insurance fund and housing insurance fund	Federal Savings and Loan Insurance Corporation	Civil-service retirement and disability fund	U. S. Government life insurance fund	District of Columbia, teachers' retirement fund	Alien Property Custodian funds	Miscellaneous accounts	Total
Treasury bonds—Continued.											
3¼-percent bonds of 1943-47	$8,446,000	$5,362,400	$14,382,200					$247,000		$620,000	$29,057,600
3⅜-percent bonds of 1940-43	5,928,000	8,953,000	550,000							80,000	15,511,000
3⅜-percent bonds of 1941-43	8,875,000	9,753,100	800,000					320,000			19,748,100
3½-percent bonds of 1946-49	22,423,000	12,265,500	4,357,200		$100,000						39,145,700
3-percent bonds of 1951-55	62,155,000	8,069,000	791,150				$5,900,000		$1,100,000	4,477,050	82,492,200
3¼-percent bonds of 1941	25,049,000	11,557,000	10,000								36,616,000
3¼-percent bonds of 1943-45	47,008,000	20,200,550	2,926,700					232,000	5,100,000	11,550	75,478,800
3¼-percent bonds of 1944-46	57,285,250	31,232,100	1,976,150				40,000			124,750	90,658,250
3-percent bonds of 1946-48	95,430,000	11,396,000	1,056,400		200,000						108,082,400
3¼-percent bonds of 1949-52	10,250,000	1,335,000					1,250,000		500,000		13,335,000
2¾-percent bonds of 1955-60	150,772,000	27,723,100	10,721,400	$5,320,250	5,900,000		115,543,250	2,881,850 6	730,000	1,091,000	326,682,850
2½-percent bonds of 1945-47	42,526,000	654,700	1,881,250		1,334,500		91,300		3,300,000		49,787,750
2½-percent bonds of 1948-51	46,408,000	7,963,000					5,300,000				59,371,000
2½-percent bonds of 1951-54	48,785,000	14,651,000	245,000	550,000	210,000		17,745,000	94,000	350,000	298,050	82,928,050
2¾-percent bonds of 1956-59	50,095,000	22,035,000	783,900	5,242,850	370,000		34,968,300	231,000	250,000	494,850	114,465,900
2½-percent bonds of 1949-53	99,978,000	16,780,000	600,000		150,000		1,813,050			150,000	119,471,050
2½-percent bonds of 1945					100,000						100,000
2½-percent bonds of 1948	167,000	4,358,000									4,525,000
2¾-percent bonds of 1958-63	2,167,000		1,100				6,300,000	606,000	3,470,000	751,600	13,295,700
2½-percent bonds of 1950-52	17,155,000				750,000		25,100,000				43,005,000
2¾-percent bonds of 1960-65	3,500,000				500,000		350,000		200,000		4,550,000
2 percent bonds of 1947					1,150,000						1,150,000
Treasury notes:											
2¼-percent series A-1939, matures June 15, 1939	400,000	4,750,000							10,200		5,160,200
1½-percent series C-1939, matures Mar. 15, 1939											
1¼-percent series A-1940, matures Mar. 15, 1940		513,700									513,700
1½-percent series B-1940, matures June 15, 1940		3,750,000									3,750,000
2-percent series B-1942, matures Sept. 15, 1942									200,000	110,000	310,000
1¼ percent series A-1943, matures June 15, 1943		17,488,000			45,000						17,533,000
Special 2-percent securities	52,000,000	105,000,000					6,700,000				163,700,00
Special 2½-percent securities										1,064,000,000	1,064,000,000
Special 3-percent securities										938,000,000	938,000,000
Special 4-percent securities						$459,900,000				30,352,000	490,152,000
4½ percent adjusted-service bonds (Government life insurance fund series, 1936)							500,157,956				500,157,956
Total Government obligations	957,414,650	369,094,150	42,470,325	19,686,200	10,809,500	459,900,000	778,831,856	6,006,050	31,010,200	2,041,535,450	4,716,758,381
Commodity Credit Corporation notes					600,000						600,000
Reconstruction Finance Corporation notes					1,000,000						1,000,000
Home Owners' Loan Corporation bonds	79,678,000		25,525		102,667,000						182,370,525
Federal Farm Mortgage Corporation bonds	87,156,400		53,900					95,000		14,700	87,320,000
Total Government-guaranteed obligations	166,834,400		79,425		104,267,000			95,000		14,700	271,290,525
Federal farm-loan bonds							41,999,000	1,441,200		343,700	43,783,900
Philippine bonds and certificates								182,000			182,000
Puerto Rican bonds								71,000			71,000
All other			21,000							274,484	295,484
Grand total	1,124,249,050	369,094,150	42,570,750	19,686,200	115,076,500	459,900,000	820,830,856	7,795,250	31,010,200	2,042,168,334	5,032,381,290

Miscellaneous accounts

Panama Canal Zone funds (investments handled by the Panama Canal)	$2,145,100
General post fund, Veterans' Administration	1,068,250
Library of Congress trust fund	274,484
District of Columbia workmen's compensation fund	21,000
Longshoremen's and harbor workers' compensation fund	169,300
German special deposit account	3,957,000
National Institute of Health gift fund	83,000
Comptroller of the Currency employees' retirement fund	1,242,500
Pershing Hall memorial fund	198,050
National Park trust fund	11,950
Ainsworth library fund, Walter Reed General Hospital	9,700
District of Columbia water fund	736,000
Unemployment trust fund (special 2½ percent)	1,064,000,000
Railroad retirement account (special 3 percent)	75,700,000
Old-age reserve account (special 3 percent)	862,300,000
Foreign Service retirement and disability fund (special 4 percent)	3,519,000
Canal Zone retirement and disability fund (special 4 percent)	4,001,000
Adjusted service certificate fund (special 4 percent)	$22,200,000
Alaska R. R. retirement and disability fund (special 4 percent)	532,000
Total	2,042,168,334

It is not enough to call attention to the fact that misstatements and misrepresentations have been made. I regret them, but there is always the opportunity open to every Member of the House to carefully study the hearings before the Ways and Means Committee when they are in final form and to learn from the record, which is a comprehensive one, just what the true facts are. At this moment I merely want to call your attention to some of the errors that those who are attacking the present law have fallen into from a substantive standpoint, the chief of which are the nature of the reserve account set up and the failure to realize that the pay-roll taxes are not earmarked for any special fund.

The taxes which are levied on pay rolls are paid into the general fund of the United States Treasury. They are no different from taxes collected on customs or excise taxes.

It has been charged that these moneys have been spent for purposes other than the payment of benefits to the aged. These moneys were never earmarked for the aged and they never were intended by the Ways and Means Committee to be so earmarked. They are just as much subject to congressional appropriations as any other tax money.

Title II of the act deals with the benefits and the manner in which the money to pay benefits shall be accumulated in the old-age reserve account. When money is appropriated to the account by Congress the excess over the amount needed for paying current benefits is to be invested in special obligations of the United States bearing 3 percent interest. At the time the act was passed it was felt that the ultimate cost of the old-age insurance system would be about 9.35 percent of the estimated pay rolls in 1980. And let me tell you that 1980 was not taken as a year blindly out of the air; 1980 is the year when those young men and women who were 21 when the insurance system started will become 65 and become entitled to their old-age payments, and this is the year in which the old-age insurance system will reach its maximum peak load.

The tax on employers would raise 3 percent, the tax on employees 3 percent, and the interest on the Government obligations, including reinvested interest in the early years, would account for the other 3.35 percent. That is the reason for the requirement in the law that these obligations bear 3-percent interest. If they do not bear that rate or if no interest-bearing reserve is set up the tax rate on employers and employees must be much higher in the latter years of the system than is provided for in the present act.

The payment of this interest, however, should entail no new taxes in addition to those which would have had to be levied without the reserve, since the same interest would be payable to private holders of the debt if the old-age reserve account had not displaced borrowings of similar amount from private investors. Therefore, it is very misleading to intimate that the interest payments are a totally new burden which would require new taxes for their payment.

Title VIII, the tax title, was written separately for the deliberate purpose of avoiding any question of constitutionality when the act should come before the Supreme Court. There still is, in my opinion, and in the opinion of the best judicial minds in this House, more than a doubt as to whether Congress has any power to levy a tax for a specific benefit. The money must go into the General Treasury first.

In section 201 of the Social Security Act, quoted earlier, Congress is authorized to appropriate to the old-age reserve account, which is established therein, an amount sufficient annually to provide for the payments required under title II, basing that amount on a reserve basis, in accordance with accepted actuarial principles. The popular notion that the law provides for a reserve of the excess tax payments with interest thereon probably arose from the fact that the original recommendation of the Committee on Economic Security contemplated a reserve of that kind. The bill that our committee actually presented to the House, and which was enacted into law, was very different. Instead of an old-age insurance fund into which the proceeds of the pay-roll taxes are to be paid, we set up an old-age reserve account, which is not connected with title VIII taxes in any way. The act does not provide that title VIII taxes shall be appropriated to the old-age reserve account. On the contrary, it expressly authorizes Congress to appropriate money enough to pay the costs of the benefits under title II, computed on an actuarial basis. It was never anticipated that Congress should each year appropriate to the old-age reserve account the yield of the taxes in title VIII. An examination of the report of our committee and of the act itself definitely establishes this.

It can be seen, therefore, that the reserve which has been made the basis for the attacks before our committee and elsewhere is not the actually contemplated or existing reserve. In other words, most of those who have written or spoken on this subjct simply have not realized the difference between what they are talking about and what the act provides.

Under the Social Security Act, the old-age reserve account serves two purposes. First, it gives the public an accurate picture of the liabilities of the Government as to future old-age benefits. Secondly, its very existence encourages Congress to make annual appropriations sufficient to meet the currently accruing liabilities. It is contemplated that Congress will make these appropriations whether the yield of taxes under title VIII is greater or less than the amount necessary to meet them. If Congress fails to do so, the Secretary of the Treasury is required to call attention to the unprovided-for liabilities in his annual report to Congress.

If we merely appropriate enough money to the old-age reserve account to meet current disbursements without disclosing what the accruing liabilities are, we might truly be accused of slippery bookkeeping. The adoption of such a system might result in the undisclosed Federal debt or its promised obligation to the aged, exceeding the acknowledged debt.

It is alleged that the account will reach a sum of $47,000,000,000 eventually, and much has been made of this allegation. However, there is not one economist or businessman who has appeared before us who has not testified that this figure is wholly mythical, and the consensus of opinion is under no circumstances, even under the present rate of taxation and the present method of accumulating the account, that the fund will ever approach that amount. The $47,000,000,000 figure is derived from a table placed in the Senate hearings on the original Social Security Act of 1935. The estimates of population and life expectancy used by actuaries in calculating this table were figures of the 1920s. We now realize that by 1980 there will be between 13,000,000 and 15,000,000 annuitants in the old-age insurance system as compared with an estimate of 6,000,000 annuitants made by actuaries in 1935. Actuaries then assumed that there would be 26,000,000 people in the old-age insurance system at the outset and 35,000,000 people by 1980. Actually by the end of the first year of tax collections 38,000,000 people had social-security account numbers, and about 32,000,000 had wage credits. It is obvious, therefore, that the huge reserve that has been talked about will never actually develop.

As I said, it is not my purpose, however, to discuss what the size of the reserve should be, for we have had very conflicting testimony before the committee as to what is really needed to protect the system. What I have been concerned about is the use of mythical figures such as these to scare the public. Actually the reserve fund in existence will be $1,172,000,000 by the end of the fiscal year. Certainly not an undue amount to have on hand to cover contingencies in a Nation-wide system of old-age insurance.

Not content with scaring the people about the size that the fund will ultimately reach, efforts are being made to undermine the confidence of the people in the security of that reserve; such efforts ought to be resented by everyone who desires to protect the good name and the credit of the Government. As to the soundness of the policy of investing the account in Government bonds, I quote a few expressions from those who appeared before us, some of whom are against a large reserve, some of whom are for a large reserve, and one of whom proposed to carry a reserve for the employees' contributions and none for the employers.

Dr. Brown, to whom I have already referred, said:

> There has been a great deal of talk about the mishandling of funds and fraud. I think that is an entire misconception. I think the Treasury is performing its functions exactly and with the greatest integrity; it has followed out the law as passed by Congress.

Mr. Gerard Swope, president, General Electric Co., said:

> Much discussion has been occasioned by the estimate of the enormous reserve which will be accumulated in 1980. I have never taken this seriously. * * * Nor have I any fears that these funds in the hands of the Government are in any sense insecure.

Later Mr. MCCORMACK asked him:

> You don't consider that the investment of the money in special obligations is embezzlement, legalistic or otherwise?

Mr. Swope:

> Certainly not. It is a shame to so designate it.

The following colloquy occurred when Mr. Marion B. Folsom, treasurer, Eastman Kodak Co., was on the stand:

Mr. COOPER. I don't understand you to be offering any criticism of the methods employed up to now.

Mr. FOLSOM. No, sir; I do not. I do think there has been an awful lot of criticism of the handling of these funds which has not been at all justified.

Dr. Paul Studenski, professor of economics, New York University, a low-reserve advocate:

I don't conceive that the investment of these funds of the Social Security in Government bonds are merely investments in Government I O U's, or that we need to be very much worried about it. I have deep faith in the future of the credit of the Federal Government despite the extensive borrowing that the Federal Government is engaged in.

Dr. Edwin E. Witte, professor of economics, University of Wisconsin, and formerly executive director, President's Committee on Economic Security:

I will put it this way: That you cannot find among economists or financiers or anybody who understands the operations of finance or governmental finance a person who thinks that these funds are lost to the beneficiaries. They are, on the contrary, the most secure investment you can have.

This unanimity of opinion among those who are familiar with the financial operations of governments in the handling of trust funds ought to silence those who are misrepresenting these operations, and ought to convince those who have not followed this subject closely, that there is no danger to the ultimate payment of the benefits to which contributors will be entitled under title II of the Social Security Act.

I have not been addressing the Members of the House politically, and I wish to emphasize that fact in the hope that our deliberations in the committee and in the House on this important subject will be conducted on a nonpartisan basis.

I invite the members of the minority especially, and I invite all of the Members of Congress to join in a patriotic effort in considering amendments to this great piece of humanitarian legislation entirely free and apart from any hope of political reward or fear of any political punishment. [Applause.]

Mr. CARLSON. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield for a question.

Mr. CARLSON. The distinguished gentleman from California has given this subject much study. Does the gentleman admit, as he is pleading for nonpartisan consideration of this measure, that there may be an honest difference of opinion as to the reserve fund?

Mr. BUCK. I stated a few minutes ago that we had had a good deal of conflicting testimony about it. I did not want to discuss the size of it today; I was emphasizing more the security of the investment in Government bonds.

Mr. CARLSON. I did not want the gentleman to leave the impression, and I, at least, did not want to get it, that we could not have an honest difference of opinion as to the reserve fund and other items.

Mr. BUCK. I know that when the gentleman from Kansas differs from me he always does so honestly. [Applause.]

[Here the gavel fell.]

INTERNATIONAL MONETARY CONFERENCE

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore (Mr. RAYBURN). Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, we have in this country a surplus of both raw materials and manufactured products to market which our Government at great expense to the taxpayers is endeavoring to move through the channels of international trade under the handicap of an unworkable system of international exchange. It is apparent and generally admitted that this medium of international exchange money is not functioning in financing our foreign trade, with the result that in many cases we are forced to resort to barter with foreign countries and are placed under a serious disadvantage in competing for foreign markets for our surplus products, particularly in South America.

In an effort to relieve the situation and place our international trade, particularly with the countries of the Western Hemisphere, on a sound and stable basis by eliminating the inequalities of foreign exchange and establish a stable monetary base for the currencies of the several countries of the Western Hemisphere it is apparent that our Government in cooperation with the governments of the Western Hemisphere can with advantage enter into an international agreement to standardize the coinage of the several nations to maintain the integrity and stability of international commitments and promote the general prosperity by the freer movement of goods in international trade. Such a monetary plan was successful under the agreement entered into by the nations of the so-called Latin union—France, Italy, Belgium, Switzerland, and Greece—when the money of these nations was standardized and made interchangeable.

Mr. Speaker, to revise, broaden, and apply the monetary plan that proved successful under the Latin union, I urge the Congress to pass a resolution requesting the President to call an international monetary conference in an endeavor to effectuate the policy of the United States under the provisions of the law placed on our statute books and never repealed—United States Code:

SEC. 311. It is hereby declared to be the policy of the United States to continue the use of both gold and silver as standard money, and to coin both gold and silver into money of equal intrinsic and exchangeable value, such equality to be secured through international agreement, or by such safeguards of legislation as will insure the maintenance of the parity value of the coins of the two metals, and the equal power of every dollar at all times in the markets and in the payment of debts. And it is hereby further declared that the efforts of the Government should be steadily directed to the establishment of such a safe system of bimetallism as will maintain at all times the equal power of every dollar coined or issued by the United States, in the markets and in the payment of debts. (Nov. 1, 1893, c. 8, 28 Stat. 4.)

SEC. 312. Whenever the President of the United States shall determine that the United States should be represented at any international conference called by the United States or any other country with a view to securing by international agreement a fixity of relative value between gold and silver as money by means of a common ratio, between these metals, with free mintage at such ratio, he may appoint five or more commissioners to such international conference, and for compensation of said commissioners, and for all reasonable expenses connected therewith, to be approved by the Secretary of State, including the proportion to be paid by the United States of the joint expenses of any such conference, the sum of $100,000, or so much thereof as may be necessary, is appropriated. (Mar. 3, 1897, c. 376, 29 Stat. 624.)

SEC. 313. The provisions of sections 146, 313, 314, 320, 406, 408, 411, 429, 455, and 751 of this title and sections 51, 101, and 178 of title 12, banks and banking, are not intended to preclude the accomplishment of international bimetallism whenever conditions shall make it expedient and practicable to secure the same by concurrent action of the leading commercial nations of the world and at a ratio which shall insure permanence of relative value between gold and silver. (Mar. 14, 1900, c. 41, 14, 31 Stat. 49.)

I submit, Mr. Speaker, it is clearly demonstrated on every side that our monetary system and the existing arrangements for financing international business is unworkable and it is absolutely necessary that our Government call an international monetary conference and use its influence to standardize the coinage of the several countries as basis for sound currencies and stable international business relations. I ask unanimous consent that the joint resolution authorizing the President to call an international monetary conference may appear at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, the joint resolution to which I refer is as follows:

Joint resolution to promote international trade and eliminate the inequalities of foreign exchange and provide for a sound currency and establish a stable medium of exchange between the countries of the Western Hemisphere and effectuate the declared policy of the United States as set forth in the act of November 1, 1893 (28 Stat. 4), and the act of March 3, 1897 (29 Stat. 624)

Resolved, etc., That the President of the United States is hereby authorized and requested to call an international monetary conference of the representatives of the nations of the Western Hemisphere to meet one or more commissioners to be appointed by the

President, to represent the United States at a place and time appointed by the President, for the purpose of entering into an agreement to standardize the coinage of the nations of the Western Hemisphere, to regulate the weight, fineness, title, and form of their gold and silver coins, with the unlimited coinage and legal tender of both gold and silver at a ratio to be fixed by international agreement.

SEC. 2. In order to carry out the provisions of this joint resolution there is hereby authorized to be appropriated, not to exceed the sum of $100,000, out of any money in the Treasury not otherwise appropriated.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. SMITH of Washington, for today, on account of important official business.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 60. An act for the relief of Dierks Lumber & Coal Co.;

S. 128. An act for the relief of Fred H. Beauregard;

S. 303. An act for the relief of the Ocilla Star;

S. 463. An act for the relief of the Fitzgerald Leader;

S. 512. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

S. 529. An act for the relief of Margaret Rose Uncapher, Milton E. Uncapher, Jr., and Andrew G. Uncapher;

S. 584. An act for the relief of John R. Holt;

S. 885. An act to authorize and direct the Comptroller General of the United States to allow credit for all outstanding disallowances and suspensions in the accounts of the disbursing officers or agents of the Government for payments made to certain employees appointed by the United States Employees' Compensation Commission;

S. 1115. An act for the relief of Lt. Malcolm A. Hufty, United States Navy;

S. 1119. An act to provide an additional sum for the payment of a claim under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931," approved January 21, 1936 (49 Stat. 2212);

S. 1174. An act for the relief of Alex St. Louis and Dr. J. P. Lake; and

S. J. Res. 46. Joint resolution authorizing appropriation for expenses of a representative of the United States and of his assistants, and for one-half of the joint expenses of this Government and the Government of Mexico, in giving effect to the agreement of November 9–12, 1938, between the two Governments providing for the settlement of American claims for damages resulting from expropriations of agrarian properties since August 30, 1927.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 3577. An act to amend the Canal Zone Code.

ADJOURNMENT

Mr. DUNCAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 15 minutes p. m.), under its previous order, the House adjourned until Monday, April 10, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue on Friday, April 7, 1939, at 10 a. m., on social-security legislation in the Ways and Means Committee room in the New House Office Building.

COMMITTEE ON WAR CLAIMS

There will be an executive session of the full Committee on War Claims at 10:30 a. m. Friday, April 7, 1939, to consider reports on bills by the subcommittees.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will hold hearings on omnibus rivers and harbors bills Friday, April 7, 1939, at 10:30 a. m.

COMMITTEE ON THE CIVIL SERVICE

The Committee on the Civil Service will hold a hearing in room 246 of the House Office Building on civil-service extension (H. R. 960) on Tuesday, April 11, 1939, at 10 a. m.

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs, Tuesday, April 11, 1939, at 10 a. m., in the committee rooms, Capitol, to begin hearings on the following bills and resolutions pertaining to neutrality: House Resolution 100, to prohibit the transfer, loan, or sale of arms or munitions (by Mrs. ROGERS of Massachusetts); House Joint Resolution 3, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. LUDLOW); House Joint Resolution 7, to implement the Kellogg-Briand Pact for World Peace (by Mr. GUYER of Kansas); House Joint Resolution 16, to prohibit the exportation of arms, ammunition, or implements or materials of war to any foreign country when the President finds a state of war to exist between or among two or more foreign states or between or among two or more opposing forces in the same foreign state (by Mr. KNUTSON); House Joint Resolution 42, providing for an embargo on scrap iron and pig iron under Public Resolution No. 27 of the Seventy-fifth Congress (by Mr. CRAWFORD); House Joint Resolution 44, to repeal the Neutrality Act (by Mr. FADDIS); House Joint Resolution 113, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. FISH); House Joint Resolution 226, to amend the Neutrality Act (by Mr. GEYER of California); House Joint Resolution 254, to keep the United States out of foreign wars, and to provide for the neutrality of the United States in the event of foreign wars (by Mr. FISH); House bill 79, to keep America out of war by repealing the so-called Neutrality Act of 1937 and by establishing and enforcing a policy of actual neutrality (by Mr. MAAS); House bill 163, to establish the neutrality of the United States (by Mr. LUDLOW); House bill 4232, to limit the traffic in war munitions, to promote peace, and for other purposes (by Mr. VOORHIS of California); House bill 5223, Peace Act of 1939 (by Mr. HENNINGS); House bill 5432, to prohibit the export of arms, ammunition, and implements and materials of war to Japan, to prohibit the transportation of arms, ammunition, implements, and materials of war by vessels of the United States for the use of Japan, to restrict travel by American citizens on Japanese ships, and otherwise to prevent private persons and corporations subject to the jurisdiction of the United States from rendering aid or support to the Japanese invasion of China (by Mr. COFFEE of Washington); House bill 5575, Peace Act of 1939 (by Mr. HENNINGS).

Hearings will continue from Wednesday, April 12 to April 26, beginning at 10 a. m. each day with the exception of Saturdays and Sundays.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

Tuesday, April 11, 1939:

H. R. 1783, inspection of hulls of sail vessels and barges (BLAND); H. R. 1785, motorboat bill (BLAND); H. R. 1795, motorboat bill (HENDRICKS); H. R. 1809, inspection of motorboats, 15 gross tons up (MAGNUSON); H. R. 2398, regarding pilots on yachts (ANGELL); H. R. 3837, inspection of motorboats, 15 gross tons up (CONNERY).

Thursday, April 13, 1939:

H. R. 4220, load-line bill for seagoing vessels (BLAND).

Tuesday, April 18, 1939:

H. R. 2404, surgeon and hospital on vessels (SIROVICH); H. R. 2660, limitation of liability (SIROVICH); House Joint Resolution 153 and House Joint Resolution 194, investigate conditions pertaining to lascar seamen (SIROVICH).

Wednesday, April 19, 1939:

On Wednesday, April 19, 1939, at 10 a. m., the Committee on Merchant Marine and Fisheries will resume hearings on the bill H. R. 5130, to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes.

Tuesday, April 25, 1939:

On Tuesday, April 25, 1939, at 10 a. m., the committee will hold public hearings on the following bills: H. R. 2383, H. R. 2543, H. R. 2558, to increase further the efficiency of the Coast Guard by authorizing the retirement, uhder certain conditions, of enlisted personnel thereof with 20 or more years of service.

COMMITTEE ON THE JUDICIARY

There will be a public hearing before Subcommittee No. 3 of the Committee on the Judiciary at 10 a. m. Wednesday, April 12, 1939, on the bill (H. R. 5138) to make unlawful attempts to overthrow the Government of the United States, to require licensing of civilian military organizations, to make unlawful attempts to interfere with the discipline of the Army and Navy, to require registration and fingerprinting of aliens, to enlarge the jurisdiction of the United States Circuit Court of Appeals in certain cases, and for other purposes. The hearing will be held in the Judiciary Committee room, 346 House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

606. A letter from the Secretary of Agriculture, transmitting a survey and proposed program for research on the industrial utilization of agricultural products; to the Committee on Agriculture.

607. A letter from the Acting Comptroller General of the United States, transmitting a report and recommendation concerning the claim of E. Devlin, Inc., against the United States; to the Committee on Claims.

608. A letter from the Acting Attorney General, transmitting the draft of a proposed bill to amend the Code of Law of the District of Columbia in respect to fees of the United States marshal; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII.

Mr. COLLINS: Committee on the District of Columbia. H. R. 5610. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1940, and for other purposes; without amendment (Rept. No. 383). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOXEY: Committee on Agriculture. S. 518. An act to provide for the further development of cooperative agricultural extension work; with amendment (Rept. No. 384). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOXEY: Committee on Agriculture. H. R. 2179. A bill to ratify and confirm certain interest rates on loans made from the revolving fund authorized by section 6 of the Agricultural Marketing Act, approved June 15, 1929 (46 Stat. 11), and for other purposes; without amendment (Rept. No. 385). Referred to the Committee of the Whole House on the state of the Union.

Mr. BURCH: Committee on the Post Office and Post Roads. H. R. 5479. A bill granting annual and sick leave with pay to substitutes in the Postal Service; without amendment (Rept. No. 386). Referred to the Committee of the Whole House on the state of the Union.

Mr. BURCH: Committee on the Post Office and Post Roads. H. R. 892. A bill to extend to custodial-service employees employed by the Post Office Department certain benefits applicable to postal employees; with amendment (Rept. No. 387). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 3314. A bill to provide shorter hours of duty for members of the Fire Department of the District of Columbia, and for other purposes; with amendment (Rept. No. 388). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOXEY: Committee on Agriculture. H. R. 3406. A bill for forest protection against the white-pine blister rust, and for other purposes; without amendment (Rept. No. 389). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 5092) granting an increase of pension to Ben Dockery, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLLINS:

H. R. 5610. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1940, and for other purposes; to the Committee on Appropriations.

By Mr. BLAND:

H. R. 5611. A bill to amend section 9 of the act of July 3, 1926 (44 Stat. 817), entitled "An act to readjust the commissioned personnel of the Coast Guard, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

By Mr. BOREN:

H. R. 5612. A bill authorizing the State of Oklahoma to bring suit against the United States for reimbursement of said State for loss of revenue and to reimburse said State for losses of State and local taxes caused by the exemption of Indian lands from taxation and the exemption of oil, gas, and other minerals taken therefrom by the owners of said lands and the lessees thereof; to the Committee on the Judiciary.

By Mr. BREWSTER:

H. R. 5613. A bill to extend the Fugitive Felon Act to include flight from prosecution for arson; to the Committee on the Judiciary.

By Mr. CURTIS:

H. R. 5614. A bill prohibiting deficiency judgments in real-estate foreclosures by Home Owners' Loan Corporation, and prohibiting an increased rate of interest after maturity, and the filing of the mortgage or obligation secured thereby as a claim against the estate of a deceased debtor; to the Committee on Banking and Currency.

H. R. 5615. A bill to provide that the priority of the United States in the estates of insolvent debtors shall not apply with respect to loans of money or advances of credit by any agency of the United States; to the Committee on Expenditures in the Executive Departments.

H. R. 5616. A bill prohibiting deficiency judgments in real-estate foreclosures by the Farm Credit Administration, the Federal Land Bank Commissioner, the Federal Farm Mortgage Corporation, and the Federal land banks, and prohibiting an increased rate of interest after maturity, and the filing of the mortgage or obligation secured thereby as a claim against the estate of a deceased debtor; to the Committee on Agriculture.

By Mr. DITTER:

H. R. 5617. A bill to provide relief and work relief by grants to the States, Territories, and the District of Columbia, and for other purposes; to the Committee on Appropriations.

H. R. 5618. A bill to establish a Federal Relief Board and provide for the administration of relief; to the Committee on Appropriations.

By Mr. LEA:

H. R. 5619. A bill to provide for the training of civil aircraft pilots, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGNUSON:

H. R. 5620 (by request). A bill to be known as the General Welfare Act, to amend an act entitled "An act to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, blind persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes," approved August 14, 1935 (Pub. Law No. 271, 74th Cong.), so as to provide for and promote the general welfare of the United States by supplying to the people a more liberal distribution and increase of purchasing power, enable certain aged citizens to retire from gainful employment, improve and stabilize gainful employment for other citizens, stimulate agricultural and industrial production and general business, and alleviate unemployment and the hazards and insecurity of old age; to provide a method whereby citizens shall contribute, directly or indirectly, to the purchase of and receive a retirement annuity; to provide for the raising of the necessary revenue to be placed in a general welfare fund to operate a continuing plan therefor, to provide for the appropriation and expenditure of such revenue; to provide for the proper administration of the act; to provide penalties for violation of the act; and for other purposes; to the Committee on Ways and Means.

By Mr. O'CONNOR:

H. R. 5621. A bill to amend section 92 of the Judicial Code, as amended, to divide the judicial district of Montana into six divisions, and for other purposes; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H. R. 5622. A bill to grant a charter to the American Gold Star Mothers, Inc.; to the Committee on the Judiciary.

By Mr. SMITH of Virginia:

H. R. 5623 (by request). A bill to provide an appropriation for the remodeling and extension of annex No. 1 of the Treasury Building; to the Committee on Appropriations.

By Mr. SMITH of Washington:

H. R. 5624. A bill to authorize a preliminary examination and survey of the mouth of the Skokomish River, in Mason County, Wash., with a view to providing flood protection for the Skokomish River Valley; to the Committee on Flood Control.

By Mr. COFFEE of Nebraska:

H. R. 5625. A bill to regulate interstate and foreign commerce in seeds; to require labeling, and to prevent misrepresentation of seeds in interstate commerce; to require certain standards with respect to certain imported seeds; and for other purposes; to the Committee on Agriculture.

By Mr. CONNERY:

H. R. 5626. A bill to amend the Social Security Act; to the Committee on Ways and Means.

H. R. 5627. A bill to amend the Social Security Act; to the Committee on Ways and Means.

H. R. 5628. A bill to amend the Social Security Act; to the Committee on Ways and Means.

H. R. 5629. A bill to amend the Social Security Act; to the Committee on Ways and Means.

By Mr. LEA:

H. R. 5630. A bill to amend the Federal Food, Drug, and Cosmetics Act; to the Committee on Interstate and Foreign Commerce.

By Mr. RANKIN:

H. R. 5631. A bill to provide for the commemoration of the four hundredth anniversary of Hernando De Soto's Expedition through northern Mississippi; the commemoration of the two hundred and fourth anniversary of the Battle of Ackia; the redesignation of the Ackia Battleground National Monument; and for other purposes; to the Committee on the Public Lands.

By Mr. O'CONNOR:

H. R. 5632. A bill making income from securities issued by the United States or any State or Territory subject to the income-tax laws of the United States or any subdivision thereof; to the Committee on Ways and Means.

By Mr. AUGUST H. ANDRESEN:

H. J. Res. 259. Joint resolution relative to tax refunds to the States and Territories of the United States; to the Committee on Ways and Means.

By Mr. BREWSTER:

H. J. Res. 260. Joint resolution authorizing the removal of the statue of John Marshall from its present site on the Capitol Grounds to a new site in proximity to the Supreme Court Building; to the Committee on the Library.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNS of Tennessee:

H. R. 5633. A bill for the relief of Mrs. E. A. McCrary; to the Committee on Claims.

By Mr. GIBBS:

H. R. 5634. A bill granting 6 months' pay to Sidney M. Bowen; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 5635. A bill for the relief of J. B. Unglaub; to the Committee on Claims.

By Mr. O'BRIEN:

H. R. 5636. A bill granting an increase of pension to Lucy K. Farnham; to the Committee on Invalid Pensions.

H. R. 5637. A bill granting an increase of pension to Elizabeth A. Schlick; to the Committee on Invalid Pensions.

By Mr. PETERSON of Georgia:

H. R. 5638. A bill for the relief of Mark D. Dukes; to the Committee on Claims.

By Mr. REECE of Tennessee:

H. R. 5639. A bill granting a pension to Flora Green; to the Committee on Invalid Pensions.

By Mr. SECREST:

H. R. 5640. A bill to admit Richard Paul Rehm permanently to the United States; to the Committee on Immigration and Naturalization.

H. R. 5641. A bill to admit Johann Rudolf Hueneberg permanently to the United States; to the Committee on Immigration and Naturalization.

By Mr. SMITH of Washington:

H. R. 5642. A bill conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon the claims of J. A. Sandell and Frances Sandell, his wife; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2348. By Mr. BOLLES: Petition of sundry citizens of Kenosha, Wis., favoring a more far-reaching neutrality act so that the United States will not be drawn into conflict with foreign nations; to the Committee on Foreign Affairs.

2349. Also, petition of sundry citizens of Kenosha, Wis., protesting against our Government borrowing money from the privately owned Federal reserve banks and favoring a new type of bond which will be free from interest and negotiable; to the Committee on Banking and Currency.

2350. By Mr. BREWSTER: Petition consisting of 81 signatures, recommending the passage of legislation which will stop, so far as possible, by Federal law the great advertising campaign for the sale of alcoholic beverages now going on by press and radio; to the Committee on Interstate and Foreign Commerce.

2351. By Mr. CARTER: Letter of Fred D. Parr, on behalf of the Parr-Richmond Terminal Corporation of San Francisco, Calif., endorsing House bill 5130, the Bland bill, to further development of the American merchant marine; to the Committee on Merchant Marine and Fisheries.

2352. By Mr. CLASON: Memorial of the General Court of Massachusetts, urging Congress to consider and discuss the provisions of the Townsend national recovery plan and the provisions of bills of similar import; to the Committee on Ways and Means.

2353. By Mr. CURTIS: Memorial of the Legislature of Nebraska, concerning the subject of tariff; to the Committee on Ways and Means.

2354. By Mr. EATON of California: Petition of the Long Beach Apartment House Association, signed by H. E. Lewis, president, and Gertrude H. Schuster, secretary, opposing the passage of the Nye, O'Connor, Walsh, and Hobbs resolutions or similar proposed legislation; to the Committee on the Judiciary.

2355. By Mr. MARTIN J. KENNEDY: Petition of Local No. 802, American Federation of Musicians, New York City, expressing disapproval of the James F. Byrnes bill; to the Committee on Appropriations.

2356. Also, petition of Minute Man Lodge, No. 318, International Association of Machinists, Boston, Mass., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2357. Also, petition of Minden Lodge, No. 228, International Association of Machinists, Minden, La., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2358. Also, petition of Lone Star Lodge, No. 70, Brotherhood of Locomotive Firemen and Enginemen, Mineola, Tex., urging passage of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2359. Also, petition of Harmony Lodge, No. 70, Brotherhood of Railway Carmen of America, Ossining, N. Y., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2360. Also, petition of Lodge No. 790, International Association of Machinists, Tulsa, Okla., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2361. Also, petition of Local No. 12, International Association of Heat and Frost Insulators and Asbestos Workers, New York City, urging support of House bill 4576 and Senate bill 591; to the Committee on Appropriations.

2362. By Mr. KEOGH: Petition of the Tompkins Label Service, Philadelphia, Pa., concerning the McCormack bill (H. R. 6); to the Committee on Ways and Means.

2363. Also, petition of the Eastern General Chairmen's Association of Brotherhood of Locomotive Engineers, opposing any legislation that has for its purpose the governing of mileage or earnings of locomotive engineers; to the Committee on Interstate and Foreign Commerce.

2364. Also, petition of Knitown Togs, New York City, concerning the wage-and-hour law; to the Committee on Labor.

2365. Also, petition of the Ruberoid Co. of New York City, concerning the Sugar Act of 1937; to the Committee on Agriculture.

2366. Also, petition of the International Molders Union, Local 96, Brooklyn, N. Y., favoring Senate bill 281, amending the Civil Service Act approved May 29, 1930; to the Committee on the Civil Service.

2367. Also, petition of Gov. Herbert H. Lehman, of the State of New York, favoring additional appropriation requested by the Social Security Board; to the Committee on Ways and Means.

2368. Also, petition of the Garrett Consolidated School, Garrett, Ky., concerning the Harrison-Thomas Larrabee bill (H. R. 3517); to the Committee on Education.

2369. Also, petition of the Cupid Knitwear Co., Inc., New York City, concerning the Wage and Hour Act; to the Committee on Labor.

2370. By Mr. KRAMER: Resolution of the United Veterans of the Republic, Unit No. 21, of Huntington Park, Calif., relative to oil conservation for the United States Army and United States Navy; to the Committee on Military Affairs.

2371. By Mr. PFEIFER: Petition of the Mid-West Council on International Relations, Inc., Indianapolis, Ind., concerning amending the present Neutrality Act (S. J. Res. 67); to the Committee on Foreign Affairs.

2372. Also, petition of the American Committee for Non-Participation in Japanese Aggression, New York City, concerning the Peace Act of 1939 (S. J. Res. 97); to the Committee on Foreign Affairs.

2373. Also, petition of the Columbus Bagging & Tie Co., Columbus, Ga., opposing House bill 57, the Cotton Net Weight Act; to the Committee on Agriculture.

2374. Also, petition of the Tompkins' Label Service, Philadelphia, Pa., urging support of the McCormack bill (H. R. 6) amending the Social Security Act; to the Committee on Ways and Means.

2375. By Mrs. ROGERS of Massachusetts: Petition of the General Court of Massachusetts, urging Congress to consider and discuss the provisions of the Townsend national recovery plan, so-called, and the provisions of bills of similar import; to the Committee on Ways and Means.

2376. By Mr. SECCOMBE: Resolution of the honorable City Council of Canton, Ohio, opposing the proposed Lake Erie-Ohio River Canal; to the Committee on Rivers and Harbors.

2377. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, urging Congress to consider and discuss the provisions of the Townsend national recovery plan, so-called, and the provisions of bills of similar import; to the Committee on Ways and Means.

SENATE

FRIDAY, APRIL 7, 1939

(Legislative day of Thursday, April 6, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Reverend James Shera Montgomery, D. D., Chaplain of the House of Representatives, offered the following prayer:

Out of the depths of our being, Almighty God, we thank Thee for the gospel of love which poured itself in all fullness on Calvary's brow. In it is the revelation of the Father's heart which makes the whole world akin. We unveil the cross and behold infinite love struggling for infinite expression; we thank Thee that in the glory of the gloom there is mercy beyond our pain. In the valley of humiliation and death, we kneel to Thee, O Christ, and glorify Thy memory. Oh, here may we learn to serve and give, gather love to live and die. Thou art the music that knows no discord, the beauty that suffers no blemish, and the love that touches no limit. We rejoice that, through Mary's holy Child, there is a place where no eye weeps and no heart bleeds. Harken, gracious Lord:

Let us lay aside every weight and the sin which doth so easily beset us, looking unto Jesus, the author and finisher of our faith, who, for the joy that was set before Him, endured the cross, despising the shame, and is set down at the right hand of the throne of God.

In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, April 6, 1939, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5287. An act relating to the importation of distilled spirits for consumption at the New York World's Fair, 1939, and the Golden Gate International Exposition of 1939, and to duties on certain articles to be exhibited at the New York World's Fair, 1939; and

H. R. 5610. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1940, and for other purposes.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Davis	King	Pittman
Andrews	Donahey	La Follette	Radcliffe
Ashurst	Downey	Lee	Reed
Austin	Ellender	Lodge	Reynolds
Bankhead	Frazier	Logan	Russell
Barbour	George	Lucas	Schwellenbach
Barkley	Gerry	Lundeen	Sheppard
Bilbo	Glass	McCarran	Shipstead
Bone	Green	McKellar	Smith
Borah	Guffey	McNary	Stewart
Bridges	Gurney	Maloney	Taft
Brown	Harrison	Mead	Thomas, Okla.
Bulow	Hatch	Minton	Thomas, Utah
Burke	Hayden	Murray	Townsend
Byrd	Herring	Neely	Truman
Byrnes	Hill	Norris	Vandenberg
Capper	Holman	Nye	Wheeler
Clark, Mo.	Holt	O'Mahoney	White
Connally	Johnson, Calif.	Overton	Wiley
Danaher	Johnson, Colo.	Pepper	

Mr. MINTON. I announce that the Senator from Arkansas [Mr. MILLER] is detained from the Senate because of illness in his family.

The Senator from North Carolina [Mr. BAILEY], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from Delaware [Mr. HUGHES], the Senator from Illinois [Mr. LEWIS], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Wyoming [Mr. SCHWARTZ], the Senator from New Jersey [Mr. SMATHERS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are detained on important public business.

The Senator from Indiana [Mr. VAN NUYS] and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained.

The VICE PRESIDENT. Seventy-nine Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the annual convention of the New Mexico Cattle Growers Association at Clovis, N. Mex., protesting against the present method of negotiating reciprocal-trade agreements with foreign nations, and urging that all future reciprocal-trade agreements be ratified by the Senate of the United States, which was referred to the Committee on Finance.

He also laid before the Senate a petition of sundry citizens of Birmingham, Ala., praying for the enactment of the so-called Wagner-Van Nuys-Capper antilynching bill, which was referred to the Committee on the Judiciary.

He also laid before the Senate a petition of sundry citizens of Brooklyn, N. Y., praying for an appropriation of $150,000,000 for the Works Progress Administration program, as recommended by the President, which was ordered to lie on the table.

He also laid before the Senate a telegram in the nature of a petition from the Workers Alliance of San Francisco, Calif., Mack Posey, president, praying for an appropriation of $150,000,000 for the Works Progress Administration program, as recommended by the President, which was ordered to lie on the table.

He also laid before the Senate a letter from the Chief of the Bureau of Insular Affairs, War Department, transmitting copy of a resolution adopted by the National Assembly, Commonwealth of the Philippines, endorsing the recommendations of the Joint Preparatory Committee on Philippine Affairs, which, with the accompanying paper, was referred to the Committee on Territories and Insular Affairs.

Mr. BARBOUR presented a concurrent resolution of the Legislature of New Jersey favoring the consolidation into one act of the several Federal estate-tax acts, with provision therein for allowance as a credit on account of the Federal estate tax of an amount equal to the death duties paid to any State or States, said credit to amount to at least 50 percent of the Federal estate tax assessed, which was referred to the Committee on Finance.

(See resolution printed in full when laid before the Senate by the Vice President on the 6th instant, p. 3864, CONGRESSIONAL RECORD.)

Mr. THOMAS of Oklahoma presented petitions of sundry citizens of the State of Oklahoma praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. HOLT presented a memorial of members of the Onized Rod and Gun Club, of Fairmont, W. Va., remonstrating against the repeal of the so-called Pittman-Robertson Act, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution of the Chamber of Commerce of Williamson, W. Va., protesting against the construction of a dam and reservoir on New River at Bluestone, W. Va., for the purpose of flood control and hydroelectric power generation, which was referred to the Committee on Commerce.

He also presented resolutions of the City Council of Wheeling and the Board of Commissioners of Ohio County, W. Va., protesting against the construction of a canal from Beaver, Pa., on the Ohio River to Struthers, Ohio, and thence to Lake Erie, which were referred to the Committee on Commerce.

He also presented memorials of members of Local Union No. 5998, United Mine Workers of America, of Premier, and Kenova Local, No. 372, Oil Workers' International Union, of Kenova, in the State of West Virginia, remonstrating against amendment of the National Labor Relations Act, which were referred to the Committee on Education and Labor.

He also presented a resolution of the Huntington (W. Va.) League of Nations Association, in favor of the United States becoming a member of the League of Nations, which was referred to the Committee on Foreign Relations.

He also presented a petition of the Woman's Home Missionary Society of Triadelphia, W. Va., relating to foreign relations and the preservation of peace, which was referred to the Committee on Foreign Relations.

He also presented the petition of the pastor and members of the Bethlehem Baptist Church, of Grantsville, W. Va., praying that religious bodies be exempted from the operation of the social-security system, which was referred to the Committee on Finance.

He also presented a resolution of officers and members of Local No. 4021, United Mine Workers of America, of Dakota, W. Va., favoring adoption of the so-called Townsend recovery plan, providing old-age assistance, which was referred to the Committee on Finance.

He also presented memorials of Rev. C. M. McDonald and sundry other citizens of Moundsville; the Handley Baptist Church, of Handley; the Summerville Baptist Church, of Summerville; the Salem Baptist Church, of Zela; the Judson Baptist Church, of Judson; the Flat Top Baptist Church; the Daniels Baptist Church; the Hatchers Chapel Baptist Church; and the Bethel Baptist Church, all in the State of West Virginia, remonstrating against the inclusion of religious bodies under the operation of the social-security system, which were referred to the Committee on Finance.

He also presented a petition of members of the Keyser (W. Va.) W. C. T. U., praying for the prompt enactment of the so-called Neely bill, being the bill (S. 280) to prohibit and prevent the trade practices known as compulsory block booking and blind selling of motion-picture films, which was referred to the Committee on Interstate Commerce.

He also presented resolutions of the KY-O-VA Traffic Club, member of the Associated Traffic Clubs of America, the board of directors of the Charleston Chamber of Commerce, and the Huntington Manufacturers' Club, all in the State of West Virginia, protesting against the enactment of

legislation providing statutory rate making, which were referred to the Committee on Interstate Commerce.

He also presented a petition of 15 citizens of Clarksburg, W. Va., praying for the adoption of certain amendments to the Railroad Pension Act and also a better disability clause, which was referred to the Committee on Interstate Commerce.

He also presented a resolution of the Woman's Club of Clarksburg, W. Va., and vicinity, favoring the enactment of Senate bill 1305, to assist the States and Territories in providing more effective programs of public education, which was ordered to lie on the table.

He also presented the following resolution of the House of Delegates of West Virginia, which was referred to the Committee on Commerce:

House resolution memorializing the Congress of the United States of America to appropriate moneys for the construction of a dam on the Little Kanawha River

Whereas the recurring yearly floods, which inundate the Little Kanawha Valley, bring destruction of property and crops to the extent of millions of dollars and frequently the loss of life; and

Whereas the Government engineers, after a survey, have stated that a dam constructed near the town of Burnsville, Braxton County, W. Va., is necessary as a part of the Federal program of flood control; and

Whereas the completion of this dam is essential to the Ohio River flood control projects and will save the property and protect the lives of those living in the Little Kanawha Valley: Therefore be it

Resolved by the house of delegates, That the Congress of the United States is hereby memorialized to appropriate the moneys for the construction of said dam at the present session of Congress; and be it further

Resolved, That the clerk of the house of delegates be instructed to send a copy of this resolution to the President of the United States; to the Honorable M. M. NEELY, United States Senator; to the Honorable RUSH D. HOLT, United States Senator; to each Member of the House of Representatives from West Virginia; and to the Honorable William M. LaFon, president of the State Senate of West Virginia.

REPORTS OF COMMITTEES

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (H. R. 2056) for the relief of the Shipowners & Merchants Towboat Co., Ltd., reported it without amendment and submitted a report (No. 255) thereon.

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 2050) to authorize a sale of the old Carson City (Nev.) Mint site and building notwithstanding the provisions of Joint Resolution No. 18 of February 23, 1865, reported it without amendment and submitted a report (No. 256) thereon.

Mr. ADAMS, from the Committee on Appropriations, to which was referred the bill (H. R. 5219) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1939, and June 30, 1940, and for other purposes, reported it with amendments and submitted a report (No. 257) thereon.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on April 6, 1939, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 60. An act for the relief of Dierks Lumber & Coal Co.;

S. 128. An act for the relief of Fred H. Beauregard;

S. 303. An act for the relief of the Ocilla Star;

S. 463. An act for the relief of the Fitzgerald Leader;

S. 512. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

S. 529. An act for the relief of Margaret Rose Uncapher, Milton E. Uncapher, Jr., and Andrew G. Uncapher;

S. 584. An act for the relief of John R. Holt;

S. 885. An act to authorize and direct the Comptroller General of the United States to allow credit for all outstanding disallowances and suspensions in the accounts of the disbursing officers or agents of the Government for payments made to certain employees appointed by the United States Employees' Compensation Commission;

S. 1115. An act for the relief of Lt. Malcolm A. Hufty, United States Navy;

S. 1119. An act to provide an additional sum for the payment of a claim under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931," approved January 21, 1936 (49 Stat. 2212);

S. 1174. An act for the relief of Alex St. Louis and Dr. J. P. Lake; and

S. J. Res. 46. Joint resolution authorizing appropriation for expenses of a representative of the United States and of his assistants, and for one-half of the joint expenses of this Government and the Government of Mexico, in giving effect to the agreement of November 9–12, 1938, between the two Governments providing for the settlement of American claims for damages resulting from expropriations of agrarian properties since August 30, 1927.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters, which were ordered to be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

S. 2101. A bill for the relief of Wayne E. Saunders; to the Committee on Claims.

By Mr. BURKE:

S. 2102. A bill granting a pension to Bert R. Reynolds; to the Committee on Pensions.

By Mr. FRAZIER:

S. 2103. A bill to repeal the act entitled "An act to conserve and develop Indian lands and resources, to extend to Indians the right to form business and other organizations, to establish a credit system for Indians, to grant certain rights of home rule to Indians, to provide for vocational education for Indians, and for other purposes," approved June 18, 1934, and the act of June 15, 1935, supplementary thereto; to the Committee on Indian Affairs.

By Mr. SCHWELLENBACH:

S. 2104. A bill for the relief of Richard E. Roach; to the Committee on Claims.

S. 2105. A bill to authorize the addition of certain lands to the Wenatchee National Forest; to the Committee on Public Lands and Surveys.

By Mr. BYRD:

S. 2106. A bill to provide for the advancement on the retired list of the Navy of Russell H. Quynn, lieutenant, United States Navy, retired; to the Committee on Naval Affairs.

By Mr. REYNOLDS:

S. 2107. A bill to amend the act entitled "An act granting pensions and increases of pensions to certain soldiers, sailors, and nurses of the War with Spain, the Philippine Insurrection, or the China Relief Expedition, and for other purposes," approved May 24, 1938; to the Committee on Pensions.

By Mr. BANKHEAD:

S. 2108. A bill to amend section 509 of the Merchant Marine Act, 1936, as amended; to the Committee on Commerce.

(Mr. WILEY introduced Senate bill 2109, which was referred to the Committee on Finance and appears under a separate heading.)

By Mr. ANDREWS:

S. 2110. A bill to provide for purchase of fish (including shellfish) and products thereof by the Federal Surplus Commodities Corporation; to the Committee on Agriculture and Forestry.

S. 2111. A bill to amend the act entitled "An act granting additional quarantine powers and imposing additional duties upon the Marine Hospital Service," approved February 15, 1893, as amended; to the Committee on Naval Affairs.

DUTY ON ZINC

Mr. WILEY. Mr. President, yesterday I introduced a bill and presented a statement relative to a restoration of the duty on silver- and black-fox furs, as it was effective prior to the enactment of the recent trade treaty between the United States and Canada. Today I am presenting a similar measure to restore the cut in the prevailing tariff rates on zinc ores and slab zinc as defined in the new trade treaty with Canada. I believe it is desirable that attention be directed to the prevailing zinc tariff rates because it is more than possible that they constitute a genuine menace to the American zinc industry and its employees. It is apparent also that this menace, with its resultant shut-downs, will seriously curtail production of a product vital to national defense. Moreover, the threatened curtailed operation of our zinc mines means a distinctly uneconomic waste of ore reserves.

A comprehensive brief discussing the zinc problem on a national scale has been presented to the Committee for Reciprocity Information and is readily available to any Member of Congress, so we need not discuss it today. A little over a year ago, on March 1, 1938, the national situation was further discussed in the House of Representatives by Representative WHITE of Idaho. Members of the Senate are undoubtedly familiar with both of these presentations and with the administration viewpoint as indicated in memorandums from the Committee on Reciprocity Information.

My purpose today is not to review these facts, which are already known to us, but to illustrate specifically the effect of the zinc tariff reduction in the State of Wisconsin as it has been outlined to me by Wisconsin authorities.

On November 17 the announcement was made that the tariff on zinc ore and concentrates would be lowered $6 per net ton and on spelter or slab zinc $7 per net ton.

Prior to this announcement for the first time in some months there was a gradual upward trend in the ore and spelter markets. The mine operators in the Wisconsin and Illinois district were greatly encouraged In my State the largest-scale operator is the Vinegar Hill Zinc Co. They had just completed extensive improvements at their plant at Cuba City. Here they intended to stabilize their mining operations so that their operations would absorb hundreds of unemployed miners in this district. Of course, they did not anticipate a lowering of tariff walls that would permit cheap foreign zinc to enter the United States.

After all, the ore market in the very week prior to the announcement of a tariff reduction established a price of $34 a ton. That was quite a rise from the $27 a ton that had been the price for many months. After the announcement spelter prices dropped $11 a ton and zinc concentrates fell to $29 a ton. Please remember that the old duties on spelter and ore had remained substantially unchanged for 16 years, during which time consumers never paid an exorbitant price for zinc. During those years there were prosperous zinc- and lead-mining operations in 17 States. All of this has been menaced by foreign zinc dumped on the domestic market. In my State this dumping has had an adverse effect on mine production and, of course, on mine employment. It is seriously questionable as to whether ultimately the existing zinc tariff will not result in a complete shutdown of all mining operations in this district.

Here again, as in the fox-fur industry, we have the sorry picture of American workers unable to compete with cheap foreign labor. It is utterly futile to legislate for American wage and hour standards and then subject these standards to foreign competition, where such standards are unknown. Mr. President, I believe that a restoration of the former zinc tariff and the subsequent establishment of more uniform and profitable prices for lead and zinc would result in a renewed activity for the mines of southwestern Wisconsin and northwestern Illinois and would partially solve the unemployment problem in these districts.

I am presenting at this time to be included in these remarks a report reviewing the southwestern Wisconsin mining industry and its possibilities. This report has been submitted to me by a mining engineer from Mineral Point, Wis.

Mr. President, I ask consent to introduce and have printed in the RECORD at this time a bill relative to a restoration of the former tariff levels on zinc.

The VICE PRESIDENT. Without objection, the bill will be received and properly referred, and the bill and report referred to by the Senator from Wisconsin will be printed in the RECORD.

The bill (S. 2109) relating to the rate of duty on zinc imported into the United States, was read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That notwithstanding any provision contained in any foreign trade agreement entered into under authority of section 350 of the Tariff Act of 1930, as amended, (1) the rate of duty on zinc contained in zinc-bearing ores of all kinds, except pyrites containing not more than 3 percent zinc, imported into the United States after the date of enactment of this act, shall be the rate provided for in paragraph 393 of the Tariff Act of 1930; and (2) the rate of duty on zinc in blocks, pigs, or slabs, and zinc dust imported into the United States after the date of enactment of this act shall be the rate provided for in paragraph 394 of the Tariff Act of 1930.

The report presented by Mr. WILEY is as follows:

A REVIEW OF THE SOUTHWESTERN WISCONSIN MINING INDUSTRY AND ITS POSSIBILITIES

There are three considerations for the review of the mining industry of southwestern Wisconsin. These are: (1) Area, (2) production, (3) employment.

We shall consider first the area, which is composed of parts of the three counties of Iowa, Lafayette, and Grant in Wisconsin, and for practical purposes a part of Jo Daviess County in Illinois, and also a strip 80 miles long in Iowa along the Mississippi River. The main producing area is situated in Wisconsin, and the main production has been from Wisconsin.

The area in Wisconsin is composed of sections where mineralization is known to exist, and those sections where evidences of mineralization are present and geologically possible, but which would require prospecting to determine the extent and commercial value of deposits.

The area by counties follows:

County	Sections	Sections with known ore bodies	Sections with unknown ore bodies
Grant	792	288	504
Lafayette	630	255	375
Iowa	510	240	270
Total	1,932	783	1,149

The total of 1932 sections equals 1,236,480 acres. Then considering that 10 percent of the area, or 123,648 acres, has been worked out and an additional 5 percent, or 61,824 acres, as being composed of streams which have cut down through the zone of mineralization, there are 1,051,008 acres remaining.

Second, let us consider the production of this area. The main ores produced are ores of zinc and lead, and for a time iron sulphide (miner's sulphur). Until 1860 the only ore mined was lead ore. The first recorded production is from 1839–43 for 15,000 tons of lead ore, all of this produced by hand labor. "In 1860, 160 tons of zinc-carbonate ore (dry bone) were shipped. Tonnage increased until 1867, when the first shipment of zinc-sulphide ore (black jack) of about 420 tons was made." [1]

The tonnage of zinc-sulphide ore shipped continued to increase and surpassed the tonnage of both zinc-carbonate ore and lead-ore shipments. "From 1890–1904 this area produced an average tonnage of 8,000 tons of zinc-sulphide ore per year." [2]

In 1914 the production had risen to: [2]

	Tons
Zinc ores	134,362
Lead ores	2,528
Iron-sulphide ore	15,791

The peak production was reached in 1917, with the tonnage as follows: [2]

	Tons
Zinc ores	247,993
Lead ores	6,954
Iron-sulphide ore	28,481

The iron-sulphide market closed in 1920. "The local market at Mineral Point for zinc-carbonate ore closed in 1929 with 161 tons reported shipped as against 488 tons in 1928. The value of the mine output of lead and zinc ores sold in 1929 was $2,435,688." [3] This amount from 783 sections in 3 counties.

[1] Vol. 1, Geology of Wisconsin, p. 641.
[2] Vinegar Hill Zinc Co. records (courtesy of C. E. DeWitt).
[3] Department of Commerce Bulletin—Minerals in Upper Mississippi Valley, 1929.

The total production in tons for zinc, lead, and iron-sulphide ores from 1890–1938, from records available, are as follows: [2] [3]

	Tons
Zinc ore, 1890–1938	2,870,248
Lead ore, 1907–38	95,453
Iron-sulphide ore, 1913–20	178,341

The value for zinc ore at an average price of $12 per ton equals $34,442,976. This value does not take into consideration the tonnage or value from 1860–90. If we make a conservative estimate of an average of 2,000 tons of zinc ore per year for the 30 years from 1860–90, at which time production was 15,000 tons per year, we have an estimated 60,000 tons, valued at an average of $10 per ton, equal to $600,000. This gives us a total value for zinc of $35,042,976.

The value for lead ore at an average price of $40 per ton equals $3,818,120. This value does not take into consideration the tonnage or value from 1839–1907. If one were to make a conservative estimate of 3,000 tons per year for 68 years at an average price of $40 per ton, we have $8,160,000, or a total value of $11,978,120 from 1839–1937.

The value for iron-sulphide ore at an average price of $6 per ton equals $1,170,046.

The total value for zinc, lead, and iron-sulphide ores equals $48,191,142.

We might add this note in regard to production of other ores: There has been produced an estimated 500 tons of copper ore. There has been no copper ore produced or sold since 1877. Approximately five carloads from the vicinity of Mineral Point and the same amount from near Gratiot. The average price was about $5 per ton, and this would amount to $1,250. There has also been sold a small amount of barite ore obtained as a byproduct from zinc or lead mining. Approximately 10 carloads, or 500 tons, at an average price of $8 per ton, equal to $4,000.

The total value for this area of actual and estimated production from 1839–1938 has been $48,096,392.

The third consideration is the employment. At the peak of production in 1917 there were 7,000 men employed in the industry and an additional 5,000 partially dependent upon the mining industry (merchants, blacksmiths, etc.). At the present time there are 250 men employed in the industry and 100 partially dependent upon the industry.

There are several facts worth noting: The production for 1937 was—zinc ore, 19,680 tons; lead ore, 1,170 tons; employment, total and partial, 350 men.

Some of the conclusions which can be drawn are these: If the protective tariff were restored keeping out foreign ore, then additional expenditures for prospecting would be warranted for exploration and development of additional ore bodies. New ore bodies mean additional income for this area, money spent for development, machinery, and employment, reduction in W. P. A. rolls, with resulting decrease in taxes.

DAVID M. SHERMAN,
Mining Engineer, Mineral Point, Wis.

FEBRUARY 1939.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 5287. An act relating to the importation of distilled spirits for consumption at the New York World's Fair, 1939, and the Golden Gate International Exposition of 1939, and to duties on certain articles to be exhibited at the New York World's Fair, 1939; to the Committee on Finance.

H. R. 5610. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1940, and for other purposes; to the Committee on Appropriations.

AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to House bill 4852, the Interior Department appropriation bill, 1940, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 71, after line 23, to insert the following:
"Wind River, Wyo.: School facilities, including school building, dormitory, and employees' quarters, $225,000."

Mr. O'MAHONEY and Mr. HAYDEN submitted an amendment intended to be proposed by them to House bill 4852, the Interior Department appropriation bill, 1940, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 84, line 21, to strike out "$400,000" and insert "$900,000."

[2] Vinegar Hill Zinc Co. records (courtesy of C. E. DeWitt).
[3] Department of Commerce Bulletin—Minerals in Upper Mississippi Valley, 1929.

Mr. O'MAHONEY and Mr. SCHWARTZ submitted amendments intended to be proposed by them to House bill 4852, the Interior Department appropriation bill, 1940, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 84, line 6, to strike out "$850,000" and insert "$1,000,000."

On page 84, line 13, after the word "projects", to insert the words "including the second unit of the Kendrick project, Wyo."

ADDRESS BY SENATOR TAFT AT THE NATIONAL REPUBLICAN CLUB

[Mr. MCNARY asked and obtained leave to have printed in the RECORD the address delivered by Senator TAFT at the National Republican Club, New York City, on March 18, 1939, which appears in the Appendix.]

CIVIL LIBERTIES—ADDRESS BY ATTORNEY GENERAL MURPHY

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD a radio address on the subject Civil Liberties, delivered by Attorney General Murphy on March 27, 1939, which appears in the Appendix.]

W. P. A. OR PRIVATE EMPLOYMENT—ADDRESS BY HON. T. J. COOLIDGE

[Mr. BYRD asked and obtained leave to have printed in the RECORD an address on the subject W. P. A. or Private Employment, delivered by Hon. Thomas Jefferson Coolidge, former Under Secretary of the Treasury, on March 20, 1939, in Boston at the New England town hall meeting, which appears in the Appendix.]

ANTI-SEMITISM—ADDRESS BY REV. DR. MAURICE S. SHEEHY

[Mr. BARBOUR asked and obtained leave to have printed in the RECORD a radio address on the subject Anti-Semitism, delivered by Rev. Dr. Maurice S. Sheehy, of the Catholic University of America, on March 14, together with his introduction of the speaker, which appears in the Appendix.]

KEYNOTE ADDRESS BY DAVID A. M'MULLAN AT JOPLIN, MO.

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD the keynote address delivered by Hon. David A. McMullan before the Young Democratic Clubs of Missouri Convention at Joplin, Mo., on February 24, 1939, which appears in the Appendix.]

BUYING UNION LABEL GOODS

[Mr. FRAZIER asked and obtained leave to have printed in the RECORD a radio address delivered by I. M. Ornburn, secretary-treasurer, union label trades department, American Federation of Labor, on the subject Buying Union Label Goods, which appears in the Appendix.]

THE SCORE AT THE END OF 7 YEARS

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article reprinted from the Hardware World for March 1939 entitled "The Score at the End of 7 Years," which appears in the Appendix.]

BY THE RIO GRANDE—EDITORIAL FROM BOSTON POST

[Mr. BRIDGES asked and obtained leave to have inserted in the RECORD an editorial from the Boston Post of April 2, 1939, entitled "By the Rio Grande," which appears in the Appendix.]

PACIFIC TELEPHONE & TELEGRAPH CO.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 745) for the relief of the Pacific Telephone & Telegraph Co., which was, on page 2, line 1, to strike out all after "*Provided,*" down to and including "$1,000", on line 13, and insert—

That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. JOHNSON of California. I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

GEORGE H. PIERCE AND EVELYN PIERCE

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 545) for

the relief of George H. Pierce and Evelyn Pierce, which were, on page 1, line 7, to strike out "$7,793.88" and to insert "$7,713.88"; and on page 2, line 2, to strike out all after "*Provided,*" down to and including "$1,000", on line 15, and insert—

That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. LODGE. I move that the Senate concur in the House amendments.

The motion was agreed to.

ADDITIONAL APPROPRIATION FOR WORK RELIEF AND RELIEF

The Senate resumed the consideration of the joint resolution (H. J. Res. 246) making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939.

The VICE PRESIDENT. When the Senate took a recess yesterday afternoon, the Senator from New York [Mr. MEAD] expressed the hope that he might be recognized this morning to continue the speech he was then making. Therefore, the Chair feels that he should recognize the Senator from New York, and does so.

Mr. MEAD. Mr. President, yesterday when I assumed the floor I explained that I was motivated by a desire to enhance the public welfare and to attain a degree of national prosperity higher than is the case at the present time.

I explained during my remarks that I believed the members of the subcommittee which considered this measure were actuated by motives of sincerity, loyalty, patriotism, and a desire to render justice to our unemployed. Nevertheless, I maintained that those who supported the amendment to be presented by the Senator from Florida [Mr. PEPPER] were likewise motivated by a desire to enhance our national well-being, and to render justice to the unemployed workers of America who would be the victims of a reduction in W. P. A. appropriations at this time.

I explained that on numerous occasions since the coming of the complex industrial age in which we live, we have enjoyed prosperity and endured poverty, and that particularly since the coming of the World War we have enjoyed prosperity only when abnormal markets were available for our high productivity.

I explained that the European war was an occasion for one of those periods, and that later on our entry into the war provided a market for our surplus goods.

I then went on to relate that prosperity was in eclipse until we began to lend fabulous sums of our money to the peoples of other nations of the world so that they might enjoy public-works programs with the use of our wealth.

When that period was over and we asked for the payment of the debts due us, our economy again went into a tailspin, and only with the coming of the New Deal public works program, in which we appropriated billions for the employment of Americans on American projects, did we again enjoy a prosperous era.

In recapitulation, let me say, as I said yesterday about the period from 1929 until 1933, that for those 3 years the policy of attempting to restore prosperity by reducing expenditures proved a colossal failure. It was a deflation policy, and its persistence again in 1937 is in a marked degree responsible for our present-day condition.

Mr. BRIDGES. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from New Hampshire?

Mr. MEAD. I shall be glad to yield.

Mr. BRIDGES. Do I correctly understand the Senator to say that every movement made in this country to reduce expenditures was a colossal failure?

Mr. MEAD. No; the Senator is covering too much ground—not every movement; I was talking about an economy drive in 1930, 1931, and 1932, and I specifically mentioned those years.

Then I said yesterday that the economy drive of that period, coming at a time when we were suffering from an impoverished buying market, a time when unemployment had reached its all-time height, was a colossal error; and even though its friends claimed that it would bring about prosperity, it accomplished the direct opposite. It has done none of the things its proponents claimed it would do. It caused a decline in annual wealth production from a normal of $90,000,000,000 to an approximate $40,000,000,000. It dried up our sources of revenue until income-tax payments dropped from $3,000,000,000 to $1,000,000,000 annually. It caused vast expenditures for unemployment relief. It unbalanced the National Budget to a degree until that time beyond precedent in history; and, therefore, at a time when we were suffering from a lack of consuming power, when industry was laying off men all over the country, for the Government to follow that example was a tragic mistake, and events have proved it to be a colossal failure.

Since that time all over the United States, in fact all over the world, men have been giving time and thought to this question of increasing the consuming power of the people, of bringing about a balance between that which our modern machinery is capable of producing and that which our normal economy should permit of our consuming. There have been inaugurated in this country a number of movements, the ultimate objective of which is to enhance the buying power of our people.

We witnessed in the last few years the efforts of the late lamented Huey Long and his "share-the-wealth" plan, which attracted widespread attention only because of his desire to enhance the buying power of the people of America. Under normal conditions, or in the old days of the crude-tools economy, that movement would not have been given a polite hearing. More recently an effort was inaugurated by Dr. Townsend, the object of which was to buoy up buying power by increasing the pension rates as they applied to our older people. This movement has attained national prominence, all because of the need of buoying up the buying power of our people. The ranking conservative Members of the Senate, oftentimes referred to as reactionaries if you will, are the stanch advocates and champions of this more liberal pension policy. Not only is that effort receiving rapt attention, but it has virtually won the support of 90 percent of the conservative forces of staid old New England.

Father Coughlin initiated another plan to liberalize the Nation's monetary system; and that plan, like both of the preceding plans I have outlined, was welcomed by the people because of the promise it contained to eliminate the stagnation that has destroyed the Nation's economy.

The presence of abundant surpluses of goods, and at the same time the visitation of want and misery and grief upon the communities of America, attracted the attention of the people, and they were anxious to follow a leadership that offered a solution of their problem.

Not so long ago a man rose up in western Canada and for a time little attention was paid to him and to his party; but when the people of Alberta—people who were conservative and liberal, and noted for their patriotism and loyalty to their Government—went to the polls, they swept out all the old parties, and gave over the Government almost in its entirety to Mr. Aberhart and his advocates of the "social credit" system.

Why have these leaders been received by the people of this and other countries? Why is it that Members of the Congress of the United States, in their perplexity to find a solution of the dilemma which confronts us, support either one or the other, and sometimes several, of these various proposals? It is all because of the rapt interest the people take in these movements, in the hope that they will find a solution for our pressing economic ills.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. VANDENBERG. Of course, the Senator is entirely correct in his description of the appeal these programs are popularly making. Will the Senator indicate what happened

in Alberta subsequently, and as to whether or not the things which were promised actually developed?

Mr. MEAD. The Senator is not taking his stand with or against any of these propositions, but is merely making the point that they grip the imagination of the people because of the desire to find a solution for our present pressing economic ills. I understand, however, that in Alberta critics of the Aberhart administration have charged it with being a failure, and proponents of the Alberta venture have maintained that interference by or lack of cooperation on the part of the Dominion Government is responsible for the stalemate which exists there. Personally, I do not believe that the plan is a logical way out, and I merely make the point that it is receiving the attention of the statesmanship of the Province of Alberta, just as is the case here in the United States with reference to the several movements which I have mentioned.

Mr. VANDENBERG. I knew the Senator did not intend to endorse or embrace the plan. It just occurred to me that when he is correctly pointing out the popular appeal these schemes have it might be wise and prudent to point out that they frequently prove to be utter illusions in their ultimate consequences.

Mr. MEAD. The Senator intends to point out that in the New Deal recovery program, rather than in the Alberta plan, the right answer to our economic ills is to be found.

Mr. VANDENBERG. The Senator could also point out, in that connection, that the New Deal has some of the illusions to which I refer.

Mr. MEAD. The Senator might be able to do that to his own satisfaction, but the Senator now speaking cannot agree with the distinguished Senator from Michigan.

Mr. VANDENBERG. I am sure we would disagree on that subject. I chiefly had in mind the fact that we started with 12,000,000 unemployed, and still seem to have that number unemployed.

Mr. MEAD. And the chances are that unless we proceed consistently with the program, which I understand the distinguished Senator from Michigan had a great part in aiding and in developing, we will never find the solution to our problems.

Mr. LEE. Mr. President, will the Senator from New York yield?

Mr. MEAD. I am glad to yield.

Mr. LEE. The Senator from Michigan must have in mind that he would deprive the people of the right to try any plan they might want to try because he believes that he would be doing them a favor by denying them the privilege of democracy, namely, trying any plan which appeals to the people. That is what I understand democracy to be, and I believe the Chief Justice of the United States has said that in the end the people will have their way.

Mr. VANDENBERG. Mr. President, will the Senator yield further?

Mr. MEAD. I yield.

Mr. VANDENBERG. Inasmuch as the Senator from Oklahoma is putting his interpretation on my observations, I should like to put my own interpretation on my observations.

I would not foreclose the American people from making any mistakes they want to make; that is their democratic right. I am merely suggesting that they ought to make the mistakes with their eyes open and that both sides of these experimental things should be presented to them.

Mr. DOWNEY. Mr. President, will the Senator from New York yield?

Mr. MEAD. I am glad to yield.

Mr. DOWNEY. I would suggest that it might be well for the distinguished Senator from Michigan to characterize the illusion when Herbert Hoover, in December 1928, with the coming panic almost immediately in front of us, characterized the period which we were entering as one of ever-increasing, permanent, and abounding prosperity.

Mr. VANDENBERG. I should say that he was guilty of about as big an illusion as I know of. But two illusions do not make a right.

Mr. MEAD. Mr. President, with regard to these so-called illusions, I readily agree that when a man attains the deserved greatness of being a Presidential possibility—or impossibility—it is absolutely essential that he follow the straight and narrow path. But when a man is only aspiring for a seat in the House of Representatives or in the Senate, it might in his judgment oftentimes be compelling, in order that he might aid in the saving of the country, that he adopt one or more of these so-called unsound measures to which the Senator from Michigan has just alluded.

I read a few days ago of a distinguished Senator who is said to be a "possibility," and I agree that he is. Among other things it was said of him that he regretted that on one occasion he embraced one of these illusions and that now that he was a candidate for the presidency, he was following the straight and narrow path.

Let me say that as we pass from a discussion of objectives contained in these efforts by the leaders I have just mentioned, they may not have the key to the solution of our enigma. It is admitted that President Hoover did not have it when the opportunity fell to him. But I am one who believes that in their striking out in the dark for an objective that is right, they will make a contribution to the solution of our difficulties, by pointing out the fundamental bases upon which our economy must be builded. They jar the memories of our recalcitrant reactionaries. They make men think along liberal lines, and they intensify the drive for liberal government, whether it be for liberal pension plans, or a liberalization of our monetary system. In the main and in the end they make a constructive contribution.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. BRIDGES. Do I understand from what the Senator from New York says that he terms any person "reactionary" in this country who believes that we should stop this huge deficit spending?

Mr. MEAD. I must again disagree with the Senator.

Mr. BRIDGES. I understood the Senator to make that statement or to infer that anyone who is against wholesale spending, or the so-called recovery program—I call it a program of ruination—of the present administration, is a reactionary. I just wondered whether the Senator meant to make that statement.

Mr. MEAD. I cannot fathom the Senator's understanding, because I have just concluded a statement which brands the so-called leaders—and they are leaders—as being liberals; and they disagree in most part with the program of the present administration. Therefore, how the Senator can find any agreement between the understanding at which he arrives and the statement I made is beyond me. I certainly do not hold everyone who disagrees with the present administration as being reactionary. I just mentioned a number of individuals, a number of leaders, who have other plans, which disagree with those of this administration. I listed them, for the Senator's information, as being men of liberal thought.

Mr. President, the majority of the Senate are liberals. Conservatives in this body are in a very hopeless minority. There is not a handful of so-called rigid Budget balancers in the Senate. If we read the roll calls on all the bills appropriating vast sums of money for the relief of this, that, and the other thing, we find that there are about 75 Members of the Senate who at one time or another in recent sessions supported the agricultural subsidy and public-works program, and have on the hustings in their own States embraced liberal pensions policies.

Only a day or so ago a bill passed the Senate returning the cotton impounded by the Government to the cotton producers of the country at a price far below that which the Government has already loaned on the cotton; and it was in keeping with the economic forces at work in the sections suffering as a result of surpluses of cotton that the Senate was actuated in approving that bill.

Time and time again, in voting parity payments, in approving huge expenditures for the Agricultural Adjustment Administration, in supporting W. P. A. and P. W. A. appropriations, and in the advocacy of liberalized social-security

payments, a vast majority of the Senate, totaling approximately 75 Members of the Chamber, have taken their stand as liberals. Our difficulty, Mr. President, is getting all Senators to agree at the same time on the same program, and then to continue to be consistent when related bills come before the Senate.

This body is not economy-minded. Some of us may oppose W. P. A., and satisfy ourselves by supporting some other liberalized effort. There are others, however, who recognize the basic fundamental needs of our economy, and consistently carry right on through in support of every measure that has for its objective the solution of this difficult and vexing problem of want and unemployment in the midst of abundance and plenty.

Mr. President, yesterday I pointed out that the Roosevelt administration, instructed and informed by the Chicago Democratic National Convention, made an honest attempt to carry out the mandate of that body, and enacted a program of legislation which had for its attainment a 25 percent reduction in Federal expenditures. Happily, however, the administration, in due time, discovered that the instruction of that convention to cut public expenditures by some 25 percent was an unwise program, and while sweeping cuts were made effective on March 20, 1933, it was not long before the National Recovery Act was under way. It was based upon an altogether different concept, that of increasing the national income by higher wages, enhanced consumption, shorter hours of labor, and wider diffusion of jobs.

Many developments of the past 6 years have proved that to be the wisest course to take, and many a sermon could be delivered on this text in the light of intervening developments.

Just now, unfortunately, the international situation, whose wide repercussions no one can forecast, demands public thought in America, but, in the final analysis, the economic law, like natural law, will go steadily on its way, proving in substance that among nations, as among individuals, we cannot prosper unless our neighbor prospers; and it is to make our neighbor prosperous that we are now supporting the amendment offered by the Senator from Florida [Mr. PEPPER].

I said yesterday that after the present administration changed its policy and inaugurated the national recovery program, our annual income increased from a low of $35,000,000,000 to a high of $69,000,000,000 in 1937. We were on the right road then, but, unfortunately, we were detoured by those who believed that to balance the Budget at that time was the right pathway to take.

I have before me a recent issue of the United States News. It contains, on page 12, a pictogram which explains the month-to-month record of the Federal Government's cash income and cash outgo. It shows that the cash outgo rose rapidly ahead of cash income until the beginning of 1937, and then throughout the year and until the spring of 1938 cash income outdistanced cash outgo, and America was well on the way to a balance in her Budget, and also in her national economy.

The writer of the article goes on to explain that—

> Both Mr. Eccles and Mr. Roosevelt think that the Budget actually can be balanced, but not by the process of reducing the Government's cash expenditures.

And I agree with them.

> Their expressed view is that if businessmen will take advantage of the bulge in business activity caused by the outpouring of Government cash and will wholeheartedly cooperate to carry forward the upturn that this recovery tends to generate, then a balance can be achieved from the greatly increased tax revenues to be realized from the increase in corporation and individual income.
>
> HEAVIER TAXES AS ALTERNATE SOLUTION
>
> If businessmen, however, do not increase their investments for one reason or another, or if for any reason real recovery does not take hold, then the President and the Reserve Board Chairman doubt that the Federal Government's Budget can be balanced except through much heavier taxation of income.
>
> Point is made—

And I will say, well made—

> of the fact that in the calendar year 1937, with recovery going strong, the Federal Government came within $100,000,000 of achieving a balance in its Budget of cash income and cash outgo. That was the nearest approach to a balance since 1930.

It was unfortunate, it was tragic, that we reduced expenditures at that time, and it was pitiful that private enterprises immediately on that accomplishment laid off thousands and thousands of persons, and added to the relief burden of the local and the National Governments.

Mr. President, much criticism has been made of what is called the boondoggling program of W. P. A. I am one who will admit that in the beginning, and particularly when it was organized to a large degree by State agencies, W. P. A. or its predecessor was guilty of boondoggling and deserved to a marked degree the criticism leveled at it. Today W. P. A. has achieved wonderful progress. Its work by and large has shown a greater degree of improvement than that of any other department of the Federal set-up. That will be found to be true by anyone who looks over the annual report of the Works Progress Administration and visualizes the achievement of this great army of builders, many of whom have been outlawed forever by private enterprise because they are 40 years of age and over, and many of whom have been given new hope in life because of an opportunity to use their talents in productive and constructive enterprise.

Mr. President, outstanding among W. P. A. contributions to the public facilities of the Nation can be listed the 17,600 new public buildings which have been completed for cities, counties, and States.

Repairs and improvements have been made to 46,300 buildings and additions to 1,700 more.

Two hundred and eighty thousand miles of highways, roads, and streets have been constructed and repaired.

Twenty-nine thousand new bridges have been built and 23,000 have been repaired and improved.

Twenty-six thousand seven hundred new dams for conservation purposes have been completed.

Four thousand one hundred new storage dams have been finished.

Six thousand one hundred miles of new water mains, aqueducts, and distribution lines and 8,900 miles of new storm and sanitary sewers are completed as the result of W. P. A.

One thousand eight hundred new athletic fields have been built and 1,500 athletic fields have been improved.

One thousand one hundred new parks have been established, as well as 4,200 improved and enlarged play areas.

One thousand six hundred new playgrounds have been built and 5,000 playgrounds improved.

Eight thousand seven hundred miles of new and 5,000 miles of improved ditches for mosquito control have been built.

Eleven thousand five hundred miles of other types of ditches and drains have been excavated or improved, exclusive of roadside drainage in connection with road projects.

The program of W. P. A. is a constructive one. It has enriched not only the individual by giving him new hope and new confidence; it has enriched the Nation itself. It has reduced the expenditures of local communities, and it has raised the morale of men and women who would otherwise be subject to the dole. The W. P. A. program, so far as its Federal direction is concerned, is one which merits our consideration. If politicians are meddling with W. P. A., they ought to be stopped. From my experience and observation, they will not be stopped by turning the administration of relief over to the localities, because in the localities where men who are now eligible for relief are assigned to W. P. A. projects, in many instances and in many localities the only chance for those men to be assigned to the W. P. A. is with the O. K. of the local political boss.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MEAD. I shall be glad to yield.

Mr. LUCAS. On that point I should like to ask the distinguished Senator from New York whether or not there have

been any complaints in his State about discrimination in the certification of persons for the W. P. A.?

Mr. MEAD. There have been numerous complaints in my State, with the exception of four or five of the large counties which are for the most part made up of the populations of big cities. I have in mind the rural counties. In those counties the local relief agency, the county welfare set-up, is in too many cases subservient to the political leaders. Before a man can be approved for a W. P. A. project and obtain employment on the W. P. A. he is required to have the approval of a local political leader.

Mr. LUCAS. Mr. President, will the Senator yield for a further question, or for an observation?

Mr. MEAD. I shall be glad to yield.

Mr. LUCAS. In connection with the very important question which the Senator from New York is discussing, I should like to make one observation with respect to what is going on in the State of Illinois in connection with the certification of those eligible for employment on the W. P. A. In Illinois the supervisor of the township is the individual who certifies those seeking employment, and who are unemployed.

At the present time approximately two-thirds of the supervisors of townships in Illinois are Republicans. During the past 6 years, while the Democratic Party has been in power, it has received condemnation because of politics in relief. I wish to say on the floor of the Senate that at this moment the Republicans in the State of Illinois, who hold supervisory positions, and the Republicans who control municipalities—such as mayors, boards of supervisors of counties, and county highway engineers—are playing politics with relief in a way never dreamed of by the Democratic Party in the State of Illinois. I know what I am talking about, because I went through a campaign last year. I speak from experience. I say to the Senate that the junior Senator from Illinois was crucified in many a spot by W. P. A., because it was controlled, hook, line, and sinker, by the Republican politicians in certain sections of the State.

It is high time, if we are to continue to dole out millions of dollars throughout the country for relief purposes, that the individuals who are entitled to relief, irrespective of politics, should be employed. If we are to continue to spend and spend in order to take care of the situation, it strikes me that the Government should have its own certifying officers in the counties in order that every man may receive a square deal so far as the W. P. A. is concerned.

Mr. ADAMS. Mr. President, will the Senator yield to me to supplement what the Senator from Illinois [Mr. LUCAS] has said?

Mr. MEAD. I shall be glad to yield.

Mr. ADAMS. I think practically every student of the relief situation in the United States today takes the position that if the Federal authorities are to provide the money they should also provide the agencies to decide who should receive it.

Mr. LUCAS. Is that the viewpoint of the distinguished Senator from Colorado?

Mr. ADAMS. It is. I have on my desk a statement from one of the chief officials of the W. P. A. making the same declaration, which statement, of course, he did not care to put into the record. As a matter of fact, there is a definite conflict. I know that the situation to which the Senator from Illinois refers exists in my own State. The Congress is appropriating billions of dollars. Since 1935 we have appropriated over $11,000,000,000 for relief, and we have not controlled the agencies through which it was expended. It seems to me that in our statutes we should do something more than merely turn over to a single individual the distribution of the money and the determination of who shall make the selection of the recipients.

Mr. LUCAS. I certainly concur in the remarks made by the Senator from Colorado. Will the Senator from New York pardon a further interruption?

Mr. MEAD. I shall be glad to.

Mr. LUCAS. In Illinois last week we had one supervisors' election after another, in which the sole question in connection with whether John Jones or Bill Smith was going to be defeated was the question of relief. That was the political issue in every township. Of course the individual in power sees to it that his friends are certified. That is done regardless of politics. I am not standing here attempting to defend the Democrats or Republicans on that score. They are both guilty of playing politics. I say that it is wrong to have elections throughout the country depending upon the sole political question of the relief of individuals who are suffering for want of the necessities of life. Perhaps I shall have something further to say on this question before the debate is concluded. If the debate continues, I propose to discuss conditions in connection with the W. P. A. in down-State Illinois as I see them and understand them. The conditions are abominable, Mr. President; and something serious should be done in order to bring about a better situation.

Mr. ADAMS. Mr. President, will the Senator permit another comment?

Mr. MEAD. I shall be glad to yield.

Mr. ADAMS. When the condition which the Senator from Illinois describes exists, waste of the public money is inevitable. If we had a more efficient system, Congress would be able to accomplish its purpose with a lesser expenditure. In other words, the form of administration which has been devised is not an efficient form but a wasteful form.

Mr. LUCAS. In my judgment what the Senator says cannot be successfully challenged. The question is not debatable. It seems to me it is vital that the Congress of the United States should work to perfect the administration of relief in order that individuals on relief or those seeking relief may have a better opportunity to receive that to which they are justly entitled.

(At this point Mr. MEAD yielded to Mr. REYNOLDS and Mr. Mr. ELLENDER, whose remarks appear at the conclusion of Mr. MEAD's speech.)

Mr. MEAD. Mr. President, while it afforded me great pleasure to yield to a number of distinguished colleagues, I will be forced, in order that I complete my speech in time to meet other engagements, to yield hereafter only for a question.

I ask that the speeches delivered by the Senator from Louisiana [Mr. ELLENDER] who has just concluded, and the Senator from North Carolina [Mr. REYNOLDS] who spoke a few moments ago, be inserted in the RECORD after the conclusion of my speech.

The PRESIDING OFFICER (Mr. OVERTON in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. MEAD. Mr. President, in order that we might go back to the theme I was developing, let me again explain to the Senate that I was taking issue with the committee which reported the pending proposal, because I think it is the wrong thing to do at this time, because it is not meeting the President's request, and because I believe it would result in untold injury to the proper progress of W. P. A. throughout the country. It is in the interest of the public welfare to oppose the attitude and the position taken by the Senate committee which reported this proposal, and it is in the interest of the public wellbeing to take a decided stand in favor of the amendment proposed by the Senator from Florida [Mr. PEPPER].

Mr. President, I have said it is not in keeping with the President's request. Let me read excerpts from the annual message of President Roosevelt before the joint session of Congress on Wednesday, January 4, 1939. Among other things President Roosevelt said on that occasion:

> We suffer from a great unemployment of capital. Many people have the idea that as a nation we are overburdened with debt and are spending more than we can afford. That is not so. Despite our Federal Government expenditures, the entire debt of our national economic system, public and private together, is no larger today than it was in 1929, and the interest thereon is far less than it was in 1929.
>
> The object is to put capital—private as well as public—to work.

We want to get enough capital and labor at work to give us a total turn-over of business, a total national income, of at least $80,000,000,000 a year. At that figure we shall have a substantial reduction of unemployment, and the Federal revenues will be sufficient to balance the current level of cash expenditures on the basis of the existing tax structure. That figure can be attained, working within the framework of our traditional profit system.

The factors in attaining and maintaining that amount of national income are many and complicated.

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The whole subject of government investing and government income is one which may be approached in two different ways.

The first calls for the elimination of enough activities of government to bring the expenses of government immediately into balance with income of government. This school of thought maintains that because our national income this year is only $60,000,000,000, ours is only a $60,000,000,000 country; that government must treat it as such; and that without the help of government it may some day, somehow, happen to become an $80,000,000,000 country.

* * * * * * *

The other approach to the question of Government spending takes the position that this Nation ought not to be and need not be only a $60,000,000,000 nation; that at this moment it has the men and the resources sufficient to make it at least an $80,000,000,000 nation. This school of thought does not believe that it can become an $80,000,000,000 nation in the near future if Government cuts its operations by one-third. It is convinced that if we were to try it, we would invite disaster—that we would not long remain even a $60,000,000,000 nation. There are many complicated factors with which we have to deal, but we have learned that it is unsafe to make abrupt reductions at any time in our net expenditure program.

Mr. President, some time ago in a speech which I delivered in the House of Representatives I stated that it is necessary for the Nation, in this complex economy of ours, to effect an economic balance; that that balance was a balance between the number of men available for jobs and the number of jobs; that it was a balance between that which the Nation could produce and that which its people should be able to consume; that it was a balance between credit and the use of money; a balance between wages and the cost of living; a balance between imports and exports; and that that balance would eventuate into a balance between the expenditures of government and the revenues of government.

Economic health consists in the maintaining of a series of balances, and to argue that we can balance the Budget while all other major economic factors are out of balance is ridiculous, and would result, not in national health, but in national disaster.

Mr. President, argument has been advanced here that we can well afford to turn this work over to the States, that we can well afford to leave not only the administration of the law, but much of burden of carrying it out, to the State and to the local government. Our experience with regard to the administration of the personnel indicates that that would be an error. Observation from time to time by political economists, and by students in Government, has shown that there is more efficiency of operation in the Federal set-up, and, at the same time, less politics and waste, than is the case with the government in the locality.

As was stated a moment ago by the junior Senator from Illinois, there is much politics in W. P. A., but by far the greater degree of politics comes from the welfare and relief agencies located in the counties back home.

I received information from a postmaster in my State just a few days ago that the only way for a man eligible for relief to secure employment on a W. P. A. project was to receive the O. K. of the political leader of his town; and if the political leader was not of the same faith of the political leadership which directed the appointments on the county relief set-up, he would have to go to some other leader of the same political faith or he could not get on a W. P. A. project.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. MEAD. The leadership in most of these counties is Republican leadership. I do not point out the partisanship of that leadership merely to place the onus on the particular party I have mentioned, but I mention it because time and time again the Democratic administration has been denounced and criticized for politics in W. P. A., when the politics in W. P. A., so far as the Federal administration is concerned, is only a drop in the bucket in comparison with the politics in the local administration of W. P. A. personnel.

I am glad to yield to the Senator from Indiana.

Mr. MINTON. When the Senator hears our Republican friends talk about taking W. P. A. out of politics and turning it over to the local communities, does not the Senator think that what they want to do is to put it in politics in those communities where the Republicans have control, that they want to get hold of W. P. A. and send it back to the local communities so that in those local communities and in those States where Republican organizations are in charge they will be running the show, and not the Democrats? That is the kind of politics they want, is it not?

Mr. MEAD. In those counties and in those States where the situation is as the Senator has explained, they have most of the politics now, and they want the rest of it, and for that reason they favor turning W. P. A. over to the localities. When that happens, there will be 100 percent politics in W. P. A.

The point was made that the States and the cities are not assuming the burdens which they should logically assume under existing conditions, and that it is better for the Federal set-up to taper off on the W. P. A. appropriations. Such is not the case in my State, because this year the State of New York is appropriating for the operation and maintenance of the State government $415,000,000, which is an all-time record high, and indicates that our State is doing its full share in meeting every requirement in this national emergency in an attempt to attain to a greater degree of economic prosperity. The same is true of the city of New York, and I might say of many other cities located throughout the Empire State.

Mr. President, I take issue fundamentally with those who believe that it is time for us to retrench, that it is necessary for us to balance the Federal Budget, and that we must cut appropriations to the bone. I take issue with them because I believe that experience directs us in the opposite direction, along a different pathway. The program advanced by that school of thought, which includes not only a balanced Budget but tax relief, the restoration of confidence and the encouragement of capital investment, is a commendable program, but it will not solve the present problem. It will not create a demand for jobs. It will not result in increasing the power of the people of America to consume the goods which the present processes are capable of producing.

One of the favorite suggestions made is tax relief. We are told that tax relief will provide money for plant expansion for new modern machinery. Mr. President, we are probably suffering from too much modern machinery, from too much plant expansion, from too much efficiency in production. Unfortunately production races ahead of the power of our people to consume.

But, Mr. President, let me point out that the reduction of taxes which were condemned with far more vigor than the taxes they condemn today, did not stop the economic collapse in 1929. Therefore, we should not go back to experiments which failed us in the past.

Those same taxes, Mr. President, together with the additional taxes with respect to which they criticize us today, did not retard our development when the Nation was gradually and healthfully increasing its income in 1936 and again in 1937. Taxes have neither helped nor harmed in the past when we were plunging to disaster or when we were rising again to prosperity.

A balanced National Budget is the chief point of all the ballyhoo advanced concerning economic remedies by those who would have us turn our backs to the national-recovery program, which has commonly been called the program of the New Deal.

Mr. President, I admit that, like tax relief, a balancing of the Federal Budget would be commendable. But I believe a balancing of the Budget will be brought about more expeditiously by following the school of thought which takes its position in this debate with the Senator from Florida, whose amendment providing for $150,000,000 will shortly

Mr. BRIDGES. Does the Senator believe that as a result | my attitude. Unfortunately, it is not the Senator's; but it is

come before us for action, than by following those who believe in cutting Federal expenditures to the bone and just arbitrarily balancing the Federal Budget by adopting that sort of a program.

Mr. President, balancing the Budget will not create a greater demand for goods, nor will it increase the American market. We have no fear for our monetary system today. We are not on the verge of a period of deflation, nor are we about to suffer from inflation.

Mr. President, the people of other nations of the world think so much of the stability of our monetary system that they are shipping untold millions of their dollars here in order that they might secure an island of safety. If one will but observe the prices of commodities in America, he will realize at a glance that inflation is far off. If he will compare the funded debt of our country with the indebtedness of the big strong powers of the world he will find that America is in the most favored and comfortable position of any nation on earth. He will find that when we are appropriating millions of dollars so that men might live other nations are appropriating untold millions so that men might be regimented into youth military organizations in order to enable them to kill and destroy. The European nations are appropriating over 50 percent of their revenue in preparation for a defensive war. America has set an example for mankind by putting her unemployed to work in building constructive projects that will enrich the Nation and ennoble the Government.

I say, Mr. President, that balancing the Budget, with every other economic factor out of balance, would be ridiculous, if not tragic.

Mr. President, those who disagree with the school of thought I represent and whose position I have been advocating in the debate today advance the claim that a restoration of confidence is all that America needs at this time—a restoration of confidence so that business and enterprise might be stimulated and millions of unemployed might find their way back to work. "Restoration of confidence" was overworked and overplayed throughout the closing years of the Hoover administration. Of course, it is true that without confidence business will not take normal risks in many instances. But with too much confidence which we enjoyed in 1927, 1928, and 1929, the Nation was plunged into an orgy of legalized speculation, which resulted in overexpansion, in overproduction, and terminated in the greatest panic and depression in the history of America, if not of the world.

The last suggestion they make is that we must encourage capital enterprise. Listed alongside their favorite remedies—tax relief, a balanced Budget, and the restoration of confidence—is the encouragement of capital investment. Investment in what, Mr. President? Investment in more factories, more shops, more railroads, more banks, more stores? We cannot find markets—outlets for those we now have. We do not need plant expansion. What we need is plant operation. Therefore, with the possible exception of the housing industry and the electrical industry, it is not expansion but it is operation that we need now in this country.

I said, Mr. President, that the recovery program, commonly referred to as the New Deal program, is sound and logical and rational.

From my observation of the experiences of this Nation since the coming of the complex machine age, together with my observation of the situation and the circumstances to be found in the recent histories of the industrial nations of the old world, the present plan is the only plan which merits the dignity of being referred to as a plan.

Under the plan invoked before the inception of the present plan our Nation almost came to ruin. Under the plans adopted in other industrial nations of the world there came a series of radical and violent systems of government which robbed the people of their freedom and liberty and clothed the totalitarian states with all the power which, in the ideal tradition of the noblest form of government on earth, we hold dear to our hearts.

Mr. President, it was the force of economic pressure, and not the President of the United States, which developed the New Deal program. The eternal restlessness of men, the eternal striving of men in all the ages of history for a greater degree of economic security and for the freedom which we have enjoyed, necessitate a constant change in government to meet constantly changing economic and social conditions. Governments abroad failed to yield to economic pressure and were destroyed, and new systems of government came into being. This administration recognized economic pressure and the need to adapt itself to the changing demands of our time. That is why we live in comfort and contentment today. The only nation in the world without apprehension ripping the hearts of its people is the United States of America.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. MEAD. I shall be glad to yield.

Mr. LUNDEEN. In connection with the Senator's able statement it might be well to remember that if we encourage hunger, poverty, and destitution by lack of proper public works, and our unemployment rolls keep mounting, or if we follow those who have the opposite theory in mind and pursue a policy which does not cure unemployment, we in the United States may encounter new and undreamed-of forms of government. If we wish to be true to the oath of office which we took to uphold our democracy, we had better supply a plenitude of public works for our people so that we shall not have to argue with hunger.

Mr. MEAD. The Senator is quite correct. Our democracy is in danger. Mind you, Mr. President, no military operations abroad will save us. As the Senator well said, we must raise the standards of our people and give to the farmers of America an opportunity to enjoy an economy which will reward them for their labor. We must give to our millions of people, herded into the big cities by the giant corporations, a better degree of economic security. Unless we do so there will be constant and continuous demand for change, which will assert itself in the government which will come to guide the destinies of this country in the future.

Let us not turn back now, Mr. President. Let us remember that our farms are becoming more efficient as the years go on. Our machines are producing more and more with each successive day. More than 1,000,000 boys and girls become of working age every year, and the demands for employment will be greater, while under existing circumstances the availability of jobs will grow progressively less. We cannot condemn our unemployed to idleness and to poverty. The proper procedure to follow is to support the amendment offered by the Senator from Florida [Mr. PEPPER], and to continue along that line until such time as we have effected not only a balanced Budget but a balance in all the economic factors which I recited a few moments ago.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MEAD. I yield for a question.

Mr. BRIDGES. Does the Senator believe that we shall return to an economic balance and return the unemployed to employment by continually running the Government in the hole to the extent of about $12,000 per minute?

Mr. MEAD. I am very sorry the Senator was not in the Chamber when I covered that situation. I thought I covered it thoroughly. I will say to the Senator that if he will take time to read my remarks, and to read again the President's speech on the same subject, he will find that by following the course which the President has taken, by supporting, if he will, the amendment offered by the Senator from Florida, we will attain a balance in our Nation's economy which will eventuate in a balance of our Budget.

We will not attain that object by following the direction which the Senator indicates he will take, by arbitrarily balancing the Budget and reducing expenditures by one-third, and by lopping off all the men and women who are today working for the W. P. A. and earning a livelihood for themselves and their families, intensifying the buying market, and making it possible for farmers to sell their goods. The Senator believes that we can thus attain that perfection of prosperity—which I am sure we will not attain—which we experienced when we had perfection in government back in the heyday of 1929.

Senator for fear that experience has not yet taught him the

example set by the Democratic candidates for the Senate

Mr. BRIDGES. Does the Senator believe that as a result of all the spending to date we have made material progress on the road to permanent recovery?

Mr. MEAD. I will not ask the Senator to read my remarks in the RECORD. I will ask him rather to read a conservative weekly newspaper, one published by friends of the Senator. I hand to the Senator a copy of the newspaper to which I have referred. If he will read it and digest it he will find that there is opportunity for the Government to effect a balance by following the program which I am advocating today.

Supplementing that statement, let me ask the Senator to read the numerous articles which are now appearing in the public print by economists of note who warn us not to reduce Government expenditures arbitrarily at this time. If the Senator can learn from the light of experience, and will disregard the unhappy plight of our country when it was under the leadership of his party in 1929, I will ask the Senator to review the record of 1935, 1936, and 1937. He will then learn that when we decided to turn his way the Nation plunged rapidly downward. We choked agriculture. Industry was stagnated. The sources of taxation began to dry up, throwing the Government's Budget out of balance to a greater degree than was the situation in the months just preceding that unfortunate move.

Mr. BRIDGES. May I ask the Senator if Mr. Roosevelt, the head of his party, has ever made a serious attempt to balance the Budget and to start on the road to recovery in that manner?

Mr. MEAD. I am very glad to tell the Senator that in the early days of his administration the President followed the philosophy embraced by the distinguished Senator and by legislative decree lopped approximately 25 percent from Federal expenditures. When that course would not work, the President was wise enough to change his mind. Then came the National Industrial Recovery Act, with the new concept that increasing wages meant intensifying buying power, and that reducing hours meant increasing employment. From that day on, this administration has embraced that philosophy. If the Senator believes, with an expanding complex machine organization storing the Nation's warehouses full of goods, that we can balance the Nation's Budget by reducing the activities of government, by retrenching and saving, by setting the bad example of reducing wages, rather than by advocating the direct opposite; then he has been going in one direction and private enterprise has been racing in another direction. Only by expanding and increasing the frontiers, by expanding the influence and activities of government to meet the demands of this machine age, will we hope eventually to balance the Nation's Budget.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MEAD. Yes; I am glad to yield.

Mr. BRIDGES. About how many years would the Senator say it would take, with a continuation of his program and the program of Mr. Roosevelt, before we eventually see the balancing of the National Budget?

Mr. MEAD. If the Senator had only read the article which I handed to him, he would find that cash outgo and cash income were within $100,000,000 of a balance when we embraced the Senator's philosophy, and from that day on in 1937 we have been going in the other direction. So, if we follow the Senator's philosophy, we will not balance the Budget in his time or mine. If we follow the philosophy of the President of the United States, stick to it, and stop turning around, we will balance the Nation's Budget within a reasonable number of years, depending upon our adherence to the program, the support of business and industry to that program, and the stability of world conditions. That is my answer to the Senator's question.

Mr. BRIDGES. The Senator would not believe, if we continue this program along the lines advocated by the Senator and the President, that we would balance the Budget in the lifetime of any Member of this body, would he?

Mr. MEAD. The Senator from New Hampshire will speak for himself. I will say we will balance the Budget within a reasonable length of time unless we make the mistake of following the Senator's philosophy of government. That is my attitude. Unfortunately, it is not the Senator's; but it is my attitude that this is the only way out; there is no other program. If the Senator has a program, if his party has a program, if he or his party will point out specifically and completely what their alternative program is, then the Senator from New York will be able to give his opinion of that program which is not now known to the country or to the world.

Mr. REED. Mr. President, will the Senator yield?

Mr. MEAD. I am glad to yield to the Senator from Kansas.

Mr. REED. May I inquire of the Senator if he can remember a very definite change in the direction of the President since he was elected in 1932, and since the action of the Congress upon his recommendation in 1933 with regard to expenditures of the Government as compared to the revenues of the Government?

Mr. MEAD. I wish the Senator would state his question again; I did not catch its purport.

Mr. REED. I am asking the distinguished and able junior Senator from New York if he remembers that the President about faced from the position he took in the campaign he made in 1932, and again made a departure from his own program as laid down in 1933? The first about face was by the President of the United States.

Mr. MEAD. Mr. President, I can now understand the question that has been put to me by my distinguished colleague from Kansas, and I will say to him, "yes," the President of the United States has taken a stand entirely different from the stand taken by the Democratic National Convention in 1932.

I will say further to my distinguished friend that we tried in the closing years of the Hoover administration to promote prosperity and the public welfare by enacting economy measures, by reducing employment, by decreasing wages. We made not only the Government employees suffer under President Hoover, but we made the veterans take reductions in their compensation and their pensions. Then, if I may say so——

Mr. REED rose.

Mr. MEAD. I am answering the Senator's question. The Democratic National Convention recommended that we further reduce the expenditures of the Federal Government by an additional 25 percent. Then the present President of the United States, in conformity with that mandate, immediately upon his inauguration recommended an economy plan, and further reductions were made; further penalties were imposed upon Government workers and upon the veterans; and a further impairment of our buying power resulted from the economy program of the President of the United States.

Mr. REED. The business of the United States improved up to and including 1936.

Mr. MALONEY. Mr. President, will the Senator from New York yield to me there?

Mr. MEAD. I should like, first, to answer the question of the Senator from Kansas, but I am glad to yield to the Senator from Connecticut.

Mr. MALONEY. I wish to point out that business did not improve until we repealed the dangerous provisions of the Economy Act, and that, as a matter of fact, after the passage of the Economy Act of 1933, business speeded down hill until the Congress made the necessary corrections.

Mr. MEAD. If the Senator from Kansas will take the time to look at the graphs and charts or the statistics, he will find that he is almost correct. Business did improve until we embraced the economy policy again in 1937; but it did not improve in 1933 until the country realized that they had a man of action in the White House, and the country enjoyed faith and confidence that was lacking in the closing days of the Hoover administration. Banks stopped closing; industry started to look up; and, instead of fear and apprehension in the hearts of the people, there were confidence and hope. But it was only when the President of the United States changed his attitude, turned his back on the economy program, as has been so well pointed out by the Senator from Connecticut [Mr. MALONEY], that we started to parade in the right direction to national prosperity. I am warning the

Mr. President, when the wage and hour law shall have

out of the Chamber, I brought to the attention of the Senate

Senator for fear that experience has not yet taught him the lesson, the tragic lesson of 1929, the futile lesson of 1933 and 1934. I plead with the Senator to stand with us in our effort to defeat this economy move that has, within the experience of the last few years, resulted in ruination.

Mr. REED. Mr. President, will the Senator yield?

Mr. MEAD. Yes; I yield for a question.

Mr. REED. I am overdue at a committee meeting, but I thank the Senator for granting that I am "almost correct." If I ever reach the point where I am a hundred percent correct, I hope to be then in the class of the junior Senator from New York. But may I ask the junior Senator from New York how he regards the vote of the American people in every State where there was a free election last fall as reflecting an opinion upon the policies of the present administration?

Mr. MEAD. Mr. President, I do not know of any State in which there were not free elections. Secondly, if I accept what my distinguished colleague from Kansas has said, that the people took a decided stand for economy in government, then I must go into various districts and States and ascertain whether or not the Senator has in mind the Representatives from New England, who came out almost to a man for the Townsend plan.

Mr. REED. Mr. President, will the Senator yield?

Mr. MEAD. I am wondering if the Senator from Kansas has in mind Senators elected from other States who denounced the W. P. A. because W. P. A. salaries were altogether too low?

Mr. REED. Mr. President, will the Senator yield?

Mr. MALONEY. Mr. President, will the Senator from New York yield to me for a moment?

Mr. MEAD. I yield to the Senator from Connecticut.

Mr. MALONEY. Of course, the Senator from New York knows, in spite of the fact that the Senator from Kansas would have it appear that he does not know, that the Democratic Party was victorious in the election of last November. They returned a majority to the House of Representatives and to the Senate, and if a Democratic candidate for President had been running in the election of last November he would have been elected; all of this in spite of the fact that some of those of the opposing party, appreciating that they did not have or would not have the responsibility of running the Government, were able to be a little careless in their promises and their implied promises during the November campaign.

Mr. REED. Mr. President, will the Senator yield to me?

Mr. MEAD. The Senator from Connecticut has stated the situation accurately. And again I yield to my distinguished friend, who said a moment ago that the people of America, in sweeping into office both him and his associates, mandated us once again to embrace economy with all its tragic consequences.

I am happy to be reminded that the Senator was slightly in error when he made the point that his party swept the Nation.

Mr. REED. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BANKHEAD in the chair). Does the Senator from New York yield to the Senator from Kansas?

Mr. MEAD. I shall be glad to yield.

Mr. REED. I said in the States where there was a free election.

I have but a moment or two. I am overdue now at another place. I desire to answer both the Senator from Connecticut [Mr. MALONEY] and the junior Senator from New York.

I say to the Senator from Connecticut that, regardless of what party or what man succeeds the present Chief Executive of the United States, he is going to have one tough time, believe me.

To the Senator from New York I desire to say on behalf of my New England Republican associates who were victorious in last year's election, that being so close to New York, I am afraid some of them may have been contaminated by the example set by the Democratic candidates for the Senate from New York.

Mr. MALONEY. Mr. President, will the Senator yield to me?

Mr. MEAD. Just one moment. Let me make this observation: The Senator from Kansas says "in States where they had a free election." I say to the Senator that I know of no State in the Union where there was not a free election. Certainly there was a free election in New York. When the Senator talks about the difficult time the succeeding President will have let me remind him that this President faced difficulties in following the President who had preceded him. [Laughter.]

Mr. REED. I agree with the Senator from New York in that statement.

Mr. MALONEY. Mr. President, I had asked the Senator from New York to yield, but he has said what I was intending to say. I may add, however, that if and when the Republican Party does come into power, if its members spend as much time as we are now spending in quibbling about a relatively small amount of money for work-relief purposes, while appropriating tremendous sums for other purposes, it is going to have worse than a rough time.

Mr. REED. Mr. President, will the Senator yield to me for the last time?

Mr. MEAD. Just for a question. I desire to finish my speech.

Mr. REED. I did not understand that the Senator from New York was in a hurry.

Mr. MEAD. Go ahead.

Mr. REED. I freely grant that the present President of the United States succeeded to a very difficult situation in 1933; but with all the earnestness at my command I say that the difficulty of the situation to which the present President succeeded in 1933 is in no way comparable to the situation which anybody who is elected President of the United States next year, whether he be Democrat or Republican, will succeed to in 1941.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield to me?

Mr. MEAD. I yield to the Senator from Washington.

Mr. SCHWELLENBACH. I should like to inquire if the Senator from Kansas is giving some advice to a few Senators I see around here who, I think, want to be President in 1941? [Laughter.]

Mr. MEAD. I am sure the Senator from Kansas is not trying to discourage anybody.

Mr. President, as I conclude, let me remark that I reiterated throughout my argument in favor of the amendment offered by the distinguished junior Senator from Florida [Mr. PEPPER], that it was the course of wisdom to follow the President's leadership. I went on to point out that experience has taught us that to follow the philosophy of the opposing school of thought was a mistake. I wanted to leave the thought, before concluding, that the recovery program is logical and sound and rational, and that all that is required is for us to continue to support the leadership of the President, and the policy of the Congress as it has been developed during the past 5 or 6 years.

It is a well-rounded program, and in my judgment it will eventuate in a balance of all the factors necessary for a healthy economic condition. It will relieve the next administration of the burdens and the problems we have been called upon to solve.

In the years that will follow we shall modernize our Government in conformity with modern-day problems. Within a short space of time, when the Social Security Act will be liberalized and amended, and when it will be in full operation throughout all the States of the Union, those who administer it will take over some of the problems now assigned to the Works Progress Administration.

European nations for a score of years have had experience with social-security programs, and in times of large and abnormal unemployment they have had the comfort of such agencies to carry them through.

Mr. MEAD. I am glad to yield to the Senator from | write; that if he will just listen to their advice and counsel

Mr. President, when the wage and hour law shall have come into full operation in the Nation and in the States, and when that principle, which originated in the National Recovery Act, shall be accepted by private industry and properly administered by local administrators, there will not be the wide gap that today exists between jobs and available workers. When the power of labor asserts itself, as a result of the dignity we conferred upon labor in giving to labor by law the right to bargain collectively, and when employers in our country subscribe to the principle that there must be democracy in industry if there is to continue democracy in every other element of our national well-being, more men will be employed by private enterprise, and there will be less need for W. P. A.

Mr. President, when the Monopoly Investigating Committee concludes its splendid work, when the riddle of the giant corporate machine of this day and age is unfolded to the statesmanship of Congress, then that Frankenstein which has proved a modern paradox to the economists of this and other countries will yield to a solution that will bring the full fruits of the labor of the men who toil to their homes and to their loved ones, and we shall bask in the sunshine of the greatest economic age in all the history of our Republic.

Mr. President, we are on the right road. We have a well-rounded program. To embrace an economy which has proved so tragic and futile in the past is not becoming to the statesmanship of this Chamber. I hope that in voting on the amendment before us Senators will be guided by that experience, that they will be actuated by a desire to give us a full and complete balance in the Nation's economy, and that they will take their stand against hunger and starvation and joblessness in America, and let us work out our destiny as a democracy, setting an example for the people of the world in the comfort and in the security that we have come to enjoy during the past few years.

During the delivery of Mr. MEAD's speech,

Mr. REYNOLDS. Mr. President, will the junior Senator from New York yield?

Mr. MEAD. I shall be glad to yield for an observation.

Mr. REYNOLDS. I have listened with much interest to the very profound and intelligent discussion of relief funds. I know that the Senator who has discussed it at great length is very much interested in the subject.

This morning I received a telegram from the Honorable Charles Z. Flack, chairman of the Rutherford County (N. C.) Democratic Executive Committee. The telegram reads as follows:

FOREST CITY, N. C., *March 29, 1939.*

Hon. ROBERT R. REYNOLDS,
United States Senator, Washington, D. C.:

Understand that Works Progress Administration is making plans to reduce relief load in this county April 10 of approximately 150, with further weekly reductions. We appreciate that national expenditures should probably be curtailed, but because of our peculiar position of worthy projects started and large expenditures made by sponsors, as well as those on relief being especially needy, that necessary arrangements should be made not to retard projects and throw needy back on our county and towns.

CHARLES Z. FLACK,
Chairman, Rutherford County
Democratic Executive Committee.

When I received that telegram from Mr. Flack, who, incidentally, is a personal friend of mine, I telegraphed him that it was my present intention to vote for the committee's recommendation for an appropriation of a hundred million dollars, as I rather felt that if those in charge of administering relief appropriations would properly and economically administer the hundred million dollars it would be sufficient to take care of the needs of Rutherford County.

Now, I wish to say to the junior Senator from the State of New York, Mr. President, that I have repeatedly stated that I shall never decline to vote for appropriations to feed those in America who, unfortunately, are hungry; but, at the same time, I know that in so voting the taxpayers of the country will have to pay the bill, and we should be as careful of the expenditure of their money as we would be of our own.

With the Senator's kind permission, let me state further that on yesterday, while the Senator, I think, was temporarily out of the Chamber, I brought to the attention of the Senate an example of the manner in which the taxpayers' money is being expended. A W. P. A. worker was sent to Europe to travel there and ascertain how one, speaking only the English language, might travel there for $2 a day. The woman W. P. A. worker who was sent there came back and is now engaged in instructing W. P. A. workers how to see Europe on $2 a day, while speaking only the English language.

I have a letter referring to another little incident concerning W. P. A. expenditures which, I think, may be of interest.

The letter is published in The Tablet, of April 1, 1939, under the heading "An Example of Relief Fund Expenditures." I bring this to the attention of the Senator from New York, because I know the Senator from New York, like every other Member of this body, regardless of political affiliation or whether he is termed a liberal or a conservative, is interested in making provision for feeding the hungry and affording some assistance to the unfortunate. The letter is addressed to the editor of the newspaper in which it is printed, and reads as follows:

DEAR SIR: In the March 18 issue of The Tablet, in the "Readers' Forum," is a letter captioned "Protest Against Firing Mr. Dawson Asked." After reading this letter and personally knowing the facts are as they are presented (as I am employed by the Federal Theater project), I wonder when something or somebody is going to do something to correct the un-American administration of a project which was created to help worthy theatrical people, but instead of helping them, is forcing them to lose their self-respect in order to protect the loaf of bread which it means to many of us.

This letter should be of particular interest to the Senator from New York, who has the floor, because, as we all know, the center of the theatrical interests of America is in the once-upon-a-time melting pot of the world—the city of New York.

The writer of the letter continues:

Last week I attended a preview of a supposed-to-be musical review, Sing for Your Supper—

In other words, "bark for your food" [laughter]—

which, without a doubt, is a filthy thing, which is bad enough, but its cast are rank amateurs who seek between the downright filth to spread the leftist gospel and actually ridicule the United States Government.

Here are some facts about Sing for Your Supper—

Or "bark for your food"—

1. It has an administrative staff of 10 people, who receive salaries ranging from $1,860 per annum to $3,000 per annum. With the exception of one person on this staff, not one of them was ever connected in the remotest manner with the theatrical profession, and the one that was, was just an ordinary actor.

In other words, we set up this Federal theater project for the purpose of feeding the unfortunate actors of America who were affected by the depression, as was everyone else; but we find, according to the author of this letter, that the actors are not being provided for. He goes on to say:

2. It has a cast of over 100 people and not more than 15 of these were ever on a professional stage.

3. It has now been in rehearsal for over 19 months.

And they have never yet given a performance.

4. For more than 5 months the Adelphi Theater has been kept in darkness, to rehearse this Sing for Your Supper, at a rental of $3,000 per month.

5. The producer of this "turkey", who is also the director, one Harold Hecht, a former Y. M. H. A. camp counselor, never had any connection with the American theater, but holds some degree from an East Side "delicatessen college," is employed at $3,000 per year, and has been so employed on the project for the past 2 years on this Sing for Your Supper.

"Sing for your supper, brother," or "bark for your food"—

which, in fact, isn't an even "belch for your lunch."

[Laughter.]

6. A supposed-to-be lighting technician, one Abe Feder, a former electric appliance salesman, has spent more than $40,000 for lighting equipment for this show and his result is that you can't see anyone on the stage.

[Laughter.]

Mr. LUCAS. Mr. President, will the Senator yield there?

Mr. MEAD. I am glad to yield to the Senator from Illinois.

Mr. LUCAS. I did not catch the name of the gentleman referred to. Would the Senator from North Carolina object to repeating it?

Mr. REYNOLDS. His name is given as Abe Feder.

This is nothing new, and, it is said, this man in the past 3 years has been responsible for the purchase of over a million dollars worth of electrical lighting equipment for Federal theater shows, and all of them that I have seen are practically played in the dark. But Mr. Feder is a protégé of Halle Flanagan, who, by the way, receives $10,000 a year from a relief project, which is just about three times as much as she ever received from Vassar College. In addition she has an allowance for travel and a car and chauffeur who incidentally receives $225 per month. (What a relief.)

6. The costumes and production cost over $100,000, and after 19 months the net result is one-quarter of a million dollars of the taxpayers' money thrown away by this ghetto intellectual group, while they play at theater, and in the meantime hundreds of needy, competent theatrical people have been dropped from the project to make room for these so-called chosen people.

Who is to blame for it? Not Harold Hecht. Many say Mr. George Kondolf, director for production for the New York City Theater project, and Mr. Paul Edwards, the administrator, who must release the money for these abuses.

Mr. Edwards, it is said, admits all the abuses but quoted: "I know it is wrong, but if the people in Washington found out about the true conditions, they would close the entire project, and you know I have my job to protect."

Self-preservation is the first law of nature.

He gets $9,600 per year, with a car and chauffeur, and lives in Teaneck, N. J. In no other business but the business of making a career out of the misery and suffering of a lot of worthy theatrical people, could any of them make $40 a week, and I don't believe ever did. All of Mr. Edwards' executive staff have been recruited out of New York City limits, and conditions under his administration are worse than they ever were before.

I am not a crackpot or a letter writer, and I can prove by actual fact and project documents that the contents of this letter are undeniable facts; but what are you going to do about it? If you publish my name I will be fired the same as Dawson; but if Mr. DIES or any public officials want facts on the abuse of this project, I will supply them, if they will correct the abuse and protect my position.

Please do not publish my name or address. How about the Legion of Decency getting after this Sing for Your Supper?—T. V.

I thank the Senator from New York. I thought he would particularly like to hear that letter read, because it deals especially with theatrical people, who are so numerous in the great Empire State of New York.

Mr. MEAD. Mr. President, if I received a letter of that character, unsigned as it is, it would be immediately consigned to the wastebasket. It is in error from the beginning to the end. From my own personal observation, it is unworthy of the time given to it in this august body. But if my distinguished friend, whom I admire and respect, derived any pleasure or comfort from it, if it makes any point for any bill he has in mind, I am very glad that I gave him the time to read it; but otherwise I would not waste my time either in reading it or in listening to it.

Mr. REYNOLDS. I thank the Senator again. I want to say to the Senator that I could not bring myself to the point of believing that the officials of the United States Government who were selected to administer W. P. A. funds could be guilty of such gross neglect. As a result thereof, when that clipping was sent to me, I telegraphed to the editor of the newspaper, asking that I be furnished the name of the author of the letter. If I am successful in getting it, I shall be very happy indeed to bring it to the attention of the Senator, because I know that he, like myself and everybody else, wants to correct these abuses; for we desire to have the money of the taxpayers of the United States, when withdrawn from their pockets, converted into food for the stomachs of the hungry people of America.

Mr. MEAD. If my distinguished friend is going to be bothered by all the unsigned letters that come to his office or that he reads in the newspapers, and if it is his desire to correct all these errors and these mistakes, he is going to be the busiest man in the world. I will say to him, for his own comfort, that there are so many constructive things to do, there are so many big men and women who are always willing and ready to sign their names to communications they write; that if he will just listen to their advice and counsel, and if, when he speaks, he will speak with their authority as well as his own, he will be doing a constructive work that will command the respect and the admiration, which I know he seeks, of all his colleagues, who hold him in such high and affectionate regard.

Mr. ELLENDER. Mr. President, I ask the Senator from New York to yield to me for a few minutes.

Mr. MEAD. I yield to the distinguished Senator from Louisiana.

SPECIAL GUARD DUTY AT LINCOLN MEMORIAL

Mr. ELLENDER. Mr. President, with the kind permission of the Senator from New York, I wish to advert for just a few moments to a subject which may not be pertinent to the issues now under discussion.

Since I became engaged in carrying on an investigation with reference to the administration of civil service I have been besieged with many telephone calls, letters, and telegrams from all over the country.

Yesterday and this morning I was deluged with numerous telephone calls pertaining to an order that was issued by Charles A. Peters, general manager of buildings here in Washington, dated April 4, 1939. It will be noted from this order that the general manager of buildings in Washington has demanded that all special guards, not only of the buildings of the Interior Department but of all the principal Government buildings in Washington, shall stand guard on Easter Sunday when Marian Anderson sings at the Lincoln Memorial. I think it is very unfortunate that some Negro theater or hall was not provided for this singer; but I believe it sets a bad precedent for Mr. Ickes to permit the use of the Lincoln Memorial for this occasion, and especially was there a lack of good judgment in the issuance of the order that I am now about to read.

UNITED STATES DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
BRANCH OF BUILDINGS MANAGEMENT,
Washington, April 4, 1939.

Memorandum for Superintendent—
Agriculture group.
Archives-Justice-Procurement group.
Arlington group.
Civil Service-G. A. O. group.
Commerce-I. C. C.-Labor group.
Interior group.
Revenue-Post Office group.
State group.
War-Navy group.

Subject: Special orders for Sunday, April 9, 1939.

No officers of the guard or guards will be signed off on Sunday, April 9, 1939. No annual leave except in emergency cases will be granted for April 9, 1939. This shall not apply to employees on extended leave heretofore granted.

FIRST RELIEF GUARDS

All first relief guards and officers of the guard will report in uniform to the inspector of the guard at the Lincoln Memorial for temporary duty at 3:30 p. m. on Sunday, April 9, 1939.

SECOND RELIEF GUARDS

All guards and officers of the guard who would ordinarily be signed off will report to the inspector of the guard at the Lincoln Memorial for temporary duty at 1 p. m. on Sunday, April 9, 1939, and will remain on temporary duty until relieved. All second relief guards and officers on duty in the buildings will remain on duty until relieved by the third relief.

THIRD RELIEF GUARDS

All guards and officers of the guard of the third relief will report to the inspector of the guard at the Lincoln Memorial at 2:30 p. m. on Sunday, April 9, 1939, for temporary duty until released.

ALL GUARDS

All officers and guards ordered for temporary duty on Sunday, April 9, 1939, will be in uniform and, if practicable, will be furnished nightsticks. Officers of the guard only will be armed.

When the telephone calls to which I have just referred began to pour into my office and I personally made inquiry of the Interior Department as to what authority the general manager of buildings had to issue this order, another order which I will read, was canceled:

ELEVATOR CONDUCTORS

All male Negro elevator conductors and their supervisors who can be spared from their regular duty will report in uniform to Assistant Superintendent Walter Cunningham at the Twenty-first

Street gate, southwest corner of the Munitions Building, at the foot of Twenty-first Street, at 2 p. m. on Sunday, April 9, 1939, for temporary duty until relieved.

All female Negro elevator conductors and their supervisors who can be spared from their regular duty will report in uniform to Assistant Superintendent Albert Harrell at the Lincoln Memorial at 3 p. m. on Sunday, April 9, 1939, for temporary duty until relieved.

Superintendents will report in writing to me the number of guards and officers of the guard, and the number of elevator conductors, male and female, that will be available for this temporary duty not later than 1 p. m., Wednesday, April 5, 1939.

CHARLES A. PETERS,
General Manager of Buildings.

Mr. President, many of the persons affected by this order, they tell me, had made arrangements to leave Washington tomorrow for the Easter holidays, to be with their families and have a good time; but because of this summons they must stay and do guard duty, to act as escort—for what purpose? Is there anything official about this performance to warrant the presence of armed guards or uniformed men to carry nightsticks? If Mr. Ickes has any secret fears, has he forgotten the Metropolitan Police?

It may be that Mr. Peters had the authority and the discretionary power to issue this order, and I think he does have it in case of emergency; but in this instance I believe it is an abuse of such discretionary power, to say the least, to keep these many employees on duty Easter Sunday because the Secretary of the Interior has seen fit to permit the unwarranted use of the Lincoln Memorial for Marian Anderson's concert.

I believe it pertinent that this matter should be brought to the attention of the Senate. During the civil-service hearings our special committee have been holding for the past 2 weeks many employees in the lower grades testified they had been forced before their superiors and disciplined for much less offenses than I contend are incorporated in this order; and I think this abuse of official power seems timely for the Senate's consideration.

I want to thank the Senator from New York for his kind indulgence.

After the conclusion of Mr. MEAD's speech,

ADDITIONAL APPROPRIATION FOR WORK RELIEF AND RELIEF

The Senate resumed the consideration of the joint resolution (H. J. Res. 246) making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939.

Mr. NORRIS. Mr. President, at the outset I wish to say in perfect candor that I am not finding fault with members of the committee or with the committee's report. I am not finding fault with any Senator who votes against the pending amendment offered by the Senator from Florida [Mr. PEPPER]. I concede to other Senators the same honest convictions of heart and of soul that I claim for myself.

I realize that on the face of the question before the Senate there is not very much difference between the amendment of the Senator from Florida and the committee measure. As I see it, there is something more involved in the question than $50,000,000, the difference between the two proposals. I think the question before us is a larger question. If I had the opportunity, instead of voting for a $50,000,000 increase, I would gladly vote a $100,000,000 increase. Yet I share with the Senators on both sides of this Chamber the idea that we ought to stop the spending campaign as soon as we can.

It is very desirable to balance the Budget, and I realize, too, that we cannot go on forever without balancing the Budget; but, as I see it, there is something involved more important than balancing the Budget. It is a question of mercy; it is a question of humanity. Our brethren are starving; ragged women and hungry children are suffering for the necessaries of life. They have not been convicted of a crime; they are just as honest, just as patriotic, as we are. They are suffering through no fault of their own; but everyone knows that they are suffering.

Mr. President, it is immaterial to me what is in any party's platform about what the party is going to do if and when it is entrusted with power. We are confronted with a proposition more serious; we are confronted with a question involving humanity; we are confronted with the issue whether little children whose fathers and mothers are on relief, or who have jobs under the W. P. A., are to get sufficient food to nourish their frail bodies. Are they going to grow up to be healthy men and women, fit to take the places which we must soon vacate, or are they to grow to womanhood and manhood emaciated, their little bodies diseased, weak, unable to meet the battle of life which will soon confront them?

I may be entirely wrong, but I can only act on what is presented to me, and what influences my heart and my conscience when I am called upon to take official action. It seems to me that there are too many in the Senate and out of the Senate, in the counties, the States, and the municipalities, yea, in the world, whose viewpoints on life have been changed, too many who think we cannot afford, on account of dollars, to save our people from starvation and our country from ruin.

I think the question is important as a national one. There are too many of our people who have chips on their shoulders, who are ready for a discussion, a quarrel, a fight, if you please, to preserve some unreasonable idea in their minds, an idea which may seem unreasonable to me, though perhaps I may be unreasonable in my opinion. If what I am saying can be construed as a criticism of my fellow Senators and my fellow men, I will be willing to admit that I may be wrong. I want the same rule applied to me. But when I get through with it all, and am called upon to take official action, I must follow the dictates of my conscience.

Mr. President, this is no partisan question. The question as to what party is in power or what party wants to get into power may control the votes of some in the Senate. I cannot complain. They have a right to take that position if they desire to do so; but, as I see the problem, that has nothing whatever to do with the question.

We have before us a question of humanity. We ought to go down deep in our hearts and in our souls in passing on this question, and cast out, if we can, any jealousies, any prejudices, any political or partisan bias or feeling, any feeling because of some injury, either imaginary or real, on account of what someone else has done to us. This is beyond personalities. It goes further and deeper. It is a matter of the human heart, it strikes me, and human mercy ought to move us now. We cannot see our brethren suffer and die, regardless of how they came into their present condition.

So far as the question before us is concerned, I do not care whether we can blame the present condition on this party or that party, this faction or that faction; we have presented to us the picture of millions of our fellow citizens, loyal and true to our flag and our Government, suffering for the necessaries of life. It seems to me we cannot refuse, if we have the milk of human kindness in our hearts, to go to the succor of our fallen brethren, to go out and help the innocent women and children, regardless of who brought about the conditions under which they are suffering.

I am interested in the other questions; I have definite ideas in regard to them, but on this vote I do not believe they ought to move us. We are faced with a condition and we must meet it. It is a matter which appeals to the human heart; it is a matter which appeals to our ideals of justice and mercy; to save the stricken and the fallen, to save those who are suffering for the necessaries of life.

Mr. President, I once had a lawyer friend whom I had come to despise. I thought he was unprofessional; I thought he was dishonest; I thought he had no heart, and I was honest in my conviction.

One day, after an absence of several days from my home, I returned on the train. When I alighted at the front and walked along the platform to the rear of the train, I met my lawyer friend just coming out of the Pullman car, and I asked him if he had been away from town. He said, "No; I have just taken my wife and baby into the car. They are going back to my wife's folks in Ohio." As we stood there, the train slowly moving along, there came the open window, with the little child, his only boy, his only child, in fact, held in its mother's arms. She held him up to the window, and as they passed us he waved his baby fingers and said, "Good-

bye, papa." As the train sped away out of sight my friend turned to me and, with the bitter tears rolling down his cheeks, he said, "There goes my baby boy. There goes my only child. I may never see him again, but if I do not I will always remember him as I saw him looking through the car window, held in his mother's arms, while he waved his little hand and said, "Good-bye, papa."

I knew then, Mr. President, that I was wrong about my friend. I knew that I had misjudged him. I knew that, after all, he had a heart; and that little baby boy in his mother's arms speeding toward Ohio carried the key to his heart. When the train disappeared and I saw how his feelings had overcome my friend, I then realized that down deep in his soul there was a chord of human love which, touched by baby fingers, brought forth a music that was sweeter far than any that ever emanated from heavenly harp when fanned by angel wings.

Some writer has said:

There is so much good in the worst of us, and so much bad in the best of us, that it ill behooves any of us to find fault with the rest of us.

Mr. President, I have seen the Senate pass bills appropriating millions of dollars to send food and money and relief to human sufferers in distant parts of the world. I have seen Congress equip a ship and send supplies across the waters to relieve human suffering. I mention that not in criticism but in praise. I have seen go through the Congress appropriation bills the purpose of which was to relieve human suffering resulting from tornadoes, from floods, from earthquakes. I have seen Congress appropriate large sums of money to provide help to be carried to innocent sufferers in our own country, as we have sent relief to sufferers in many foreign lands.

We now have before us the question of providing relief for our own people. I believe in doing common justice to our own people, our own brethren. I cannot for the life of me understand how anyone who considers what is involved in the question before us can vote against the amendment offered by the Senator from Florida.

Mr. HATCH. Mr. President——

The PRESIDING OFFICER (Mr. RADCLIFFE in the chair). Does the Senator from Nebraska yield to the Senator from New Mexico?

Mr. NORRIS. I yield.

Mr. HATCH. I think everyone agrees with the sentiment just expressed by the Senator from Nebraska. No one would want to vote against a measure if his vote would deprive anyone who was hungry of food or necessary relief. I surely do not want to do so. I think my record in the Senate has demonstrated that I have voted for practically every bill of this nature. Today I shall vote against the amendment offered by the Senator from Florida for various reasons not important to the question I desire to ask the Senator from Nebraska.

The bill which we are now considering appropriates money for work relief, not for the relief of distressed and hungry men and women and little children. It appropriates it for those who are able to work.

Mr. NORRIS. Mr. President, I hope the Senator from New Mexico will not try to make a speech. If he will ask a question, I shall try to answer it.

Mr. HATCH. I do not want to make a speech, I certainly do not want to take up the Senator's time, but I wish to say that in my State practically as many persons are certified as eligible for relief as the number of those who are receiving it. The number is about equal. In addition to that, there are great numbers of the unemployed whom this bill does not purport to reach. I should like to have the Senator discuss the general proposition of entire and effective relief.

Mr. NORRIS. Mr. President, I think this is a relief proposal. It provides for work relief, the best kind of relief, the most scientific kind of relief, although it may cost more money than direct relief. I have always believed in taking care of the unemployed, if possible, of giving jobs to men who are able to work, to have them work on something permanent, something which will be beneficial to our people in the years that are to come.

We just heard the Senator from New York [Mr. MEAD] ably tell what the W. P. A. has done, and we have heard the same story heretofore. It is a wonderful record. Relief came in wages to the men who carried on. The W. P. A. is not the only instrumentality of relief. We have many others. The best method of extending relief is by the payment of wages—employing men at useful occupations. That is what is to be done with the money proposed to be added by the amendment of the Senator from Florida. In my opinion, no relief has ever been suggested which equals work relief.

I do not want the Senator from New Mexico to think that what I have said is in any way intended as a criticism of his vote. I tried to make plain in the beginning that I find no fault with a Senator who takes the other side of the question from that taken by me. I concede his right to do so; I do not criticize him for doing so; but I am trying to vindicate the vote I shall cast. I am responsible only for my own vote. I feel a great responsibility with respect to this question. If I were to vote contrary to my convictions, I should burden my conscience with an evil thought which would stay with me as long as I lived.

While I feel deeply on the question, I know that someone else may feel just as deeply the other way, and vote the other way. That is his privilege. It is also his burden. I should like to help him carry it if I could, but I cannot. All that I can do is to carry my burden. I am not finding fault with my brethren here because they do not agree with me. I realize that probably a majority of the Senators do not agree with me. Nevertheless, that does not lessen my burden.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. LUNDEEN. The Senator has eloquently and very ably stated that work relief, job relief, is the best kind of relief. The American people are entitled to that form of relief. We believe in adequate preparedness and defense, and we are voting sums adequate for that purpose. We are voting for upward of $2,000,000,000 for that purpose. We provide plenty of money for battleships. But if I have to choose between battleships and bread, jobs, work, and wages, I am going to stand by the American people to the best of my ability. In the great struggle between battleships and bread, I cast my vote for bread—for jobs and bread. Let us remember that Admiral Sims, commander in chief of our naval forces in the World War, repeatedly stated that the safest place for battleships in the next war is as far up the Mississippi River as possible.

Mr. NORRIS. Mr. President, for reasons heretofore stated, I have not discussed the question of what we have spent for preparedness, especially in view of what is now in the air. I voted for the measures dealing with preparedness. I supported them. I did so because of the conditions which now exist, whereas a few years ago I would not have supported them and voted for them. It seemed to me that it was necessary now to make the provisions we have made.

However, I do not want to burden the present question with a discussion of the other question, interesting though it may be. I agree with the Senator from Minnesota. As between bread for my own people and battleships to destroy other people, I would vote for bread. I would vote to sustain those in my own country in preference to those in another country.

But in a broader sense I would not forget humanity, no matter where it is. I regret as much as any man living can regret that this old world seems to be topsy-turvy, and that good people are suffering all over the world because of the rule of dictators.

When I took the floor, Mr. President, I intended to confine my remarks entirely to what I think is the only question involved. It is right before us. Our people are suffering. Must we let them suffer and die? Shall we stop to say to the man, or woman, or the little child suffering from lack of food, shivering with cold because of lack of clothing, "If this party or that party had been in power, you would not have been here? If it were not for the reactionaries, or the progressives, or somebody else, you would have been better off. I am going out to defeat those fellows who hurt you and put

you there. As soon as I have them defeated, I am coming back to help you."

I do not think that is the question before us. I do not care how the unfortunate persons reached their condition, so far as the present question is concerned. Regardless of who put them there, they are suffering for something, and we have the something in the way of an appropriation which will give them a job, so that they may help to create something which children unborn, when they grow to manhood and womanhood, will enjoy. The W. P. A. workers will build roads; they will build schoolhouses; they will improve sanitation; they will help educational facilities; so that even centuries after they are gone those who are to follow will benefit from their toil, from the work for which we pay them out of the appropriation which we ought to make.

Mr. BARKLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Davis	King	Pittman
Andrews	Donahey	La Follette	Radcliffe
Ashurst	Downey	Lee	Reed
Austin	Ellender	Lodge	Reynolds
Bankhead	Frazier	Logan	Russell
Barbour	George	Lucas	Schwellenbach
Barkley	Gerry	Lundeen	Sheppard
Bilbo	Glass	McCarran	Shipstead
Bone	Green	McKellar	Smith
Borah	Guffey	McNary	Stewart
Bridges	Gurney	Maloney	Taft
Brown	Harrison	Mead	Thomas, Okla.
Bulow	Hatch	Minton	Thomas, Utah
Burke	Hayden	Murray	Townsend
Byrd	Herring	Neely	Truman
Byrnes	Hill	Norris	Vandenberg
Capper	Holman	Nye	Wheeler
Clark, Mo.	Holt	O'Mahoney	White
Connally	Johnson, Calif.	Overton	Wiley
Danaher	Johnson, Colo.	Pepper	

The PRESIDING OFFICER. Seventy-nine Senators have answered to their names. A quorum is present.

Mr. DOWNEY obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. BARKLEY. Mr. President, it has been desirable and I have been anxious that we might dispose of the joint resolution today, not only because of the need for prompt action upon it, but in order that we may avoid a session tomorrow, many Senators having previously arranged to be out of the city.

Looking toward a possible disposition of the joint resolution today, I ask unanimous consent that at an hour not later than 5 o'clock today the Senate proceed to vote on the amendment now pending, and all amendments thereto.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. PEPPER. I object.

Mr. NEELY. I object.

Mr. BARKLEY. Mr. President, in view of the fact that a number of Senators are out of the city, and others have arranged to be away, I shall submit another unanimous-consent request. I had contemplated a session tomorrow unless we could dispose of the joint resolution today. In order to obviate that necessity, I now ask unanimous consent that at an hour not later than 3 o'clock on Monday the Senate proceed to vote on the amendment now pending, and all amendments thereto, basing that request on the understanding that if it is agreed to, we will not have a session tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. ADAMS. Mr. President, just one comment. I believe the joint resolution was passed in the House a week ago today. The subcommittee on deficiencies of the Senate Appropriations Committee, impressed with the necessities, and yielding to the call of emergency, set about hearings the next morning, on Saturday. We have pushed and crowded in order to bring the bill before the Senate.

Today we have heard at great length appeals on behalf of persons who are being dropped from the relief rolls because of the lack of funds, and yet those who are appealing upon that ground are the ones who have taken time during which, if the bill had been passed as the committee recommended, the money would have been on its way, the orders for the discharge from the W. P. A. would have been canceled, and those in whose interest there is so much concern would have been back at work. Now, as I understand, those whose hearts are bleeding for those in distress are the ones who are unwilling to have a vote today; they have objected to that; and now, in substance, they say to us that the debate will continue through today, through tomorrow, and, if necessary, until—as a Senator has said—until next week, unless we acquiesce in their view.

Mr. President, I simply want the responsibility placed where it belongs, upon those who, under the guise of being interested in the unfortunate and those who may be dropped from W. P. A., are preventing the passage of the bill which would appropriate money and which would put on the relief rolls 450,000 every month from now until the 30th day of June next.

Mr. SCHWELLENBACH and Mr. PEPPER addressed the Chair.

The PRESIDING OFFICER. The Senator from California has the floor. Does he yield; and if so, to whom?

Mr. BARKLEY. The Senator from California yielded to me to make the request I have made, and I presume it is the pending question.

The PRESIDING OFFICER. The Senator from California has the floor. Does he yield; and if so, to whom?

Mr. DOWNEY. I yield first to the Senator from Washington.

Mr. SCHWELLENBACH. Mr. President, in view of the remarks of the Senator from Colorado [Mr. ADAMS], I should like to suggest to him that if those who are now so solicitous about obtaining speedy action upon this $100,000,000 appropriation, because of the fact that they do not want anyone removed from the relief rolls, had shown the same solicitude toward the people on the relief rolls when the original relief appropriation bill came into this body, and had been willing at that time to grant an appropriation of $875,000,000, there would not be any necessity for any sort of action at this time. So the responsibility for any delay that may occur at this particular time cannot be placed upon those of us who happen to believe that $150,000,000 is the amount which should now be appropriated.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. The Senator from Kentucky propounded a unanimous-consent agreement that a vote be taken at 3 o'clock on Monday. Was there objection to that request?

Mr. McNARY. Mr. President, that is a question I can answer. The request was made, but it was not agreed to.

Mr. HATCH. I heard no objection.

Mr. PEPPER. Mr. President, the request has not been disposed of.

Mr. McNARY. I think I can dispose of it. I think we ought to vote today; failing to vote this afternoon, I think we should vote tonight; and, failing to vote tonight, I think we should have a session tomorrow. Entertaining that view, I shall object.

Mr. DOWNEY. Mr. President——

Mr. PEPPER. Mr. President, will the Senator from California yield to me for a brief statement?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Florida?

Mr. DOWNEY. I yield.

Mr. PEPPER. Mr. President, I wish to say, first, in response to the statement made by the Senator from Colorado [Mr. ADAMS], that the records of the Senate will disclose that this bill came over from the other House several days ago, and that some 3 or 4 days, at least, elapsed in consideration of the bill by the Senate Appropriations Committee.

In addition to that, at least one Member of the Senate stood here 2 or 3 days before the 3d of April—that Senator happened to be the junior Senator from Florida—and read

a telegram from the administrator of his State who said that on the 3d of April 7,000 people in his State would be dropped from the relief rolls if the pending appropriation bill was not passed.

Mr. President, I had a personal telephone conversation with Colonel Harrington about 5 minutes to 12 o'clock today. Colonel Harrington said that tomorrow the last of the 200,000 people who, according to the announcement we had made here under our understanding, were to be dropped from the relief rolls during the first part of April, would be dismissed from the rolls. So the Senator from Colorado waits until just 1 day more elapses between this discussion and the time when the last of the 200,000 will be dropped from the rolls—definitely will be dropped; not may be dropped from the rolls—and then, all of a sudden, he develops a great solicitude, as the Senator from Washington [Mr. SCHWELLENBACH] has pointed out, for those who are about to be discharged from the relief rolls, when he knew or should have known more than a week ago that that result was about to occur.

Mr. President, in conclusion, I wish to say, in reference to the request made by the leader, the Senator from Kentucky [Mr. BARKLEY], that I know there are several Senators who desire to discuss this question, who believe it their duty to discuss it; they have no desire to occupy any protracted length of time, but I am sure that I express the sentiment of the Senators who are in favor of the pending amendment when I say that the Senator from Kentucky made a very reasonable request that a vote should be had by agreement not later than 3 o'clock Monday afternoon, and that the session not be continued tomorrow, because there are Senators on both sides who want to go home, who have made personal engagements of one kind and another, and who will be seriously inconvenienced if we have an unanticipated Saturday session.

If the Senator from Oregon will be kind enough to withdraw his objection, I doubt if any Senator who is in favor of the amendment would make any objection to the very reasonable request made by the Senator from Kentucky that a vote be had not later than 3 o'clock on Monday afternoon, with the understanding that we conclude at a reasonable hour this afternoon and resume the session at the regular hour on Monday morning. I earnestly hope that the Senator from Oregon will withdraw his objection.

Mr. McNARY. Mr. President, if the Senator from Florida will be kind enough to withdraw his objection for a vote at 5 o'clock this afternoon, I will withdraw my objection to the request for a vote on Monday.

Mr. PEPPER. The Senator from Florida does not have any authority to accept the invitation of the Senator from Oregon, for there are Senators on this floor who desire to express their sentiments on this question. I do not know of any emergency that is so great that Senators should not have a fair opportunity to discuss this proposed legislation, which they think important to the country and to the country's welfare. I hope the Senator from Oregon will not insist upon the position he has just taken, and I wish to reiterate that, in my opinion, the proposal made by the Senator from Kentucky will give fair opportunity for discussion and not interfere unduly with the disposition of the question involved.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Kentucky?

Mr. DOWNEY. I yield.

Mr. BARKLEY. Mr. President, I am not interested in jockeying for position and I am not interested in trying to lay responsibility on one man, or one group, or another for a delay in voting on the pending measure. In my honest judgment, no votes are going to be changed on the amendment offered by the Senator from Florida by debate. The result of the vote on that amendment, I think, would be the same if had now as it would be on Monday, or tomorrow, or any other day.

I have no desire to limit any Senator who wishes to discuss the pending question on one side or the other. Before the vote is had I myself hope to make a very brief statement as to my own attitude and the reasons therefor; but I should be willing to forego that if we could get a vote today.

My request was based upon a practical situation. We all realize that, if those who are advocating the pending amendment desire to do so, they can prevent a vote today; they can prevent a vote tomorrow; so that the matter would go over, anyway, until Monday. In view of that situation and in view of the objection made by the proponents of the amendment to a vote today, I thought that it would be reasonable to ask that the Senate vote not later than 3 o'clock on Monday, assuming that, if we met tomorrow, which we will do unless an agreement is obtained to vote on Monday, and unless my motion, when it is made, to adjourn or recess until tomorrow is voted down, we will accomplish just as much by an agreement to vote not later than 3 o'clock, or some other convenient hour on Monday. I wish to say that, unless we obtain some sort of an agreement, I shall move at the proper time when today's proceedings shall have been concluded to recess until tomorrow, and we will proceed with this bill without any limitation or any agreement.

Mr. NEELY. Mr. President, will the Senator from California yield to me for two inquiries?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from West Virginia?

Mr. DOWNEY. I do.

Mr. NEELY. First, my inquiry of the able leader of the majority, the Senator from Kentucky [Mr. BARKLEY], is Would he be willing to modify his request so as to provide that the Senator from California may deliver his address on this subject this afternoon, and then further to the effect that the time on Monday from 12 o'clock until 3 shall be controlled on the basis of some proper division between those who favor and those who oppose the amendment? Otherwise, one Senator may obtain the floor on Monday at 12 o'clock and hold it until the roll call at 3 o'clock.

Mr. BARKLEY. I realize the danger to which the Senator from West Virginia calls attention, and I was the victim of a similar situation when the former measure on this subject was before the Senate.

If the agreement I have suggested is entered into, it will in no way interfere with continuing the session today until the usual hour of adjournment, around 5 o'clock. If the agreement is entered into, it is not my purpose that we shall stop work today at this time and wait until Monday to resume the discussion because, if there are a number of Senators who wish to speak on the amendment, they will have at least 2 more hours today in which to do it. I do not feel that it ought to be suggested that if we enter into the agreement today, we shall then adjourn until Monday. We shall have at least enough time for the Senator from California, and probably other Senators, to speak before we recess today.

Mr. NEELY. Mr. President, I included in my inquiry the suggestion that the Senate remain in session until the Senator from California shall have concluded his address because I understood the able Senator from Oregon [Mr. McNARY] to indicate that unless the Senator from Florida [Mr. PEPPER] withdrew his suggestion that we remain in session until 5 o'clock the Senator from Oregon would not withdraw his objection.

Mr. BARKLEY. Of course, if the Senator from Florida should withdraw his objection to voting at 5 o'clock, and no other Senator should renew the objection, it would not make any difference whether or not the Senator from Oregon withdrew his objection, because the matter would be disposed of by a vote at 5 o'clock; so that is a moot question.

The PRESIDING OFFICER. Does the Senator from Kentucky renew his request?

Mr. BARKLEY. I suggest that we proceed for a while and see if we cannot work out the matter later.

Mr. PEPPER. Mr. President, I should like to propound an inquiry.

Mr. DOWNEY. Mr. President, I desire to suggest that if Senators will decide this question after I shall have spoken they will have just as much opportunity then as they would have now. Otherwise I prefer to yield the floor.

The PRESIDING OFFICER. The Senator from California is entitled to the floor.

Mr. DOWNEY. Mr. President, I take it that no one could have listened to the very noble and moving words of the senior Senator from Nebraska [Mr. NORRIS] without having rise in his heart a profound sense of melancholy as he reflects upon this wealthy empire and the multitudes of unhappy, suffering, insecure people within it. I do not desire to engage in any discussion over figures, and I am expressing merely my own estimate; but it is my fixed opinion that in the State of California alone we have at least 300,000 families whose heads are desperately seeking for work and succor, and who vitally need the $50 per month which $50,000,000 would provide for that number of families.

I may be mistaken in that belief, but in the past 10 years I have seen such distress and insecurity among hundreds of thousands of California families that I feel free to express this opinion.

I do not desire, however, to speak today upon the humanitarian aspects of this measure. I can well endorse the sentiments of the Senator from Nebraska. I desire rather to address myself to the economic issues involved in this matter; and I say to you, Mr. President, that not only is there involved in this question the well-being and security of hundreds of thousands of desperate, unhappy families but there is involved in this question of a balanced or unbalanced Budget the very preservation of this Nation.

More than 10 or 15 years ago I made statements of so pessimistic and alarming a nature that my clients, my friends, and my very relatives went around the block to avoid meeting me. I therefore avoid, whenever I can, making pessimistic and gloomy prophecies. I prefer to read from some economic publication or authority, and, through them, speak my message to this body and to the American people.

Some 2 or 3 months ago Fortune Magazine, the publication of the industrial aristocrats of this Nation, had a round-table discussion on political and economic issues. At that discussion there were present noted business leaders of America, noted economists, and noted labor leaders. They disagreed widely upon many of the issues, but they all agreed upon the statement which I now desire to read to this body:

> We do not believe it is alarmist to say that unless America can make greater headway in solving its economic and political problems and unless we can develop a new spirit of unity this country before many years may be confronted by the danger of internal dissolution. This danger certainly is more real than that of foreign invasion.

Since a great economic publication made that statement, I desire to declare to this body and to the American people that we, as officials of this body, confront in the economic depression which still vexes us a more desperate and tremendous crisis than if great foreign armies were massing in Mexico and Canada, for I propose to attempt to show by the statements of economists whose declarations cannot be denied that we are but 1 year or, at the utmost, 2 or 3 years away from another great depression; and just as the facts and figures in 1928 should have shown to every man the coming of the panic of 1929, and just as in 1937 the indexes pointed to another depression, so it is claimed today that unless fundamental remedies are applied to our sick economy the American people will again be devastated by panic and by depression.

Within the past year the orthodox economists of this Nation have entirely changed from their optimistic prophecies to gloomy forebodings. There is at Harvard University one of our leading economists, Professor Hansen, noted not only for his ability but for his conservatism. In last December, speaking as president of the American Economic Association, he declared in dismal words that we are face to face with a disintegrating civilization because of the superfluity of savings in our financial structure. He but echoed the words that we pensionites have been declaring now for 10 or 15 years—that as we have moved out of the era when savings were needed, pensions will be required more and more not to build more farms and cities and factories but to consume the boundless and endless products that will flow from the present farms and factories whenever our unemployed are given the right to work in them.

Let me read to you the declaration by Professor Hansen which I state to you expresses the opinion of 80 percent of the economists in Washington today. I say to you without fear of contradiction that if the economists in Washington today would speak to you frankly and fearlessly, they would tell you that another great depression impends, and that that depression will be upon us whether we have a Republican or whether we have a Democratic President.

I have no desire to appeal to party platitudes or to party partisanship. I desire to state my position as a simple matter of arithmetic, and address myself equally to the gentlemen upon the right as well as to the two groups upon the left.

Let me now read, for the RECORD, what Professor Hansen says:

> The swift stream of events in the last quarter century offers overwhelming testimony in support of the thesis that the economic order of the western world is undergoing in this generation a structural change no less basic and profound in character than that transformation of economic life and institutions which we are wont to designate loosely by the phrase "the industrial revolution." We are passing, so to speak, over a divide which separates the great era of growth and expansion of the nineteenth century from an era which no man, unwilling to embark on pure conjecture, can as yet characterize with clarity or precision. We are moving swiftly out of the order in which those of our generation were brought up, into no one knows what.

Mr. President, that declaration comes from one of the citadels of orthodoxy, from the hand of a great, conservative economist. It speaks plain words to us here in the Senate, telling us that if we would not be derelict in our duty to the suffering multitudes of this Nation, we had best state at last with clearness and frankness the economic problem before us, and then take the measures necessary to solve that problem.

Mr. President, the amount of the appropriation here in dispute is comparatively insignificant. Fifty million dollars would add to our already noble debt of forty billions a mere one-eighth of 1 percent. Our annual Budget now approximates about $10,000,000,000 a year, and this would not materially add to that sum. But, insignificant as $50,000,000 comparatively is, its bare consideration involves the question of a balanced or unbalanced Budget.

I wish to say to those who oppose my ideals that I impugn neither the integrity, the ability, nor yet the humanity, of anyone who takes a different position on the proposed amendment. We are confronted with two great evils. One of them is a further expansion of an already swollen debt. The other is the cutting of purchasing power by balancing the Budget, which, in my opinion, would within 90 days precipitate us into another depression. We are therefore confronted with an alternative choice between two evils. I think too often public officials in opposition with each other come to believe there is a choice between the good and the evil. That is not true as a general rule. Statecraft must concern itself generally with the choice between the lesser and the greater of two evils. All of us abhor war, but all of us want our own liberty, and while war is a great evil, we may embrace that evil to escape the yet greater evil of the loss of our liberty. So I say, Mr. President, that in the matter before us, I shall be among the first to recognize the intelligence and the rationality of those gentlemen who point out that an already inflated deficit, if allowed to accumulate for a few years longer, will undoubtedly imperil every bank and insurance company in the United States; yea, the very stability of our economy.

At the heart of public credit is public confidence, and let public confidence, once stricken, die, and public credit dies with it. In whatever I say I desire that all who hear me should realize that I know full well that every million dollars added to our debt will further imperil us in the course along which we must go.

Nevertheless, Mr. President, I am convinced that in the tremendous mathematical crisis which I shall attempt in a moment to depict we would be taking the wrong course if we

failed to appropriate every dollar possible, within reasonable limits, however much it might increase the Federal debt. I am convinced that, if we were today to balance the Budget, within 90 days the depression and panic of 1929 and 1937 would repeat themselves.

I desire to place before this body, as a social scientist and a mathematician, a formula which I have developed and thought about for over 15 years. That formula indicated with clarity and precision that the panic and depression of 1929 must come, it indicated with clarity and certainty that the depression of 1937 must come, and it indicates beyond the peradventure of a doubt that within the next year, possibly, and certainly not more than 2 or 3 years from now, we will again be precipitated into a disastrous depression.

Mr. President, it is surprising to me that many men of ability, many men who are profoundly intelligent in their own work, have never understood or conceived the basic operation of the capitalistic system; and that I may not be misunderstood, let me say that I am for the capitalistic system. I think any attempt to introduce communism or state socialism, under a bureaucracy operating here at Washington, would cause our internal break-down and the dissolution of the American Commonwealth. When I say that I am going to discuss the basic operation of the capitalistic system that does not mean that I shall make any attack upon it, but rather attempt to find the means of keeping a free economy operating here in the United States, which may possibly be the last refuge of free people.

Mr. President, the basic operation of the capitalistic system is simple. Under that system, businessmen produce the goods and services of the Nation. But, remember, that in the production of the goods and services of our people, businessmen do something else; they generate the national income. Production of national income and production of goods are simultaneous processes. The wages, interest, rents, profits, bonuses, salaries, and pensions which we enjoy are paid out by business in the production and distribution of our wealth. Consequently, it amounts to this: That the national income is nothing more than tickets upon the wealth which we produce; and to the extent that those tickets are not used, wealth in the form of inventories must accumulate, or that wealth must be sold beneath the cost of production.

Mr. President, there is not an economist in the world who will deny the statement I have made. I say it is the most fundamental fact of our existence. We cannot judge any of these great problems which engage our attention without a clear and unmistakable understanding of the basic operation of our capitalistic economy.

This matter is so important that I desire to read to this body definitions given by orthodox economists. I could multiply these definitions endlessly, but I will read merely two definitions, taken from America's Capacity to Consume, one of the publications of the Brookings Institution. I am stressing and emphasizing this point because it lies at the very heart of the argument which I desire to present. I read from page 10 of this publication:

> It should also be understood that the wages, salaries, rents, interest, and profits received by the population as a result of productive activities in the course of a year are virtually identical with the aggregate value of the goods and services which constitute the national income. That is to say, the sums distributed to the various claimants constitute the cost of producing the national product. This money income, as distributed, becomes the purchasing power by means of which the people acquire the commodities which are being turned out. In short, in a pecuniary society the productive process gives rise to a flow of monetary income from production to the hands of individuals, by whom it is directed either to consumption or investment channels.

I now read from page 137:

> From the national standpoint, production and income are what may be called simultaneous equivalents. Production generates income and, measured in terms of money, the two are exactly equal; the net value of the national product is made up of the parts distributed as wages, salaries, profits, rents, interest, dividends, and such undivided profits as are retained in corporate business. The national income may therefore be defined as the money equivalent of the goods and services produced within a given period of time or, stated in another way, the goods and services equivalent of the purchasing power disbursed in the process of production.

Mr. President, in 1937 we had a national income of over $69,000,000,000. This merely means that business, in producing goods and services of the Nation, paid out over $69,000,000,000 in the form of wages, salaries, rents, interest, and profits.

Mr. President, we come now to our second and most important factor. Under a capitalistic economy we have that phenomenon we call savings. Savings are the excess of income over expenditure, either for the individual or for the Nation. Those savings are diverted out of the money which industry has produced, and which industry must recapture if it would remain solvent.

Over a period of 150 years, during the industrial revolution in the United States of America, the national savings have amounted to 10 percent, 15 percent, 20 percent, 25—yes; even 30 or 35 percent of the national income, increasing or diminishing according to the prosperity of our people.

Mr. President, for 150 years those savings were diverted out of the national income into our banks. Had they remained there the capitalistic economy could not have operated for 30 days. If they had remained in stagnation, or even 5 or 10 percent of them had, our economy must have disintegrated and fallen. But over the course of 150 years, up until 1910, we had insufficient savings to develop and build this great Nation, and the need was not to find an investment outlet for savings but to find savings for development. We utilized not only the savings of our people, but we anticipated savings by borrowing from banks, which involved the creation of new purchasing power, and by obtaining foreign loans.

Yes, Mr. President, it was the savings of our people which made possible the capital growth of this Nation. But remember something else. It was also the development of the Nation that made savings possible. Never forget that things equal to the same thing are equal to each other. Savings made possible capital growth, and capital growth made savings possible. That is axiomatic and cannot be denied.

The economists are generally agreed that by 1910 we had entered an era in which the savings passing into banks would have difficulty in finding an outlet. The reasons for that could be discussed for more than an hour, and I shall not undertake to do it. I myself am convinced that had the Great War not come on and by its fury and hate and passion destroyed hundreds of billions of savings in this Nation, the depression with which we are grappling today would have arrived 20 or 25 years sooner. But in 1914 Europe engaged itself in one of those periodic wars that have devastated that unhappy continent now for a thousand years, and shells and shot, torpedoes and bombs destroyed vast accumulations of savings, and temporarily the problem of savings itself.

Mr. President, during our participation in the Great War we increased our public debt at the rate of $1,000,000,000 a month; almost $25,000,000,000 in 25 months. That tremendous purchasing power coming from borrowed money was sufficient to release idle funds and to speed up our industrial and commercial processes. While at the beginning of that war we had two or three million persons idle, the tremendous suction and power of the billion dollars of purchasing power a month destroyed all unemployment almost overnight, so we finally found no unemployment in the Nation during that war period.

I was living in Sacramento at that time. I was wont, before that period, to walk down into the slums and the lower parts of town, and I saw thousands of the wrecks and waifs of civilization there. When the Great War came they vanished overnight. Submarginal workers as they were, they were drawn into industry and into production and became decent, law-abiding people. Multitudes that had filled the police courts of this Nation entered productive employment.

Mr. President, from 1914 to 1920 we had no residential or business building to speak of, no capital formation except for war purposes. We emerged from that war a creditor rather than a debtor nation. Despite the horror and the destruction of war we emerged with an active, energetic people and a great and growing national income. As Senators will recall, we went into the depression of 1920, when

the inventories in the hands of businessmen accumulated at a great rate, but we soon came out of that. Starting in 1921 with a national income of fifty or sixty billion dollars, according to the Brookings Institution we built that income up to $86,000,000,000 by 1929. And according to the Brookings Institution the savings of this Nation increased from six or seven billion dollars in 1920 to over $19,000,000,000 in 1929. Yet, Mr. President, from 1925 on it was plainly apparent that the depression of 1929 had to come. Why was that? As our national income grew, so grew with it the savings of the Nation. Whenever the month or year would come that those savings would stagnate, inventories correspondingly must stagnate and business become insolvent. Remember this: In the period from 1928 to 1929 we had a combination of capital formation items that may never be duplicated again in the history of this world. We had done no residential building for 5 or 6 years, but our population at that time was increasing more than 16,000,000 every decade—twice in size what the increase now is. Consequently residential building grew with that great amount of savings to two or three times as much as is now being spent for residential construction. We spent for residential construction three or four, yes, even five billion dollars, in one year; in 1926 alone we constructed almost 1,000,000 homes.

Likewise, we opened up the great automobile industry. We manufactured four or five million automobiles and trucks in the banner years, and we built the factories to produce them.

We enlarged the textile, the glass, and the rubber industry and all the other great industries that lie back of the automobile industry. We erected service stations on almost every corner. We constructed great refineries, and laid down pipe lines, and the States, cities, and counties entered upon a tremendous era of building highways.

Mr. President, we likewise, as will be recalled, entered upon an era of constructing office buildings, and apartment houses, and hospitals, and golf courses, and warehouses, and all the other types of business structures.

What I desire to point out to the Senate is the fact that despite all those tremendous outlets for investment capital, there were not enough outlets even in that magnificent period of expansion to take care of our savings. And what did we do? I am not criticising anyone for what was done. It was a natural social impulse. But under the force and pressure of that great volume of savings we loaned almost $500,000,000 a year, I think, to foreign nations over and above what they loaned us. And that was not enough to absorb those savings, and we developed to its fullest extent this thing we called the installment contract, and for a short period those installment contracts absorbed as much as two or three billion dollars a year. And we granted false credits to the people through the stock-market boom, which in itself acted as a source of consumptive power.

But, Mr. President, the record was written plain in the economic statistics of that time. Whenever residential building should falter, whenever business construction should begin to decline, whenever the futility of foreign loans should be proved, whenever installment contracts should mortgage the worker beyond his paying power, whenever the States, cities, and counties should reach their limit of indebtedness by way of building highways, then, Mr. President, the avenues to take away those savings would falter and fail and the depression would be upon us.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. LUNDEEN. I suggest the absence of a quorum.

Mr. DOWNEY. Mr. President, I should rather continue.

Mr. LUNDEEN. I withdraw the suggestion.

Mr. DOWNEY. I thank the Senator very much.

I do not mean to say that anyone could have foreseen exactly how these factors would strike, weaken, and break down the business structure. As will be recalled, when the bears won the victory over the bulls in Wall Street the whole empty edifice came down in ruins, and millions upon millions of our best citizens were precipitated into the unhappy period of the 1930's.

Mr. President, I am not here to criticize any former President of the United States. Even as I desire to extol the President now in the White House, so I pay the tribute to Herbert Hoover. He was a man of high ability, integrity, and devotion. It was not his fault that, caught as he was in the involved circumstances of the Presidency, he failed to see the approaching storm and failed to prepare for it. He thought that the sun would continue indefinitely to shine in the industrial age.

I should like to discuss, for the benefit of the distinguished Senator from Michigan [Mr. VANDENBERG], exactly what happened in the first 120 days of 1933. Those of us who heard yesterday his question to the Senator from New York [Mr. MEAD] remember that he asked how it happened, when the Democratic Party was attempting to balance its budget in the first 120 days, that we had the greatest period of industrial development that we have ever had. That statement, which might well be put in Ripley's column, is accurate and correct; but what we should remember is that the period referred to was nothing more than an inventory boom. The devaluation of gold, the approach of the N. R. A., the tremendous depletion of inventories up to that time, and the fear of inflation caused men to work night and day building up shrunken inventories.

I wish to say to the distinguished Senator from Michigan [Mr. VANDENBERG] that capital growth did not follow. There was an almost complete break-down of residential building and capital formation. By the middle of the summer the inventory boom, which accompanied a stock-market boom, had run its course. We again started upon a deflation, which was not checked until we spent billions of dollars through the C. W. A., I think it was, in the next few months.

Mr. President, I desire at this time to address my remarks particularly to the distinguished junior Senator from Montana [Mr. MURRAY]. A new school of thought has arisen in Washington. Many of the liberals and leaders of the New Deal administration are now telling us that the present depression was caused by monopolistic profiteering. In May 1938 the distinguished Senator from Montana delivered what seems to me to have been one of the ablest speeches ever given in this body, although I must say I totally disagree with his conclusion.

His conclusion, and it is the same conclusion which many of the New Deal leaders are now stating, was that profiteering arising from monopolistic practices diverted out of consuming power, by unrighteous and high prices, so large a part of the national income that there was not sufficient purchasing power to take away the goods which were being produced.

To me that thesis is entirely untenable. I would that the senior Senator from Wyoming [Mr. O'MAHONEY] were present that he might hear and undertake the testing of the validity of what I am about to say.

I declare that in 1937 unfair prices, monopolistic practices, and the profits of business had less to do with the depression than at any other time. I should like to read extracts from a pamphlet published by the Department of Commerce showing why that statement must be true. Preliminarily I wish to say that the cold facts are that in 1937 farm income and wages received a substantially higher part of the national income than in any other period. Business profits did not increase in 1937 over 1936, except in proportion to the increase in income; but wages to all employees and income to farmers did increase. Let me read a few extracts from the report of the Department of Commerce:

> Aggregate compensation of employees, including wages paid on work-relief projects as well as accruals under the unemployment compensation and old-age insurance plans of the social-security program, increased nearly $5,000,000,000, or 12 percent, in 1937 over 1936.

Remember, the national income increased only 10 percent, but wages increased 12 percent. Out of a total increase in actual income of less than $6,000,000,000, wages of workers

took approximately $5,000,000,000, and all the rest of it was taken by an increase in farm income, as I shall later show.

The distinguished Senator may well ask me, Where did the increased profits of 10 percent to business come from if wages and farm income took as much as the money increase was? Strangely enough, the payments on account of interest declined about $600,000,000, and the profits of successful businesses increased about $600,000,000. So, while profits did increase in proportion to the increase of national income, we can trace a balance between that factor and the decrease in interest. Wages and farm income increased, in money payments, more than all the increase of national income, which comprehended within it all the increased prices about which the antimonopoly group talk.

Total labor income was 9 percent lower in 1937 than in 1929 as compared with declines of 10 percent in interest payments, 15 percent in entrepreneurial withdrawals, 16 percent in dividends, and 24 percent in net rents and royalties.

In other words, in 1937 labor and farmers had come back closer to a parity with 1929 than had any other group.

Average full-time earnings of all workers, as shown in table No. 4, increased from $1,235 in 1936 to $1,316 in 1937, bringing the level in 1937 to within 9.3 percent of that in 1929.

The income of the workers, considering the decreased cost of living, was brought to a higher actual and per capita level than that of 1929. I have many other figures of the same character to demonstrate that fact.

I wish clearly to be understood upon this question. I am not here defending monopoly and big business. To the extent there were and are monopolistic practices they should be condemned and the present practices should be rectified. I propose now to show to this body that if there had not been a dollar of increased prices on any goods, if there had been no monopolies, the depression of 1937 was still inevitable.

Now let us consider a few facts with regard to savings. The actual physical production of goods in the United States in 1937 was fairly close to that in 1929. While the money income was only $67,000,000,000 as compared to $82,000,000,000 or $83,000,000,000, prices were 15 percent lower on the whole. Consequently the actual physical income in 1937 was almost back to where it was in 1929.

In 1929 we had a superfluity of savings in the financial structure, and, just as in 1929 those savings accumulated beyond the power of inventories to absorb them, so it also happened in 1937. I declare that, as the result of all the figures with respect to savings developed in Washington and elsewhere, it is my firm conviction that we attempted to save $15,000,000,000 in the first 9 months of 1937. We attempted to save far more than there was any possibility of finding an outlet for. Let me say to distinguished Senators who believe in the antimonopoly theory that the percentage of savings was far lower among the higher brackets, due to income taxing, than in 1929, while the percentage of savings among the lower brackets was higher because the workers who were employed—not the unemployed but the ones who were employed—were receiving absolutely a larger income.

Senators, let us bear constantly in mind that what we call savings are diverted out of the industrial income and have to be recaptured or industry will fail. We have one method of saving that we call debt retirement. If you doubt, Mr. President, that that is a method of saving, try it out with the Internal Revenue Bureau, and you will ascertain that the Government does tax you upon income by which debt is retired.

In 1937 we had reached a $90,000,000,000 long-term debt structure. I ask Senators, if they will, to follow these figures, because I declare that in these figures are wrapped up the very heart and soul of the depression and the explanation of how recovery may be made. In 1937 we had $90,000,000,000 of long-term debts. We had $28,000,000,000 of urban mortgages—$17,000,000,000 on homes and $11,000,000,000 on business structures—and we had $13,000,000,000 on our utilities; $13,000,000,000 on our railroads; $7,000,000,000 on our farms, and $7,000,000,000 on our industrial factory structures, making, roughly, $70,000,000,000; and, in addition to that, the States, cities, and counties owed $20,000,000,000 more, or a total of $90,000,000,000.

During the 4 years prior to 1937 the long-term debt had dropped from $94,000,000,000 to $90,000,000,000. Disregarding compositions, bankruptcies, and foreclosures, the debt was being paid off faster than it was accruing.

In 1937 we reduced that debt by 5 percent, or $4,500,000,000. Mr. President, in that same year all the business construction in the United States only took $4,200,000,000 of savings. What does that mean? It means that while in the past the construction of the great cities and factories of the Nation had absorbed our savings, we have now reached a point where debt retirement produces a sufficient sum of money to provide a reinvestment fund to take care of all construction activity.

What happens when debts are retired? Suppose a man owns a home on which he pays $25 a month upon the principal. He receives that as a wage. Does he spend it for the inventories that generated that $25? He does not. He pays it to the bank or the building and loan association or the individual who loaned it to him, and that bank or other creditor does not spend it for the consumptive goods that produced it but loans it. I say to Senators, taking the picture as a whole, we have reached this desperate and hazarous position—and it is desperate and hazardous—that the retirement of loans upon existing debts will be sufficient to take care of all future needs—with perhaps a slight margin lacking—of the States, cities, and counties, the utilities, factories, farms, and residences.

Beyond the $4,200,000,000 that was spent in building our railroads, utilities, farms, and residences in 1937, we spent about $2,000,000,000 more in capital formation. Where did that $2,000,000,000 come from? All of it came from the savings of great corporations. I am not criticizing or complaining of that; I think it probably was a very fortunate thing. That indicates clearly that, so far as the manufacturing business is concerned, from the process of earnings such businesses will develop sufficient capital to provide for their plant expansion and other producers' goods.

Take the Henry Ford Co. That company has developed a billion dollars' worth of assets by the savings accrued from the earnings coming from the manufacture of the Ford automobile. Consequently, I say, Mr. President, that in 1937 debt retirement, plus corporation savings, developed sufficient capital to take care of every need that we could have in 1937.

I likewise make the declaration that it will be many a year before we reach as great an expenditure in capital formation as we had in 1937. We will surpass 1937 in residential construction. In that year we utilized $1,400,000,000, and this year probably we will expend for the same purpose $1,800,000,000; but in every other line of capital formation we will be fortunate if in one year we develop as great an investment outlet as we had in 1937.

Consequently, what was the condition left in 1937? In the first place, we had, perhaps, a few hundred thousand people with incomes in excess of five or six thousand dollars a year. They probably saved approximately four billion or five billion dollars. Let us dispose of that in a simple way. We have what we call dissavings. To the extent one man loses another man can save without impairing the stability of the business economy. If one corporation pays dividends out of its surplus, it sells stock or bonds or borrows the amount, and that allows another individual to make a saving equal to the dissaving. If a farmer loses a thousand dollars and sells a thousand dollars' worth of bonds, that absorbs a thousand dollars of savings. The economists are agreed that the dissavings of our corporations coming from losses in the payment of dividends in excess of their earnings take care of $4,000,000,000 or $5,000,000,000 or $6,000,000,000 of savings. Consequently, let us assume that that balances the savings of the wealthy man.

Now, Senators, I come to the portion of this address which is my deepest and most vital concern, and has been for 15 years, because I say to you this picture clearly indicates that never again can the American worker save. It is just not

possible; and if we do not have the courage and the intelligence to shift away from an economy of savings—to the extent that they cannot be utilized—to an economy of pensions sufficient to satisfy the needs of the senior citizens in decency and comfort, this capitalistic civilization is doomed to disintegration, and will carry down with it every property right and every equity in the Nation.

Why do I say that?

My practice has largely been among the middle class and the unfortunates of this world. I have polled their savings and financial conditions over a period of 15 years. When the depression came in 1930 workers were thrown out of their jobs and went to live with their relatives. In my railroad town of Sacramento the young people doubled up with the older people. They ran bills at grocery stores. They used up insurance policies and bank accounts. When we began to go back into an era of prosperity in 1935 the wife who had been through misery, watching her home imperiled, would in many cases say to her husband, "Tom, in Heaven's name do not let us get caught again in that gulf of misery. Let us save $5, or $10, or $15, or $20, or $50 a month out of the pay check." So it was that into bureau drawers and into socks and into banks and into insurance companies and into building and loan associations these savings were diverted out of the industrial income into stagnation.

How much did they amount to? It is my opinion that we had about 20,000,000 middle-class families once more back at work who on an average tried to save $25 a month. Some of them were saving only $5 or $10, or even $1; but others of them were saving $50 or $75, as I know from having polled those families; and I am now regarding only families with incomes of under $500 a month. Twenty million families at $25 a month equals $500,000,000—$500,000,000 coming out of the income that those workers and those families had received from the businessmen of America; $500,000,000 not spent, but $500,000,000 saved; $500,000,000 not utilized in capital formation or residential building, because other mediums of investment money took care of them; $500,000,000 that we can trace in the increasing savings accounts, and the stagnation in the velocity of our demand accounts.

If industry was paying out $500,000,000 a month more than it was capturing, how could industry keep going at all? I will tell you, Senators, how it kept going—by the increase of the inventories. The economic bureaus of the Nation saw that the inventories of our corporations, farmers, miners, and businessmen increased at a faster rate in 1937 than at any other time since at least 1925. Those inventories, according to Dun & Bradstreet and the National Bureau of Economic Research, increased at the rate of four or five hundred million dollars a month. They had increased by four or five hundred million dollars from January 1, 1937, to September 1, 1937.

The reason why I proclaim that profiteering and high prices have nothing to do with diverting too much consumptive power out of the market is this: Corporate savings decreased $1,000,000,000 in 1937. In other words, taking corporations as a whole, they actually paid out of their surplus accounts $1,000,000,000 more than was placed therein; and, Senators, that is only half the story. The successful corporations increased their debts and decreased their cash position—not their corporate surpluses; I am talking merely about cash now—by another $1,000,000,000 in the first 9 or 10 months of 1937. But, Senators, nothing could happen except what did happen. We were attempting to save $15,000,000,000. At least five or six billion dollars of that amount could not be balanced by the dissavings or losses of others, by residential building or capital formation. For 10 months the businessmen of this Nation with confidence and vigor continued to manufacture; and at the ninth or tenth month, when retail orders stopped coming in, when the manufacturer could not sell to the wholesaler and the wholesaler could not sell to the retailer, men said, "Why, we cannot sell what we now have; what is the use of manufacturing more?"

I have heard eminent Senators on this floor declare that big business should have continued to manufacture. Mr. President, businessmen will not manufacture when they know they cannot sell. Complaint is made by the anti-monopolists about a rigid price structure. It is said that the automobile companies, instead of selling at a loss, decreased their output to what is termed the "break even" point. If any of us were the heads of Ford or General Motors or Chrysler or Plymouth, we would do exactly what those business leaders did when we realized that we could not sell what we were manufacturing. Of course, we would let some of our employees go, because otherwise we could not remain solvent.

The claim is made that these great corporations made such tremendous profits that they diverted into stagnation too much purchasing power. Let us take the most gigantic of them all, the greatest technological organism that the world has ever known—General Motors.

General Motors has a capital structure of about $1,600,000,000. In 1937 its gross output was almost exactly that amount. It made something less than $200,000,000—$196,000,000, to be exact. That constituted about 12 percent upon its gross business or upon its capital assets, as you wish to term it. But let me point this out to you in fairness to big business, and to what we call a competitive monopoly, and I feel rather strange in speaking as the advocate of big business in this matter, because it has uniformly and very bitterly opposed me, but may it please you, Mr. President, we must have the facts.

General Motors was the most prosperous of any of the great corporations, and it had reached such a tremendous point of efficiency that it could manufacture a car worth the same amount as the Plymouth or the Ford for 30 or 40 dollars less, give the same bargain to the buyer, and perhaps 50 or 60 or 70 dollars less than the many automobile corporations that lost money. Twenty years ago we had 86 automobile-manufacturing corporations. We now have 16. General Motors has come to its present position by virtue of savage competition. In that competition it has become so efficient, and its enterprises are so far-flung that it could make 12 percent when other automobile companies might make only 2 or 3 or 4 percent. If anyone wants to destroy the profit system, that is one thing, but I say you cannot complain of great business, which by efficiency can produce one of the finest products of all time merely because it is successful.

General Motors gave us far better value in 1937 for the same amount of money than in 1929. It paid higher wages and produced a better car, as I have said. Likewise in fairness to General Motors, let me point this out to you—and I am speaking about that corporation merely as an example of all of them: A substantial part of the stock of General Motors, was owned by wealthy men—Raskob, Du Pont, Knutsen. You will remember that two or three hundred of their executives received cash bonuses amounting to a total of $10,000,000. I believe Sloan and Knutsen received close to $1,000,000 each as a bonus for the profits that had been made. If you complain of 12-percent profits being too high, let me suggest to you that I have a client in California, strange as it may seem, who is a multimillionaire. From 1930 to 1937 he lost about $200,000 a year; but in 1937 he got away to a good start, and he made $1,000,000 clear profit, and a large part of that was in dividends from the General Motors Corporation. Do you know that out of that $1,000,000 he gave about $875,000 in taxes to the Federal Government and to the State of California?

The Federal Government has a tax as high as 64 percent on all incomes of $250,000. The State of California takes another 15 percent, so that there is a tax of 79 percent. I say that in a large majority of the cases of the stockholders of General Motors, after they had paid their State and Federal income taxes, they did not receive over 4 or 5 or 6 percent on their proportionate part of their investment in General Motors; and that is generally true. Most of these profits were

made by corporations with wealthy stockholders, and Uncle Sam was the partner who took three-fourths or four-fifths of the big profits; and if Uncle Sam had not gotten those profits from wealthy men, we would have had to levy additional taxes.

I say these things, which I know do not sound well in the ears of certain of my colleagues, but they are the simple truth. We must not deceive ourselves. We must not find another whipping boy for this depression. The truth is that we have reached an era in our economy when the savings of workers alone, coming from a nation fully employed, cannot be absorbed.

Take the case of our railroad companies for instance. If they make not one dollar of profit from now on their workers will save 15 or 20 percent of their incomes in an era of prosperity; and the railroads are built. This is not a question of monopoly or high prices. As Professor Hansen says, we have passed from the era of very large expansion to an era in which we will require very little in the way of new capital goods.

In this particular decade our population increase is less than 8,000,000. From 1920 to 1930 it increased 16,000,000. For many years I lived in the city of Sacramento, and I know almost every home, almost every factory, and certainly every office building there. In Sacramento County we are not producing half of the wealth we could produce if we were freely operating. With depleted income, we cannot absorb half of the savings that will be produced.

Let us see exactly why the depression came in 1937 instead of in 1936. There was only one great change in the factors between 1936 and 1937. According to the Treasury report in 1936, the Government paid out $3,700,000,000 more than it took in, and in the calendar year 1937, according to the Treasury report, we paid out only $200,000,000 more than we took in.

In 1936 the inventories would have increased at the rate of four or five or six hundred million a month, except that there was an increase in installment contracts, and the Government disbursed almost four hundred million of money which it borrowed from savings, and that money kept the inventory increase in 1937 down to $2,000,000,000. Practically every economist in Washington agrees to the mathematical statement which I am making. They are not willing to declare it in public, but I suggest to any of my colleagues that in the quiet of their offices, in consultation, the economists in any of the great departments will corroborate the statements I have made.

Now, what of the future? With our present productive capacity and with full employment we could have a national income of a hundred billion or a hundred and ten billion dollars. There are in our country not only ten or eleven million men totally idle, but there are five or six million part-time workers, and there are professional men idling around their offices who do not work at all. As we go into higher production, we decrease the per unit cost of labor. Let us assume a national productivity of a hundred billion dollars. If as a result of some war or some miracle we should get our production up to a hundred billion, Mr. President, we would have national savings of at least $25,000,000,000, and there is no possible way that capital formation could absorb more than ten or twelve billion at that rate of national income. Our homes and business structures are largely built and our railroads and utilities are completed. In my own State of California we destroy great parts of our farm crops, and our factories now operate at about one-half capacity. We have reached an era, according to almost every economist, when savings will permanently outrun the Nation's needs.

Mr. President, where will this crisis lead? At the present time it is probable that the flow of savings into banks is slightly greater than what comes out in public borrowing and capital formation. It is doubtful that for 1 year we can keep ourselves from another depression. If we keep away from it this year, the second or third year will find us in it; and perhaps the other party will have the trials and tribulations of dealing with the crisis, and I hope that if they do, God may speed them on their way. They will need assistance.

I, for one, cannot accept the possibility of communism, or state socialism, or collectivism. If we would attempt to operate the Nation's industries from Washington, I believe that a Federal bureaucracy would break down under the burdens and trials. I do not believe that the American people would submit to a dictatorship. Should any man or body of men in Washington attempt to set up a dictatorship, I would expect the break-up of the American Union; and I am speaking now with measured solemnity. In any event, as for me, I have no desire to become the regimented member of a homogeneous human herd driven hither and thither and yon at the crack of some dictator's whip.

I say, Mr. President, there are just two simple, easy things that we have to do to extricate ourselves from this dilemma. In the first place, great masses of our people can no longer save, and when they attempt to save they bring on a depression, unemployment comes, and their scanty savings are destroyed. In my own State four out of five people past 50 years of age are in despair and insecurity. They wear around their hearts iron bands of desperation, forged there by loss of jobs, subnormal incomes, their being a burden upon their children or their children burdening them.

The great masses of our senior citizens are the men and women who built this Nation. Nine out of ten of these men and women, past 50 and 60 and 70 years of age, were brought up in frugality, thrift, and hardship. With their toil and their sweat, and sometimes their blood, they built our railroads, our utilities, our factories, and our cities. All we have to do is to run these factories and these cities and the farms at full capacity, and we can produce not only an abundance for them but for the workers besides.

My own economic doctrines have been characterized as fantastic by a great President of the United States and a great ex-President of the United States both at the same time. But as I used to ride along the highways of California, may it please you, Mr. President, I saw literally hundreds of thousands of families standing without shelter, sleeping under some sort of tarpaulin stretched from an automobile to a fence. Driving along the highways I have seen rotting fruit and decaying vegetables which could not be sold, milk that was thrown into the river. When I have seen these hundreds of thousands of families in want, suffering for food that was rotting and decaying around them, with farms and factories capable of producing abundance if they and their children were allowed to work, I have thought, "Perhaps my ideas are fantastic, but this, this seems like some hideous nightmare."

I know that the distinguished Senator from Colorado is a humane and kindly man. I wonder if he realizes the anguish and pang of a family which has to live on $30, or $40, or $50 a month. This Social Security Act of ours—and that is an egregious misnomer; it should be called "unsocial insecurity"—this Social Security Act of ours, which has made poverty official, gives 23 percent of the people past 65 an average of $19.60 a month.

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from California yield to the Senator from Colorado?

Mr. DOWNEY. I yield.

Mr. ADAMS. The Senator referred to me a moment ago. He obviously has a very mistaken idea as to my economic views. What I am interested in is to get the people of this country above the level of which the Senator complains. I want to see people taken off relief. I think the thing the Senator speaks of, the productive capacity of our factories and our fields, should be used, that men should be put to work, should be put to work at their own occupations, should be put to work at full time, so that no longer in this land would we have men and women living on these low scales. My judgment is that unless we change our course we are going to continue the things of which we are now complaining.

My interest is in the people as a whole, and not in a limited group. No one deplores more than I do; no one is opposed more strenuously than I am to the low standards of living imposed upon those dependent upon relief. In other

words, the Senator's suggestion is a misrepresentation—innocently made, of course—of my views. I want to see a new day. I want the windows opened and the light of a new day to come in. I want to see an intelligent use of the American productive capacity. The situation which the Senator has detailed, of men being idle when other men need the things which these idle men can produce, is a reflection upon the intelligence of the American people and our country.

Mr. DOWNEY. Mr. President, first let me say that I am delighted to have secured that statement from the able Senator from Colorado, and I want to say that not in the slightest did I intend to impugn the humanity or the kindness or the vision of the Senator. All I meant was that my lot in life as a lawyer has fallen among the unsuccessful and the unfortunates of the world. The Senator from Colorado is a much more successful and distinguished lawyer than I am, and consequently his lot has fallen more among the successful. Nothing makes me happier than that declaration by the Senator from Colorado.

I am in this pleasant situation, that many years ago I wrote a book, in which I discussed the Senate of the United State, and I am happy to say that I characterized the Senators as men of outstanding ability and integrity. If I had done otherwise I would not be advertising my book.

Mr. ADAMS. Mr. President, will the Senator yield for another suggestion?

Mr. DOWNEY. I yield.

Mr. ADAMS. The Senator has been good enough again to refer to me, and he suggested that I have occupied a more fortunate station. I know nothing as to the Senator's surroundings, but I came into the world in a two-room house. The water we drank and used was brought to the house from the river in barrels. I lived in as humble surroundings as could be. My father had as his capital a team of horses and a wagon. He hauled and cut ties to help build the D. & R. G. Railroad in our State. We lived 100 miles beyond the terminus of the railroad. He and his brothers, with no capital but their own energy and their own integrity, did move slightly forward economically. I am interested in the establishment of an economic system whereby the individual who has integrity and a capacity for industry may progress if he uses his industry and his integrity, regardless of whether he has capital or not.

Mr. DOWNEY. Mr. President, I am going to say something now to and about the distinguished Senator from Colorado, and I will not allow any other interruption. I at least am going to insist dogmatically upon this, that the distinguished Senator is a much abler lawyer than I am, because I do know my own attainments, and I have observed his in the committees and on the floor of the Senate.

Mr. ADAMS. I will interrupt the Senator to deny it, if he will permit me.

Mr. DOWNEY. I am delighted to have that declaration from the Senator from Colorado. I wish that every other Senator in this Chamber could take the solemn vow to place patriotic considerations above partisan considerations, to realize that this Nation is in danger. Here in this Western Hemisphere is possibly the last refuge of free men and a free economy. I am compelled to say something that I would rather not say, but speaking as an outsider who has watched the Senate for the last 6 years, I will say that the Senate wrongfully abdicated its legislative powers to the executive branch of this Government. I say to the Senate that here upon the floor of the Senate and in the House of Representatives is the only forum in which to work out, in the crucible of free debate and consideration, the solution of these tremendous problems.

I attended the University of Michigan Law School. We had a lecturer in medical jurisprudence, and he used to tell us there was a great difference between a doctor and a lawyer; that a doctor buried his mistakes, but a lawyer had an antagonist across the table to point out his mistakes.

It is not in private conferences, it is not in a place free of debate and argumentation, that these great issues will be solved, if they are solved, but they will be solved here in the Congress of the United States. We have here representatives from 48 Commonwealths. In the other branch of the Congress there are 20 Representatives from my State. Together with my distinguished colleague the senior Senator from California and the Representatives in Congress from California, we know the problems of California better than any other group of men, however intelligent and devoted they may be.

I have been tremendously impressed in my work upon committees with the ability and knowledge of the members. I find here some man who is an expert in and has an exhaustive knowledge of almost every legislative inquiry that may be made. Many of the Members of the Senate have had distinguished records as Governors of their own States, as judges, or in other exalted positions. Many of them are, by reason of long experience, more capable of understanding, stating, and solving this problem which we are discussing than any other body of men in the world. And, best of all, here upon the floor of the Senate and in the House of Representatives if a man has a weird, a weak, an unrighteous idea, it can be analyzed and destroyed. If, on the other hand, he has a valid contribution to make to society, he cannot be left aside as a fantastic money man or a wild visionary seeking short cuts to Utopia.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. NORRIS. When the Senator was interrupted by the Senator from Colorado he had just reached a point in his address where he was about to give us, as I understood, the remedy for the predicament in which the country was placed. I hope the Senator will not forget to finish that part of his address at the point at which he was interrupted.

Mr. DOWNEY. I deeply appreciate the suggestion made by the distinguished Senator from Nebraska. My time has almost expired now. I want to say that at some later time, when the Social Security Act is under consideration, I shall discuss more in detail the ideas which I would like to submit to this body upon the possible adjustment of these problems. I think they must lie along two lines. We must work out a substantial and decent pension for all persons past 60 years of age not gainfully employed. I will say to the Senator from Nebraska that whenever that is done, 90 percent of the American people between 40 and 60 years of age, once they have confidence in their Government and in their pensions, will probably stop saving. I may say that I am a man of modest desires. If I knew that when I reached 60 my wife and I would have $200 or $250 a month, I would very largely stop any saving, and I think that is true of the great bulk of the American people. We have permanently passed out of an era of unlimited savings. We must, as far as we can, shift into an economy of pensions.

Even though we provide a basic pension for the great masses of the people, we will undoubtedly have flowing from the incomes of the well-to-do, middle class, and rich a greater volume of savings than can be consumed.

I do not believe that income taxes should be directly increased; but I believe tentatively, and subject to checking by statisticians and experts, that if we should place a tax upon all unearned incomes over $25,000 a year, not to confiscate those incomes but to force their spending, we would reduce to a rational amount the amount of savings required in our economy.

Let me express it this way: If Mr. Ford makes $20,000,000 a year, and our present income taxes take $10,000,000 from him, I should not suggest that the other $10,000,000 be taken from Mr. Ford. However, if I were the governmental official in power, I should say to Mr. Ford, "You are operating under a free economy. You have produced a fine product. You are entitled to the profits. However, so far as you can no longer use them to build railroads and automobiles, you must spend them." Such a law could very easily be made constitutional. In other words, a 90-percent surtax could be placed upon all unearned incomes of more than $25,000, and the taxpayer could be allowed to deduct all money spent for consumptive goods before returning the tax. I merely suggest those figures tentatively.

In closing, Mr. President, I desire to emphasize this point: Unless we move into an economy of pensions which will at once provide succor for the senior citizens and diminsh the superfluity of savings, or unless we otherwise balance savings against capital needs, our free economy cannot exist. It may exist for 3 or 4 years longer under an expanding public debt. Beyond that it cannot go.

Before I close I desire to pay tribute to the many statisticians and economists working in Washington. Over the past 4 or 5 years they have assembled tremendous amounts of valuable data which are ready for this body whenever this body is ready to receive them.

I have spent a good many hours with Mr. Eccles, whose philosophy very much agrees with the philosophy which I am expressing. He came out of the West with a reputation as an able banker and a great business leader. He has had a wide experience and is a man of the highest intelligence.

Speaking for the senior citizens of America and the unfortunate suffering multitudes of this land, I hope and pray that we may harmonize our intellects, our souls, and our ambitions and march forward into a great economy and a great civilization, which are ready and waiting for us whenever we have the courage and the intelligence to march forward and realize them.

Upon all these arguments, far as I have gone from the issue, and upon the arguments so eloquently offered by the Senator from Nebraska [Mr. NORRIS], my vote will be cast for the amendment.

ORDER OF BUSINESS

Mr. BARKLEY. Mr. President, it is obvious that we cannot conclude consideration of the joint resolution today. I now wish to renew the unanimous-consent request which I made earlier in the day, that at an hour not later than 3 o'clock on next Monday the Senate proceed to vote on the pending amendment and all amendments thereto; and that the time on Monday be equally divided between those for and against, the time to be controlled by the Senator from Florida [Mr. PEPPER] on behalf of those in favor of the amendment and by the Senator from Colorado [Mr. ADAMS] in behalf of those opposed.

The PRESIDING OFFICER. The Senator from Kentucky asks unanimous consent that not later than 3 o'clock on next Monday the Senate shall proceed to vote upon the amendment of the Senator from Florida and all amendments thereto, and that during the time the Senate is in session on Monday, up until the time of the vote, the time shall be equally divided between the two sides, the time to be controlled by the Senator from Florida [Mr. PEPPER] and the Senator from Colorado [Mr. ADAMS], respectively. Is there objection to the request?

Mr. McNARY. Mr. President, I deeply regret that the proponents of the amendment would not permit a vote today. As I stated earlier, I should like to have a session tomorrow, in order that the joint resolution may be disposed of. The money is being devoted to a worthy cause. At the earliest possible moment the money should be made available to those who need relief.

I have given some consideration to the request made by the Senator from Kentucky [Mr. BARKLEY]. I wish to hasten the time at which we can reach a vote. I am told that a filibuster would ensue tomorrow by those in favor of the amendment if we should go forward tomorrow. In view of that situation, and the unfortunate present situation, I am willing to accede to the proposal made by the Senator from Kentucky, provided the hour for voting is made 1 o'clock on Monday.

Mr. BARKLEY. Mr. President, as I indicated earlier in the day, so far as I am concerned, I should be glad to vote today, and I shall be ready to vote on Monday. However, I have canvassed the situation among the proponents of the amendment, and I cannot obtain their consent to vote at 1 o'clock on Monday.

Mr. McNARY. Mr. President, as I stated, I wish to vote as quickly as possible. It is amazing to me that there should be continued delay on the part of those who seem to be anxious for the measure to pass. I will compromise on 2 o'clock and stand there adamantly.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky?

Mr. McNARY. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard from the Senator from Oregon.

Mr. McNARY. I will accede to the proposal if the hour for voting is made 2 o'clock on Monday. That is stretching it just as far as I should, if not much further.

Mr. NORRIS. Mr. President, in the Senator's unanimous-consent request he has fixed no limitation of time for any Senator to speak. Under his request one Senator might obtain the floor and consume all the time to which that side was entitled. I do not know how many Senators wish to speak.

Mr. BARKLEY. If the Senator will permit me, I will amend my unanimous-consent request by asking that on Monday the Senate meets at 11 o'clock a. m., and that at an hour not later than 2 o'clock p. m. we shall proceed to vote, as previously indicated, the time to be divided in the same way.

Mr. NORRIS. Why cannot the Senate meet tomorrow?

Mr. BARKLEY. It can; and if we do not obtain an agreement, it will, unless a motion to that effect is voted down.

Mr. McNARY. Mr. President, I shall object to meeting at 11 o'clock on Monday. However, I am willing to limit debate to 10 minutes and to vote at 2 o'clock. Otherwise, I should like to have a session tomorrow.

The PRESIDING OFFICER. The present parliamentary situation is that there is no unanimous-consent request before the Senate. The Senator from Oregon objected to the last unanimous-consent request of the Senator from Kentucky.

Mr. McNARY. And gently suggested some amendments.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. PEPPER. I think the modified request made by the Senator from Kentucky is altogether reasonable. It would achieve the purpose, which has been suggested by some, of having a vote by 2 o'clock on Monday afternoon, and at the same time would permit Senators who have already indicated a definite desire to speak on Monday to have an opportunity to do so. Therefore it seems to me that the proposal made by the Senator from Kentucky is a very reasonable one, and I hope it will be acceded to by the Members of the Senate.

Mr. McNARY. Mr. President, in the first place, a number of committees have quite important measures before them for consideration on Monday, so meeting at 11 o'clock would not satisfy me. Secondly, every phase of the question has been discussed. Nothing new can be said on the question. No speeches at all should be made. If it were my amendment I should be willing to vote now, tomorrow, or at 12 o'clock on Monday. I shall not consent to anything other than commencing at 12 o'clock on Monday and voting at 2.

Mr. BARKLEY. Mr. President, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

Mr. PEPPER. Mr. President, will the Senator yield before the motion is voted upon?

Mr. BARKLEY. I withhold the motion for the moment.

Mr. PEPPER. I cannot in this manner and at this time enter into a colloquy with my friend the Senator from Oregon [Mr. McNARY]. I cannot see why an additional hour on Monday would make any particular difference. I know that the Senator from West Virginia [Mr. NEELY] has already left the Chamber and gone home, with the understanding that the Senate would adjourn until Monday. He has expressly requested 30 minutes in which to address the Senate on the amendment. I am not prepared to say that the Senator from West Virginia has not a legitimate reason for addressing the Senate for 30 minutes on this amendment. The Senator from Minnesota [Mr. LUNDEEN] has definitely indicated a desire to address the Senate, and so has the junior Senator from Mississippi [Mr. BILBO]. I am

not prepared to say, and I imagine the Senator from Oregon is hardly prepared to say, that those Senators do not have matters to present that are worthy of the Senate's attention for that length of time. At least four or five Senators have indicated a definite desire to address the Senate on this amendment. If we divide the time, an hour and a half to each side, it can be readily seen that no Senator will have allowed to him any excessive length of time.

I wish the Senator from Oregon would reconsider his objection and be disposed to allow the debate to continue as late as 3 o'clock.

Mr. McNARY. Mr. President, I have definitely and positively stated my position.

Mr. BARKLEY. Mr. President, it occurs to me that it does not make much difference whether we vote at 2 o'clock or 3 o'clock or 4 o'clock; probably nothing will be done on Monday except to consider the joint resolution. Therefore, in order that we may vote as early as possible, and that all Senators may be permitted to speak as long as they wish, I move that the Senate take a recess until 12 o'clock noon tomorrow.

Mr. PEPPER. Mr. President——

The VICE PRESIDENT. Let the Chair say to the Senator from Florida that the motion is not debatable. The Senator from Kentucky has moved that the Senate take a recess.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. PEPPER. If the Senator from Oregon were given assurances by the Senator from Florida that 2 o'clock on Monday afternoon is satisfactory——

The VICE PRESIDENT. Let the Chair state to the Senator from Florida that that is not a parliamentary question.

Mr. PEPPER. And if he were to withdraw his objection, then would that be appropriate?

The VICE PRESIDENT. That is not a parliamentary question. It is a question of fact, which the Chair is not able to decide. The question is on the motion of the Senator from Kentucky.

RECESS

The motion was agreed to; and (at 5 o'clock and 1 minute p. m.) the Senate took a recess until tomorrow, Saturday, April 8, 1939, at 12 o'clock meridian.

SENATE

SATURDAY, APRIL 8, 1939

(Legislative day of Thursday, April 6, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Reverend James Shera Montgomery, D. D., Chaplain of the House of Representatives, offered the following prayer:

God be merciful unto us, and bless us, and cause His face to shine upon us;

That Thy way may be known upon earth, Thy saving health among all nations.

Let the people praise Thee, O God; let all the people praise Thee.

O let the nations be glad and sing for joy: for Thou shalt judge the people righteously, and govern the nations upon earth.

Let the people praise Thee, O God; let all the people praise Thee.

Then shall the earth yield her increase; and God, even our own God, shall bless us.

God shall bless us; and all the ends of the earth shall fear Him.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, April 7, 1939, was dispensed with, and the Journal was approved.

ADDITIONAL CLERICAL ASSISTANCE FOR SENATORS

Mr. GUFFEY. Mr. President, I desire to give notice that on Tuesday next, instead of Monday, as heretofore announced, I shall address the Senate on the matter of additional clerical assistance for Senators.

DEFICIENCY JUDGMENTS IN CONNECTION WITH REAL-ESTATE LOANS

The VICE PRESIDENT laid before the Senate a letter from the Governor of the Farm Credit Administration, submitting, in response to Senate Resolution 89, agreed to March 4, 1939, his report with respect to deficiency judgments obtained by the Federal land banks and the Federal Farm Mortgage Corporation in connection with loans made upon the security of real property, which, with the accompanying papers, was referred to the Committee on Banking and Currency and ordered to be printed.

THE DOCTRINE OF THE AGGRESSOR

Mr. BORAH. Mr. President, I desire to take just a moment to put a matter in the RECORD.

Mr. President, it has been proposed, and is now being adroitly urged, that we engraft upon our foreign policy the doctrine of "the aggressor." The theory is that in case of war between two or more nations, the United States will determine who, among the powers thus engaged, is the aggressor; that is, who has violated a treaty or in other ways initiated the conflict.

The next step in the program is for this Nation to open up an economic war upon the aggressor nation. We thereby seek to break down its economic strength, to starve its people, and to render it incapable of carrying on war. We take part at once in this economic war.

In view of the fact that practically all modern wars arise out of controversies in regard to trade and commerce and raw materials and territory, we find ourselves involved in what might be called the very heart of the controversy. All this, however, is in the name of peace, and for the alleged purpose of keeping us out of European wars. The fact is that whatever may be the claim, it is the most subtle and effective method yet conceived for bringing us into all European controversies of any moment. We, as a nation, are not supposed to wait until an attack is made upon us or until the rights of our citizens have been disregarded, or our country invaded. We are to go out and take part in a controversy wholly between other nations. We are to act as a moral censor, declaring who is in the wrong, and to proceed in one of the most effective ways known to war to punish the one whom we have adjudged to be in the wrong.

In an article published in the Foreign Affairs Magazine for April 1933, John Bassett Moore, the distinguished authority upon international law and foreign affairs in general, had something to say about the aggressor and what it means. I ask that the portion of the article which deals with this subject of the aggressor be inserted in the RECORD as a part of my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The portion of the article referred to is as follows:

VI. THE AGGRESSOR

It is dangerous to allow a fallacy to pass unchallenged because its refutation should seem to be superfluous. Especially is this so when it may easily be imposed on uninformed or unreflecting minds by appeals to the sentiment of benevolence. These truths are perfectly exemplified by the spread of the recent agitation for the punishment of aggressors.

The word "aggressor" does not occur in the Covenant, but it has been used as the technical designation of the nation to which the warlike devices of the League of Nations were intended to apply. For this reason many attempts have been made at Geneva to define an aggressor, but never with any success. Among these may be included the delphic effort of M. Briand. "A cannon shot" said M. Briand, "is a cannon shot;" and "you can hear it, and it often leaves its traces." Then, conjectures M. Briand, the League says "Cease fire;" and, "if one of the adversaries refuses, we can surely say that he is not really very anxious about peace." I have great respect for M. Briand, and if this was the best so

able a man could do, the case must indeed be desperate. Certainly a cannon shot is a cannon shot. But if the adversary who ceased fire on Geneva's command should then be killed or disabled, he neither could nor would feel grateful, nor would his example inspire enthusiasm. Besides, even if Geneva had large military forces of her own in Europe, and they were not already preoccupied with exerting a peaceful influence in that quarter, it is a long way, for example, to Singapore; and decisive wars have often been of brief duration.

M. Briand's delicate and fragmentary suggestions clearly indicate that he did not intend them to be taken seriously as a definition. More serious in tone but equally futile is the suggestion made on the part of the United States at Geneva on May 22, 1933, that "the simplest and most accurate definition of an aggressor is one whose armed forces are found on alien soil in violation of treaties." Whether the framer of this definition was or was not thinking of Manchuria, he immediately impaled the sudden seizure and occupation of Vera Cruz by the United States in April 1914, in disregard of the Treaty with Mexico of 1848, which expressly provided that neither party should resort to force before trying peaceful negotiation, and, if that should fail, arbitration. The excuse, should it be attempted, that there was no time for discussion, would merely puncture the definition. Moreover, were there no treaty, would an armed invasion cease to be an act of aggression? Might not such an invasion, even if a treaty were violated, be excused as an act of self-defense? In the celebrated case of McLeod, which nearly brought on a war, Great Britain excused her invasion of United States territory on that plea; but as the United States denied that the facts supported the plea, Great Britain made a soothing apology without admitting any wrong. Would, or would not, the new definition justify the landing of foreign troops to preserve order, as has often been done without the consent of the local government? Would it, for instance, make our military occupation of Nicaragua an act of aggression? Furthermore, will it be asserted that the answer to the question whether a treaty has been violated lies on the surface, and may not be a subject of honest difference of opinion, both on the facts and on the law, even among disinterested and impartial judges? Evidently, the draftsman of the definition was less prudent than the knowing M. Briand. It has also been suggested that the aggressor is he who fires the first shot; but the law does not require a man who believes himself to be in danger to assume that his adversary is a bad shot.

Probably it would be unfair to surmise that the persistent effort, after a decade of ghost dancing, to define the aggressor, always reflects the desire by means of some formula readily to obtain the military cooperation of the United States nominally in the righteous cause of peace. The thought of restraining aggressors is very ancient; but the attempt to define aggression for practical purposes has always failed, because, as has been well said,[1] it is impossible to specify beforehand the objective criteria on which the decision whether an act was overt would necessarily depend. Although nations when they go to war always profess to repel overt acts, yet they frequently do not go to war on account of them; but an assurance of associate force would necessarily increase their propensity to do so. Moreover, it is notorious that overt acts are sometimes craftily provoked for the purpose of justifying aggression; and it may be significant that the definition of the aggressor peculiarly preoccupies the minds of those who are best prepared to commit aggression.

On the other hand, the taking of a forcible initiative may be the only means of safety; and the importance of this principle is necessarily enhanced by the insistence of nations or groups of nations on maintaining preponderance of military power. Portugal acted on this principle when, in 1762, the combined forces of France and Spain were hovering on her frontier. In many instances the question of aggression remains indeterminate. The Hundred Years' War, which began in 1292, originated in a first-fight between two sailors, the one Norman and the other English, in the port of Bayonne. In the battle of Navarino which, in 1827, resulted in the destruction of the Turkish fleet by the combined naval forces of England, France, and Russia, the first actual shot was fired by the Turks; but English naval writers later candidly admitted that the Ottoman commander probably believed that he was repelling an attack. In the case of the destruction of the armed brig *General Armstrong* by a British squadron in the port of Fayal, Louis Napoleon, acting as arbitrator, held that the brig was the aggressor; but our Congress, believing this decision to be wrong, eventually compensated the brig's owners, officers, and crew for their losses. When, in 1894, a Japanese cruiser before war with China was declared sank the British vessel *Kowshing*, carrying Chinese troops to Korea, an immediate outcry took place in England; but the excitement soon died down on the public justification of the cruiser's act by Holland and Westlake, two eminent English authorities on international law.

As experience has conclusively shown that the attempt to decide the question of the aggressor on first appearance is reckless of justice, we must, unless our purposes are unholy, rely on an impartial investigation of the facts. But this takes time. The Assembly of the League of Nations assumed jurisdiction of the Sino-Japanese conflict on September 21, 1931; the report of the Lytton Commission was signed at Peiping, China, on September 4, 1932; the Assembly adopted the report of its own committee on February 17, 1933. The actual time covered by the proceedings was 17 months, and even then a final conclusion was not reached. Decisive wars have ended in less time. Napoleon escaped from Elba in February 1815, and the decisive battle of Waterloo took place in the following June. The war over Schleswig-Holstein of 1864 was brief; the war between Prussia and Austria of 1866 lasted 6 weeks; the United States declared war against Spain in April 1898, and the peace protocol, which ended the military conflict and defined the basis of peace, was signed in the following August. These are only a few examples.

That intimations that a party to a dispute may be penalized as an aggressor may not have a deterrent effect has just been shown by the course of Peru in her recent dispute with Colombia. The hostilities continued until the sudden death of Peru's Chief Executive brought to the presidency a statesman who happened to have been a diplomatic colleague, at London, of the leader of the Colombian Liberal Party. An exchange of personal messages and a journey by aeroplane to Lima resulted in the conclusion of a pact of peace. The friendly human touch quickly obtained what official admonitions had been unable to secure.

Had the principle of preventing aggression been applied one cannot say what might have been the results to the United States. Our War of Independence was generally regarded in Europe as an act of rebellion against lawful authority. In the War of 1812 we appeared as aggressive assertors of the freedom of the seas. General Grant pronounced our war with Mexico of 1846 an act of unjust aggression. The Government of the United States dealt with secession as an act of rebellion. In April 1898 the diplomatic representatives of six great European powers assembled at the White House and in behalf of their governments made what was called "a pressing appeal to the feelings of humanity and moderation of the President and of the American people in their existing differences with Spain." They evidently did not regard Spain as the aggressor. President McKinley in his reply expressed the confident expectation that the remonstrating powers would appreciate our offer "to fulfil the duty of humanity by ending a situation, the indefinite prolongation of which had become insufferable." Had they, when we forcibly intervened, declared an embargo upon the shipment of arms and ammunition to the United States, while continuing to supply Spain with the implements of war, we should have resented in appropriate ways their partisan action.

Should we attempt to apply retrospectively the principle of staying or punishing the aggressor we should be obliged to determine the question whether the forcible creation of that great agency of law and civilization, the Roman Empire, or the forcible progress of any other great historic movement, should not have been prevented; whether the formation of the British Empire or the extension of France and her colonial empire should not have been opposed; whether the establishment of the Russian Empire should not have been resisted; whether the world should not have prevented the United States from becoming what it is; also, whether the forcible association in earlier times of the vast aggregation of states now known as China did not result from a neglect by other states of their duties and, perchance, their opportunities.

The opposite of self-defense is aggression. We have been told that the limits of self-defense "have been clearly defined by countless precedents." Students of this subject have remarked that it would be "interesting to know" what these "countless precedents" are, but their curiosity has not been gratified. It will not be. The attempt so to define self-defense that its future application would be clear and practically automatic is just as futile as the attempt similarly to define aggression has been—and must continue to be.

[1] "The Slippery Aggressor," The World Tomorrow, June 1930.

Mr. KING. Mr. President, I avail myself of this opportunity to submit a very few remarks concerning the cowardly attack of the Fascist government upon a small but independent state, and to have inserted in the RECORD two editorials appearing in two of the leading newspapers of our country, and a statement which has just been issued by the Department of State.

The world has been made aware of the purposes of the Nazi and Fascist governments to disturb the peace of the world and to make war upon unoffending nations; to rob them of their liberty and to dispoil them of their territory. History has many dark pages recording the brutal, wanton, and barbarous attacks of strong nations upon weak nations, and of combinations of cruel and ambitious autocrats to conquer peoples who were pursuing the paths of peace and who desired to live in amity with all the world. Historians of the future will point to the Nazi and Fascist governments as betrayers of treaties and offenders against international law and the peace not only of Europe but of other parts of the world.

Albania is a small country, with a limited population, but its inhabitants are brave and courageous. They love independence and are exhibiting, in the face of this barbarous attack by the Fascist government, a heroism and fortitude that will command the admiration of the world.

It is obvious that they cannot successfully resist the military and naval forces that the Fascist government is hurling against them. The attack by the Fascist government upon this unoffending state calls for universal condemnation. An editorial in today's issue of the Washington Star, entitled "Aggression Unabashed" contains the statement that—

For sheer, cynical international brutality—aggression unabashed—Italy's invasion of Albania outstrips even the crimes for which Ethopia, China, Austria, and Czechoslovakia are synonyms. * * * Mussolini's descent upon his defenseless little Adriatic neighbor presents but one redeeming feature—the stubborn resistence which King Zog's army and the people offered to the ruthless violators of their soil and sovereignty. * * *

The Albanian minister at Washington states that * * * a prize fighter, to show his skill, has knocked down a child.

All civilized people will take note of the fact that this attack from the sea and from the skies and from landing military forces, occurred without notice, and at a time when the Queen of Albania, but 2 days before, gave birth to a son and heir. The Italian Government knew of her condition but with a callousness almost unprecedented compelled her to flee in an ambulance through the mountains to find safety in another land.

The Washington Post of this date contains an able editorial under the title "The Axis Strikes Back." The editorial states that—

The Duce has now seen fit to invade Albania and bombard her towns. His action is the companion piece and sequel to Hitler's equally flagrant and indefensible destruction of the independence of Czechoslovakia.

The editorial further states that—

Thwarted in north and east Africa the Italian dictator has followed the line of least resistance by invading Albania, surrounding this cheap and cowardly gesture with the trappings of war.

The editorial further states that—

His action also suits Hitler who may have been instrumental in instigating it. The violent blows struck at the helpless but courageous Albanians may serve as a warning to Greece and Yugoslavia and other small nations that while Paris and London talk, Rome and Berlin act.

Mr. President, in my opinion, there are few cases in history where a more cruel and wicked invasion of a peaceful and independent state has ever been made. I have just been referred to an article appearing in the Washington Times Herald of today by Mr. Robert G. Nixon, containing a statement issued but a few hours ago by the Department of State. The article is as follows:

[From the Washington Times Herald, April 8, 1939]

ROOSEVELT APPROVES HULL'S STATEMENT BLASTING ITALY

(By Robert G. Nixon)

The United States today formally denounced Italy's invasion of the little, but strategically important kingdom of Albania.

This Government thus extended its vigorous censure to both ends of the Rome-Berlin axis for armed conquest of independent nations of Europe.

Secretary of State Hull branded the Italian invasion as "an additional threat to the peace of the world."

In a brief but pointed denunciation Hull declared:

"Any threat to peace seriously concerns all nations."

APPROVED BY ROOSEVELT

The Secretary of State's condemnation of Italy was made with the full approval of President Roosevelt. Hull conversed at length on the telephone with the Chief Executive at Warm Springs before issuing his statement to correspondents.

The Hull statement of condemnation follows:

"The forcible and violent invasion of Albania is unquestionably an additional threat to the peace of the world.

"It would be short-sighted not to take notice of this further development.

CONCERNS ALL NATIONS

"Any threat to peace seriously concerns all nations and violates the will of all peoples in the world that their governments shall lead them not toward war but along paths of peace.

"It is scarcely necessary to add that the inevitable effect of this incident, taken with other similar incidents, is further to destroy confidence and to undermine economic stability in every country in the world, thus affecting our own welfare."

I have referred to the fact that treaties have been violated by the Nazi and Fascist governments. Italy and Germany were parties to the Kellogg-Briand Pact, which was also signed by 59 of the 64 independent nations of the world who were entitled to participate in the treaty. Albania was likewise a party to the Kellogg-Briand Pact.

It will be recalled that the high contracting parties solemnly declare that they condemn recourse to war for the solution of international controversies and renounce it as an instrument of national policy in their relations with one another. And they also agree that the settlement or solution of all disputes or conflicts, of whatever nature or of whatever origin they may be, which may arise among them shall never be sought except by pacific means.

The Fascist government flagrantly and brutally violated the treaty and made a cowardly attack upon an unoffending state and its people.

I invite attention to the statement of the Secretary of State referred to, which condemns the forcible and violent invasion of Albania and declares that it constitutes an additional threat to the peace of the world.

Mr. President, I ask unanimous consent that the editorials from the Washington Star and the Washington Post to which I have called attention be inserted in the RECORD as a part of my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of April 8, 1939]

AGGRESSION UNABASHED

For sheer cynical international brutality—aggression unabashed—Italy's invasion of Albania outstrips even the crimes for which Ethiopia, China, Austria, and Czechoslovakia are synonyms.

Mussolini's descent upon his defenseless little Adriatic neighbor presents but one redeeming feature—the stubborn resistance which King Zog's army and people offered to the ruthless violators of their soil and sovereignty. That the Albanians' gallantry is doomed to futility against the naval, military, and air might hurled against them by the Fascist bully is a foregone conclusion. The Albanian minister at Washington, Faik Konitza, pictures the situation graphically when he says that "a prize fighter, to show his skill, has knocked down a child," and the envoy adds, "silence is the most eloquent protest in such a case."

Rome's alibi that Il Duce's legions were flung into Albania as a measure of protection for maltreated Italians is, of course, the flimsiest of pretexts. It is as grotesque as the charge that King Zog refused to negotiate for better conditions for them. For 12 years Italy, through a treaty of alliance, had held a preferential status in Albania, which amounted to domination. Rome was in position at any time to impose its will at Tirana without resort to the brute force to which recourse was suddenly had. It is as unjustifiable and heartless a procedure as our might-is-right era records. It reveals periodical Italian peace protestations as a mockery that takes its place alongside the succession of broken words of Germany, which finally killed the "appeasement" enthusiasm of Neville Chamberlain.

Italy having been assured that Germany fully supports the indefensible Adriatic enterprise, there is every reason to suspect that Albania's occupation is the answer of the totalitarian axis to Poland's entrance into an antiaggression coalition and to efforts to extend that "cordon sanitaire"—the European diplomatic equivalent of Mr. Roosevelt's "quarantine"—into a bloc including Hungary and Rumania, and possibly Russia, Greece, and Turkey. Because of its proximity to Yugoslavia and Greece, Albania's seizure may well have as its underlying inspiration the desire of Fuehrer and Il Duce to intimidate King Zog's Balkan neighbors from identifying themselves with the combination of which Prime Minister Chamberlain has assumed the leadership.

Mussolini's personal motive is transparent and notorious. Ever since the Austrian anschluss and particularly since dismemberment of Czechoslovakia, he has registered mounting jealousy over Hitler's hogging of the aggression show. That Il Duce hungers impatiently for his place in the limelight and for his share of the spoils of axis partnership has long been an open secret. When his hope of compensatory booty at France's expense—in Corsica, Tunisia, or elsewhere—was blasted, it became necessary for the Roman dictator to turn elsewhere, to prove that Fascist Italy, no less than Nazi Germany, is capable of successfully claiming more "living space." Albania is the direction in which he chose to make his demonstration of what diplomacy calls "prestige policy."

Above and beyond Il Duce's specific incentive, the dictators manifestly feel under the compulsion promptly and dramatically to challenge the British stop-aggression program. They have elected to show the world that "encirclement" threats neither impress nor check them. It should presently develop whether Great Britain, which holds that the invasion of Albania violates the 1938 Anglo-Italian pact pledging Mediterranean status quo, will view Mussolini's defiance with equanimity, to say nothing of the even wider threat it offers to British influence in the Near East, which the self-anointed "Grand Protector of Islam" is keen to undermine.

Over Easter, with its peaceful traditions, clouds hover again in that cockpit of Europe whence the World War was spawned.

[From the Washington Post of April 8, 1939]

THE AXIS STRIKES BACK

Mussolini has used a sledge hammer to drive a nail. For 12 years Albania has been bound to Italy by the closest political, economic, and financial ties. She has been in fact, if not in name, an Italian protectorate.

Nonetheless, the Duce has now seen fit to invade Albania and bombard her towns. Apparently he seeks to incorporate that nation in the Italian Empire. His action is the companion piece and sequel to Hitler's equally flagrant and indefensible destruction of the independence of Czechoslovakia. It is also the sequel and answer to the recent efforts made by Great Britain and France to bar the way to further aggressions in Europe.

The fact that Albania was already within the orbit of the Berlin-Rome axis certainly did not save her from attack. On the contrary, it made her the kind of easy victim which the Fascist powers needed to demonstrate that they have been neither cowed nor intimidated by London and Paris.

Over a period of several months, Mussolini has sought to bulldoze the French into making far-reaching concessions in Tunisia, Djibouti, and elsewhere. His failure has been complete. Premier Daladier refused to give way to threats and blustering and announced that not one inch of French territory would be ceded to Italy. Mussolini, in turn, realized that a frontal attack on France or the French Empire would lead to a war from which Italy could hardly emerge victorious.

Thwarted in North and East Africa, the Italian dictator has followed the line of least resistance by invading Albania, surrounding this cheap and cowardly gesture with the trappings of war. For he knew that neither Great Britain nor France nor any other nation would or could lift a finger to aid his victim. The attack on Albania was intended to assuage his pride, which had been wounded by the long succession of German triumphs with no parallel triumphs secured by Italy, and to serve notice on Italy's rivals and their satellites that Italy is still on the map.

His action also suits Hitler, who may have been instrumental in instigating it. The violent blows struck at the helpless but courageous Albanians may serve as a warning to Greece, Yugoslavia, and other small nations that while Paris and London talk, Rome and Berlin act.

Mussolini's move, therefore, is partially designed to demonstrate to these small nations that it is dangerous to incur the hostility of the totalitarian states. In that way the efforts of the British and French Governments to create an antiaggression bloc may be handicapped by the refusal of the nations in the path of Hitler and Mussolini to cooperate with the democratic powers. Thus the destruction of Albania's independence, for 12 years more apparent than real, is less important than the deliberately violent manner in which it was brought about.

CALL OF THE ROLL

Mr. VANDENBERG. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Johnson, Colo.	Reed
Andrews	Downey	La Follette	Schwartz
Ashurst	George	Logan	Sheppard
Barbour	Green	Lundeen	Stewart
Barkley	Guffey	McCarran	Thomas, Utah
Bilbo	Gurney	McNary	Townsend
Borah	Hayden	Minton	Vandenberg
Brown	Herring	Murray	Wiley
Bulow	Holman	Norris	
Burke	Johnson, Calif.	Pepper	

Mr. MINTON. I announce that the Senator from Arkansas [Mr. MILLER] is detained from the Senate because of illness in his family.

The Senator from Indiana [Mr. VAN NUYS] and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained.

The Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mrs. CARAWAY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from Delaware [Mr. HUGHES], the Senator from Illinois [Mr. LEWIS], the Senator from Connecticut [Mr. MALONEY], the Senator from West Virginia [Mr. NEELY], the Senator from New Jersey [Mr. SMATHERS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are absent on important public business.

The VICE PRESIDENT. Thirty-eight Senators have answered to their names, not a quorum. The clerk will call the names of the absent Senators.

The Chief Clerk called the names of the absent Senators; and Mr. AUSTIN, Mr. BANKHEAD, Mr. BONE, Mr. BYRNES, Mr. CAPPER, Mr. FRAZIER, Mr. GERRY, Mr. HILL, Mr. LODGE, Mr. MCKELLAR, Mr. NYE, Mr. PITTMAN, Mr. RUSSELL, Mr. SCHWELLENBACH, Mr. THOMAS of Oklahoma, and Mr. WHITE answered to their names when called.

The following Senators entered the Chamber and answered to their names: Mr. GLASS, Mr. REYNOLDS, Mr. TRUMAN, Mr. TAFT, Mr. HATCH Mr. O'MAHONEY, Mr. HARRISON, Mr. CONNALLY, Mr. SMITH, Mr. LUCAS, Mr. ELLENDER, Mr. SHIPSTEAD, Mr. LEE, Mr. MEAD, Mr. RADCLIFFE, Mr. DONAHEY, Mr. HOLT, Mr. WHEELER, Mr. OVERTON, Mr. CLARK of Missouri, and Mr. KING.

The VICE PRESIDENT. Seventy-five Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

Mr. MEAD presented a resolution adopted by the Basic Building Trades Council of Syracuse and Vicinity, New York, favoring the immediate withdrawal of the W. P. A. from the building and construction industry, and the employment of experienced and skilled workers already in industry on the construction of public works, which was referred to the Special Committee to Investigate Unemployment and Relief.

Mr. RUSSELL presented the following resolution of the Senate of Georgia, which was referred to the Committee on Finance:

Whereas the Supreme Court of the United States has held an opinion in May 1937, as follows:

"The matter of old-age pensions is a national matter with which the States cannot adequately cope", is an opinion in which we concur;

Whereas we find that the State of Georgia faces a rather serious financial condition; and

Whereas we find that we face a very difficult problem to find the money necessary to finance our schools, educational institutions, department of health, eleemosynary institutions, and other necessary and fixed functions of the State government, not to mention old-age pensions at all: Therefore be it

Resolved by the Senate of Georgia, That the 10 Congressmen and 2 Senators of Georgia be requested to make a survey of the old-age pension subject and specifically examine into the merits of House Resolutions Nos. 11 and 2, and other pending old-age pension measures now before our National Congress;

That Congress be memorialized to examine into the pending old-age pension bills now pending and give some definite direction to the best bill that may be worked out, so that the intentions and purposes of the people of the United States seeking to aid old-age pension petitioners may have answer, and that the old-age pension petitioners may receive the help prayed through our National Congress;

That a copy of this resolution be sent to the President of the United States Senate and each member of the Georgia delegation in Congress.

Mr. RUSSELL also presented the following concurrent resolution of the Legislature of Georgia, which was referred to the Committee on Interstate Commerce:

Whereas on February 27, 1939, Commissioner William E. Lee and Examiner Michael T. Corcoran reported to the Interstate Commerce Commission that rates on 13 commodity groups were "unduly prejudicial" to southern producing points "to the extent that such rates are beyond levels higher than at present in effect on like articles within the North"; and

Whereas the said report further stated that there was no substantial argument while the rate level for a given commodity shipped from a southren to a northern point should be higher than the level of rates between two northern points of equal distance; and

Whereas it is fitting and proper that the Interstate Commerce Commission immediately equalize rate structures so as to have uniform rates on like articles which are or which may be produced in different sections of the country from such sections to common markets in conformity with the aforesaid report: Therefore, be it

Resolved by the senate (the house of representatives concurring), That the Interstate Commerce Commission be memorialized and petitioned by the general assembly of this State to immediately effectuate the said uniform rate structures in conformity with the said report of February 27, 1939: Be it further

Resolved, That a copy of this resolution be dispatched to the Interstate Commerce Commission, to each Member of the Georgia delegation in the National Congress, and to the press of this State and Nation.

NEUTRALITY

Mr. DANAHER. Mr. President, among the many splendid and thoughtful expressions of opinion reaching me from Connecticut citizens is a message from Col. Anson T. McCook, of Hartford. I feel it to be of such importance and entitled to such weight that I ask unanimous consent that

it be printed in the RECORD and referred to the Committee on Foreign Relations.

There being no objection, the telegram was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

HARTFORD, CONN., *April 6, 1939.*

Hon. JOHN A. DANAHER,
United States Senate:

Doctrine stated by former Secretary Stimson strikes me as very dangerous to our peace and liberties. It would destroy by indirection the constitutional control over peace and war which rests and should rest with Congress through giving whoever might be President such power to commit us to friendly attitude toward one belligerent or unfriendly to another that war might be precipitated. This could readily happen without declaration of war, thus nullifying powers and duties of Congress.

Col. ANSON T. MCCOOK.

MINIMUM PRICES FOR AGRICULTURAL PRODUCTS

Mr. FRAZIER. Mr. President, the Secretary of Agriculture has made a report on Senate bill 570, commonly known as the cost-of-production bill, in the form of a letter to the chairman of the Committee on Agriculture and Forestry, the Senator from South Carolina [Mr. SMITH]. I ask unanimous consent that the letter of the Secretary be appropriately referred and printed in the RECORD.

There being no objection, the letter was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

APRIL 6, 1939.

Hon. E. D. SMITH,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR SMITH: In response to your request of January 16, I submit the following comments on S. 570, "The Agricultural Equality Act of 1939," a bill to regulate interstate and foreign commerce in agricultural products; to prevent unfair competition; to provide for the orderly marketing of such products; to promote the general welfare by assuring an abundant and permanent supply of such products by securing to the producers a minimum price of not less than cost of production, and for other purposes.

This bill discloses a genuine recognition of the fact that agriculture should have more satisfactory returns and a larger share of the national income. Many of the sponsors of S. 570 have been intimately associated with various legislative efforts to improve the lot of the Nation's farmers, since the beginning of the agricultural depression in the early 20's. This is one reason why their present point of view as reflected in this bill deserves very careful consideration.

The need for continued, positive action in the field of agricultural legislation and programs is indicated by the disparity in agricultural prices and income. This disparity has persisted in varying degrees since 1920, reaching its greatest depth in 1932 when prices received by farmers were only 54 percent of parity price as now defined in the Agricultural Adjustment Act. But before turning to the consideration of S. 570, I should like to say a word about the improvement in farm prices and income in the past 6 years.

Since 1932, under the agricultural program, monetary policy, trade agreements, other positive actions and general economic improvement, farm prices have increased materially not only in dollars and cents but also in buying power. To be sure, a part of the improvement in farm prices in recent years was due to drought, which in many cases curtailed production below any reasonable limit of beneficial reduction. But the effects of the drought have largely disappeared and surplus problems have reappeared in several classes of farm products. Nevertheless, the general level of farm prices in 1938 averaged 75 percent of parity as compared with 54 percent in 1932. All thoughtful students of farm problems recognize, I believe, that the position of agriculture is not yet satisfactory. It must be obvious to all, however, that significant progress has been made in recent years, especially when improvement is measured in cash income.

In 1932 the total cash income of the Nation's agriculture was in round figures $4,300,000,000. By 1937 it had doubled, reaching a total of $8,600,000,000, including Government payments. The cash income for 1938 was reduced below the 1937 figure by about $975,000,000, due largely to the world industrial recession and the resulting decline in consumer income. Meanwhile prices paid by farmers increased substantially up to 1937 and then declined somewhat in 1938, but the buying power of the farmers' cash income in 1937 and 1938 was higher than in 1932 by 77 percent and 66 percent, respectively. In other words, the average buying power of the gross cash income of agriculture in the past 2 years was more than 70 percent higher than in 1932. Because of the relative rigidity of prices paid by farmers, the rate of improvement was even greater in the income available for living on the farm. This income advanced from about $1,860,000,000 in 1932 to $5,500,000,000 in 1937. Meanwhile the buying power of this income increased 150 percent.

Meanwhile significant improvements have been made in many other directions also. Farm indebtedness has been put on a sounder basis, foreclosures have diminished, tax delinqency has declined, land values have improved, schools and other rural institutions are functioning more adequately, and other signs of improvement are apparent throughout the countryside.

Yet, with all this progress, there must not be any relaxation of effort to consolidate the gains that have been made and to seek every practical means to achieve further advance. Hence, S. 570 should be welcomed as a basis of constructive discussion, for stock taking of the means by which we have obtained the improvements just noted, reviewing present needs of agriculture, and studying possibilities of securing still more effective agricultural legislation. In this spirit, we should prefer to consider every measure proposed by friends of agriculture.

The principal provisions of this bill may be summarized briefly as follows:

Section 1: The provisions of the proposed act apply to each agricultural product (including poultry, livestock, crops, products and byproducts thereof, in an unmanufactured state) which during the preceding marketing year was introduced into interstate or foreign commerce in quantities having a value in excess of $10,000,000.

Section 2: The Secretary of Agriculture would determine for each year the average cost of production to the farmers of each agricultural product. In determining such cost of production, after public hearings participated in by representatives of farmers' organizations, the Secretary "shall consider the average individual farm as a business unit, and shall, among other things, include compensation to farm operators for management and for labor for themselves and their families and hired help, equal to the compensation paid for like time and services in industry, together with adequate allowances for taxes and other overhead charges, maintenance and depreciation of soil, improvements, buildings, farm machinery, implements, tools and equipment, stock-breeding and work animals." Interest on "the fair and reasonable property investment value, not necessarily the market value" is to be allowed at a return equal to the average interest rate on farm indebtedness. Yields and production during the previous 5-year period are to be considered in this determination of average cost-of-production prices. Equitable differentials against varying transportaton costs to market are to be established by appropriate zones or classifications.

Section 3: The Secretary would be required to determine annually for each agricultural commodity (1) the beginning and end of the marketing year for each agricultural product; (2) the volume of production for the current year; (3) the quantity and percentage of the total volume marketed from farms that is required for domestic consumption and is to be distributed in the current of interstate commerce; (4) the quantity and percentage to be distributed in intrastate commerce affecting the portion to be distributed in interstate and foreign commerce; (5) the quantity and percentage remaining for warehouse reserves and export.

Section 4: All dealers, manufacturers, millers, elevator operators, processors, packers, butchers, ginners, compressors, and other agencies dealing in or handling any agricultural product in interstate or foreign commerce are required to be licensed except that no licenses would be required of any producers for selling, disposing of, handling, or storing any agricultural product produced by them.

Dealers, manufacturers, millers, elevator operators, processors, packers, butchers, ginners, compressors, and other agencies dealing in or handling any agricultural product in interstate or foreign commerce are required to pay producers of agricultural products not less than the average cost-of-production price for that percentage of each delivery of such agricultural product as the Secretary has determined is required for domestic consumption.

At the time of making a sale, the producer of the agricultural product is to receive a receipt showing the quantity and grade of the product and other pertinent information. The receipt must be signed by the Secretary and countersigned by the dealer.

Section 5: The dealer is required to turn over to the Secretary that percentage of the product which the Secretary has determined to be the percentage remaining for warehouse reserves or export. The Secretary may have the products processed and sell them to the best advantage on the world market.

In cases of disaster or calamity, the Secretary can sell for domestic consumption the warehouse reserves and export quantities at the cost-of-production price, plus storage and expenses. The Secretary determines the net amount realized for the warehouse reserves and export quantities of each product and establishes a unit rate at which receipts received by producers at the time of sale will be redeemed.

Section 6: The redemption of these certificates will be made by the Post Office Department with funds transferred to that Department by the Secretary.

Section 7: The Secretary is required to prescribe regulations for carrying out the act's provisions, including requirements for issuance of licenses, systems of accounts, auditing accounts, submission of reports, and entry and inspection of licensees' business places by agents of the Secretary.

Section 8: Failure to pay the cost-of-production prices shall be punished by a fine not exceeding $1,000 or imprisonment not exceeding 1 year, or by both such fine and imprisonment.

Section 9: It is provided that any agricultural commodity owned or hereafter coming into the possession of the United States shall conclusively be deemed to be warehouse reserves or export surpluses and disposed of accordingly.

Section 10: Provision is made for imposing import duties equal to the difference between the world price and the cost-of-production price of each product, plus 10 percent of the cost-of-production price.

Section 11: The act applies to all agricultural products grown, produced, and harvested during 1939 and all subsequent years.

Section 12: The act would continue without change the provisions of the Soil Conservation and Domestic Allotment Act and the provisions of the Agricultural Adjustment Act of 1938 relating to freight rates, new uses and new markets for farm commodities, loans on agricultural commodities, crop insurance, and section 32.

Section 13: Separability clause.

It is probable that about 30 to 40 commodities would be included under this bill. Costs computed as prescribed would have averaged for 1938 from 60 to 70 percent higher than costs computed in the usual manner, about 50 percent higher than parity price, and more than twice the average farm price of a dozen leading farm products.

This bill marks definite departures from existing legislation. It has not been possible to make a complete study of all of its provisions, but I should like to make several observations relating to some of the broad economic considerations involved in this bill.

This bill seems to imply three fundamental assumptions: (1) That domestic consumption would not be reduced appreciably on account of the cost-of-production price; (2) that domestic production would not be greatly stimulated; and (3) that any increase in exports due to such reduction in consumption and increase in production as might occur could readily be disposed of in foreign markets.

The economic questions that arise with reference to these assumptions should be examined very carefully in any further consideration of this legislation.

It is a well-established economic fact that consumers, at a given level of income, vary the amount of their purchases with the rise or fall of prices of particular commodities, the extent of the variation differing materially among the several commodities. It has not been possible to make detailed analysis of the probable economic response of consumers under the cost-of-production price, especially inasmuch as that price would be applied to a very large part of the food budget and not to a few isolated food items. In some instances there might be a greater increase in the retail price by reason of some tendency to pyramid the cost-of-production price, and in other instances there might be some absorption by processors and distributors. All in all, however, it is expected that the cost-of-production price paid to producers would be charged to the domestic consumer.

There is no power to compel consumers to take as much of a commodity at a higher price as at a lower price. On the whole, they would do so only if their income were increased sufficiently to enable them to pay the higher price. At a given level of income, the higher price would cause consumers to reduce their purchases. The amount of reduction in some commodities would be relatively small under the bill; in other commodities domestic consumption apparently would be reduced by as much as 50 percent or more. Aside from any consideration as to whether the consumer ought to pay the increased price, the fact remains that the inevitable reduction in his purchases would have far-reaching consequences, especially in the absence of some practical means of differentiating between consumers of low and of high income. The consumers might, of course, turn to products produced within each State, thus stimulating far-reaching realinements in the Nation's production and processing. In this it is assumed that a product produced and consumed within the same State would not be legally subject to the provisions of the bill. The farmer selling his own product is not, of course, subject to the provisions applicable to dealers.

With the guaranteed cost-of-production price, and without any restraint on production (and this bill does not provide for such restraint), the producers would undoubtedly increase production, shifting their lands to products eligible for the guaranteed price. As the domestic consumption percentage would be determined annually, the individual farmer would find it to his advantage to produce as much as possible in any year in order to get the cost-of-production price on as many pounds or bushels as possible. In the absence of any means of limiting production it is likely that the individual's pursuit of the guaranteed price would tend to nullify the general interest of all producers, through increased aggregate and wasteful production.

It is evident, therefore, that our exportable surpluses would be greatly increased as a result of reduced consumption and increased production. This presents the serious question of how these exports could be disposed of in view of the far-reaching restrictions now imposed upon agricultural imports in most of the foreign countries. The improvement in the foreign outlets for our farm products that has been achieved under our trade-agreement program probably would be nullified, partly by that provision of the bill which required that a duty be imposed equal to the difference between the world price and the cost-of-production price, plus 10 percent of the latter, and by retaliatory measures that probably would be imposed by many foreign countries if attempts were made to force into their markets a greatly increased quantity of American exports. Finally, many of the importing countries have quota restrictions, exchange limitations, and similar inhibitions by which they limit the quantity imported. It is a serious question, therefore, as to whether it would be possible to dispose of that increase in the exportable surplus that would result from the application of S. 570 in its present form. At best these increased exports could be moved into foreign markets only at very greatly reduced prices. But with these increased exports we would send abroad much of our soil fertility and endanger the effectiveness of our soil-conservation work because of the premium which the cost-of-production price and uncontrolled production would put on soil-depleting crops and practices.

The reduced domestic consumption and the attempted increase in exports at greatly reduced price would have far-reaching repercussions upon the farmer's returns. It is probable that the returns on some products would be reduced while increased on others. Under the bill as it stands, and considering only its broader economic implications, it is an open question whether the total return to agriculture would be materially improved—whether in the long run it would not in effect impose a severe tax upon the domestic consumer, provide a subsidy to foreign consumers, and afford at best an uncertain benefit to the American farmer.

In my opinion it would be unwise to enact at this time any far-reaching legislation as a substitute for the present program. Moreover, our experience shows that any major legislation in this field should be enacted far enough ahead of the application of it to avoid unnecessarily abrupt change, to enable the Department to formulate specific plans of administration, and to afford producers and the trade an opportunity to become acquainted with the new legislation and the new administrative regulations and procedure developed in pursuance of the statute.

Aside from the broad economic considerations of this measure, there are numerous legal and administrative considerations which should also be given very careful study. While it is not the purpose of this report to discuss the constitutional or other legal problems raised by the bill, I raise the question as to whether or not the provisions of section 12 are sufficiently definite so that, should the bill be enacted into law, it would be possible to tell which statutes now in effect would be repealed.

The administration of this bill would be both difficult and expensive. Experience indicates, I think, that we are likely to be optimistic in estimating administrative expenses in a matter of this kind. This is a vast country, over which administrative machinery would have to be established with reference to some 30 or 40 agricultural commodities. The determination of cost of production under the provisions of the bill would itself be more complex and expensive. The term "cost of production" sounds simple and specific, yet in reality it is exceedingly complex and vague, especially when it is required, as in this bill, that cost be determined on bases which necessarily involve controversial assumptions with maximum of opportunity for debate and group pressure with reference to what is the cost of producing a commodity in a given year. The bill provides that cost would be determined after public hearings, participated in by representatives of producer groups, and necessarily of other groups as well. The licensing of all dealers handling these 30 to 40 commodities in interstate and foreign commerce and the policing to prevent bootlegging of the commodity and to minimize evasion would be a herculean task.

In response to a separate inquiry, made by Senator ELLENDER at your suggestion, we are attempting to estimate more specifically the probable cost of administering this measure if it should become law.

As indicated earlier, I have a great deal of fondness for this or any other sincere attempt to legislate for the economic improvement of agriculture. Our experience, however, indicates that it is possible to attempt a task so complex and within a time so short that disappointment to producers and even some discredit upon general farm legislation may result.

In conclusion, let me repeat that I welcome the discussion occasioned by this bill. Its purpose is commendable and it is sponsored by friends of agriculture, many of whom have consistently supported progressive farm legislation over many years. It is necessary, however, to point out that the bill in its present form rests upon economic assumptions of very doubtful validity, that an attempt to apply it to so large a number of commodities, and with insufficient time to prepare for the administration of it would cause great confusion among producers and members of the trade, and that any attempt to legislate along this line should be undertaken on a much more limited scale and with most careful consideration of the legal and administrative problems involved.

Upon reference of this matter to the Bureau of the Budget, as required by Budget Circular 344, the Acting Director thereof advised the Department of Agriculture under date of March 30, 1939, that there would be no objection on the part of that office to the submission to Congress of this report.

Sincerely,

H. A. WALLACE, *Secretary.*

FARM CONDITIONS IN THE MIDDLE WEST

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Agriculture and Forestry several letters from farmers in my State, describing the plight of farmers in the Midwestern section of the United States.

There being no objection, the letters were ordered to be printed in the RECORD and referred to the Committee on Agriculture and Forestry, as follows:

MARIBEL, WIS., *March 22, 1939.*

Just to show how little a farmer has to live on, I am mailing four statements of our last milk checks. I have a 100-acre farm and 19 head of milk cows. I have to feed 1 ton of dairy feed each month,

which costs me about $25 per ton. I have a $65 mortgage, and a family of six children, besides taxes, interest, etc.

If a farmer has no buying power, this country will never prosper. The only thing lacking is the farmer just hasn't any money to buy things which he really needs and other things which he bought before. If he did, the factories in the cities would have to employ men and women to manufacture goods to meet these demands.

You Senators have the power, so let's hope you will do something to benefit the farmer.

Nearly every farmer could use a hired man, but he has to contend with W. P. A.

Mr. J. A. G.

ROSHOLT, WIS., *March 8, 1939.*

I have been served with notice by the Federal Land Bank of St. Paul, Minn., of intentions of foreclosure on my farm. This is, of course, one of the many foreclosures in progress in Portage County, and at the rate that farmers are defaulting through no fault of their own it won't be long before there will be only 10 percent of the farms remaining in farmers' hands.

I have tried my best under the conditions that have made it impossible to make money enough to make the farm pay. I have worked not only on my farm, but for a salary to get enough to feed my cattle and buy seed for planting, and at the same time keep the soil built up so as to be productive. I've been supporting my family of five boys, my wife, and myself, but it's been all in vain. This is not only my case, but the case of all of the farmers in this territory; and every time a farmer has to leave his farm it means he diverts to the W. P. A. pay roll.

For the past 6 years we have had crop failure and most farmers have had to borrow from the Government departments to get money to buy seed and feed for cattle, and some even additional to keep their family going.

I have managed, through working, not to borrow from any of these farm agencies; but by so doing, I have run behind on interest and taxes. It just cannot be done in this territory until conditions get better. And there should be something done, or some consideration made. The farmers who know their farms can make it go if given a chance, and I feel confident that times are going to change.

Mr. P. R. C.

WALWORTH, WIS., *March 9, 1939.*

I had an experience yesterday that was so new to me it puzzles me to know what it is all about.

You are well aware of the condition we rural folks are in, so suffice it to say I am just another poor devil trying to get along. I have my problems, as everyone has, and at times I feel rather discouraged. Yet I seem to get along year after year. Just how it is done I cannot quite explain. About the only explanation I have is that we are able to estimate our income from day to day and our expenditures are made accordingly. The result is our budget is always balanced, which is a rare incident these days.

But my story has to do with the local rehabilitation office. That is where I received a shock. I thought if I had a few tools to work with I could get along better by raising better crops and without a doubt have more time to work out by day. All in all it would tend to lift my income to the betterment of my family—six of us.

I rent nearly 4 acres of land and raise truck and berries. But here is the rub. I do all the work by hand. You know a person wouldn't do such a thing because he lacks reason nor because he is overly ambitious. He does it because of one thing, and that is, necessity. So I thought if I could only own a substantial garden tractor with some equipment I could better my conditions to something near a decent standard. My wife and I are college people and we possess an earnest desire to give our children as much as we had.

Some time ago I made application for a loan at the rehabilitation office. I thought my record would stand up under the most rigid scrutiny. I am certain it would. They paid no more attention to my standing. I was told and with great finality "We do not make loans to small truck gardeners, because our experience is they have been unsatisfactory." Instantly it gave me an insight to the entire rehabilitation affair. And I didn't let them pass the buck to the small gardener. Rather, I carefully explained they had admitted something that was not to their credit. If it were true that they had had this unfortunate experience, it was not wholly the gardener's fault, but rather their own inasmuch as they lacked analytical intelligence to properly appraise the individual gardener.

Poor judgment is and always will be the bane of the present A. A. A., and this is but one of the many, many inconsistent parts. It seems to me emotion rather than sound principle of analysis is a component part of the whole set-up. Although I am of an analytical mind, I am not, thank God, immune to emotion. I laud any endeavor that is motivated by emotion—provided it makes sense. This brings me to another phase of yesterday's experience.

In order that I might be appeased I was told I still had two avenues open. First apply for a job on W. P. A. If I couldn't be certified for W. P. A., I could apply for relief. The relief office in turn would decide which would be the cheapest for them, to furnish me with my tractor or keep me on relief. Is there a bureau in Washington that has the superintelligence to work out such a plan as I have described? Where do such plans originate? Is there anything under the sun that will straighten this mess out? The only thing I can think of is ridicule.

I tried to get the opinion of the rehabilitation office as to the definition of that term. They couldn't give a definition, but were satisfied that the name was misleading.

Though I keenly desire to better myself, this letter is not written because of self-pity. It is written because I believe that these flagrant exhibitions of brainlessness can only be overcome through being brought to light. And it seems to me the people should furnish the legislators with actual facts. So this is my bit (and I'm a life-long Democrat), but not a 100-percent or even 50-percent new dealer.

T. J. B.

AMHERST JUNCTION, *March 1939.*

I beg of you to work for the stoppage of foreclosures of Government farm mortgages, and for legislation to allow these victims of recent foreclosures to regain (or at least to rent) their farms.

In this neighborhood, apiece of town of New Hope, Portage County, three farms are going under the hammer and four more, it is said, will go before the end of the year. Some of the victims have large families to support. All of them will have a difficult time making a living. Six of these farms have been in the "owner's" family two or more generations. The Government is merciless in forcing these poor people to vacate. They are industrious but they have been handicapped by depression, drought, and expenses of rearing families, and it has been impossible for them to meet their payments.

So the Government, though wasting millions elsewhere, forecloses, and, to add insult to injury in two of these cases, is on the point of selling the farms to people who are already loaded to the ear with debts, and who eventually will have to let the places go. Why can't the victims get a chance to buy back their farms at the present prices? One man has been paying on a loan of $6,000 when the farm at present prices would probably sell at about $2,000. The Government is wasting money right and left on resettlements and model housing schemes but our farmers are fast becoming homeless.

M. A.

SHELL LAKE, WIS., *March 29, 1939.*

Senator ALEXANDER WILEY,
Washington, D. C.

DEAR SIR: I see by the paper you are going to investigate the W. P. A. Maybe you would like to know how it works back home around here. I am a farmer and hire some of the W. P. A. boys or I try to hire them for the days they have between periods. The boys are afraid to work for anyone because if they pick up a few days' work they are told they will be fired from the W. P. A. That is the threat the local office holds over them. It makes it bad. We can't get help; the men can't get started at anything else, but worse, it tends to make those in office and the higher-ups more secure.

I expect that the farmers and businessmen will have to pay for all Government expense, and we resent having them conduct their affairs so as to make it harder for us as well as more expensive.

I am in hopes you will and can see that these people are free to find work where and when they can, without being in danger of losing out with the steady work the W. P. A. furnishes.

Sooner or later Government expense must be cut. May it be sooner!

We Americans have so much to be thankful for. Let us make haste slowly with experiments lest we lose the things our forefathers bought so dearly for us.

Be not afraid to be conservative. The people back home will "back" you.

Very respectfully,

Mr. H. N. CROSBY.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McKELLAR:

S. 2112. A bill authorizing the appointment and retirement of Mark Conley as a captain, United States Army; to the Committee on Military Affairs.

By Mr. RUSSELL:

S. 2113. A bill for the relief of Mark D. Dukes; to the Committee on Claims.

By Mr. SCHWELLENBACH:

S. 2114. A bill for the relief of Virginia Pearson; to the Committee on Claims.

By Mr. CONNALLY:

S. 2115. A bill for the relief of Cecil D. McHenry; and

S. 2116. A bill to correct the military record of Edward A. McGown; to the Committee on Military Affairs.

By Mr. MEAD:

S. 2117. A bill for the relief of Edward R. Daum; to the Committee on Naval Affairs.

S. 2118. A bill to amend section 12B of the Federal Reserve Act, as amended, to increase the maximum amount of insur-

There being no objection, the joint resolution was con-

Wisconsin doubled the amount, making it ten billion for a

ance for any deposit which may be insured by the Federal Deposit Insurance Corporation; to the Committee on Banking and Currency.

By Mr. McCARRAN:

S. 2119. A bill to provide for the training of civil aircraft pilots, and for other purposes; to the Committee on Commerce.

By Mr. SHEPPARD:

S. 2120. A bill granting a pension to Creed M. Click; to the Committee on Pensions.

By Mr. MURRAY:

S. 2121. A bill to authorize the Secretary of the Interior to contract with the State Water Conservation Board of Montana and the Tongue River Water Users' Association for participation in the costs and benefits of the Tongue River Storage Reservoir project for the benefit of lands on the Tongue River Indian Reservation, Mont.; to the Committee on Irrigation and Reclamation.

By Mr. HAYDEN:

S. 2122. A bill to authorize the sale of the Wilmot National Guard target range, Arizona; to the Committee on Military Affairs.

CHANGE OF REFERENCE

On motion by Mr. ANDREWS, the Committee on Naval Affairs was discharged from the further consideration of the bill (S. 2111) to amend the act entitled "An act granting additional quarantine powers and imposing additional duties upon the Marine Hospital Service," approved February 15, 1893, as amended, and it was referred to the Committee on Commerce.

AMENDMENT TO SECOND DEFICIENCY APPROPRIATION BILL

Mr. McCARRAN submitted an amendment proposing to appropriate $10,000,000 for the construction and equipment of additional buildings and research facilities on military reservations at Langley Field, Va., and Sunnyvale, Calif., etc., intended to be proposed by him to House bill 5219, the second deficiency appropriation bill, which was ordered to lie on the table and to be printed.

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. THOMAS of Oklahoma submitted an amendment intended to be proposed by him to House bill 4852, the Interior Department appropriation bill, 1940, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 84, between lines 2 and 3, to insert:

"Lugert-Altus project, Oklahoma, $500,000: *Provided*, That as a condition precedent to the expenditure of this appropriation for such project an amount at least equal thereto shall be made available for expenditure by the Secretary of the Interior by transfer from any funds appropriated for the construction of flood-control projects as authorized in the act of June 28, 1938 (52 Stat. 1215, 1219)."

ADDITION OF LANDS TO SEQUOIA NATIONAL PARK, CALIF.—BILL INDEFINITELY POSTPONED

Mr. MURRAY. Mr. President, some time ago I introduced Senate bill 631, to add certain lands to the Sequoia National Park, Calif. Since that time the bill has been under discussion in the Committee on Public Lands and Surveys. Some objection is urged to the bill by the Department of the Interior, and I now ask that the Committee on Public Lands and Surveys be discharged from further consideration of the bill, and that it be indefinitely postponed.

Mr. ADAMS. Mr. President, as chairman of the Committee on Public Lands and Surveys I am not willing to have that done without some information as to what the situation is.

Mr. MURRAY. The only explanation I can offer is that at the time I introduced the bill it seemed to be a bill which was very satisfactory to the Department of the Interior, but since its introduction persons who own the lands under consideration have increased the price at which they will sell their lands. The increases in price are so large as to make it impossible to carry out the project. Therefore I do not want to press the bill any further under those conditions.

The VICE PRESIDENT. Is it the request of the Senator from Montana that the Senate indefinitely postpone the bill?

Mr. MURRAY. Yes.

Mr. ADAMS. I have no objection to that.

The VICE PRESIDENT. Without objection, it is so ordered.

PROBATIONARY APPOINTMENTS IN THE REGULAR ARMY—RECOMMITTAL OF A BILL

On motion by Mr. SHEPPARD, the bill (S. 1155) to provide for probationary appointments of officers in the Regular Army was taken from the calendar and recommitted to the Committee on Military Affairs.

DOLORES P. DE WILLIAMSON

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 511) for the relief of Dolores P. de Williamson, which were, in line 6, to strike out "$3,500" and insert "$5,000", and in line 11, after the name "Panama", to insert a colon and—

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. SHEPPARD. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

FRED HARVEY TRANSPORTATION DEPARTMENT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 10) for the relief of the Fred Harvey Transportation Department, which was, on page 1, line 4, after the word "pay", to insert a comma and "out of any money in the Treasury not otherwise appropriated."

Mr. HAYDEN. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

HUBERT H. CLARK AND DR. W. C. COPELAND

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 11) for the relief of Hubert H. Clark and Dr. W. C. Copeland, which was, on page 1, line 7, to strike out "claim" and insert "claims."

Mr. HAYDEN. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

NATIONAL GALLERY OF ART

Mr. BARKLEY. Mr. President, the other day the Senate passed a Senate joint resolution authorizing an appropriation sufficient to maintain the National Gallery of Art now under construction. The House passed a similar joint resolution, and they have sent to the Senate the joint resolution passed by them. We have sent to the House the joint resolution passed by the Senate. In line with the courtesy always shown the other House by the Senate in connection with matters of that sort where resolutions of the same kind meet each other on the way, I ask the Chair to lay before the Senate House Joint Resolution 225.

The VICE PRESIDENT laid before the Senate the joint resolution (H. J. Res. 225) amending the joint resolution entitled "Joint resolution providing for the construction and maintenance of a National Gallery of Art," approved March 24, 1937, which was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the last sentence of section 4 (a) of the joint resolution entitled "Joint resolution providing for the construction and maintenance of a National Gallery of Art", approved March 24, 1937, is hereby amended to read as follows: "For these purposes, and to provide, prior to the completion of the National Gallery of Art, for the protection and care of the works of art in said gallery and for administrative and operating expenses and equipment preparatory to the opening of the gallery to the public, there are hereby authorized to be appropriated such sums as may be necessary."

Mr. BARKLEY. I ask unanimous consent for immediate consideration of the House joint resolution.

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time and passed.

TESTIMONY OF BERNARD M. BARUCH AND HENRY L. STIMSON BEFORE THE FOREIGN RELATIONS COMMITTEE

[Mr. PITTMAN asked and obtained leave to have printed in the RECORD the testimony of Bernard M. Baruch and Henry L. Stimson before the Committee on Foreign Relations on the subject of neutrality legislation, which appears in the Appendix.]

DEMOCRACY IN ACTION—ADDRESS BY HON. FRANCIS B. SAYRE

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an address on the subject of Democracy in Action, delivered by Hon. Francis B. Sayre, Assistant Secretary of State, at the Fourth Conference of the Women's National Democratic Club, held at the Shoreham Hotel, Washington, D. C., March 22, 1939, which appears in the Appendix.]

ADDRESS BY STEPHEN CHADWICK, NATIONAL COMMANDER, AMERICAN LEGION

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD an address by Stephen Chadwick, national commander, American Legion, before the Chamber of Commerce of Kansas City, Mo., February 22, 1939, which appears in the Appendix.]

ONE MAN'S OPINION—ARTICLE BY GEN. HUGH S. JOHNSON

[Mr. REYNOLDS asked and obtained leave to have published in the RECORD an article entitled "One Man's Opinion," written by Gen. Hugh S. Johnson and appearing in the Washington News in the issue of March 24, 1939, which appears in the Appendix.]

W. P. A. GUIDEBOOK AROUSES FUSS—ARTICLE FROM BALTIMORE SUN

[Mr. REYNOLDS asked and obtained leave to have published in the RECORD an article from the Baltimore (Md.) Sun entitled "W. P. A. Guidebook Arouses Fuss, which appears in the Appendix.]

ADDITIONAL APPROPRIATION FOR WORK RELIEF AND RELIEF

The Senate resumed the consideration of the joint resolution (H. J. Res. 246) making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. PEPPER].

WORKS PROGRESS ADMINISTRATION $50,000,000 APPROPRIATION

Mr. LUNDEEN. Mr. President, on the 6th day of April the able senior Senator from Georgia [Mr. GEORGE] made this statement:

I think the only way to recovery, the key to recovery, is exactly the reverse of much of the philosophy that we have followed, and that is production, increased production, wider distribution. That alone will bring prosperity, and that alone will bring security to democracy against its enemies from without and threats from within.

PHILOSOPHY OF ABUNDANCE AND DISTRIBUTION

Mr. President, that is a philosophy of government which many progressives and liberals have been advocating for these many years, and we in Minnesota have advocated that. I was glad to hear it come from so distinguished a Senator as the senior Senator from Georgia.

The Senator also made this statement:

I voted for relief. I voted for practically all of the relief program. When every other Democrat, with one or two exceptions, voted the other day, I was one of half a dozen Senators here to vote for a $10,000,000,000 bond program offered during the Hoover administration by the distinguished Senator from Colorado, now dead, the late Senator Costigan, and the senior Senator from Wisconsin [Mr. LA FOLLETTE].

FIVE BILLION DOLLARS PROPOSED FOR PUBLIC WORKS IN 1932

This was the proposal, as I understand, of the senior Senator from Wisconsin [Mr. LA FOLLETTE]. The Senator from Wisconsin had proposed during the preceding year, 1932, the authorization of $5,000,000,000; and that was voted down. In 1933 the Senator noted that an increase in the depression was coming rapidly upon the country, and the Senator from Wisconsin doubled the amount, making it ten billion, for a public works program; and the senior Senator from Georgia has called the Senator's attention to his vote in favor of that planning program.

TEN BILLION DOLLARS PROPOSED FOR PUBLIC WORKS IN 1933

It seems to me that what was proposed then is exactly what we should have done back in those days. It is water over the dam, of course; but we should have engaged in a great public works program at that time, with thorough planning. We should have had blueprints and engineering planning. The entire matter should have been in the files, and we should have been ready to go. In fact, that should have been brought about before 1932. But the Senator from Wisconsin deserves all the credit in the world for introducing the plan so boldly and advocating it so ably at that time. So this program involving $10,000,000,000 was defeated.

PROGRESSIVES AND CONSERVATIVES

Mr. President, it is hard to draw the line between progressives and conservatives. There is a dividing line. Both claim to be progressive, I assume. But may I say that we progressives have advocated planning. But just what did we get when we advocated planning? We were received with smiles and a few sneers. When wheat was bringing $3 a bushel, and the economy of the country was on a high wave and a great crest, they said—the conservatives—there was never to be any depression, there was never to be any panic! Those of us who called attention to the fact that the depressions came fairly regularly, every so many years, in this country of ours, those of us who claimed we should be ready were thrust aside; and our opinions were not supposed to be of any great value. But now, at this late date, we find the ablest and most distinguished of our Senators calling attention to their votes in 1932 and 1933.

NOW IS THE TIME TO INVESTIGATE W. P. A.

Mr. President, I wish to say at this point in my remarks that there are many claims that unworthy persons are on the rolls, that many fads and fancies are being introduced into the Works Progress Administration by impractical theorists. There have been charges even of fraud; and there may have been fraud. But I am unwilling to vote in the negative when it comes to an appropriation to take care of the hungry by means of public works just because there have been a few cases of fraud, and because there have been some fads and fancies, and because a few unworthy persons may have gotten on the rolls.

BOTH OLD PARTIES PLAYING POLITICS WITH W. P. A.

I am unwilling further to vote for an investigation of these matters in the heat of a political campaign, when one party is merely trying to make cheap politics of the Works Progress Administration against another political party. But 1939 is not a campaign year—unless we are campaigning all the time, and I imagine we are more or less. But certainly we can at this time calmly consider the wisdom of an investigation and pass judgment on it. So let any investigation go forward now, and let us perfect and improve the Works Progress Administration in this year 1939 and not wait until 1940, just a few days before a primary. I will not lend my vote to that sort of procedure, but I am willing to support an investigation at this time.

WE MUST NOT FORGET OUR HUNGRY AND OUR DESTITUTE

Whatever course we pursue, never let the American Congress and the American Government forget the millions who are hungry and poverty-stricken and destitute, the one-third who our President said were ill-housed, ill-clothed, and ill-fed. We must not let them suffer. Let us not argue with hunger because of a few fads and fancies which may have crept in, as I have stated, through the activities of impractical theorists, or because there may have been or there may be a few instances of fraud, or may be a few unworthy persons on the rolls. It is not fair to the millions of worthy people to compel them to suffer because it is possible to point out some unworthy cases.

FACTS AND INFORMATION

There have been so many eloquent and able speeches I do not know there is much that I can add to the Senate

discussion, except to bring the attention of the Senate to some facts. We can theorize, we can talk about what should have been done and what ought to be done now, but we are confronted by these hundreds of thousands and even millions who need bread today, and will need it tomorrow and the day after tomorrow. Let us take them into consideration.

We hear a good many of those who are experts, or claim to be experts, say that in the United States we have this great land of liberty, and have everything any citizen could require.

Our country is the greatest country in the world. Our economy is better than that of any other nation. But let us examine the record with respect to the unemployment in other nations of the world, and let us see where we stand compared with other countries in respect to unemployment.

WE HAVE 70 PERCENT OF THE WORLD'S UNEMPLOYED

Some time ago I placed in the Record statistics given out by the International Labor Office at Geneva, Switzerland. The International Labor Office at Geneva, Switzerland, is an institution which is part of the sanctified League of Nations, and the statistics I refer to must be correct, because they come from that semisacred institution. The International Labor Office statistics show that we have approximately 70 percent of the world's recorded unemployed in the United States; that approximately 30 percent of the world's unemployed are in other countries than the United States. So we in America, have approximately 70 percent of the recorded unemployed of the world.

BANKING BILL OF 1933

With so great a percentage of the world's unemployed in America, we quarrel about appropriating $50,000,000, whereas we passed a banking bill in 1933 without even having the bill printed, or any Member of the House of Representatives, at least, having read it. I think I have a right to refer to that fact, because I was a Member of the House at that time. That bill was passed without being printed or read in the House of Representatives. We did not know what was in the bill. It was simply passed offhand.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. LUNDEEN. I yield to the able Senator.

Mr. ADAMS. I do not know what happened in the House. I do know that the bill was not passed in the Senate until it was printed and had been considered by the Committee on Banking and Currency. The bill was printed and was on the desk of every Senator before it was acted upon.

BATTLESHIP OR BREAD

Mr. LUNDEEN. I am very happy to know that the Senate at least gave consideration to the bill. I made the same statement on the floor of the House, and it was not contradicted, and the bill was passed without any consideration in the great House of Representatives. We had no trouble about passing the banking bill. But, Senators, we have now debated for a long time as to whether or not we shall appropriate $50,000,000 for the hungry and unemployed of America. I wish to call attention to the fact that $50,000,000 is just one-half of the cost of one of these dinosaurs of the deep, the battleships that we are building and ordering to be built, 45,000 tons each. One battleship costs $100,000,000, not counting auxiliary vessels needed and necessary to protect this monarch of the deep from being sunk. We order battleships to be built without much debate on the question, but have days of consideration, debate, and argument with respect to appropriating $50,000,000 for the hungry of this country.

INTERNATIONAL LABOR OFFICE

I should like to call the Senate's attention to the figures of the International Labor Office with respect to the unemployed in the various countries of the world. I shall give round figures, and later ask to have the statement printed in the RECORD, giving the exact figures.

Belgium, 240,000 unemployed. Canada, 88,000 unemployed. Our neighbor on the north, the splendid country of Canada, has 88,000 unemployed. On our side of the border there are 10,000,000, 11,000,000, or 12,000,000 unemployed—whatever the number really may be. There is much disagreement as to the number of unemployed in our country.

In Chile there are 5,000 unemployed. In Czechoslovakia, 142,000. In Danzig, 4,000. Denmark, 155,000. Estonia, 2,000. Finland, 4,000. In France there are 460,000 unemployed. We have been busy financing France. We have been busy forgiving the debt France owes to us, to the tune of billions of dollars, but we find that in France there are only 460,000 unemployed.

UNEMPLOYMENT DECREASING IN EUROPE—GREAT BRITAIN

In Germany, including Austria, there are 733,000 unemployed.

For Great Britain we have two figures. One is 1,635,000 and with northern Ireland the figure is 2,039,000. The other day the press reported that the figure for unemployed in Great Britain had fallen three or four hundred thousand, so the number of unemployed in Great Britain now is around 1,700,000. Great Britain has the largest number of unemployed of any country in Europe. There the number of unemployed is 1,700,000, whereas in America there are ten, eleven, or twelve million unemployed. If the same proportion of unemployment obtained in Great Britain today that obtains in the United States, there would be six or seven million unemployed in Great Britain. Yet we are busy financing Great Britain. We are busy upholding her pound in the world markets, and the French franc in the world markets. We have repeatedly read articles about the Federal Reserve bank sustaining these financial systems. We have forgiven billions of dollars of debt due this country by Great Britain and France. Yet those countries have comparatively little unemployment.

In Hungary there are 43,000 unemployed. In Ireland, 105,000; Japan, 230,000; Latvia, 3,000; Mexico, 196,000; the Netherlands, 335,000; New Zealand, 1,000; Norway, 34,000; Poland, 456,000. The population of Poland is 33,500,000, and its unemployed number 456,000. That speaks for itself, and we have been busy financing Poland, Germany, Italy, and Europe in general, both in peace and in war.

Portugal has 40,000 unemployed; Rumania, 5,000. Rumania has a population of about 20,000,000 and only 5,000 are unemployed. Sweden has 122,000 unemployed; Switzerland, 85,000; Yugoslavia, 23,000.

OUR PLANS NOT WORKING SO WELL

With respect to the United States the International Labor Office says "applicants for work registered", and only those who are registered as applicants for work are given. The figure for the United States is 7,215,961. These figures appear in the International Labor Review Political Hand Book of the World 1939.

Those who may be labor-minded, those who may be progressive and liberal, are often lectured by the smart boys of Wall Street. They tell us what wonderful things are about to happen. But they do not seem to be doing so well with their plans. It is about time that the people of this country listen to the presentation of some other plan besides those plans which have failed.

Then we hear theories presented with respect to superwealth, to be piled ever higher and higher, until the structure of superwealth endangers not only those who have it, but it endangers the very country itself. I would not want to endanger any citizen under our flag. However, this superwealth endangers not only those who have the wealth, but the whole country. We will have to tame those Wall Street theorists with respect to their superwealth.

I wish to say that there is no desire in my heart to destroy the capitalistic system. I am not an advocate of any such action. I have never made a statement to that effect in my life. I believe in the free business system of the United States.

But I do not believe in tyranny and business dictatorship such as we have had in this country. These business dictators, these captains of industry, have been leading us on and on and on, until we find ourselves today in the situation that we have an overwhelming, preponderant unemployment as compared with other nations.

DECREASES IN RELIEF ROLLS, MARCH TO APRIL

I have some data from the Works Progress Administration. The figures are Government figures. I suppose they will not be questioned. The figures deal with the decreases in relief rolls from March to April. They are as follows: Connecticut, 2,000; Maine, 270; Massachusetts, 9,000; New Hampshire, 270; Rhode Island, 870; Vermont, 2,000; New Jersey, 7,000; New York City, 13,000; New York, excluding New York City, 4,000; Pennsylvania, 19,000; Delaware, 250; District of Columbia, 990; Maryland, 950; Virginia, 2,700; West Virginia, 3,600; Illinois, 18,200; Indiana, 4,900; Michigan, 10,300; Missouri, 10,600; Ohio, 19,500.

The figures may seem to be dreary, and the question may be asked why I should recite them on the Senate floor. Remember that everyone in these figures represents the head of a family, a family of three and one-half persons, if not four. Those persons are American citizens. They stand under the American flag. They are entitled to bread. We must so act and so conduct ourselves in connection with governmental affairs that we do not have to argue with the hungry. I wish to lend myself to the support of any program the purpose of which is to do away with hunger in America. Up to date we are in a situation which is not much to be envied.

I continue to present the figures from the Works Progress Administration of persons dropped from the rolls: Alabama, 4,700; Florida, 3,600; Georgia, 5,000; Kentucky, 4,800; North Carolina, 3,600; South Carolina, 3,700; Tennessee, 5,900; Arkansas, 4,400; Louisiana, 4,900; Mississippi, 3,800; Oklahoma, 5,700; Texas, 6,100; Iowa, 1,900; Kansas, 2,600; Minnesota, 5,500; Nebraska, 2,200; North Dakota, 1,100.

North Dakota has one of the lowest figures. Yet the 1,100 represent a total of 5,000 persons, Americans, in North Dakota, in want because those 1,100 are thrown off the rolls. Just where are they going for help? Where are they going to get bread? Where are they going to get jobs? And we are appropriating $100,000,000 apiece for the building of battleships.

ADMIRAL SIMS AND BATTLESHIPS

Mr. President, Admiral Sims, the commander of the American fleet in the World War—and he was an able commander, one of the ablest we have ever had—said that in the next war the safest place for our battleships is as far up the Mississippi River as we can get them. We have appropriated $100,000,000 for each of these battleships. Today I am willing to vote not only for $50,000,000 additional appropriation for relief, but I am willing to vote for $100,000,000 additional, and other Senators have made the same statement on the floor, notably the distinguished and able senior Senator from Nebraska. I hope that any one who may see my remarks, and not care to read so humble a statement, will read the eloquent, the marvelous speech made by the senior Senator from Nebraska on the Senate floor yesterday.

I continue to give the figures from the Works Progress Administration. South Dakota 990. Those 990 represent a total of 4,000 persons without bread, without employment, in the State of South Dakota, my native State.

W. P. A. IN MINNESOTA

In Minnesota there are more than 20,000 persons who are affected by the reduction in the rolls. Wisconsin, 6,100; Colorado, 2,400; Idaho, 900; Montana, 1,600; New Mexico, 300; Utah, 1,100; Wyoming, 370; Arizona, 800; north California, 5,000; south California, 3,600. There are nearly 10,000 in the great State of California. Multiplying that by three and one-half or four we have a considerable number of persons affected by the reduction in the rolls.

Nevada, 180; Oregon, 1,400; Washington, 4,800; Hawaii, 150.

Senators are much interested in many public works which have been instituted in their various States. When we have had so great a reduction in the work-relief rolls, what is going to happen to these public works that have been instituted when we reduce the amount requested for relief?

COLONEL HARRINGTON AND THE W. P. A.

I have before me a press release from Colonel Harrington, dated April 1, 1939. Remember that Harry Hopkins is no longer at the head of the Works Progress Administration. He is now Secretary of Commerce. Col. F. C. Harrington, of the United States Army, an able Army officer and engineer, is at the head of the Works Progress Administration. The press release says:

W. P. A. SETS 2,800,000 EMPLOYMENT QUOTA FOR APRIL

Col. F. C. Harrington, Works Progress Administrator, today announced a revised schedule of W. P. A. employment for April to provide jobs for an average of 2,800,000 persons, a reduction of approximately 200,000 from the current level of project employment, by April 8.

There is a reduction of 200,000. Multiplying by 4 gives 800,000. To be conservative we will say 750,000 persons when we consider the families.

Approval by the House of Representatives of a $100,000,000 additional appropriation to W. P. A. was the basis for the new employment quota, Colonel Harrington explained. If $150,000,000 had been appropriated to supplement W. P. A. funds previously voted for the current fiscal year, W. P. A. would have reduced its rolls approximately 100,000 in April. In the event no additional funds were voted, the schedule called for a reduction of about 400,000 during the week beginning Monday, April 3.

W. P. A. ROLLS FOR AMERICANS ONLY

These are the projects in the various States in which we are interested. They are projects on which American citizens are employed. I wish to say that I am entirely in sympathy with keeping the W. P. A. rolls for American citizens only. If a man comes to this country and does not care enough about it to become a citizen of the United States, I am not interested in that man. I am not interested in what happens to him, except that as a human being I may be sorry that he is out of work or off the rolls. However, he owes allegiance to another country and another flag. I am talking about American citizens, not aliens. We are to "reduce employment on those projects or units of projects on which such reduction will not seriously affect the efficient operation of project."

INSTRUCTIONS TO STATE ADMINISTRATORS

The instructions which went to all State administrators were as follows:

All State administrators were instructed to employ the following methods of reduction, looking to increased efficiency of the W. P. A. program, as previously outlined:

1. Reduce employment on those projects or units of projects on which such reduction will not seriously affect efficient operation of project.

2. Discontinue least desirable projects now in operation at completion of work on useful units thereof.

3. Discontinue projects on which Federal man-month nonlabor costs are unusually high due to insufficient financial participation of sponsor and on other projects on which percentage of sponsor's participation is unreasonably low.

4. Possibly discontinue operation of W. P. A. program in those areas or localities where program is being operated on such a small scale that excessive administrative and supervisory costs result.

5. Discontinue projects on which excessive transportation costs which are paid from Federal funds are necessary to transport workers to and from the projects.

The orders, to reach the State administrators Saturday morning, also rescinded effective April 10 earlier instructions to make no new assignments or replacements. After that date, such assignments to projects may be made within State employment quotas.

Colonel Harrington's instructions to State administrators and the revised employment quotas, by States, follow:

"House of Representatives has today approved House Joint Resolution 209 providing $100,000,000 additional for W. P. A. for balance of current fiscal year. This legislation now goes to Senate for consideration. In view of action of House of Representatives I have decided, pending Senate action, to reapportion funds already actually appropriated, which do not include amount carried by House Joint Resolution 209, to provide average Nationwide employment of 2,800,000 for month of April. On this basis employment authorization for your State program for April will be (see State table). Reduction to attain this quota will be made by methods described in my telegram of March 19, and for financial reasons must be completed by April 8. Effective April 10, instructions contained in my telegram of March 13, which stopped new assignments and replacements, are rescinded and new assignments and replacements may then be made within your employment authorization."

The order is to be effective April 10, 2 days from now. Senators may hear from some of the projects in which we are interested.

THE ACCOMPLISHMENTS OF THE W. P. A.

Mr. President, I am not an administration Senator. I was not elected by the Democratic Party. However, I wish

to be fair, and to give credit where credit is due. I want to refer to the accomplishments of the Works Progress Administration. We have heard great outcries about some fraud here and there, or some political set-up here and there by which someone was trying to obtain votes, or by which some unworthy persons got on the rolls, as I mentioned a while ago, through some fad or fancy instituted by an impractical theorist. Let us get down to the real accomplishments of the Works Progress Administration.

BUILDINGS, SCHOOLS, LIBRARIES, ROADS, AND BRIDGES

With respect to public buildings, schools, and libraries, we have 12,112 new constructions of schools and libraries by the Works Progress Administration. There have been additions to 1,363 buildings, and improvements to 36,510.

I know from my examination of youth problems that we have been neglecting our school children in many parts of this great country. We have not furnished them with proper facilities. Localities and States have been unable to carry on and erect the necessary buildings. Many of the buildings were of the Civil War period, and unfit for human habitation or school purposes. The Works Progress Administration stepped in and, if I read rightly, some 50,000 school buildings and libraries have been constructed, or have had improvements or additions made to them. I think that is quite a considerable accomplishment.

We come next to recreational buildings. Those of us who examine the news from Europe know that sports stadiums are being built all over Europe and great athletic meets are being held everywhere. Certainly our record in the Olympic Games shows America to be in the lead. However, in many places recreational facilities are lacking. The accomplishments of the Works Progress Administration in that field show new constructions of 3,777; additions of 238; and improvements of 2,664. Approximately 6,000 recreational buildings were affected.

BUILDING TRADES

With regard to institutional buildings, there were 284 new constructions, 61 additions, and 2,484 improvements. The total number of institutional buildings affected was approximately 3,000.

Public buildings show new constructions of 615, additions of 116, and improvements of 2,545. The total number of public buildings affected is approximately 3,000.

Those engaged in the building trades, such as carpenters, bricklayers, hod carriers, lathers, plasterers, and all those engaged in the building trades are interested in these figures. They are interested in the construction of the buildings which have been erected by the W. P. A.

GREAT CREDIT IS DUE THE W. P. A.

I am a critic of the administration on certain policies; but I desire to give credit where credit is due. Great credit is due the Works Progress Administration in this matter.

In connection with bridges, roads, and streets, there were 46,650 miles of new construction and 158,694 miles of improvements. Considerably more than 200,000 miles of highways, roads, and streets were built and perfected by the Works Progress Administration.

I wish I could make this presentation more attractive to the Senate. Figures are dull. Many of the statistics are not so interesting. However, I want them in the RECORD, and I hope Senators who may not care to listen to my poor words on the floor will give some attention to the statistics and data which I am placing in the RECORD.

In connection with sidewalks and paths, there were 5,156 miles of new construction, and 30,297 miles of improvements. Upward of 40,000 miles of sidewalks and paths in this country were affected by the program.

BUILDING AMERICA

I am tremendously interested in building America. I am not interested in building Germany, France, Britain, or other countries across the sea. I am interested in building the United States. I am interested in our buildings, our roads, streets, bridges, and other improvements which we need. If there ever was a time when we should have public works and public construction, it is now, with the top-heavy unemployment that we have in the United States. We need a sound and sensible program of public works. The only fault I find with the parties which have been in control of the Government is that they did not see the point soon enough. They should have planned this thing in the high tide of prosperity, for the evil day which was sure to come. We should have had our blueprints and plans ready. The senior Senator from Georgia [Mr. GEORGE] found fault with the W. P. A. because it was not thoroughly planned. I admit that it was not planned as well as it should have been planned. It should have been planned long in advance. However, as a matter of quick planning for an emergency, there was perhaps as good planning as any party in power could have done under the circumstances.

In addition to these have been airports and airway equipment, miscellaneous recreational facilities, drainage systems, electric and communication utilities, ground improvements, nonconstruction activities such as conservation, food and fuel distribution, work in libraries, medical, nursing assistance, and educational classes.

W. P. A.—UNITED STATES SUMMARY

These are not my figures. These are the W. P. A., United States Summary. That is the authority for these figures.

I cannot understand how Senators can vote against a program that is building America as that program is, even though it is an emergency program, not perfectly planned. I just cannot understand how anyone can vote against it.

Mr. MURRAY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from Montana?

Mr. LUNDEEN. I shall be glad to yield.

Mr. MURRAY. Is there any criticism of the W. P. A. program on the part of big business in this country? I find, in my State, that all the newspapers of Montana which are directly under the control of big corporations have carried editorials during the past several years in which they have commended the program of the W. P. A. in my State. I assume that the situation must be the same in other States of the Union. I do not see how it is possible for anyone to find fault with the program of public works that has been carried on under the W. P. A. in the United States; and I should like to inquire of the Senator if he knows any State in the Union in which the corporate interests are criticizing the program.

NEWSPAPER PROTESTS

Mr. LUNDEEN. I will say to the able Senator from Montana that I have here editorials from great newspapers which I propose to read, if the Senate will hear me, showing that many business interests in the country are interested in the W. P. A., and that they do not want this money withdrawn from our grocery stores or our building trades or business in general which in turn will pour the money back into the arteries and veins of commerce of America, and, of course, will aid these business institutions. I want to see business prosper.

I am not desirous of destroying business. The only fault I have ever found with business is with topheavy business; that is all. I want to tame top-heavy, destructive, illegal business. I believe that business which is lawfully conducted and which is carrying on for the good of America should be encouraged, and business should be interested in this governmental activity; I will say to the Senator that I think much of it is.

Mr. MURRAY. I am glad to have the Senator say so

STUART CHASE AND THE DICTATORS

Mr. LUNDEEN. Mr. President, I desire to read an excerpt from an article entitled "How to Stop Dictators," by Stuart Chase, published in the New Republic for January 25, 1939. It has a bearing on this discussion. I ask Senators to remember that these are not my words; these are the words of Stuart Chase, the author:

> The Nazis publish a newspaper called Der Angriff. One task of its editors is to prove to Germans that political democracy is an inferior form of government to the totalitarian state. Not long ago Der Angriff published a series of pictures showing American billboards with their cheery slogans: "There is no way like the American way," "The world's highest wages," and so on. Just

below it ran a group of photographs taken in the United States showing unemployed men at factory doors, slums, bums, breadlines, shacks of tenant farmers. It captioned the two exhibits: "Thank God, we have a better way!"

In one sense the Nazis have.

I am reading from Stuart Chase; these are not my words; they are the words of Stuart Chase:

There were 6,000,000 unemployed in Germany when Hitler came into power. Today there are practically none. The outlook for German youth was black in 1933; now the future is dangercus but full of action. Factory chimneys were cold; now they are belching smoke. (Poetic imag3; German engineers save the smoke.)

We had better not try to win a contest against dictators simply by shouting about the blessings of "liberty" and "freedom." People do not eat liberty and freedom; these words make no jobs. For every cultivated American liberal who cares profoundly about the Bill of Rights there are 99 citizens in the lower income groups who care more profoundly about employment and security.

I am still reading from Stuart Chase.

WE MUST MAKE OUR ECONOMIC MACHINE WORK

Americans have political democracy rooted deep in their folklore, but it is rash to suppose that they are prepared to defend it at the price of permanent economic misery. If we value our liberties of speech, press, and ballot we shall have to make the economic machine work better than it has worked since October 1929.

I desire to repeat that statement:

If we value our liberties of speech, press, and ballot we shall have to make the economic machine work better than it has worked since October 1929.

TWENTY MILLION AMERICANS ON RELIEF

With 20,000,000 American on relief those cheery posters warrant a razzing from Hitler or anybody else.

Why were Italians converted to fascism? Because they were suffering from intolerable economic conditions, unemployment, insecurity, and were disappointed over Italy's share in the spoils of the Versailles Treaty. They turned to a strong man.

Why were Germans converted to nazi-ism? Millions of them, remember, had been voting a Socialist ticket. They were suffering from unemployment, terrible economic conditions, poor food, savage reparation payments, unending debts to foreigners, the iron ring of Versailles, the middle-class fear of communism. They turned to a strong man.

WHY EUROPE TURNED TO DICTATORS

Why do the people of many nations in Europe support dictators, and hang out a "To rent" sign on their houses of parliament? Because of desperate economic conditions, unemployment, insecurity. Will such conditions produce a strong man in France, in England, some day? If they continue long enough, they probably will. There are already signs of it in Paris. They once produced a Napoleon in France, following a queen who said: "Let them eat cake."

This is the end of my quotation from Stuart Chase.

I desire to call attention to the fact that we now have a dictator in France. A dictator is in power in France today. When we talk about dictators, let us ask whether it is the dictator of Rumania or the dictator of Poland or the dictator of France or the dictator of Germany or the dictator of Italy. So far as dictators are concerned, they blossomed down in South America years before we heard of them in Europe, at least in modern times; and there are quite a few of them down there now.

POVERTY AND HUNGER IN AMERICA WHILE WE DISCUSS FANTASTIC WARS

My point is that we must do something about this misery and poverty and hunger in America lest we endanger our institutions of government. We are engaged in seeing bogeymen in the attic, talking about fantastic wars, about other nations coming over here to conquer us. Who is going to conquer this great and grand and glorious Republic, with more than one-half of the industrial establishments of the earth here in America and a great ocean on each side? And I want to call attention to the statement of Mr. Sikorsky, American aviation expert, who the other day was over in Europe and recently came back, in which he said that the bombing planes of Europe are built for European service. They are small bombers. They cannot cross the ocean.

When we are engaged in voting those huge sums—and I have gone along so far—why should there be extended debate on a measure which proposes public works for the unemployed and the hungry of America, for American citizens? As I understand, the aliens are off the rolls, or are being taken off the rolls.

FARMER LABOR

Lest there may be those who say, "Of course, that is the statement of a labor Senator," let me say that I am proud to be a labor Senator. I am proud to come here with a mandate of the farmers and the laboring men of Minnesota and the small-business men of our State. I am glad to come here and speak for them as best I can; but I want to read the words of someone else, and I want to place in the RECORD the sentiments of great newspapers which perhaps may not sympathize with my political views.

I read an editorial from the Philadelphia Record under date of April 5, 1939:

Where's the economy in firing the customers?

That may be a partial answer to the able Senator from Montana [Mr. MURRAY].

WHY FIRE THE CUSTOMERS?

Where's the economy in firing the customers?

The clinking noise comes from the chisels of the economy bloc in the United States Senate.

The economy bloc is so strong for economy it is willing to fire hundreds of thousands of customers of business and call it economy.

That won't be economy to the merchant. It will slash his income. That won't be economy to the big corporations whose production, now happily on the upgrade, will have to slacken when Congress forces a cut in public purchasing power.

It won't even be economy for the Government. Workers thrown off W. P. A. will land on State relief rolls—which will rise accordingly, and force State taxes up, in turn.

WATCH THEM REDUCE TAXES

And we have had some folks elected to office lately in various States and local communities who have promised to reduce taxes! We are giving them a swell chance to reduce taxes by throwing folks off the National Government pay rolls and throwing them back on the local rolls. We shall see how many taxes they reduce. Taxes are going up all over America, and they will continue to go up all over America.

The other night at a banquet I sat beside a very able lawyer who was complaining to me that he was paying 9 different kinds of taxes in the District of Columbia, and at the same time he was arguing that we should go over and regulate Europe and tell them how to run their governments, and so forth. I said to him, "If we do that you will not be paying 9 different kinds of taxes; you will be paying 19 kinds of taxes, and you will not have much of anything to pay taxes on, either, because if we are dragged into another war we shall become confiscatory in our taxing methods in America."

EUROPE, TAXATION AND CONFISCATION

Remember, it was not long ago that Mussolini made a 10 percent capital tax levy. He walked right in and took 10 percent of the capital of the country. He walked right into the banks of Italy. I do not want that situation to come about here in America. I am doing my best, with my vote and what words I may be able to speak, to prevent that situation from arising here.

The editorial continues:

This is from the Philadelphia Record editorial of April 5, 1939; and the Philadelphia Record is a great metropolitan newspaper in the third largest city in the United States:

Why, then, cut $50,000,000 off the $150,000,000 W. P. A. deficiency appropriation?

Merely to spite President Roosevelt.

Because he asked for $150,000,000 he must receive less, just to show the people that Roosevelt can't tell the economy bloc what to do. No, sirree! Those gentlemen are independent, even at the cost of other men's jobs.

We think a lot of the Senators who voted with the economy bloc last time are not going to do so this time.

ECONOMY DRIVE OF 1933

I may call attention to the fact that we had an economy drive in 1933, and there was economy and economy and talk about economy. We economized at the expense of the veterans of the World War. We threw them off the rolls, we threw them out of hospitals into the streets of American cities, men who were crippled and gassed and hungry, some of them unable to walk. In instances the Government

even demanded the clothes they were wearing from them, demanded that they bring in substitute clothes and leave their uniforms behind.

We economized at the expense of the widows of the veterans of the World War, the Spanish-American War, and the Civil War. We economized at the expense of the men of the Spanish-American War, and I know that hundreds of them committed suicide because they had little insurance policies, and that was all they could give to their families.

The economy went on. But how did it end? It ended in a repeal of the Economy Act, and I am glad to say that I introduced a bill to repeal the Economy Act the day after it was passed. Of course, we were laughed at, but we are not interested in what some people may say on one day when we know that they will have to reverse themselves in a few days. Those who were advocating economy did reverse themselves and the Economy Act was repealed.

BONUS MOTION AND PATMAN BONUS BILL

Not only was that act repealed, but I had the honor to offer the motion that took the Patman bonus bill out of the committee, where it lay dormant, and that motion was adopted by the House of Representatives, and the bonus bill carrying $2,400,000,000 passed the House on that motion and went to the Senate of the United States. It became a law, and these billions of dollars of money were poured into the arteries and veins of commerce in the United States, and the very business people who had been fighting the bonus were the ones who benefited from it, and the upturn of business began at that time. If economy measures are started now, just watch the curve go down.

BUSINESS AND CONFIDENCE

To those who talk about business and confidence and all that, I repeat my statement of a few days ago. Many captains of industry want us to adjourn and get out of the Capital so they can have business confidence and business may go on. But as soon as we do adjourn, and they are sinking deeper into the mire of depression, they want us to come back so that we can vote some more money to rescue them out of the Slough of Despond. That happens time and again. It has become a regular cycle.

Mr. MURRAY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from Montana?

Mr. LUNDEEN. I yield.

Mr. MURRAY. I should like to inquire if it was not due to the very prosperity which the Senator has just described that the big basic corporations of the country immediately began to raise their prices, to take advantage of the increased prosperity which had come over the country, and that the major corporations of the United States made more profits in 1937 than they had made in 1929 which was the highest period of industrial activity in this country? And was that not all because of the fact that they raised their prices? As a result of that effort on their part to skim the cream off the public spending that was taking place, they brought on the depression of 1937. In other words, there has been a complete and utter failure on the part of big business in this country to cooperate with the Government in its effort to put men back to work and to bring about prosperous conditions in this country.

PROFITS INCREASE, WAGES FAIL TO KEEP STEP

Mr. LUNDEEN. The Senator has well stated the situation as to business, and the depression and prosperity cycle, which we have been discussing, and I thank him for his valuable contribution. He is correct in his statement. And not only did profits increase but wages failed to keep step with the increased profits, if I am correct in my recollection.

Mr. MURRAY. In 1938, when I pointed that condition out on the floor of the Senate, one of the Senators present interjected that over a period of 8 years the corporations of the United States had made an average profit of only 2 percent, and inquired whether that was not a reasonable profit. Of course, 2 percent is a very reasonable profit; in fact, it is less than they would be entitled to earn. But he selected as his period for determining the rate of profit they were making, the period running from 1930 to 1936, which, of course, was during the time when the corporations of the United States were not able to make anything over a large portion of the time. But when the moment came that prosperous conditions did develop, then they moved in, raised their prices, and prevented the country from going ahead under prosperous conditions.

Mr. LUNDEEN. I thank the Senator. The editorial from the Philadelphia Record proceeds:

We think leading Republicans as well as Democrats are not going to let the spite of a few men for President Roosevelt be taken out on the children of W. P. A. workers.

That's why we think this drive of the economy bloc will be beaten.

There is a reference at this point to a Senator, which I will leave out in the reading.

* * * * * * *

We are glad to reprint in today's Mail Bag a letter which says we have been unfair.

On going back over our files, we find we did print the statements—but perhaps we did not give them the prominence they merited.

* * * * * * *

Business was better—better than it is now—back in the winter of 1936, just before the last wholesale slash in W. P. A. funds.

By the time a million men had been laid off W. P. A., business wasn't better any more.

That business decline was the fastest and sharpest in the country's whole history.

Why?

What could anybody expect when a million customers of American business were wiped out at one fell swoop?

That musn't happen again.

Mr. President, I ran across the following article in the press:

GENERAL GRANT'S NEPHEW DIES FROM EXPOSURE—FOUND HUDDLED ON A COT NEAR COLD FURNACE

CHICAGO, February 6.—Jesse Root Grant, 74, a nephew of Gen. Ulysses S. Grant, former President, died in poverty last night at the county hospital. His death was caused by exposure.

He was removed to the hospital Saturday from an eight-room home in suburban Wilmette where he had lived for 15 years with his son, Ulysses S. Grant, 38, apparently too proud to seek relief. He had been found in a coma on a shabby cot near an unlighted furnace in the basement.

The house was cold and almost barren of furniture.

The son said he has been unemployed since 1931 when he lost his job in a Chicago bank. He said his father had lived in the basement in recent weeks because a leg ailment had made it difficult for him to mount the stairs. The son was wearing an overcoat in the house when newspapermen talked to him.

He said his paternal grandfather was Orvil Grant, a brother of General Grant, and that his father had been born in General Grant's home at Galena, Ill. He exhibited a shiny pewter coffee urn which, he said, had belonged to the general.

He said he has an uncle—his father's brother—also bearing the name of Ulysses, who lives in New York City. His uncle, he said, is a retired banker of modest means and until recently had helped with his father's expenses.

Jesse Grant retired in 1928 from his position as an accountant for the Chicago & Northwestern Railroad. For a time he and his son lived modestly on a small legacy left him by an aunt. His wife, Gertrude, died in 1929.

Certainly there must be something wrong with our social security when we can have instances like that in American life. And they can be multiplied by the thousands.

I read now from another editorial which appeared in the Philadelphia Record:

STILL NIBBLING AT W. P. A.

The "we hate Roosevelt" bloc in the House is now engaging in a drive to cut $50,000,000 from the President's request for $150,000,000 for W. P. A., though the entire amount is needed to avoid several hundred thousand dismissals.

This pathetic effort to nibble and gnaw at the President's requests reveals a desire to secure a purely token victory over Roosevelt. It is a confession of political bankruptcy by the economy advocates.

They don't dare say, "Throw the whole W. P. A. set-up out the window." They don't dare say, "Let's save some real money by wiping out relief." They know the country isn't back of them; they know that business itself has come to appreciate the stimulating effect of W. P. A. pay rolls on business volume.

They don't have the courage to challenge W. P. A. flatly and then face their own constituents.

The truth is that the Woodrums and the Adamses want a token victory that will let them gloat but not one that cuts so deep as to alarm the voters. If a few hundred thousand jobs are brutally and callously upset in the process, they don't mind.

Following this policy of nibbling at what they don't dare to fight, they cut $150,000,000 from the President's original $875,000,000 request in January. Then they hurriedly said they didn't mean it by adding an amendment banning dismissals and virtually inviting the President to ask for the slashed $150,000,000.

A $100,000,000 ERROR

I call attention here to the fact and remind the Senate of the fact that we cut $150,000,000 from the appropriation a short time ago, and those who voted to do that presumably thought they knew the conditions in the country. Now the same people who voted to cut the $150,000,000 out of the appropriation come back and ask for two-thirds of it, ask that $100,000,000 be replaced. So at least they were wrong to the extent of $100,000,000, and it is some error when one makes a mistake in figures to the tune of $100,000,000. Perhaps they are also wrong to the tune of another $50,000,000. They admit they were wrong to the extent of a hundred million. What about the fifty million? Perhaps they are wrong there, too.

If an error is to be made, let us make it in favor of our American people. If we are to make a mistake, let us be a little more liberal and have less economy talk so that no mistake can be made.

I am sure that if the W. P. A. administrators find that they can obtain no people to put on their rolls, that they can obtain no workers to toil on their projects, I say I am sure they will then turn the unused money back to the Public Treasury, but up to date I have not heard about any such situation. The President did ask for $150,000,000 and, if I remember correctly, he did so within 24 hours after our economy complex took legislative form. The editorial continues:

Now they are nibbling at the $150,000,000 in the same nervous, startled-fawn manner. They know the country hasn't swallowed their arguments about W. P. A. "extravagance," they know the country values a $10,000,000,000 rise in national income more than it fears a $1,000,000,000 rise in the Budget.

And so they heave and strain and back and fill, hoping to end up with at least a 5-cent piece slash out of the appropriation, just to defy "that man in the White House."

That, incidentally, they are endangering many jobs doesn't disturb their sleep.

We think that the idea of "A job for every American," as the way to defend democracy and make it work, is taking root in this country.

Let me repeat that sentence. The editorial in the Philadelphia Record states:

We think that the idea of "A job for every American," as the way to defend democracy and make it work, is taking root in this country.

If this Congress doesn't sense how deep that aspiration goes in American life, the people will elect one that will sense it.

I quote from the Philadelphia Record:

ONE THOUSAND RALLY IN FIGHT AGAINST W. P. A. CUTS—LABOR AND BUSINESS URGE $875,000,000 BUDGET ASKED BY F. D. R.

Labor and business, represented by 1,000 persons, protested any slash in the President's $875,000,000 budget for W. P. A. at a rally last night at 150 North Broad Street.

Joseph McDonough, elected Wednesday to head the Central Labor Union, pledged support of the American Federation of Labor.

I suppose some persons may think that the American Federation of Labor does not count. It counts in this matter because the federation deals directly with the unemployed. The unemployed come to their union offices, to their business agents. The unemployed are in contact with the American Federation of Labor day after day, and the federation spoke up in Philadelphia.

"Thousands of our members need work and want work," he declared. "The least I can do is lend my signature to any movement protesting a reduction in jobs."

Let us remember that the proposed policy means a reduction in jobs.

WARNS OF BLOW TO BUSINESS

Nathan Bloom, Philadelphia textile manufacturer, said the $125,000,000 cut proposed in Congress would be "disastrous" to industry as well as to labor.

"Jokes about W. P. A. aren't so funny when you consider that the W. P. A. worker is laboring to buy food and clothing his family needs, and in so doing is providing customers for industry."

Benjamin Knox, State director of the Federal art project, pleaded for maintenance of that program.

BENEFIT TO PUBLIC

"We're not only giving work to unemployed artists," he explained, "but also giving the public an acquaintance with art. Right now murals are in progress in five Philadelphia schools and hospitals. Elsewhere in the city we are conducting exhibitions—intended to enhance the lives of every citizen."

Other speakers were Carl Bersing, president of the C. I. O. council, and Russell Watson, secretary of the local Workers' Alliance.

Let me read from the Minneapolis Tribune, one of the great metropolitan newspapers of Minnesota:

CITIES' RELIEF PLIGHT

In cutting the Minnesota deficiency relief appropriation from $3,000,000 to $2,000,000 the Senate Finance Committee is actuated by laudable motives of economy. But the cities of Minnesota, where relief rolls are largely concentrated, must take care of the people. Their financial conditions are serious, and are rapidly getting worse.

I wish I could make this reading of long articles more interesting to Senators on the floor. We have here an article in the Minneapolis Tribune which says that the people's financial conditions are serious and are rapidly getting worse. I hope some one or two or three Senators may hear that.

Mr. MEAD. Mr. President——

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Minnesota yield to the Senator from New York?

Mr. LUNDEEN. I yield.

Mr. MEAD. The Senator from Minnesota makes an excellent point when he points out to the Senate the serious situation confronting our local governments. Yesterday I explained to the Senate that the State of New York was appropriating the largest sum of money to meet current needs ever appropriated in the history of the State. I likewise pointed out the difficulty which beset the mayor of the city of New York in an attempt to balance the budget of that great municipality. I added that it was relief need which made it difficult for both the Governor and the mayor to balance their budgets. And I pointed out, as the Senator from Minnesota has just pointed out, that the situation throughout the land affecting local government is such that it is unfair, if not unsportsmanlike, for the Senate of the United States to shift the burden at this time and overload our local relief agencies.

WE MAY SHIFT THE OBLIGATION—BUT THE OBLIGATION IS THERE

The distinguished Senator from Minnesota is making a splendid argument in favor of the maximum appropriation. I wish to say further that no matter what we do in this instance, we cannot avoid the obligation of taking care of the Nation's unemployed. We may shift the obligation temporarily from one government to another, but the obligation is there.

DEMOCRACY IN THE BALANCE

Mr. President, I wish to reiterate the statement I made day before yesterday, which was agreed to by the Senator who is now making so able an address, that we were quick to render our support and aid in the case of the Armenians, and the Belgians, and other stricken peoples of the world, and when the leader of this Nation, at a time when democracy hangs in the balance, requests our aid for our own people we should embrace the opportunity with enthusiasm, and give to that President the amount he requested, which in his judgment, with the understanding that he possesses of the present needs, supported and augmented by the information that comes to him from the head of the W. P. A., is necessary. We should give him the full amount requested in the amendment offered as a substitute for the committee proposal.

I wish to say further that the criticism leveled at the character of the projects included in the W. P. A. program may have been with a degree of appropriateness leveled at the character of the projects a few years ago; but like every other Government instrumentality pioneering in a new field, the W. P. A. program and the character of its projects have improved materially in the last few years. Today the projects approved for local governments are of an unusual type—

not current projects, not those that are necessary in the day-by-day functioning of local governments, but products of an unusual type and a noncurrent character. All projects require local sponsorships, and all projects require local participation insofar as furnishing funds for the completion of those projects is concerned.

I may add also that the local welfare agencies in most instances furnish the relief labor for the projects.

Therefore the W. P. A. projects of today are superior, and the administration of those projects today is by far superior, to what was the case with respect to its predecessor organizations, either the F. E. R. A. or the C. W. A.

I commend the Senator from Minnesota for the argument he is making, for the eloquent appeal that he is putting forth for an adequate appropriation to carry out the pending program of the Works Progress Administration.

Mr. LUNDEEN. I thank the able Senator from New York.

Mr. MEAD. Mr. President, because of the importance of the question and the argument that he is making in support of the amendment offered by the distinguished Senator from Florida, if it is agreeable to the Senator from Minnesota I shall suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Minnesota yield for that purpose?

Mr. LUNDEEN. Mr. President, I shall be glad to yield for that purpose with the understanding that I may have the floor after the roll call shall have been completed.

Mr. MEAD. That is understood.

The PRESIDING OFFICER. The Chair would advise the Senator from Minnesota that he would recognize the Senator from Minnesota at the conclusion of the quorum call, but that under a strict interpretation of the rule the Senator would have lost the floor and would be beginning his second speech.

Mr. LUNDEEN. Mr. President, under those circumstances I think I shall prefer to go on.

The PRESIDING OFFICER. The Senator from Minnesota declines to yield.

Mr. MEAD. In accordance with the Senator's desire, I withdraw the suggestion of the absence of a quorum.

Mr. LUNDEEN. I thank the able Senator from New York. I wish to commend the eloquence with which he stated the case yesterday. I also wish to commend the able Senator from California [Mr. DOWNEY] for the great speech he made yesterday. I have already referred to the distinguished and able Senator from Nebraska [Mr. NORRIS], and I have asked the country to read his speech. I suggested that if I can do no more than call attention to the speech of these able Senators perhaps there may be some light thrown on the situation.

I thank the Senators for doing me the honor to listen to the statements I am making and the editorials and articles I am reading from various newspapers.

I continue to read from the editorial in the Minneapolis Tribune:

Nathan Harris, utilities engineer for Minneapolis, warned the committee that Minneapolis will reach its debt limit by the end of the year, and will be unable to borrow further. Then what? St. Paul is borrowing from other current funds to pay relief costs.

The great capital city of Minnesota is now taking money out of other funds and putting that money into the relief fund, which is exhausted.

Relief is not merely a problem for the cities. Thousands of the persons on city relief rolls have come within the last 5 years from farms or country towns to live in the cities, and now are local charges. Meanwhile, because of high local taxes, many city residents are acquiring rural homes.

The problem is State-wide. Harry Fiterman, tax analyst, estimates that $140,000,000 was paid out in Minnesota last year for relief of all kinds, Federal, State, and local. Much of the Federal money went to rural communities.

All the cities ask from the State is a fair understanding and treatment of their situation. It is no occasion for stirring up sectional feeling. The interests of all are closely tied together.

CUTTING RELIEF IN MINNESOTA

So, Mr. President, we find in Minnesota a cut in the deficiency relief appropriation from $3,000,000 to $2,000,000. The Minneapolis Tribune says conditions are serious and rapidly getting worse. St. Paul is taking first from one fund and then from another fund and putting the money into the relief fund. Minneapolis is rapidly approaching the debt limit. Then at this end of the line we are trying to make a cut in the relief appropriation. So there is to be a cut at both ends. Just where do the unemployed come in? Just what is going to become of the hungry and the destitute?

I read from the Philadelphia Record of March 24, 1939:

Investigate W. P. A., but keep the workers working.

I think that is a pretty good statement. I have made only brief reference to that point. I shall make it a little more plain if I can.

UNWORTHY PERSONS ON ROLLS

Frequently we hear the charge made that unworthy persons are found on Works Progress Administration rolls; that there are instances of fraud; and that fads and fancies have crept into W. P. A. Grant all that. I believe unworthy persons have found their way on to some rolls. Fads and fancies have been instituted by impractical theorists. I believe it would not be surprising if fraud reared its head here and there. However, I am not going to vote to inflict poverty, hunger, and destitution on millions because of isolated instances of wrongdoing in the administration, even though they be fairly numerous. Nor will I vote for an investigation in the heat of a campaign, immediately before election.

If there is to be any investigation, let that investigation come now; 1939 is the best year for an investigation. We can now calmly investigate and pass judgment on the matter without entangling the investigation with our political campaigns. I am in favor of any reasonable investigation. Let investigations go forward. However, they are for the future. You cannot argue with hunger; and there are millions of hungry persons in America today. We must give them bread. I repeat that statement more fully so that my position may be clear in that respect.

The Philadelphia Record continues:

The House Rules Committee, by a 7-to-4 vote, has approved a resolution ordering a congressional investigation of W. P. A.

Meanwhile, the House Appropriations Committee wrangles over chiseling at the $150,000,000 appropriation for W. P. A. asked by President Roosevelt.

Nobody we know of opposes a fair investigation of W. P. A. For ourselves, we welcome it.

We think such a probe, impartially conducted, will show the enormous amount of good W. P. A. has done, the vast benefits it has returned the country: (1) In the maintenance of purchasing power; (2) in keeping families from starvation; (3) in the valuable public-works projects which have given the country new schools, new parks, playgrounds, sewers, soil reclamation, flood control * * * to mention but a few.

LONG-TIME PLANNING NECESSARY

I will say to Senators who have just come into the Chamber that I have been reciting numerous instances, running into the tens of thousands, of buildings, roads, and other improvements. More than 200,000 miles of roads have been built. Perhaps they were not perfectly planned. They were quickly planned in an emergency. However, such a plan is better than no plan at all. Of course, planning should have been done years ago in times of prosperity. However, it was not done, and so the only way out was the way adopted.

Yes, we would like to see the whole story of W. P. A. told to the public from the spotlight of a congressional forum.

But—

First, let Congress do the decent thing and approve the $150,000,000 which President Roosevelt has asked to keep W. P. A. going without any further firings of jobless workers.

President Roosevelt and Colonel Harrington, it is to be presumed, know more about the operations of W. P. A. than the Congressmen who haggle over how many jobs they shall destroy.

LISTEN TO THOSE WHO KNOW

I do not think it is any reflection upon the Members of the House and Senate to say that the President and Colonel Harrington, an Army engineer, with his great staff experienced by many years of labor under Mr. Hopkins—and they are improving from year to year—know more about the situation than we know, and know more about it than any committee can know, with all due respect to the able committee which has considered the matter, and to the able and

distinguished chairman of that committee, for whom I have the greatest respect.

Those in charge of the administration of the W. P. A. must know. They live W. P. A. facts day after day, morning, noon, and night, and they know the figures. They know what the country is up against, and I think we should listen to them.

The very proposal for an inquiry is a confession that Congress does not know the needs of W. P. A.

To slash the appropriation simply to take a gratuitous whack at the President is not only cheap politics but a type of strategy which will be resented by most people regardless of party affiliations.

Investigate W. P. A.? Yes, but not until Congress first has voted the funds to keep W. P. A. going.

The jobless need the jobs. Business needs the customers.

I wish I could say that loud enough so that all Members of Congress could hear it. If they do not hear my words I hope at least they will read the RECORD tomorrow.

The jobless need the jobs. Business needs the customers.

The Philadelphia Record of April 4, 1939, says:

State drops 15,000 after W. P. A. clash. Many projects ditched.

Projects will be ditched in your State and in mine. They are being ditched now, while we are considering the matter on the floor of the Senate. Thousands of workers are being thrown off the rolls.

ECONOMY VICTORY TO AFFECT 35,000

HARRISBURG, April 3.—State Works Progress Administrator Chief E. C. Smith abandoned "undesirable" works projects by the dozens today in line with instructions from Washington to cut Pennsylvania W. P. A. personnel 15,000, to an economy quota of 220,510.

If my estimate is correct, that means that Pennsylvania will still have left on the rolls upwards of 1,000,000. Many persons seem to fail to understand the seriousness of the situation.

The reduction, forced by victory of the economy bloc in the National House of Representatives which clipped $50,000,000 from the W. P. A. deficiency appropriation urged by the President, affects an estimated 35,000 Pennsylvanians.

Public Assistance Secretary Howard L. Russell estimated that 50 to 75 percent of the project workers furloughed would seek direct relief grants for themselves and their dependents after a 3-week waiting period.

For the life of me I do not see how they can wait 3 days, with their $40 and $60 a month payments. I do not see how they can wait any 3 weeks. They will go right on the local and State relief rolls.

I wish to say that not only am I ready to vote for the additional $50,000,000 but I am willing to join with the able senior Senator from Nebraska, whom we all love and whom the country loves, to make the amount $100,000,000, as he so eloquently suggested yesterday. I am willing to join with those who wish to remember the many who are now being thrown off the rolls, and who will be left without bread and jobs.

YOU CANNOT ARGUE WITH A HUNGRY MAN

I repeat, you cannot argue with a hungry man. He wants a job. He wants bread. If he is not given a job to earn bread, he is going to seek relief.

I wish to make my position clear in the matter. I am not in favor of giving a penny, a nickel, a dime, or a dollar to any able-bodied employable person for relief. I do not believe in it. An able-bodied person in need should be given work on public works and public projects. Of course, the projects should be planned, and they should be necessary works. Such a man should be given an opportunity to earn bread for himself and his family. However, if he cannot obtain employment, then we must give him relief. It seems to me that that statement is primary and fundamental.

From 50 to 75 percent of those dropped from the rolls will immediately go on local relief. I wonder what we are going to say when the flood of telegrams, letters, telephone calls, and delegations begins to pour in on us later from the local communities and from the States, demanding that we do something because the localities and the States cannot handle the great tidal wave that is coming in upon them. Just what are we going to say?

Mr. MEAD. Mr. President——

The PRESIDING OFFICER (Mr. FRAZIER in the chair). Does the Senator from Minnesota yield to the Senator from New York?

Mr. LUNDEEN. Certainly.

Mr. MEAD. A moment ago the Senator said that he would not appropriate a dollar for an able-bodied man. I know that the Senator has in mind a condition which I wish to emphasize at this particular juncture of his remarks. I have in mind the worker who is past 40 years of age, outlawed by the modern machine system of our age, unable to find work in industry, and forced into idleness because of the fact that the modern world holds him to be inefficient.

It occurs to me that the able Senator should include in the list of those who would be eligible for relief if we reject the appropriation for work relief those citizens who may be, and no doubt are, able-bodied, but who, because of the demand for efficiency in the machine age, have been condemned to idleness by industry. The Senator, recognizing the fact that opportunity has been closed for the older workers, would, of course, provide for them in any relief appropriation, either for home relief or work relief, would he not?

SOCIAL INSECURITY

Mr. LUNDEEN. I thoroughly agree with the Senator from New York. Long before the present social-security system was enacted into law I advocated a social-security system. I introduced in the House a social-security bill providing for all Americans—not part of them, as does the present system—a plan taking in all farmers, domestics, and professional persons. I tried to cover the field. I tried to provide for real security, instead of what some have called social insecurity. Of course, the instances the Senator now mentions should be covered by social security.

JOBS FOR ABLE-BODIED MEN

The point I am making is that a strong, able-bodied man should be given a job. He does not want relief. He does not want to have to extend his hands and ask any man for relief. He is strong. He is able and willing to work. He is an American, who wants to make his own way in the world; and he is entitled to that opportunity. He is entitled to a job. We do not want people by the millions saying, "Give me this" and "Give me that." We want them to be in jobs so that they can earn their own way and, in a self-respecting manner, take their places in the community. That is all they want. I am sure the able Senator agrees with me.

Mr. MEAD. I entirely agree with the Senator; and it occurs to me that because the problem of the older worker is becoming more acute as time goes on, because included in the older workers of America of today are to be found the majority of the veterans who only a short time ago offered their services in defense of our country, and because of the increased numbers of our older workers who have been outlawed by industry, we ought with greater fervor than ever to maintain the Works Progress Administration, so as to offer an opportunity for the older workers to find gainful employment.

When it comes to the youth of America, who are likewise intended to be cared for by this Works Progress Administration appropriation, and in whom we should have a deep and abiding interest, it must be remembered that when employment opportunities are available industry is particularly anxious to employ youth, and to reject the applications of the older workers. It probably is true that our own Government sets an example similar to that set by private enterprise, in that we discriminate against the older workers.

I venture to say that not a handful of Senators could be found, probably less than 10 men in this Chamber could be found, who could file applications with any large industrial concern in America and have them approved. They would be rejected instantly for the reason that they are too old.

Mr. LUNDEEN. Let me interrupt the Senator for a moment to say that if we do not relieve the present unemployment situation, if we do not meet the economic condi-

tions we are now facing, some of us may have to file those applications, and see what happens to us.

Mr. MEAD. The Senator is making a good point, for the reason that economic pressure, operating through every impoverished farmer and every unemployed worker, is constantly asserting itself; and unless we adopt a program which will meet this modern emergency, as the Senator has well stated, some others will come here and accomplish the task for us. Therefore, in view of the fact that the W. P. A. program is gradually being perfected, and in view of the acuteness of the problem of our older workers, it is my opinion that we ought to continue this agency with a maximum appropriation until some other and better solution is found for the problem.

Mr. LUNDEEN. I thank the Senator for his contribution. In that connection I desire to say that we owe much to many Senators who on the floor of the Senate advocated social security for those beyond 40, 50, and 60 who cannot obtain work; notably the able Senator from California [Mr. DOWNEY], who spoke yesterday, and who advocated social security as he understands it. Whether or not that particular form of social security be adopted, whether it be a Townsend plan or whatever it may be called, the agitation for the plan will turn men's minds toward that problem. No man can expect to have his plan adopted in toto, or 100 percent. In debate it will be changed and adjusted as the Congress may think best; but all these Senators and other distinguished citizens who have contributed to the discussion have aided those who need social security.

Mr. MEAD. Mr. President, will the Senator further yield at that point?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from New York?

Mr. LUNDEEN. I am glad to yield.

Mr. MEAD. In that connection, let me point out to the Senator that I have introduced two bills which are now pending before committees of the Senate, one eliminating age restrictions in all civil-service examinations. It occurs to me that if we want industry to change its viewpoint with regard to our older workers the Government of the United States ought to set an example for industry to follow. Therefore one of the bills I have introduced will eliminate age restrictions, and, of course, will require sufficient qualifications to guarantee the ability of the worker to measure up to the requirements of the position.

I have introduced another bill to authorize a study of the problem of the older workers by our Department of Labor. I really believe this is one of the all-important labor problems of today. The acute condition of the older workers of America is one that is pressing for solution; and by reason of the fact that an overwhelming majority of the personnel of W. P. A. are older workers, outlawed by Government and by private enterprise, we ought not to curtail that agency at this time.

WE SHOULD LISTEN TO OUR EXPERTS

Mr. LUNDEEN. Mr. President, if the Senator will permit me, I am much interested in his discussion, but I want to say that under the policy we pursue these people are just out of luck. They are just Americans, and so they are out of luck. If they were Armenians, as the Senator well said awhile ago, or refugees, or Belgians, or other foreigners or aliens, of course, we would not debate about the matter. We would give them the money right away. That is the policy Congress has pursued in the past. But there seems to be a great deal of debate here over an appropriation which the President of this great country says is needed for Americans. Of course, the President personally cannot know all the facts, but he bases his request upon Colonel Harrington's statement and upon the statements of W. P. A. officials, who have an organization that ramifies all over this great country and seeks to take care of the unemployed. They have expert advice on this matter, and we should listen to it.

Mr. MEAD. Mr. President, will the Senator further yield at that point?

Mr. LUNDEEN. I am glad to yield.

Mr. MEAD. We also have the information which the Senator from Minnesota has already placed in the RECORD, which indicates that this burden cannot be carried by the municipalities. So, if the head of our Government, the leader of this administration, and the chief executive officer of this agency tell us that this appropriation is necessary, together with the information which comes to us with regard to the financial plight of local government, in my judgment, that offers an overwhelming reason why this maximum appropriation should be approved.

Mr. LUNDEEN. The Christian Science Monitor of April 3, 1939, reports:

W. P. A. drops 2,000 a day.

That means that approximately 8,000 American citizens will be without sufficient funds to purchase food, clothing, and rent.

NEW YORK, April 3.—Approximately 2,000 W. P. A. workers were dropped from relief rolls today and a like number will be laid off daily until a total of 10,800 have been dismissed by Saturday, Lt. Col. Brehon B. Somervell, W. P. A. administrator here, announced today, following receipt of orders from Washington.

I note that this administrator is an Army officer, Lieutenant Colonel Somervell.

The reductions will bring the W. P. A. lists here down to 156,740 persons, Colonel Somervell said. Unessential workers without relief status will be the first to go, followed by employees, regardless of relief status, with work ratings of "unsatisfactory." Workers with ratings of "fair" will next be dropped. Those having the longest period of employment on the W. P. A. will be the first discharged in each category.

REDUCTION DESTROYS EFFICIENCY

In other words, the folks who have worked the longest, and have become the most efficient, are going to be put off the rolls to make place for some one who has not had any work. There is not very much efficiency in that. I suppose some foreman, or some senior worker who has become expert in efficiency, for instance in erecting public buildings, will be thrown off the rolls now to make place for some person who has never had a chance to be on the rolls. There may be some justice in that, but it does not line up with efficiency, and no doubt is made necessary because of this reduction.

A further lay-off of 20,000 workers is envisaged if the Senate does not restore the $50,000,000 W. P. A. appropriation cut voted by the House of Representatives on President Roosevelt's relief appropriation request for $150,000,000.

In the past, 50 percent of discharged W. P. A. workers have been eligible for home relief and on the basis of this, 5,400 relief employees are expected to be thrown onto the city's home relief, thereby adding about $270,000 a month additional expense for home relief.

Expecting the cut, Colonel Somervell during the last part of March rushed work on all projects to bring as many as possible to completion before the pay-roll cuts went into effect, and he announced today that 142 projects were completed during the month. Twelve white-collar projects have been discontinued, he added.

MARYLAND W. P. A. DROPS 950

BALTIMORE, MD., April 3.—The W. P. A. will drop 950 persons from its Maryland rolls this week, Francis H. Dryden, State administrator, announced today. This represents approximately a 6.3-percent cut in the rolls, thus reducing the total number of those employed in this work to 14,000. Dismissal action was forced, Mr. Dryden said, by lack of sufficient congressional appropriation to carry the W. P. A. through the next 3 months.

Mr. Dryden said the cut would be made without closing any project in the State. He added the dismissals must be completed by Saturday, and that no further reduction in the employment rolls were contemplated this month.

[From the Christian Science Monitor of March 21, 1939]

LAGUARDIA WARNS NEW YORK W. P. A. MAY DROP 25,000 APRIL 3

NEW YORK, March 21.—New York Members of Congress were notified by Mayor LaGuardia today that New York City would drop 25,000 Works Progress Administration employees on April 3 unless the national body voted favorably on President Roosevelt's request for an additional $150,000,000 for the W. P. A. The cut will bring the relief work rolls from 170,000 persons down to 145,000, and the mayor declared further cuts would be made before June 30, the end of the fiscal year, when between 40,000 and 45,000 more persons would be taken off the rolls.

"The result is just too terrible to contemplate," the mayor said, "I don't think Congress will do anything like creating a situation such as we know will happen."

NEW YORK WORLD'S GREATEST POPULATION CENTER

This is from the greatest city in the world, New York City, if we consider the metropolitan area of 25 miles about New York. There we find 10,000,000 people, the greatest population center on earth, and we have here the words of the mayor, published, and given to the Members of Congress from New York:

The mayor's statement followed a conference with Lt. Col. Brehon B. Somervell, W. P. A. Administrator here, late yesterday. Colonel Somervell stressed, however, that the figures given by the mayor were "anticipatory" and would be rescinded if Congress approved an increase in the W. P. A. allotment.

Colonel Somervell declared projects in the city would be rushed in an effort to complete as many of them as possible before April 1, so that the reduction of workers would not leave a number of unfinished projects. Other reductions, he said, would be made by reducing employment on projects where it would not affect efficient operation. Discontinuance of projects will be equitably distributed between construction and nonconstruction projects, the Administrator disclosed.

Lay-offs will be made in the following order, Colonel Somervell revealed: (1) Unessential nonrelief employees; (2) employees, regardless of relief status, with ratings of "unsatisfactory"; and (3) employees having ratings of "fair," regardless of relief status, those with the longest period of employment on the W. P. A. to be separated first.

THE GRAND COULEE DAM

Now, I wish to read from the Seattle Post Intelligencer of March 21, 1939. We go now to the far West, to the great city of Seattle, to the great King County, to Washington, that marvelously beautiful and wonderful city and State represented in the United States Senate by one of the boldest and fiery warriors of any time, Senator BONE. That is where we are constructing the Grand Coulee Dam, and I was happy to vote for the construction of the Grand Coulee, the greatest structure ever built by man on this earth at any one place. There is only one structure that can compare with it, the Chinese wall; but that extends over a great area. This great structure will contain three times as much concrete as is found in Boulder Dam, and there are great possibilities of employment. Thousands of men are employed on that project. Not long ago statistics were placed in the CONGRESSIONAL RECORD showing how many thousands of men would benefit in every State of the American Union because of that project.

BONNEVILLE DAM

I was happy to vote for the appropriation for the Bonneville Dam, in which the able and distinguished leader of the minority is no doubt greatly interested, the Bonneville Dam, with its thousands of employees, and with all of the employment, ramifying back into the 48 States.

These structures are proving successful. There is one thing particularly pleasing to me about the Bonneville Dam, the Grand Coulee Dam, the Boulder Dam, and T. V. A.; you cannot repeal a dam. It is going to stay there for a thousand years, and it is going to be turning the wheels of industry. It is going to be aiding and helping and giving power and light to the American public for a thousand years.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. LUNDEEN. I yield.

Mr. SCHWARTZ. I think the Senator voted for the appropriation for T. V. A., did he not?

Mr. LUNDEEN. I certainly did, and I was happy to vote for it.

Mr. SCHWARTZ. The Senator voted for the appropriation for the Gilbertsville Dam, did he not?

Mr. LUNDEEN. Yes; and I was glad to vote for that.

Mr. SCHWARTZ. Those two great enterprises having succeeded in getting what they needed out of the Public Treasury, does not the Senator expect that those most interested, the distinguished Senator from Kentucky [Mr. BARKLEY] and the great Senator from Tennessee [Mr. MCKELLAR], to come to the front now and vote with us to give food to the hungry?

Mr. LUNDEEN. I do not ask the Senators to read my poor and halting speech; but if they will read the statistics and statements of fact I am placing in the RECORD, they will feel compelled to vote for this increased appropriation, I am sure.

I may say to the able Senator from Wyoming that I voted not only for all of the appropriations for T. V. A., a project so ably presented to the Senate and to the Congress and to the country by the senior Senator from Nebraska [Mr. NORRIS], but I voted for for the appropriations for the Muscle Shoals Dam away back in 1917. I voted for every bit of the T. V. A., and I am proud of my votes. That project is not in Minnesota. It is way down South. Bonneville is in Oregon and Washington; Grand Coulee is in Washington. None of those projects are in the State of Minnesota; but I am an American. I think of my country as an entirety. I am interested only in the United States, and I voted for the Gilbertsville Dam, the dam in which the senior Senator from Kentucky was interested, and the appropriation which he succeeded in having adopted, and now I know he will join us in voting for this extra $50,000,000, so that we may have some little dams in our State, inasmuch as he gets a big dam in his State. [Laughter.]

NORRIS DAM

I am interested in these great structures because they are enduring. The great Norris Dam will be in existence a thousand years after we are gone. The great Muscle Shoals Dam, the great Keokuk Dam, the Hetch-Hetchy Dam in California—I visited all these structures, and I am proud of them. They are American structures. They were raised by American engineers and by American labor. They are erected by American industry, and they benefit the American people.

LET US FIRST TAKE CARE OF OUR OWN

Mr. President, I am not ashamed to say that I am a nationalist. I want to build in my own country, for my own people, and the only way we will ever be able to help the world is by first building our own economy, so that we will be an example to the rest of the world. If we then have a surplus, I shall be glad to have some of the surplus sent abroad. But let us first take care of our own. He who will not first take care of his own is worse than an infidel; and I do not want to be an infidel.

Mr. SCHWARTZ. Mr. President, if I understand the Senator aright, his nationalism is just as broad as the United States. It is not a nationalism which wants to take care of those who are still able to get along some way or other by appropriations and subsidies, but it is a nationalism which reaches down to those who have been thrown overboard and who now, with their wives and children, are hungry and ill clad and ill housed.

Mr. LUNDEEN. I thank the Senator. My nationalism extends to any point on earth where flies the American flag. But I should like to see the Philippines turned over to the Filipinos. I have no objection to the establishment of an aviation station or to harbor dredging at Guam, but I am not in favor of huge appropriations for Guam in the amount of $200,000,000, as has been suggested by naval authorities.

I am not in favor of our adventuring into Europe. I am not in favor of any frontiers on the Rhine, or placing our frontier on the Vistula, or on the Danube. I am not in favor of our going to the Congo, or to Bombay, or Calcutta, or Hong Kong, or Australia, or Africa, or Europe, or Asia. I am interested in economy here in the United States.

I think the $50,000,000 proposed to be added will clearly be beneficial to our own people. But I will say to Senators that if we are to adventure into Europe, Asia, and Africa, if Senators outvote me and we go there, I will support the venture with my vote for appropriations, as I did during the World War. I know no other country than America, and I will sustain my country in any effort for victory, even though we may undertake a mistaken adventure. I hope we will not do that. I hope we will confine our efforts to the unsolved problems at home.

I now read from the Seattle Post Intelligencer of March 21, 1929:

CRISIS ON RELIEF FACED BY COUNTY—LACK OF FUNDS TO BRING CUT OF 5,000

King County probably will be compelled to make large emergency appropriations to feed and house indigents because of the drastic reduction in the State appropriation for the same purpose, County Commissioner Tom Smith predicted yesterday.

"If the county is compelled to take over the burden again," Smith said, "we will demand return of the control of the county welfare department from the State to county commissioners."

FIVE THOUSAND TO BE DROPPED

Administrator L. L. Hegland, of the county welfare department, announced Friday that approximately 5,000 persons must be cut from county general assistance rolls April 1 because of the 50-percent cut in State appropriations for the ensuing biennium as compared with the past 2 years.

Some here are voting in the negative on the $50,000,000 item, while Seattle is having an emergency. I am afraid Seattle is not the only city where there is an emergency.

It looks from this distance like the situation possibly may involve issuance of emergency warrants by the county, Smith said. "We are concerned because the county now is preparing to fund its outstanding emergency warrants through sale of bonds and addition of this new burden will make the situation difficult."

I now refer to the New York Times of April 2, 1939.

W. P. A. here to drop 10,800 this week on Capital's order. Eight thousand in construction jobs, 2,800 white-collar workers will be dismissed.
Half to go on city relief.

A little later I shall read a telegram from Mayor LaGuardia as to what will happen in New York City. I will read telegrams from the mayors of Chicago, Philadelphia, Cleveland, Toledo, Los Angeles, San Francisco, Minneapolis, St. Paul, Duluth, great cities throughout the United States, if the Senate will bear with me. I think that if the hungry are to be turned out to starve, if we are to inflict that terrible punishment upon them, we may well spend an hour or two in the Senate Chamber surveying the situation which confronts us. I read further from the New York Times:

FURTHER FEDERAL CUT EXPECTED UNLESS CONGRESS GRANTS FULL APPROPRIATION REQUEST

Dismissal slips will be given this week to 10,800 W. P. A. workers in this city under instructions received from Washington yesterday by Col. Brehon B. Somerville, local Works Progress administrator. The dismissals will begin tomorrow and continue at the rate of 2,000 a day.

In other words, 2,000 a day are being thrown onto the streets of New York City. Multiply that by three and a half or four, three and a half, to be very conservative, and we find that nearly 8,000 people in the great city of New York, without any income or any source of income, are being dismissed. Ten days would make it 80,000 people. If those 80,000 people marched past this Capitol, there would be a greater parade than we witnessed on the 6th of April, 1939.

Mr. SCHWARTZ. Mr. President, will the Senator yield further?

Mr. LUNDEEN. I yield.

Mr. SCHWARTZ. And even that great number does not include other millions who are unemployed. It does not include those who have never been able to get on the rolls because there was not enough money to give them sustenance.

Is it not true also that the rolls, instead of shrinking, under present conditions are bound to increase, because those American workmen who have been able to stay off relief, those who have accumulated a few dollars for a rainy day, in the last 4 or 5 years have been gradually consuming that money? More and more of them are getting to the inevitable point where they have to find work, and if private industry does not give it to them, the Government must give it to them, and if the Government does not give them honorable work, daily work, then as to a great number of them the Government will later give it to them as convicts, because they will have been compelled to break the laws to keep themselves and their families alive.

Mr. LUNDEEN. The Senator has very well stated the situation. There are hundreds of thousands who have been certified for relief who have never been able to get on the rolls.

THE BATTLE BETWEEN BATTLESHIPS AND BREAD

I do not like to refer to this subject again, but, Mr. President, we are too busy building $100,000,000 battleships, and in the battle between battleships and bread I am for bread, although I have voted for appropriations for building battleships. So far I have gone along and voted for adequate defenses of this country. But we are too busy appropriating nearly $2,000,000,000 this year for armaments. I can produce plenty of testimony from American admirals and generals to the effect that up to the time the present appropriation was made we had adequate means of defense not only for the United States of America but for the defense of the Monroe Doctrine. I join with Senators in defending the Monroe Doctrine. I am willing to extend our defenses to include all of North and South America and the outlying islands. But, Mr. President, we are too busy with that particular subject.

I wish to call attention to another matter. I have no quarrel with such splendid gentlemen as Eugene Grace, of Bethlehem Steel. He is one of the finest men ever to grace modern industry. But in 1 year he received $1,635,000 salary and bonus. That is more than the President of the United States receives, plus the salaries of his 15 Cabinet members, plus the salaries of the 9 members of the Supreme Court, and plus the salaries of all the 96 United States Senators, and there is left a quarter of a million dollars on top of all that—and one man received that great sum of money in 1 year. That is what I mean when I say that the top-heavy structure of American wealth has become so great and ponderous that it has become a danger to these men themselves, and it may in time destroy the American democracy which we are sworn to uphold.

While these men have these huge fortunes and receive these huge salaries I am willing to vote some money out of their treasuries. I want to be very kind and liberal to Eugene Grace, of Bethlehem Steel. I should be willing to let him have $35,000 out of the $1,635,000 he received as salary and bonus. All I want to do is to tax the $1,600,000 away from him, and put it in the social-security fund. I do not want to deflate him too quickly. Let him have the $35,000. He has made this money under the rules of the game. I am not finding fault with the gentleman. I merely say that we here in authority should deal with that situation.

Mr. President, those who picked up their newspapers last night and this morning may have read whole pages devoted to the publishing of lists of salaries, salaries so large as to stun one who reads of them. I do not know just why such persons should object to paying a little here and there to make up the $50,000,000. It would require only a trifle to be taken from their salaries, to be used for the unemployed and the hungry.

Mr. MURRAY. Mr. President——

The PRESIDING OFFICER (Mr. PEPPER in the chair). Does the Senator from Minnesota yield to the Senator from Montana?

Mr. LUNDEEN. I yield.

UNEMPLOYMENT IN MONTANA

Mr. MURRAY. I should like to observe that the unfortunate thing about the whole situation is that all the big leaders of industry to whom I have referred do not appear to be making any effort whatever to offer a solution for our economic problems. All that we hear is a cry for the curtailment of these appropriations to aid the poor, unfortunate, hungry people. Letters and telegrams have come to me from Montana calling my attention to the situation out there. I just received a telegram this morning from a committee in Montana which has been studying the situation. The telegram reads as follows:

BUTTE, MONT., *April 7, 1939.*

JAMES E. MURRAY,
Senate, Washington, D. C.:

Silverbow County relief conference, April 2, 174 delegates and individuals, representing 38 organizations with membership approximating 14,000, urges immediate increase W. P. A. quota for Montana of 1,000 to aid in meeting desperate situation.

HENRY MERMIN, *Chairman.*
NORMAN LEFEVER, *Secretary.*

Mr. LUNDEEN. What was the expression used—"desperate situation"?

Mr. MURRAY. "Desperate situation." There has been a 10-percent reduction in the operations of the copper-mining corporations of the country. In one mine alone which closed down a short time ago a thousand men were thrown out of employment. There is no industry there to which these men can turn for employment. The only way they can be taken care of is through the W. P. A. As I said, business apparently

is making no effort and offering no solution whatever for the desperate situation that confronts the country. They themselves acknowledge that the economic system under which we are operating has broken down.

A distinguished editor, writing in Fortune magazine, of last June, points out that the development of our economic system was marked with serious conflict, and at times, bloody revolutions.

He points out that notwithstanding the more or less successful establishment of many of its principles, it has failed in this country in some serious respects. He says:

> The capitalistic democracy came to be regarded as the fortress of enlightenment and stood out against the dark, tyrannical, chaotic background of history as an irreversible human achievement. Yet, with the successful establishment of many of its principles, the system, which they conceived, has finally faltered. Its irreversibility is no longer apparent. Three of the biggest nations in the Western World, and many lesser ones have rejected it almost in its entirety, and even in the so-called democracies, its basic concepts have been questioned and its basic practices violated. Capitalistic democracy no longer stands forth as the emancipator of mankind. Its enemies denounce it as humbug—a system that pretends to emancipate all mankind, but in actuality, has emancipated only some men in certain portions of the earth, under favorable circumstances. Its friends, on the other hand, fail to defend it, their words result in oratory and their deeds in confusion.

That is a statement made by one of the great periodicals of this country which represents big business and speaks for big business. This distinguished editor further says:

> The fact is that in operating the capitalistic economy American business has constantly misappropriated the principles of democracy. American business has made use of those principles to its own enormous profit, but it has failed entirely to grasp the social implications of its profit making. As representing the capitalistic economy, business has an obligation to build a workable economy system, but by 1932, it was evident that it had failed to do this. It had failed, and it has since failed, to provide for approximately one-third of the American people. It has failed to provide them with a livelihood, to say nothing of a democratic opportunity, and in so failing, it has created a class of persons for whom income and sustenance is more immediately important than the preservation of those political assumptions upon which business grew to power.

This is the language of an able and courageous spokesman of American business and industry. At the time it created considerable excitement and interest among students of the economic problem. An editorial in the Washington Daily News commenting on it said:

> When business is criticized by the New Deal that is no surprise, but when Fortune blames business for a lot of its economic ailments business should at least give heed. * * * Fortune, in its June issue, talks like a Puritan father to business.

The path of American business is indeed a narrow one, but it is perfectly clear. The evils of our industrial system must be stamped out. Monopolies must be removed from the path of free competitive enterprise. There must be a more equitable distribution of the profits of industry, and Government and business must cooperate to work out a system which will overcome the recurring periods of mass unemployment.

That is the situation which is confronting the people of this country, and apparently no effort is being made to work out some program by which we can correct these conditions. I cannot understand how anyone could fail to support the appropriation which is being sought.

I have just received information to the effect that the President has issued a statement, to which I should like to call the Senate's attention. The statement is the result of a telegram which was just sent to the President by the head of Workers' Alliance of America, Mr. David Lasser. In response to it the President, through his secretary, has issued the following statement:

> Please tell Mr. David Lasser that the President has received his telegram in Georgia and feels as strongly as ever that the full amount should be appropriated, and that the responsibility for any cut whatsoever must rest on the Congress.

It seems to me it is up to Congress to take any action on this matter, and I do not see why it should fail to recognize the conditions that are confronting this country.

BUSINESS HAS FAILED TO PROVIDE A REMEDY

Mr. LUNDEEN. The Senator from Montana has well stated the position of business today in these matters. I do not think there is any call for business to lecture the American Congress after its own failure. I have repeatedly called attention to the fact that captains of industry call for our early adjournment, they want to get us out of here so that we will not legislate to the detriment of business and lessen confidence in the country, but no sooner do we get home before they shout for us to come back to appropriate some more money to pull them out of the ditch from which they are unable to extricate themselves.

Business has notably failed to provide a remedy. If they have a remedy let them speak now. Now is the time to speak up. Now is the time to come forward with the employment they are talking about. Now is the time to show the Americah people what they can do, if they have the remedy. But where they are unable to meet the situation the Government must step in, because our Government is instituted to see that there is opportunity for life, liberty, and the pursuit of happiness among the American people.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. LUNDEEN. I yield.

Mr. SCHWARTZ. I have heard of a few remedies, none of which the Senator or I would approve of, however. Sometime ago I was one night in a sleeping car and talking to the head of a great industrial institution out west. He said, he thought one of the remedies would be, instead of plowing under every third row of cotton, to plow under a third of the unemployed. Another gentleman said that he had read history and he knew that the only remedy was a great war to kill them off.

The other day a Member of Congress, not of this body, advised some people in my State, not how to remedy this situation but how to help it temporarily. He said that as a young man he used to fry grasshoppers with bacon and eat them, and he thought that if the people on W. P. A. out there would eat grasshoppers that would solve the problem. So, Senators see there are remedies presented, but they are not remedies which, if applied, will leave this Republic intact.

Mr. LUNDEEN. Mr. President, the other day the able Senator from Florida read from a newspaper article which perhaps a little facetiously referred to drowning the people on relief. We heard that article read on the floor of the Senate. I was aghast when the article was read. It took me a little while to come to after hearing the first part of it read.

Other remedies are now proposed by businessmen who want the people on relief to eat grasshoppers. If we get into another war, that businessman may be eating grasshoppers, because if we engage in the confiscation of capital wealth, as has been done in some of the countries of the world, but which I am not standing here to advocate—if we engage in another war, this man may be reduced to such extremities that he will begin to share in his fellow citizens' sufferings and sympathize with them.

Mr. PEPPER. I wish to remind the Senator of something of which he has already taken notice. I refer to the proposal which was made with respect to drowning the unemployed. Even that expedient would be financially costly. I know that some of our friends believe so much in economy that they would not be agreeable even to the expense which would be necessary to dispose of the disagreeable and burdensome unemployed in that way.

Mr. President, I am very much interested in some of the fundamental observations being made by the Senator from Minnesota. I know that he has never missed an opportunity to vote for constructive measures which would be of benefit to all the people of the country. I know that his attitude on the pending measure is not inconsistent with his attitude on all other helpful, constructive measures which have come before the Congress.

As I understand the Senator's attitude, he does not advocate the appropriation of this money for extravagance. He is not trying to excuse in the W. P. A. any profligacy in the use of

funds. He is not trying to keep anybody on the pay roll who ought not to be there. I judge from his remarks that he believes that this activity never should have been called "relief," but that it should have been called "job opportunity." It is just as honorable to work on the W. P. A. as it is to do any other kind of work, public or private. So, I wonder if I properly understand the Senator when I interpret his remarks as meaning that he is in favor of a great construction program in this country, building useful projects, projects which provide an economic return for the expenditure of the money spent, projects which tend to enrich the country rather than to pauperize it, projects which not only put money in circulation and provide jobs, but which also make the country richer than it otherwise would have been.

If the country spends its money upon useful, constructive, economically justifiable projects, then I wonder if it is the opinion of the Senator from Minnesota that a Congress which appropriates funds for such purposes is a profligate, inconsiderate, extravagant Congress, or whether, as a matter of fact, it is engaging in one of the most constructive things that could be done for the economy of the whole country.

Before the Senator concludes I hope he will address himself to the query propounded yesterday by the Senator from Colorado [Mr. ADAMS], and the day before by the Senator from Georgia [Mr. GEORGE]. Does the Senator know how those Senators will obtain the distribution they speak about, which will bring back prosperity to the country, without some supplement being given to private enterprise by some kind of a public agency representing the people of the country? I hope the Senator will address himself to the question whether or not he has heard any proposal from the sponsors of the policy of economy which will tend to aid in bringing about the distribution of our income which will make possible greater purchasing power, which our friends, the Senator from Colorado and the Senator from Georgia, and other friends of the economy attitude say they so earnestly desire.

Mr. LUNDEEN. In the course of my remarks I think I shall deal with the Senator's suggestion.

Mr. President, I ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, some of the articles to which I have referred, notably the one which I am now reading, and certain other articles which I had intended to read in full.

The PRESIDING OFFICER (Mr. GUFFEY in the chair). Is there objection to the request of the Senator from Minnesota? The Chair hears none, and the matter referred to may be printed in the RECORD.

(The matter referred to appears at the end of Mr. LUNDEEN's speech.)

OUR EDUCATIONAL SYSTEM HAS SUFFERED

Mr. LUNDEEN. I pass over the remainder of the article to which I have been referring and come to one from the Philadelphia Record of March 21, 1939, which, I understand, is included in the permission to print:

Seven hundred school teachers in Schuylkill County go payless. One thousand will be on list by April if State fails to act.

Those are Pennsylvania school teachers. We have seen reference to previous instances in which our educational system has suffered severely in almost every State in the Union. I bring this matter to the attention of the Senate in order that we may not forget our educational system.

Another article from the same issue of the Philadelphia Record says:

Unpaid teachers in Luzerne do odd jobs for livelihood.

They do not receive enough salary for teaching, so they must do odd jobs in addition to teaching so that they may live.

Five hundred and thirty-three employees in Governor James' home county go without salaries. Three hundred and ninety-seven more face payless pay days. Two million five hundred thousand dollars needed to carry on.

The salary of Eugene Grace would just about take care of the $2,500,000 needed for 1 year in this Pennsylvania county. I understand that gentleman received a bonus of $10,000,000 during the World War. Just what for, I do not know. I am not in the slightest degree criticizing the president of Bethlehem Steel personally, or any of his methods. No doubt he is a very able and distinguished businessman.

EVERY MAN HAS THE DIVINE RIGHT TO WORK

It is my belief that every man has the divine right to work. If he cannot find work in private industry, it is the duty of the Government to create work.

Mr. NORRIS. Mr. President——

Mr. LUNDEEN. I yield to the Senator.

Mr. NORRIS. I wonder if I correctly understood the Senator to say that Mr. Grace received in 1 year a salary sufficient to take care of the losses in the whole State of Pennsylvania for 1 year?

Mr. LUNDEEN. No; not for the entire State of Pennsylvania. The statement involved only one locality, one county, where $2,500,000 was needed. I said that his salary of $1,635,000 would be approximately enough to take care of the need of that locality for 1 year, although I do not propose to strip him of his entire salary. If I had my way about it, I would leave him $35,000 out of the $1,635,000.

Mr. President, back in 1932 the Senator from Wisconsin [Mr. LA FOLLETTE] asked that $5,000,000,000 be appropriated for public works. As I remember the RECORD, that was not done. In 1933 the Senator from Wisconsin came forward with a proposal asking for $10,000,000,000. So the figures I have proposed at various times which may seem large, are not so large when compared with the $10,000,000,000 which has already been proposed by the Senator from Wisconsin for public works.

Mr. President, it is pretty generally agreed among students of political economy that had the amendment proposed by the Senator from Wisconsin in 1933 been adopted, perhaps we should not find ourselves in the difficulty in which we are today.

In the past we did not have a plan. We did not have blue prints. We did not have engineering data. We did not have sounding for the foundations for dams. Such things take time. Had we engaged in such work back in 1932 and 1933, we should have a different situation today.

I have before me a statement which appears in the May 28 issue of the Nation, which states:

Even with the spending program people today are starving in Chicago, in Cleveland, and all over the country.

I call attention to the statement of Lloyd George, the great war Premier of Great Britain, who said in one of his speeches not long ago that there is more misery in one great American city than in all of Great Britain.

WEALTH MAY HAVE A SAD AWAKENING

It seems that those who receive ample salaries from the Government, or who have huge fortunes, are not concerned. However, if the present situation continues the day will come when we will be concerned, whether we are Members of this body or whether we are back home. Even with the spending program of today people are starving in Chicago, Cleveland, and all over the country. Perhaps the Nation is too progressive, too liberal, or too radical.

I turn now to the Washington Evening Star. I quote G. Gould Lincoln:

There are more millions of unemployed today than there were last year, or even during the Hoover administration. There has been a tremendous falling off in industrial production along many lines.

THEY WILL NOT ALWAYS STARVE

I have before me a report by Gov. Herbert Lehman, of New York, dealing with public relief to transients and nonsettled persons in the State of New York. The report deals with persons sleeping in the open, persons who have no homes, but who sleep in the open and are starving. But, sir, they will not always starve. Some day they may come to Washington, as did the veterans in the days of the bonus march.

There is no desire on the part of those in distress to overthrow the American Government and endanger our institutions. They are just as patriotic citizens as ever lived beneath our flag. They want to support American democracy and the American Government. However, they are sleeping in the open. They are starving today, under the policies which we have pursued. We are not helping them today by refusing to appropriate the additional $50,000,000.

I want to go along and do everything I can as a Senator to aid relief and to aid the unemployed. However, I wonder whether we are proposing to do enough. I realize that any statement I might make would be the statement of a person not expert in statistics. Therefore, I base whatever I may say merely on newspaper extracts, and the reports of Governor Lehman, and the testimony of Harry Hopkins. I am now referring to some testimony of about a year ago.

SIX HUNDRED THOUSAND CERTIFIED FOR W. P. A. NOT EMPLOYED

There we have the matter which was referred to by the Senator from Wyoming [Mr. SCHWARTZ]. The Senator said that many who have been certified have never been given work on W. P. A.—600,000 of them.

Senator BYRNES. Do you know how many have been certified by the various agencies at this time who have not been passed upon?

Mr. HOPKINS. About 600,000 that they have certified as in need and they state are employable.

Multiplying that by 4, we have 2,400,000 people, or we may use the figure of 3½, if we wish; nearly two and a half million destitute people whose breadearners and job seekers, over 600,000 of them, have been certified and never put on the rolls. We are not even talking about them; but the able Senator from Wyoming was referring to the matter a few moments ago. I will say to the senior Senator from Wyoming [Mr. O'MAHONEY], who has just entered the Chamber, that I was quoting from the figures of Harry Hopkins of a year ago that more than 600,000 persons certified to our rolls as in need, and unemployed and willing to work, were on the records, but had never even had a chance to work; and we are not talking about throwing them off.

We are talking about throwing off those who were certified and put on the rolls. But, in addition to those, we have this number of over 600,000; and if we multiply that number by the ratio of 3½ or 4 we have nearly 2,000,000 people—men, women, and children—depending upon them.

Mr. SCHWARTZ. Mr. President——

Mr. LUNDEEN. I yield to the Senator from Wyoming.

Mr. SCHWARTZ. The Senator has just used the expression "and willing to work." A great many uninformed persons, and some who probably are informed but are not careful about the information they receive, have attempted to make the people of America believe that the W. P. A. worker, as we understand him, or the unemployed man, is not willing to work. I recall the Senator's attention to the fact that here in the city of Washington last fall, I think, the departments advertised that they were going to employ about 150 charwomen at a nominal yearly rate of pay, and over 2,000 women, Negroes and whites, congregated in the public streets in a mad effort to secure an opportunity to have their names put down on the list in order that a few of them might receive jobs of that kind.

I desire to say to the Senator also that it has been my experience—although, thank God for the fact, in Wyoming our situation is not as bad as it is in the great cities—that wherever there is a call for men to go to work, there are plenty of men who go and endeavor to get the jobs; and that is true of women also.

Another thing: We have ten or eleven million men and women able to work and seeking work and before we criticize them for not working I think the least we can do is to point out the jobs and say, "Here are ten or eleven million jobs; now, why do you not take them?"

I merely wanted to have placed in the RECORD the fact that so far as my observation goes, so far as we have had an opportunity to see the matter put to the test, these people who are unemployed are perfectly willing to work, and want to work.

AMERICANS ARE WILLING TO WORK

Mr. LUNDEEN. Of course Americans are willing to work. We have some unworthy individuals, but we are not concerned with merely one here and there. The great mass of the American people are honest, upright people, who desire to work and contribute to the support of their Government; and they are willing to bare their breasts to the storms of war, if necessary, which they pray they may avoid, but if war comes they will be there; but it is our duty to protect them now in these times of peace, and I thank the Senator from Wyoming for calling attention to this matter.

Just last night I read in the newspapers that some official here had stated that the appropriations in the District of Columbia were ample; yet we learn that when somebody here puts out applications to employ a few persons, thousands of applicants appear in the city of Washington. Conditions right here in the National Capital are more severe and more desperate than in many other places, although I am no expert on the matter. I know that the senior Senator from Utah [Mr. KING] knows far more about that matter than I do, and perhaps I am speaking out of turn; but that is my impression, and, right or wrong, I am going to give voice to it. If I am wrong, I desire to be corrected.

Mr. PEPPER. Mr. President, I wonder if the Senator saw, some time ago, the account in a New York newspaper, which was put into the RECORD by the Senator from North Carolina [Mr. REYNOLDS], stating that the city had a mere dozen jobs to fill, and notice of the availability of those jobs became current, and on the particular morning in question several thousand women applied for those 12 jobs. Does the Senator recall seeing that account, or does he doubt that that condition exists all over the country?

Mr. LUNDEEN. I do not doubt it. I remember seeing many items of that kind; and I know that those things occur even in our home cities of Minneapolis, St. Paul, Duluth, and other cities of Minnesota.

Mr. PEPPER. With the Senator's permission, I will insert in the RECORD at this point an extract from the article in question.

Mr. LUNDEEN. I shall be glad to have that done.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[From the New York World-Telegram of February 9, 1939]

FOUR THOUSAND WOMEN KEEP VIGIL FOR 12 JOBS—SLEEPLESS NIGHT OVER, THEY REGISTER; GIRL FAINTS IN CRUSH

Upward of 4,000 women answered dramatically today the question: "Would the unemployed and the relief recipients take a job if they could get one?"

From the thousands who filed through the Two Hundred and Forty-fourth Coast Artillery Armory, 12 will be rewarded with the prize all are seeking—a job at $18.47 a week, washing test tubes, cleaning cages of rats and guinea pigs, and scrubbing floors and sticky benches in the laboratories of the New York health department.

At the head of the weary line, which finally began to move at 9 a. m., were several hundred women of all ages whose red-rimmed eyes and rumpled clothing testified that they had spent a sleepless night.

GIRL FAINTS

One girl fainted during the morning rush, but there was no disorder.

The municipal civil service commission, which knows better than anyone, perhaps, how eager the jobless are for work, had made foresighted arrangements for today's registration.

According to law, it is first come first served for such menial jobs as laboratory assistants. After the registrations the first 12 women who can pass physical examinations and who can read, write, and speak English will get the jobs. But the list made up today will be kept for 4 years, and from it may be selected a few women to replace those who leave civil-service jobs as scrubwomen.

Mr. PEPPER. Mr. President, will the Senator further yield?

Mr. LUNDEEN. I shall be glad to yield.

Mr. PEPPER. A day or two ago a gentleman who came to see me was commenting on the fact which the Senator from Minnesota and the Senator from Wyoming have just been discussing; namely, that there are in private industry persons who perhaps are not always alert, and keenly on their jobs. He mentioned an incident which had occurred a few days before that time. He stated that he had had

a telephone installed in his home by the American Telephone & Telegraph Co., one of the most efficient and one of the largest corporations of this country. He said that when he went into the bedroom in which the telephone was being installed, he found one of the two workmen who had been sent there to install the telephone lying down on the bed on his back, and the other fellow leaning over the foot of the bed saying, "Now it is time for you to get up and work some." [Laughter.] So perhaps the W. P. A. is not the only agency which has some employees who sometimes loaf a little.

SINCERE, HONEST, HARD-WORKING AMERICAN PEOPLE

Mr. LUNDEEN. Of course, we have some slackers on the job everywhere and a few unworthy people, and I admit that there are some unworthy people on the W. P. A. rolls. I admit that there have been some instances of fraud. I know that there have been instances of fads and fancies that can be brought in here for the amusement of those who care to listen to them, but they are not representative of the great mass of sincere, honest, hard-working American people. They are not to be put in the class of that type of people, and we find folks of that sort in both private and public employment.

Quoting further:

Senator BYRNES. You do not mean to say, though, that you have not passed upon some of those people constituting that 600,000?

Mr. HOPKINS. They move through our office every day.

Senator BYRNES. You do not contend that you are able today to give a job out of the funds available to every person certified as eligible and deemed by you to be eligible?

Mr. HOPKINS. No. We have approximated that number.

Senator BYRNES. What I wanted to get at is your best estimate of the number who are on the rolls certified as eligible, as approved by you and eligible and have not been able to secure work on your work-relief projects.

SIX HUNDRED THOUSAND OR FIVE HUNDRED THOUSAND PLUS NOT PROVIDED FOR

Mr. HOPKINS. I would discount that 600,000 by about 12 or 15 percent—say, 500,000; that would be about right.

Senator BYRNES. Your deductions then would result in a reduction of 10 or 12 percent?

Mr. HOPKINS. About 15 percent.

Senator BYRNES. I think that is an important factor.

Senator ADAMS. Mr. Hopkins, if the appropriation goes through as it stands, would that enable you to take up this entire load?

Mr. HOPKINS. Well, I would like to say one or two things before going into that.

Senator TOWNSEND. Just let me ask one more question right there.

Mr. HOPKINS. Yes, sir.

Senator TOWNSEND. I think you testified before Senator BYRNES' committee that as to every man who was employable you were able to give him a job, offer him a job, did you not?

Mr. HOPKINS. No; I said in a great many cities, where rumors were that we were not offering a job to every employable person, that we actually were.

JOBS NOT GIVEN ALL UNEMPLOYED

Senator TOWNSEND. Maybe I misunderstood you. I was there, and I understood you to say that you were offering a job to every employable every day.

Mr. HOPKINS. No, sir; I did not.

MILLIONS UNEMPLOYED

Senator BYRNES. What is the condition today as compared with the date you were testifying?

Mr. HOPKINS. Well, from the time I testified before your committee, Senator, and even as of the time a week or 10 days ago, or 2 weeks ago, when I was testifying before the House committee, it is my judgment that the relief problem in terms of unemployed people, projecting this simply for the next few months, is even more serious than I had contemplated.

There is the statement of Mr. Hopkins, who is an expert on the problems of the Works Progress Administration, stating that the situation was more serious than he had contemplated. I am afraid Senators will discover after a while that the situation in this country is more serious than they contemplate today.

In general, the problem is a serious one. There are about 800,000 people receiving unemployment insurance benefits today. After the benefit periods come to an end many of those people will come to us.

By the way, the employment benefits usually run for only about 10 or 12 weeks. Suppose they run for 12 weeks—and I have not seen any longer period than that—are these people to starve for the other 40 weeks? Twelve weeks on the unemployment rolls, and then 40 weeks off the rolls! Where are they going? They are going to the Works Progress Administration. They are going to the local city and county and State relief bureaus. That is where they are going; and Senators are going to discover that fact in their correspondence and by telephone and by telegrams in the not distant future. I hope these able and distinguished Senators for whom we have had every consideration, and have voted them huge dams and other great projects, will stand up on the floor now, and, with the mighty power of their eloquence, put through this amendment. Though my word may be of no avail, perhaps if they will recall the projects we have given their States they will, in gratitude and in remembrance of our unemployed, rise to the occasion.

Furthermore, there has just occurred a drop in private employment of from three to four million over a few months' period. The speed with which that drop occurred was probably unprecedented.

RESOURCES OF UNEMPLOYED GRADUALLY EXHAUSTED

Now, some of those people who were thrown out of work may have resources that will carry them for months; but if they do not get back into private employment at the end of 3, 4, 5, or 6 months many have to go to the local relief offices for aid.

THIS IS NO TIME FOR DECREASING W. P. A. ROLLS

That is exactly what the Senator from Wyoming said a while ago; their resources are being exhausted. They have been exhausted in many cases, and there is suffering in the cities of New York, and Chicago, and Philadelphia, and the great Twin Cities of my State, where we have a center of population of 1,000,000. Many of my fellow Senators do not realize that within a radius of 25 miles of Minneapolis and St. Paul there is a center of population of 1,000,000 people. That is one of the great population centers. In these centers people are not growing carrots on the sidewalks and cabbages on the pavements, and when they are thrown off the rolls they are face to face with the barbed wire of starvation; they run up against it, and there is no money in the bank.

They have borrowed and exhausted the funds of their relatives and friends, and they will have to seek relief, and they will be going to State and county relief agencies. I make that statement for the purpose of showing that this is no time for making a cut. As the able Senator from Nebraska stated, we ought to vote $100,000,000 instead of the $50,000,000 proposed by the amendment. One hundred million dollars would not carry us through.

Mr. President, a few years ago, I sat in the House of Representatives as a Member of the Sixty-fifth Congress when in one appropriation we voted more money than was appropriated during the two administrations of Washington, and the administrations of Adams, Jefferson, Madison, Monroe, Jackson, and down through the administrations of Lincoln, Hayes, Garfield, Arthur, Harrison, McKinley, Theodore Roosevelt, and Taft; in one great appropriation we voted more money to go out and save the world than was expended by all those administrations.

Better save our people at home with a few scores of millions of dollars, and stop our world-saving adventures.

Those of us who remember that day will recall that we stood on the floor of the House and the Senate and predicted the very situation we are facing today, of poverty, and destitution, and distress, and hunger, that would follow. That prophecy was not based on any wisdom of our own; it was made as a result of our reading history. The cycles of history prove that after every war there are great depressions, and great poverty, and misery, and hunger, and in those periods and cycles of depression after great wars the very stability of the Government itself may be threatened. I say that it is time for us to consider very seriously the oaths of office we have taken to support the democracy and the Government of the United States, and not to imperil it by lack of consideration of matters which are now before the Senate.

Mr. FRAZIER. Mr. President, I ask unanimous consent to have published in the RECORD a report from the Secretary of Agriculture on Senate bill 570, commonly known as the "cost of production bill."

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(The report will be found in the RECORD under the heading "Minimum Prices for Agricultural Products.")

WE MUST THINK OF THE AMERICAN FARMER

Mr. LUNDEEN. Mr. President, I shall be delighted to have in the RECORD the report of the Secretary on the cost-of-production bill. I believe I am one of the joint sponsors of that bill, and it is about time that we began thinking of the American farmer and making some effort to see that he gets at least cost of production. We were so busy rehabilitating the farmers of Belgium and France and other countries in Europe a while ago that we forgot to rehabilitate the American farmer. The professors found this word "rehabilitate." They wanted something we could not quite figure out, so they got hold of the word "rehabilitate." We were so busy rehabilitating the farmers of Europe that we were unable to rehabilitate the American farmers. I am suspicious of these queer phrases that are sprung on the American public. Rehabilitation of the farmers of Europe does not strike my Americanism very strongly.

I resume reading the quotation:

> Taking the lowest of the unemployment estimates, there are about 10,000,000 out of work, and the other estimates run up to over 12,500,000.

I am reading from statistics of a year ago, and I submit to the Senators on the floor of the Senate that the figure of today is the same as that of a year ago, so far as anyone is able to ascertain. I never heard the figure of the unemployed put below 10,000,000, and I do not believe I have heard it put over 13,000,000. Eleven to twelve million is the figure usually referred to. If I may refer to the Biggers report on the unemployment census, in his computation he arrived at a figure somewhere in the neighborhood of 10,700,000, very close to 11,000,000. Remember, that was a voluntary census; it was not the real census of the unemployed we should have had.

THE AMERICAN PEOPLE ARE LONG SUFFERING

The American people are long suffering. The American people have faced this situation very bravely, they have tramped the streets of our great cities in the vain hope of securing work, they have returned home at night to find their little children crying for bread, and their wives weeping over them. So long as I hold a seat in this honorable body I will not forget those people. So long as I have a vote on this floor I will vote for the appropriation of funds out of the wealth and abundance of the great American Nation, with its enormous productive capacity. I do not care to give the money as relief. I want to vote funds for work, for jobs, for employment, and I implore the business of America to come forward and give business employment. If business does not give employment, then certainly the Government must step in and offer employment through Government agencies.

BUSINESS HAS FAILED TO MEET THE SITUATION

First, let business go ahead. I want business to be given a chance. But this is now the seventh year of our deficits. We are running along now toward the tenth year of heavy depression, and certainly there has been opportunity enough for business to go ahead. I am not casting any reflection upon American business, because it has builded a wonderful economy through the aid and assistance of American workers, but in this crisis it has failed to meet the situation, and the Government and the American Treasury must step in and furnish jobs and employment, lest disaster overtake us.

Mr. HOLMAN. Mr. President——

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from Minnesota yield to the Senator from Oregon?

Mr. LUNDEEN. I yield.

Mr. HOLMAN. I wish to inquire of the Senator how business can go ahead when we continue to levy tax upon tax upon pay rolls, and discourage business?

Mr. LUNDEEN. I am not in favor of the heavy social-security tax which was levied upon business. I can agree with the Senator in that, and I agree with the senior Senator from Michigan that a part of that tax should be taken off, and there should be some relief in that way. But I remind the Senator that the captains of industry were greatly alarmed and concerned over their investments in foreign countries some 22 years ago, and wanted American soldiers to defend their interests with their lives and their blood, and we warned them that if they did that they would have to face appalling taxes, which would cut down their business in future years; and that is exactly what happened.

I am glad to have the statement of the able Senator from Oregon, because so far as the social-security taxes are concerned, there is no necessity for a surplus fund of $47,000,000,000, which penalizes and deadens business in the country; and I believe that is what the Senator referred to.

Mr. HOLMAN. I do not know anything about businesses which require armies in Europe. I only know about those businesses which serve the local communities where they are located. I know something about the difficulties of maintaining a pay roll under the New Deal philosophy. It is a very difficult and discouraging task. Every employer desires to put more people to work, but he cannot sell his output, he is being repressed, he is being put out of business by these taxes being continually placed upon him. The old axiom is still good, the power to tax is the power to destroy; and business is being destroyed today by taxes.

WAR TAXATION

Mr. LUNDEEN. The Senator has made a very able contribution concerning taxation and the burdens upon business. What he has referred to is exactly what happens after every great war. We cannot have the dance without paying the fiddler and business must now be patriotic and pay its taxes. Businessmen cannot have the wars without the taxes afterwards. There is the burden which comes upon us.

I cannot judge concerning the State of Oregon, but I know conditions in the State of Minnesota. I have in my files today letters from business leaders of our State castigating me and denouncing me because I voted to refrain from meddling in European politics and intrigues. I wrote back to them:

> We are in the war now, and we will have taxes upon taxes, and the burdens will weigh you down. I was trying to save you businessmen from this crushing tax burden. I tried to save you when six Senators in the Senate and 50 Members in the House voted against putting this heavy war burden upon the American businessmen and upon the American people. We voted against it, and I was one of the Representatives who voted in the negative.

I did not favor putting that heavy burden upon them. I wanted American business to be free of war taxation.

Our forefathers left Europe to escape war taxes. They left Europe to escape from the intrigues and the quarrels of kings and emperors over there. They left to come to America where they could be free from the intrigues and quarrels and boundary disputes and real estate title disputes of Europe. When they came here they did not expect someone to come along and drag them back into Europe. We are paying for that today, and we will be paying as long as any man sitting in this Chamber lives, and as long as his children live we will be paying. I am against any further adventures which will so highly increase the burden that we will have more misery and more poverty and more hunger and more destitution, perhaps to the destruction of our form of government.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. LUNDEEN. I yield.

Mr. MURRAY. I think there is a good deal of exaggeration with reference to this matter of taxation, about which we have heard so much. At least there is a considerable misunderstanding about it. I should like to inquire what additional taxes have been placed on business under the present administration. I do not know of any taxation which has had any serious effect upon business. I do know that the records of business during 1936 and 1937, when

we were having a return of prosperity in this country, show that business made more profits during that period, after deducting taxes.

I do not see that taxes have had any deterrent effects upon business in this country. As a matter of fact, many of the corporations, notwithstanding the increased wages that were paid, and the taxes that they have paid, made more profits than they had made in any other period since 1929. So I should like to inquire: What are these taxes which are having such serious results as to affect our prosperity?

Mr. LUNDEEN. I thank the Senator from Montana. I wish to call attention to a statement by the Senator from Maryland [Mr. TYDINGS] in the CONGRESSIONAL RECORD in which he calls attention to the fact that business paid out $20,000,000,000 more from its resources than it took in. Perhaps that has something to do with the statement of the Senator from Oregon.

I have been reading that study pretty carefully—

Said the Senator from Maryland—

and as near as I can estimate it * * * beginning with 1929 and on down to 1935 private industry has put out, roughly, $20,000,000,000 more than it has taken in.

NATION-WIDE REPORTS

Mr. President, it was my intention to read to the Senate certain telegrams from large communities of the United States. I will read just a few of them. I have been given permission to place the remainder in the RECORD, together with other information, articles, data, and statistics. These telegrams, I find, have an important bearing on the situation. Those who send them are the magistrates and officers of the law in their various communities, the mayors, Governors, and relief administrators who are dealing with this situation close at hand.

I read a telegram from the mayor of New York, Mr. LaGuardia:

NEW YORK, N. Y., *February 9, 1939.*

There were 183,243 cases on relief in New York City in October. City's cost, $5,810,174. State, $3,374,859. Total of $9,185,033. In November 183,687, an increase of 444 cases. * * * In December 186,005. * * * In January 189,742 cases.

The telegram goes on to state that today there has been a net increase of about 200 families a day. That telegram is from Mayor LaGuardia. The mayor say that the estimated cost in February is $9,596,514. He continues:

Note that these are cases and not individuals. We average about three and a half persons. My impression—

This is the impression of the mayor of New York City—

My impression is there must be a sustained improvement in business and in industry to absorb 2,500,000 workers before there will be any substantial and noticeable reduction of relief rolls.

If our unemployment is taken at the bottom figure of 10,000,000 we would have to cut it down to seven and a half million before there would be any noticeable improvement, according to Mayor LaGuardia.

Please also note that these figures are in addition to the Federal W. P. A. in New York City. Neither city nor State can assume any additional load.

I should like to have those Senators who are in the Senate now to note that neither the city of New York nor the State can assume any additional load. Perhaps we are far from New York in some of our States, but here is one from Chicago.

In Chicago on direct relief in October, 91,800; on W. P. A. 124,487. November, direct, 94,500; W. P. A., 118,432. December, direct, 99,200; W. P. A., 112,689. January, direct, 103,600; W. P. A., 106,068.

CHICAGO, ILL.

The telegram from Chicago is a long one. I will pass over some of it and come down to this:

It is urgent, to avoid difficulties, that W. P. A. employment in Chicago be increased substantially.

We propose to decrease it, but the mayor of Chicago, who has just been reelected, maintains that W. P. A. employment must be increased in the city of Chicago, the second largest city in America.

It is urgent, to avoid difficulties, that W. P. A. employment in Chicago be increased substantially. * * * Lack of employment in Chicago is greater now than it has been at this season in the last 3 years.

Chicago has an increasingly difficult situation. Unemployment has been increasing for the past 3 years. That is the statement of Edward J. Kelly, mayor of the city of Chicago.

I have the following telegram from our third largest city, Philadelphia, Pa.:

PHILADELPHIA, PA.

Extent of relief load in Philadelphia as of December 24, there were 76,427 relief cases. According to the calculations, 202,530 were on direct relief. There are at present 23,000 cases on W. P. A., of which 5 percent are nonrelief, which means that approximately 87,400 cases are receiving relief through this form.

More than 202,000 persons receiving direct relief and approximately 205,000 to be taken care of directly and indirectly through W. P. A. There is great need for additional W. P. A. funds in this city.

It is proposed to cut down the appropriation. The mayor of Philadelphia says there is need for additional appropriations.

It is a grave mistake to reduce W. P. A. appropriations to seven hundred twenty-five millions. Such a step means the dropping of many workers and consequent distress in their families and produces a serious crisis in this city.

Financial ability of city to meet needs—there is now an appropriation of $1,000,000 available to continue old and to supply for new W. P. A. projects.

S. DAVIS WILSON,
Mayor of Philadelphia.

PROVIDENCE, R. I.

I have also a telegram from the mayor of Providence, R. I.

DETROIT, MICH.

Here is one from the mayor of the great industrial center of Detroit.

Number on direct relief, Detroit, October, 20,000; November, 19,102; December, 20,006; January, 21,691.

The amounts contributed by the State and city, as well as the totals, are given. The estimated total cost of total welfare for the first 3 months of 1939 is $3,750,000.

City must borrow to meet all welfare costs for the next 5 months. Current appropriations completely exhausted.

That is from the mayor of Detroit. He says the current appropriations have been completely exhausted.

BALTIMORE, MD.

I am reading only a few of the telegrams from the large centers of the United States. I should like to read one from Baltimore. I shall not read the entire telegram. Four thousand six hundred and sixty-three families are on relief in Baltimore.

Employment situation in city has not improved thus far this winter.

The telegram is signed by Mayor Howard W. Jackson. I read only a part of that telegram.

MINNEAPOLIS, MINN.

I have a long telegram from my home city of Minneapolis, Minn., which says in part:

Minneapolis only available resource is bond issue. City now forced to refund maturities because of abnormal relief bond issues in past 6 years. Requirements for refunding aid for direct relief and sponsor's share of W. P. A. will exhaust city. Debt leeway before December 31, 1939, or earlier if W. P. A. retrenchment increases direct relief intake. Overall case load with all categories of aid now the highest in history of Minneapolis. Mayor Leach is out of town.

O. A. PEARSON,
Superintendent, Division of Public Relief.

I emphasize the fact that in my own home city of 500,000 people, the over-all load of all categories of aid is now the highest in the history of Minneapolis.

ST. PAUL, MINN.

Take our capital city of St. Paul. I shall not read the long telegram. I call attention to the fact that there is a marked increase in applications for direct relief. The telegram is signed by W. H. Fallon, mayor of the city of St. Paul.

I have already called attention to the fact that in the twin cities of Minneapolis and St. Paul, within the metropolitan area of 25 miles, we find 1,000,000 people. That is a large population center.

MILWAUKEE, WIS.

Milwaukee, Wis., is one of the best-governed cities in America; and yet the telegram says:

Milwaukee faces a serious crisis in financing relief. Unemployment is a national problem. Why should Congress economize at the expense of overburdened local governments?

We may have to reckon with some of the people in the local communities after awhile when we return home.

Why should Congress economize at the expense of overburdened local governments?

CLEVELAND, OHIO

Here is a telegram from Cleveland, Ohio. I shall be unable to do justice to the smaller communities. I can only refer to a few of the larger ones. For the information of Senators who are present, I read in part from the telegram:

Relief loads and expenditures have increased during this period due to the stopping of assignments by W. P. A. in October, and also due to W. P. A. order issued in December directing removal from W. P. A. program of persons believed eligible for categorical public assistance.

Temporary relief bill passed by State of Ohio last week will enable greater Cleveland subdivisions to service direct relief not later than April 1. Permanent program under consideration by Governor and General Assembly of State. Enactment of such program necessary during March in order to avoid break-down.

I hope Senators will bear with me just a few moments longer. I wish to call attention to some of the larger cities. The situation is just as important for the people living in the smaller centers; but after all, we may have trouble later in the great centers where teeming millions live unless the situation is taken care of.

KANSAS CITY, MO.

In Kansas City the general relief load is rapidly increasing. Funds are dependent on State appropriations. I shall not read the telegram from Kansas City.

NEW ORLEANS, LA.

I have a long telegram from New Orleans, La., which says in part:

No funds available local relief. Employees waiting W. P. A. employment. Recent quota reductions make situation urgent. Entire program financed by State sales tax.

SAN FRANCISCO, CALIF.

I shall not read the long telegram from San Francisco, Calif. I merely refer to this part of it:

Indications are that relief loads are increasing first 3 months this year. City and County of San Francisco now carrying all load possible financially.

They have exhausted their funds. They cannot carry any more unless we want to dip into the huge fortunes of the Eugene Graces, about which we have been so tender.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. LUNDEEN. I yield.

Mr. HOLMAN. My knowledge is limited to my personal experiences. Last summer I wanted to fence a certain 60-acre piece on my farm. I could obtain no help to build the fence because everybody in the neighborhood was on W. P. A.

Mr. LUNDEEN. I have heard of such instances. No doubt the Senator had that experience. I am not in favor of giving relief or W. P. A. work to anyone who is offered a job by private business. If he fails to take private employment he should be liable to punishment. Some of the European nations have punished such an offense. I can understand the situation. I have known of such instances in the State of Minnesota.

Mr. HOLMAN. I know of a manufacturer of workmen's shirts who lost some thirty employees from his pay roll. On account of decreased sales he had no use for the employees. A part of the cause for the decreased sales was the competition of a W. P. A. work room. Those employees are now employed on the W. P. A. tax-supported pay roll, in competition with the privately operated pay roll.

Mr. LUNDEEN. I hope the Senator is not referring to someone who is running a sweatshop.

Mr. HOLMAN. No, sir. The employees were paid union wages. We do not have sweatshops, tenements, or slums in Oregon.

Mr. LUNDEEN. I think the population of the Senator's State would greatly increase in the next year if that fact were made widely known.

Mr. HOLMAN. I am convinced that if the people would endure what my own people endured as Oregon pioneers there would not today be the present demand for public relief. My own people lost everything they had in a snowstorm in the gorge of the Columbia River in 1852, when they crossed the plains with ox teams. However, they went on. They did not go on a sit-down strike; nor did they waggle their thumbs for a lift. They made a clearing and built log cabins. I have been told that they were glad to get salt to eat on their potatoes. All they had to eat was potatoes. Salt was scarce. Where could they obtain anything? They had no tea, coffee, or sugar. They parched wheat long before anybody ever heard of Battle Creek, Mich.

Mr. LUNDEEN. I will say to the Senator that the statement he is making reminds me of the experiences of my own pioneer parents.

Mr. HOLMAN. Through perseverance and self-reliance their log cabins grew into frame houses, and their clearings grew into farms. They may have been destitute, but they were never poor.

OUR NEW FRONTIER

Mr. LUNDEEN. I thank the Senator; but I ask the able Senator, where are his people going to build their log cabins today? Where are the millions of unemployed going to pioneer now? Where are the farms they can open up in the wilderness? Where are they going to pioneer? Where are they going to go? There is not room for them in the beautiful, grand State of Oregon. I have seen the State. I admire it. I helped to build the Bonneville Dam, and the Grand Coulee Dam in Washington. I am a great admirer of the Senator's community; but wherever we go now there is a lack of employment. There is no place to pioneer. There is no geographical frontier. The only frontier we now have is the legislative frontier, the frontier of social security, the frontier of a new deal that is a complete new deal and not a partial new deal. The new deal that I believe in is a more thoroughgoing, far-reaching new deal and square deal than has yet been proposed; but I want to go along as far as I can on these things.

THE OLD AMERICAN FRONTIER HAS DISAPPEARED

The old American frontier has disappeared. No longer can the descendants of the thousands of men who came out of the Civil War, in the Confederate Army or in the Army of the North, go out and take homesteads. I was born on a homestead in South Dakota. That homestead cannot be taken up today. There is a farmer there who is farming that homestead. All the other homesteads are gone. There is no place for these people. We cannot abandon them, however. We cannot stand on the floor of the United States Senate and talk about drowning people. We cannot stand on the floor of the United States Senate and say that we abandon American citizens, when we have thrown billions and billions of dollars into the coffers of foreign countries, when we have supplied the Armenians and the Belgians and others.

I remember that at one time we voted about a billion dollars for the Belgians. I should like to see a billion dollars voted today for the people of America, the people under our own flag, our own people in the United States. There has been too much weeping on the shoulders of foreigners. I want to see something done right here in the United States. Our frontier is gone. The eloquent statement of the Senator from Oregon is well taken. It portrays a day that has passed, however. It is no longer here. It is gone. We have to face a different condition. We are in a different day and a different age.

Mr. President, I have just referred to San Francisco. Relief loads are increasing there.

LOUISVILLE, KY.

Seasonal slumps, with about an ordinary situation, are reported in Louisville, Ky.

BOSTON, MASS.

These are all large cities to which I am referring, just a few of them:

City now facing heaviest drain for all forms of relief since 1932.

That is Boston.

Employment in private industry showing no gain yet.

Where are these people going to go to work? They cannot get into private industry, in Boston at least. It is all right for these folks who have fat bank accounts and numerous bonds and huge salaries to be smug about this matter, but the men and women who have to provide for their families find themselves in a different situation.

This telegram from Boston says:

Relief situation very critical.

This is not a newspaper report. This is not my statement. This is a telegram from Hon. Maurice J. Tobin, mayor of Boston, dated February 11, 1939.

Additional burdens for relief most detrimental to city's continued ability to meet obligations.

I have already referred to a newspaper article from Seattle. I will not read the telegram from that city.

BUFFALO, N. Y.

Here is a telegram from Buffalo, N. Y.:

Employment conditions very unfavorable. Case load now at highest point since 1935.

SPOKANE, WASH.

A telegram of the same tenor comes from Spokane, Wash.

HOUSTON, TEX.

A telegram from Houston, Tex., says:

City and county financially unable to meet needs of employable group. Relief for unemployable provided for inadequately.

NEWARK, N. J.

I have here a telegram from Newark, N. J., of the same tenor.

OMAHA, NEBR.

Here is one from Omaha, Nebr.:

Great need for additional employment this winter.

This is in Omaha, Nebr., I will say to the able senior Senator from that State, who has indicated his desire to vote for an appropriation of $100,000,000 instead of this $50,000,000 amendment.

COLUMBUS, OHIO

In Columbus, Ohio, this condition exists:

Private employment situation not improving and W. P. A. lay-offs have increased relief loads.

DIVISION PUBLIC CHARITIES, CITY OF COLUMBUS.

These telegrams are in reply to telegrams which I sent to the mayors of our various cities. I am not giving my opinions in the matter to which I am now referring. I am giving the telegrams of the mayors of our great cities, in the States from which my colleagues come to the Senate. These are your States, your cities, your mayors whose telegrams I am reading.

They picture a very serious situation. In the midst of that situation we find a desire on the part of some Senators, at least, to reduce the appropriation which the President has asked for, and which Colonel Harrington, the W. P. A. Administrator, with his State officials collaborating, found necessary and is asking for.

Mr. HOLMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Oregon?

Mr. LUNDEEN. One moment. I want to call attention to the fact that Senators have already voted against the appropriation of $150,000,000 for relief. They now admit they are wrong so far as $100,000,000 of that amount is concerned. It is barely possible that they are wrong as far as the remaining $50,000,000 is concerned.

I now yield to the able Senator from Oregon.

Mr. HOLMAN. Mr. President, apropos of the Senator's remarks relative to local communities not being able to carry their relief load, I wish to state that it is possible to solve the relief problem. Oregon has done so. Her legislature has just adjourned with a balanced budget and the relief question taken care of. But we cannot swing the doors wide open and invite every ne'er-do-well to come in and subsist on the efforts of other people.

Mr. LUNDEEN. Mr. President, if the Senator will permit me to say a word at that point, he may reply if he so desires. I should be very pleased to have him state the plan of Oregon to solve the situation. I shall be glad to have that in my remarks, and I hope the Senator will see that it appears in the RECORD tomorrow morning, because if the people of the State of Oregon have solved the problem to the satisfaction of the people of the State of Oregon, and can furnish a plan which will solve the problem for America, they will deserve a crown of glory.

Mr. HOLMAN. I shall be glad to submit the budget of the State of Oregon for the next biennium, but I cannot have it here by Monday. The legislature did adjourn, they did take care of the relief situation, and they did balance the budget.

Mr. MINTON. Mr. President, will the Senator from Minnesota yield?

Mr. LUNDEEN. I yield.

Mr. MINTON. We have had the budget balanced in Indiana since 1933, and we still have a relief problem. That does not answer the question.

Mr. HOLMAN. We have a relief problem in Oregon, but we are meeting it.

Mr. LUNDEEN. As I understand, we are to have the Oregon plan in the RECORD, perhaps Monday, or at least some time next week, and I shall read it with great pleasure and great interest. I have no doubt the Senator's statement is correct regarding the balancing of the Budget, but I should like to read the plan to see whether it fits into the national picture. Perhaps it will.

BALANCING THE BUDGET

A national plan was submitted to the voters in 1936 from the State of Kansas, the balanced budget of Landon; but it did not seem to meet with the approval of the American people. I understand that the school teachers and many other people in the great State of Kansas had their salaries cut, and the situation was very desperate for many people there, but the sacred budget was balanced. Of course, we all look forward to the day when we can balance the Budget. But how can we balance the Budget when men draw the huge salaries to which I have called attention?

I ask unanimous consent to insert in the RECORD along with my remarks the record of the salaries, which was published in the papers recently, so that the statement will be available to the American public at large.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the Washington Times Herald of April 8, 1939]

MAYER'S $1,296,503 SALARY HIGHEST IN 1937; MARCH TOPS SCREEN STARS—GARBO IS TOP ACTRESS WITH $472,499

Seven Hollywood notables were among the Nation's 10 highest salaried personalities during 1937, the House Ways and Means Committee's "$15,000 plus" salary list disclosed last night.

The list, compiled by the Treasury Department from 1937 income-tax returns, showed that Louis B. Mayer, president of Metro-Goldwyn-Mayer, was the highest paid American during the year, received $1,296,503, one of the highest stipends in the annals of American history.

MOVIE STARS TOP LIST

Of the top 20 salaries, 15 went to actors, actresses, or motion-picture executives.

The top-salaried corporations were M-G-M, E. I. du Pont de Nemours Co., and Metropolitan Life Insurance Co. The list showed 240 persons drew $15,000 or more from M-G-M, 196 from du Pont, and 167 from Metropolitan Life.

The top 10 salaries:

L. B. Mayer, executive, Loew's, Inc., and Metro-Goldwyn-Mayer, $1,296,503.

J. Robert Rubin, executive, Loew's, Inc., and Metro-Goldwyn-Mayer, $754,254.

N. M. Schenck, president, Loew's, Inc., $541,602.
William R. Hearst, newspaper owner, $500,000.
Fredric March, actor, $484,687.
Greta Garbo, actress, $472,499.
Maj. Edward Bowes, entertainment executive, $427,817.
Thomas J. Watson, president, International Business Machines Corporation, $419,398.
Eugene G. Grace, president, Bethlehem Steel Corporation, $394,586.
David Bernstein, executive, Loew's, Inc., $382,816.

LOMBARD'S $314,000 TOPS HUSBAND

In the second 10 highest salaries were: George W. Hill, president, American Tobacco Co., $380,976; Marlene Dietrich, actress, $370,000; A. M. Loew, executive, Loew's, Inc., $356,074; Claudette Colbert, actress, $355,555; Joan Crawford, actress, $351,538; Spyros P. Skouras, theater executive, $346,054; F. B. Davis, Jr., president, United States Rubber Products, Inc., $322,999; Carole Lombard, actress, $314,000; William Powell, actor, $289,443; Clark Gable, actor, $289,000.

SLOAN LED IN 1936

The 1937 list showed substantial changes in the high-ranking list and revealed that salaries in general increased substantially over 1936.

Mayer did not show in the 1936 top brackets. The 1936 list was led by Chairman Alfred P. Sloan, of General Motors Corporation, with $561,311. In 1937 he was far down the list with $183,708. In second place in 1936 was Hearst, with $500,000.

William S. Knudsen, General Motors president, was third in 1936 with $459,878. In 1937 he dropped out of the top 10 with $247,210.

Others who vanished from the top 10 included: Actor Gary Cooper, who dropped to $246,053 from $370,214; Actor Ronald Colman, who dropped to $195,528 from $362,500; Actress Mae West, who drew $323,000 in 1936 and was unlisted the next year; Charles F. Kettering, General Motors vice president, who went down to $155,510 from $304,400; Vincent Fitzgerald, salesman for G. F. Ohrstrom & Co., Inc., who went from $320,296 to $99,771; and Rudy Vallee, who did not show on the 1937 list, although he drew $298,744 in 1936.

MRS. ROOSEVELT EARNS $16,587 AS WRITER

Compensation in 1937 of various persons in the public eye included:

Mrs. Eleanor Roosevelt, $16,587 for writing her daily newspaper column; Assistant Secretary of Navy Charles Edison, $43,505 as president, Thomas A. Edison, Inc.; Gov. Julius P. Heil, of Wisconsin, $44,000 as president, the Heil Co., Milwaukee; R. F. C. Chairman Jesse H. Jones, $20,000, as adviser to the Commerce Co., Houston, Tex.; Thomas J. Pendergast, Kansas City political boss, $30,000 as vice president, Ready-Mixed Concrete Co.; former Vice President Charles Gates Dawes, $18,850, as board chairman, City National Bank & Trust Co., Chicago.

Gen. Hugh S. Johnson received $15,600 as a newspaper columnist; John D. Biggers, $75,000, as president, Libby-Ford-Owens Glass Co., Toledo, Ohio; Grover Whalen, New York World's Fair head, $62,699, from Schenley Products Co.; Representative Bruce Barton (Republican), of New York, $58,750, as board chairman, Batton, Barton, Durstine & Osborne Advertising Agency; Gen. Robert E. Wood, $100,000, as president, Sears, Roebuck Co.; Frank Knox, $75,000, as president, Chicago Daily News.

Other outstanding salaries—Movies and entertainment:

Wallace Beery, $258,750; Adolph Menjou, $102,083; George Burns and Gracie Allen, $139,568; Irene Dunne, $259,587; Cary Grant, $144,291; Barbara Stanwyck, $198,749; Edward G. Robinson, $70,416; Jeannette MacDonald, $238,299; Robert Montgomery, $243,250; Hunt Stromberg, director, $265,500; Joe E. Brown, $267,500; David O. Selznick, $203,500; Charles Boyer, $265,191; Kay Francis, $209,100.

Hal Wallis, production chief, $208,083; Darryl Zanuck, $260,000; Warner Baxter, $225,961; Sonja Henie, $210,729; Fred Astaire, $271,711; Ginger Rogers, $184,583; Pandro S. Berman, $251,347; Katherine Hepburn, $238,703; Bob Burns, $242,856; Ernst Lubitsch, $260,833; George Raft, $219,388; Wesley Ruggles, director, $203,051; Adolph Zukor, $210,000.

Lionel Barrymore, $132,739; John Barrymore, $148,333; Freddy Bartholomew, $36,899; Robert Taylor, $173,352; Nelson Eddy, $103,166; Victor Fleming, director, $160,000; Sidney Franklin, director, $128,583.

Jean Harlow, late actress, $104,967; Edmund Lowe, $105,416; Edgar Selwyn, director, $119,245; John Stahl, director, $107,250; Franchot Tone, $107,291; W. S. Van Dyke, $178,916; Myrna Loy, $152,583; Lynn Fontaine, $99,674; Alfred Lunt, $101,674.

EDDIE CANTOR, $150,000

H. M. Warner, president, Warner Bros., $115,833; Albert Warner, $98,333; J. L. Warner, $137,333; Lloyd Bacon, director, $144,541; Claudette Colbert, $117,500; Bette Davis, $53,199; Leslie Howard, $140,000; Al Jolson, $109,000; Mervyn Leroy, producer, $153,517; Paul Muni, $109,583; Pat O'Brien, $119,500; Dick Powell, $176,249.

Joseph M. Schenck, chairman, 20th Century-Fox, $118,000; S. R. Kent, $179,220; William Goetz, $104,000; Fred Allen, $60,000; Ben Bernie, actor, $100,000; Eddie Cantor, $150,000; Alice Faye, $145,499; Gypsy Rose Lee, $34,166; Nunnally Johnson, producer, $106,250; Victor McLaglen, actor, $164,325; Simone Simon, $110,916.

AMOUNT OF $110,256 PAID TO SHIRLEY TEMPLE

Gertrude Temple, guardian, $52,166; Shirley Temple, $110,256; Loretta Young, $150,019; John Boles, $133,246; Douglas Fairbanks, Jr., $112,812; Tay Garnett, director, $105,000.

Jesse L. Lasky, producer, $109,166; Herbert Marshall, $198,166; Jack Oakie, $164,416; Joe Penner, $105,333; Lily Pons, $106,023; Ginger Rogers, $184,583; Jack Benny, $60,000; Mary Livingstone, $25,000; Harry L. "Bing" Crosby, $190,000.

CHARLIE CHAPLIN $106,000

Dorothy Lamour, $21,650; Frank Lloyd, producer, $166,208; Rouben Mamoulian, director, $118,750; Clifford Odets, writer, $43,333; Martha Raye, $48,541; Charles Ruggles, $133,236; Gladys Swarthout, $61,333; Charles Chaplin, $106,000; Paulette Goddard, $26,500; Jack Holt, $103,654; Cecil B. DeMille, $51,500; Walter E. Disney, $39,750.

Joel McCrea, $106,500; Miriam Hopkins, $130,000; Samuel Goldwyn, $189,000; Mary Astor, $40,541; Harold C. Lloyd, $52,166; Zeppo Marx, $78,383; Hal E. Roach, $104,000.

Janet Gaynor, $100,000; Ben Hecht, $51,666; Sidney Howard, $53,500; Myron Selznick, $100,825; Madeline Carroll, $114,795; Henry Fonda, $47,583; Joan Bennett, $72,000; Sylvia Sidney, $114,100; Walter F. Wanger, $130,000.

Fanny Brice, $64,500; Beatrice Lillie, $79,531; Charles P. Skouras, theater executive, $242,054; Ed Wynn, $60,000; Marion Davies, president, Cosmopolitan Corporation, $106,000; Katherine Cornell, $58,717.

Owen D. Young, board chairman, General Electric, $235,000; Gerald Swope, president, General Electric, $235,000; Colby M. Chester, board chairman, General Foods, $159,600; Percy S. Straus, president, R. H. Macy & Co., $100,320; Thomas H. McInnerny, president, National Dairy Products Corporation, $150,560; Seton Porter, National Distillers Products Corporation, $178,000; Walter P. Chrysler, chairman, Chrysler Corporation, $189,136; G. W. Mason, president, Nash-Kelvinator Corporation, $233,957; Floyd B. Odlum, Atlas Corporation, $100,000.

Myron C. Taylor, board chairman, United States Steel, $167,662; E. R. Stettinius, Jr., finance committee chairman, United States Steel, $77,400; W. A. Irwin, United States Steel, president, $141,300; R. T. Vanderbilt, president, R. T. Vanderbilt, Inc., $160,000.

Charles M. Schwab, Bethlehem Steel chairman, $180,000; B. F. Fairless, president, Carnegie-Illinois Steel, $100,000; M. W. Clement, chairman, Pennsylvania Railroad, $100,450; A. W. Robertson, board chairman, Westinghouse Electric, $169,127; E. T. Weir, chairman, Weirton Steel, $175,000; L. J. Rosenwald, board chairman, Sears, Roebuck, $75,000; Daniel Willard, president, Baltimore & Ohio, $60,000; F. A. Countway, president, Lever Bros., $204,301.

General Motors Corporation: Albert Bradley, vice president, $131,803; Donaldson Brown, vice president, $119,052; Marvin E. Coyle, $129,590; Alfred J. Fisher, $82,500; Edward F. Fisher, $90,000; Lawrence P. Fisher, $100,700; William A. Fisher, $78,750; Richard H. Grant, vice president, $109,940; Ormond E. Hunt, vice president, $110,677; James D. Mooney, vice president, $110,990; Charles E. Wilson, vice president, $131,703.

Edsel B. Ford, president, Ford Motor Co., $146,056; Peter E. Martin, Ford vice president $171,465; Charles E. Sorensen, Ford general superintendent, $166,071.

NEWSPAPERS AND ADVERTISING

Heywood Broun, newspaper columnist, $36,260; Rollin Kirby, cartoonist, $23,310; Westbrook Pegler, columnist, $46,263; Mark Hellinger, feature writer, $19,627; Arthur Hays Sulzberger, president, New York Times, $45,000; Julius Ochs Adler, treasurer, New York Times, $45,000; Edwin L. James, managing editor New York Times, $36,000; Arthur Krock, Washington columnist, New York Times, $26,400; E. L. Ahern, cartoonist, $63,600; Arthur (Bugs) Baer, $53,000; William DeBeck, cartoonist, $53,694.

CHICAGO TRIBUNE SALARIES

George McManus, cartoonist, $101,298; Robert L. Ripley, cartoonist, $149,777; E. C. Seegar, cartoonist, $115,246; H. M. Bitner, general manager, Hearst newspapers, $60,192; J. V. Connolly, general manager, King Features, $69,143; T. J. White, general manager, Hearst Enterprises, $88,082; Howard Davis, business manager, New York Herald Tribune, $56,160; Walter Lippmann, writer, $62,476.

R. R. McCormick, editor, Chicago Tribune, $50,000; W. E. McFarlane, business manager, Chicago Tribune, $90,000; R. M. Lee, managing editor, Chicago Tribune, $50,000.

News Syndicate Co., Inc.: R. C. Holliss, second vice president, $130,567; J. W. Barnhart, secretary, $130,567; Ray T. Wilken, advertising manager, $130,657; M. Annenberg, circulation director, $130,567; Harvey Deuell, managing editor, $130,567.

Joseph M. Pulitzer, president, Pulitzer Publishing Co., St. Louis, $225,000; O. K. Bovard, former managing editor, St. Louis Post-Dispatch, $60,557; Edward W. Scudder, publisher, Newark Evening News, $114,224; W. A. Curley, editor, New York Evening Journal, $84,689.

Paul Patterson, president, A. S. Abell Co., $70,553.

Mortimer Berkowitz, president, American Weekly, $265,225; M. Goddard, late editor, American Weekly, $85,000; Kent Cooper, general manager and secretary, Associated Press, $63,957; Walter Winchell, $51,699, as columnist and $150,000 as motion-picture actor.

PROFIT IN THE LIFE OF A COUNTRY DOCTOR

The life of a country doctor is as profitable as it is exciting, the salary report for 1937 revealed yesterday.

The highest salaried man in Kansas—one of four receiving more than $50,000 a year—was Dr. A. E. Hertzler, author of the best-selling Life of a Country Doctor.

Hertzler received $74,782 during 1937 as president of the Halstead Hospital Association, Halstead, Kans. (population 1,373).

COSTER'S SALARY $40,280 IN 1937

An echo of the McKesson & Robbins scandal was provided by the release yesterday of salary figures for 1937.

The list disclosed that F. Donald Coster who committed suicide when his false identity and manipulations were exposed, received a salary of $40,280 as president of McKesson & Robbins in 1937.

ONE HUNDRED AND FOURTEEN HERE PAID MORE THAN $20,000

Three women were numbered among the 114 Washington business men and women who reported salaries, commissions, and bonuses of $20,000 or more during the calendar and fiscal years of 1937.

The list, made public by the House Ways and Means Committee, included Mrs. J. C. Nourse, merchandise manager of Woodward & Lothrop; Mrs. J. C. Willard, president of the Willard, Inc., and Margaret Golan, vice president of Frank R. Jelleff, Inc.

William Montgomery, president, Acacia Mutual Life Insurance Co., $75,250.

Morris Cafritz, president, Ambassador, Inc., $25,000.

Washington B. Williams, president, American Sales Co., Inc., $21,000.95.

Corcoran Thom, president, American Security & Trust Co., $30,000.

William N. Schaefer, vice president, Andrews Paper Co., $21,993.47.

Harry Viner, president, Arcade-Sunshine Co., Inc., $30,000.

William H. Lipscomb, president, B. & R., Inc., $24,000.

AMOUNT OF $29,500 FOR BRAWNER

W. A. Tuerke, Sr., Becker's Leather Goods Co., president, $25,000.

Floyd D. Akers, president, Capital Cadillac Co., $26,683.94.

Charles A. Robinson, general manager, Chesapeake & Potomac Telephone Co., $21,000.

Henry N. Brawner, Jr., president, Chestnut Farms-Chevy Chase Dairy Co., $29,500.

Aubrey L. Clarke, president, L. A. Clarke & Son., Inc., $20,000.

Joseph DeYoung, president-treasurer, Joseph DeYoung, Inc., $20,933.33.

James M. Doran, technical director, Distilled Spirits Institute, Inc., $30,000.

Henry A. Berliner, president, Engineering and Research Corporation, $30,000.

Theodore W. Noyes, editor, the Evening Star Newspaper Co., $43,045.71.

Frank B. Noyes, president, same.

Fleming Newbold, general manager, $35,818.28.

FRED HAAS EARNS $21,300

Newbold Noyes, associate editor, $28,249.72.

S. H. Kauffmann, assistant manager, $21,257.14.

Howard P. Foley, Kenwood, Md., the Howard P. Foley Co., Inc., president-treasurer, $35,000.

Bancroft T. Foley, Bethesda, vice president, $35,000 (Howard P. Foley Co., Inc.).

John T. Kennedy, president, Benjamin Franklin University, $24,000.

H. B. Spencer, president, Fruit Growers Express Co., $25,000.

Clarence W. Gosnell, Bethesda, Md., president, C. W. Gosnell, Inc., $27,000.

John I. Haas, president, John I. Haas, Inc., $30,000.

Fred J. Haas, vice president-treasurer, John I. Haas, Inc., $21,300.

Walter Rauber, secretary, John I. Haas, Inc., $21,300.

L. E. Kreider, John I. Haas, Inc., $20,100.

J. Willard Merriott, Hot Shoppes, Inc., $20,977.11.

Frank R. Jelleff, president-treasurer, Frank R. Jelleff, Inc., $30,000.

Margaret Golan, vice president, Frank R. Jelleff, Inc., $22,000.

Floyd Jennings, president, the Floyd Jennings Co., $20,000.

John N. Davis, vice president-manager, Judd & Detweiler, Inc., $33,000.

B. B. Bergunder, president, S. Kann Sons Co., $40,595.30.

Sol Kann (Baltimore), vice president-secretary, S. Kann Sons Co., $32,595.14.

Garfield I. Kass, president, Kass Realty Co., Inc., $20,000.

Willard M. Kiplinger, president, Kiplinger Washington Agency, $30,000.

AMOUNT OF $35,000 PAID DUNCAN

Paul T. Babson, treasurer, Kiplinger Washington Agency, $22,425.02.

S. A. Colton, vice president, Kiplinger Washington Agency, $26,598.01.

Harry F. Duncan, president, Little Tavern Shops, Inc., $35,000.

W. F. Crosby, president, Loomis, Sayles & Co., Inc., $21,000.

L. G. Coit, vice president-treasurer, Loomis, Sayles & Co., $27,000.

Charles P. Maloney, president, Maloney Concrete Co., $45,189.17.

Harry E. Mayer (Baltimore), president-treasurer, $22,000.

Frank Armstrong, president-treasurer, National Fruit Products Co., Inc., $25,000.

George W. White, president, National Metropolitan Bank of Washington, $25,000.

James E. Smith, president, National Radio Institute, $36,000.

PEOPLES DRUG HEAD

Emanuel R. Haas, treasurer, National Radio Institute, $36,000.

H. Prescott Gotely, president, National Savings & Trust Co., $20,000.

Benjamin Ourisman, president-treasurer, Ourisman Chevrolet Sales Co., Inc., $21,912.50.

Oscar Coolican, president, Packard Washington Motor Car Co., $20,061.24.

George P. Marshall, president-treasurer, Palace Laundry Dry Cleaning Co., $20,000.

M. G. Gibbs, president, Peoples Drug Stores, Inc., $50,000.

T. N. Beanus, vice president, Peoples Drug Stores, Inc., $22,670.44.

W. W. Chiswell, president, Peoples Life Insurance Co., $40,950.

William McClennan, Bethayres Pa., president, Potomac Electric Power Co., $36,300.

A. G. Neal, vice president and general manager, Potomac Electric Power Co., $20,280.

E. G. Buckland, president, Railroad Credit Corporation, $32,250.01.

Robert V. Fleming, president, Riggs National Bank, $50,000.

W. H. Rawley, president, Rock Creek Ginger Ale, Inc., $20,000.

L. P. Rawley, treasurer, Rock Creek Ginger Ale Corporation, Inc., $20,000.

G. P. Rawley, secretary, Rock Creek Ginger Ale Co., Inc., $20,000.

J. M. Blayney, St. Louis, Rosiclare Lead & Fluorspar Mining Co., $20,400.

H. L. Rust, president, H. L. Rust Co., $24,000.

H. L. Rust, Jr., vice president, $22,000.

Edward G. Yonker, president, treasurer, and general manager, Sanitary Grocery Co., Inc., $48,222.31.

SCOTT APPLEBY, $20,000

Mack L. Langford, vice president, Sanitary Grocery Co., $24,000.

Claud Livingston, president, William H. Saunders Co., Inc., $19,200.

T. F. Schneider, chairman, board of directors, T. F. Schneider Corporation, $25,000.

Scott B. Appleby, president, Seaboard Finance Corporation, $20,000.

W. A. Smoot, Alexandria, president, Smoot Sand & Gravel Corporation, $25,000.

L. E. Smoot, vice president, Smoot Sand & Gravel Corporation, $20,000.

A. J. Somerville, president, Thomas Somerville Co., $33,370 (reported 2 years).

Thomas Somerville, 3d, treasurer (Kenwood, Md.), Thomas Somerville Co., $33,070 (reported 2 years).

FAIRFAX HARRISON, $22,425

Harrison Somerville, secretary, Thomas Somerville Corporation, $32,770.

Elmer J. Mather, president, Southern Dairies, Inc., $35,500.

Elmer J. Mather, president, Southern Dairies, Inc., Chevy Chase, Md., $44,500 (reported 2 years).

Fairfax Harrison, chairman, finance committee; president, Southern Railway Co., $22,425.72.

E. E. Norris, president, vice president, Southern Railway Co., $21,080.75.

Arthur L. Thompson, president, Thompson's Dairy, Inc., $20,000.

Joseph B. Trew, president, Trew Motor Co., $30,000.

M. J. Uline, president, M. J. Uline Co., $20,000.

George Miller, president, Union Beauty & Barber Supply, Inc., $20,000.

E. Taylor Chewning, president, United Clay Products Co., $30,000.

George E. Walker, president, George E. Walker, Inc., $20,000.

George E. Walker, president, George E. Walker, Inc., $20,000 (reported 2 years).

Marcy L. Sperry, president and director, Washington Gas Light Co., $20,820.

Harry G. Meem, president, Washington Loan & Trust Co., $25,850.

John L. Weaver, president, Weaver Bros., Inc., $25,000.

Earl M. Mackintosh, vice president, Weaver Bros., Inc., $25,000.

AMOUNT OF $27,571 FOR G. N. EVERETT

Clarence Dodge, treasurer, Weaver Bros., Inc., $25,000.

Martin R. West, secretary, Weaver Bros., Inc., $25,000.

P. H. Whaley, president, Whaley Eaton Corporation, $22,050.

Mrs. J. E. Willard, president the Willard, Inc., $20,000.

W. F. Wilmoth, president, Wilmoth Paving Co., $20,000.

W. R. Winstow, president, W. R. Winstow Co., Inc., $25,000.

Donald Woodward, president, Woodward & Lothrop, $32,145.77.

W. W. Everett, first vice president, Woodward & Lothrop, $30,324.49.

G. N. Everett, second vice president and treasurer, Woodward & Lothrop, $27,571.73.

Mrs. J. C. Nourse, merchandise manager, Woodward & Lothrop, $20,449.58.

Dwight Russell Cooke, district sales agent, Marchant Calculating Machine Co., $59,452.75.

Harry Davidow, vice president, Hecht Co., $40,046.11.

Charles B. Dulcan, Sr., vice president, Hecht Co., $79,502.01.

J. Thilman Hendrick, chairman of board, Lanston Monotype Machine Co., $24,180.

E. Marshall Rust, vice president, Rust Engineering Co., $51,400.

Robert Laurence Wood, Jr., chairman, Standard Commercial Tobacco Corporation, $24,020.

J. J. Payette, zone manager, Warner Bros., $37,853.30.

W. G. Distler, vice president, George A. Fuller Co., $25,000.

Vincent Saccardi, manager, Metropolitan Life Insurance Co., $26,745.96.

R. H. Bogle, president, R. H. Bogle Co., of Alexandria, $21,024.92.

George D. Horning, president, George D. Horning, Inc., Arlington, Va., $41,250.

P. J. Harman, principal, Strayer's Business College, Inc., $37,683.47.

J. J. Hasley, vice president, Kresge Department Stores, $24,580.12.

THE MIRROR OF WEALTH AND POVERTY

Mr. LUNDEEN. Mr. President, I went into the problem quite at length 2 or 3 years ago in a speech under the headline "A Mirror of Wealth and Poverty." I had intended to go into that at some length at this time, but I shall not do so. The speech was delivered September 10, 1935, and was published in volume 79 of the CONGRESSIONAL RECORD, Seventy-fourth Congress, first session, under the heading "A Mirror of Wealth and Poverty—'Where will you get the money?' Sources of wealth."

Relief for idle dollars surpasses relief for idle men. Who receives salaries, bonuses, interest, and dividends? Who pays? Wealth enough to provide an American standard of living for all.

I enumerated the huge and vast wealth of these great United States of ours. I pictured the poverty and destitution, which could be entirely eliminated if we wished to stand on the Senate floor and vote such legislation as would be necessary. We could eliminate it all. Of course, we cannot legislate goodness into people, we cannot make an unworthy person worthy, but I do not think anyone will dispute the statement that the great American public are worthy of employment.

W. P. A. BETTER THAN NO PLAN AT ALL

While the W. P. A. was an emergency plan, was a plan which had to be gotten together in a hurry, and was not a perfect plan, it is better than no plan at all. With all its faults it was better than no plan at all, and without that plan we would have had bloody riots on the streets of American cities; and there were some. Stores were broken into by mobs of people who refused to see their families hungry, and some of the bills for the damage were turned over to city councils of great cities for payment. But as soon as those people received jobs, no more stores were broken into. Those Americans were not criminals; they had no desire to commit a crime or to destroy property. All they were asking for under the American flag was a job. Unemployment did not appeal to them. They desired to have work, they desired bread for their families, they desired an opportunity to contribute to the upbuilding of American economy.

The words I have spoken here today, to the best of my ability, are very gentle words compared with the words that will be heard on the Senate floor in the not-distant future, from citizens who are coming here, who today are out in the States campaigning for places in the Senate. They will come here, they will speak in no uncertain words for these men and women who, by the millions, are not cared for under our present laws.

I have every confidence in the ultimate solution of these problems. I am not a pessimist. I have never been a pessimist.

THE AMERICAN PEOPLE WILL SOLVE THIS PROBLEM

I probably would not be here if I had not been a hopeless optimist. I am an optimist. I believe the American people will solve the problem, and if we are unable to solve it, there will be a Senate here and there will be Representatives at the other end of the Capitol and a man in the White House who will solve it. Over in some cornfield may be a future Abraham Lincoln who has not yet visited Washington. But I do not want to see the situation get so desperate that some man on horseback will come along, when the poverty and destitution become too severe, some strong man who may send his squad of soldiers to the Capitol to dismiss the debating society. I do not want that to happen in America. So that it is the patriotic duty of the people of wealth of this country, who want to preserve the America of our fathers and of its founders, who want to preserve it as we received it—as a heritage—it is the patriotic duty of those people who have the funds and resources of America at their command to come here with their plans if they have any. And if Oregon has a plan, we will be delighted to listen to it. I shall be very much interested in the plan.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. LUNDEEN. I yield.

Mr. REYNOLDS. I have been listening with a great deal of interest to all the Senator has said today, particularly for the reason, without attempting flattery, that I do not believe there is a greater patriot in the United States of America today than the Senator from Minnesota. I have been greatly impressed by what he has said.

In reference to the matter which he has so ably and effectively discussed, I wish to say that whichever way I might vote on the matter I trust will be the proper way, because I merely want to follow my conscience and do what is best for the American people.

I wish to say unhesitatingly, and without an attempt at flattery, as I stated a moment ago, that I do not believe the American people have a greater friend or a finer champion than the Senator who addresses this deliberative body at this time. I refer to the speaker who now has the floor, the able Senator from the State of Minnesota.

Mr. LUNDEEN. I thank the Senator. Of course, no man is worthy of these splendid and fine words from the able Senator from North Carolina. We who are in public life are praised beyond our deserts and damned beyond our deserts, and the truth lies somewhere in between. But I thank the Senator very much, and I assure him that, whatever may be my faults, I am sincere in my statements.

Mr. REYNOLDS. The Senator knows we are all sincere, and that we are endeavoring to arrive at a solution of the unfortunate problem with which we are faced, the problem which the Senator mentioned a moment ago, when he took occasion to state in the course of his remarks that about 70 or 80 percent of the unemployed in all the world are to be found within the confines of the United States of America, which is a situation truly unfortunate.

Mr. LUNDEEN. I stated that the figure was about 70 percent.

Mr. REYNOLDS. I recall having recently seen a statement from Geneva in regard to that.

Mr. LUNDEEN. The International Labor Office at Geneva, Switzerland, states that the figure is approximately 70 percent, and I placed in the RECORD some time ago figures showing the unemployment in all the nations of the world, including our own, figures of the International Labor Office at Geneva, Switzerland, indicating a very serious situation in the United States.

AMERICA HAS NEVER FAILED

If I may conclude, I feel positive that Americans will solve this problem, that we will find the solution, because in every crisis we have ever met under our flag we have found the solution. America has never failed, and we are not going to fail in this hour. We are going to find a solution, and we are going to pursue the course laid down by the fathers and founders in foreign affairs, I hope, and in domestic affairs we will turn to that plan which will be found most feasible and most practicable after study by all our men in public office, and those who are to be in public office.

I believe that if Senators will give some heed and attention to the statistics and facts I am inserting in the RECORD they will find valuable information. They need not give heed to my statement, but if they will turn to the data from the various cities, if they will study the information from the 48 States and from the various cities, the matters I have had permission to put into the RECORD, I believe that they, together with the able Senator from North Carolina, will be persuaded to join with us. I hope the Senator from North Carolina will read the marvelous statement of the senior Senator from Nebraska [Mr. NORRIS], which ought to convince any man that he should vote for this appropriation.

Mr. REYNOLDS. In my opinion, America will never fail to look after its unfortunate and take care of the interests of America so long as there are representatives in the Senate like the Senator from Minnesota, and the noblest of all, the Senator from Nebraska. My recollection is that the Senator who now has the floor, and the able and beloved Senator from Nebraska [Mr. NORRIS], were two men who

voted against the entry of the United States into the World War in 1917. Am I correct about that?

Mr. LUNDEEN. The Senator is correct.

Mr. REYNOLDS. I wish to say to the Senator again, without attempting flattery, that I know of no two men in this deliberative body for whom I have a more profound respect or a greater affection than I have for the Senator who addresses this body at this time, and for the noblest, not Roman, but the noblest American of them all, the Senator from Nebraska [Mr. NORRIS].

Mr. LUNDEEN. We are all proud of the Senator from Nebraska, we all love him; and if we listen to his words in this hour, we will vote for the $50,000,000 appropriation.

Mr. President, I plead with Senators in my concluding remarks to read the speech of the senior Senator from Nebraska [Mr. NORRIS] and other speeches which have been delivered here; and if they will give some heed to the facts and statistics and data I have introduced, without reference to my own remarks, I shall be very happy. Then we will have only partially solved this problem, and we shall move on to another day.

There never is a day when the sun sets but that there is another day when the sun rises. There never was a night so dark, so black, but that there was a beautiful, glorious sunrise in the morning. We will have that sunrise. We will find the solution to our problem. When we put our minds to this problem and put our minds to the facts that are presented on the floor of the Senate, we shall be able to solve the problem. Then we shall be able to turn to consideration of real social security and to the resumption of activities in our legislative bodies, normal activities, and not emergency activities. For, please remember, that these are emergency activities, and we should have done with them. We should solve the emergencies and go on with our normal business.

I thank the Senate.

The matters presented by Mr. LUNDEEN for the RECORD are as follows:

House Joint Resolution 246

Joint resolution making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939

Resolved, etc., That the amount of $725,000,000 appropriated to the Works Progress Administration in section 1 of Public Resolution No. 1, Seventy-sixth Congress, entitled "Joint resolution making an additional appropriation for work relief and relief for the fiscal year ending June 30, 1939," approved February 4, 1939, is hereby increased to $825,000,000, and the difference of $100,000,000 between such two amounts is hereby appropriated, out of any money in the Treasury not otherwise appropriated.

The Committee on Appropriations, to whom was referred the joint resolution (H. J. Res. 246) entitled "Joint resolution making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939," report the measure with a favorable recommendation for its early consideration and passage by the Senate.

This resolution grows out of the President's message of March 4, 1939 (H. Doc. 205), wherein he urges the appropriation of the sum of $150,000,000 in addition to the sum of $725,000,000 appropriated by House Joint Resolution 83, of February 4, 1939, in order to provide the sum of $875,000,000 in the aggregate in addition to the sum appropriated in the preceding Congress.

The original recommendation contemplated providing work relief for the 5-month period, February 1 to June 30, 1939, by months, as follows:

February	3,000,000
March	3,000,000
April	2,875,000
May	2,775,000
June	2,700,000

The committee recommends an additional appropriation of $100,000,000, instead of $150,000,000, and believes that such lesser additional amount will be adequate to provide work relief for the numbers embraced by the original recommendation except as they have been reduced since such original recommendation was made in consequence of law.

Public Resolution No. 1, approved February 4, 1939, contains, among others, the following two provisions:

(a) That the Administrator shall immediately cause to be made an investigation of the rolls of relief employees on work projects and eliminate from such rolls those not in actual need.

(b) No alien shall be given employment or continued in employment on any project prosecuted under the appropriations contained in the Emergency Relief Appropriation Act of 1938 or this joint resolution.

Under the first of those two provisions, the investigation ordered to be made was launched upon on February 10, 1939, and was scheduled for completion on March 25, 1939. As it has progressed persons on the rolls found not to be in actual need have been removed.

Under subdivision (a) there have been already removed from the rolls 36,840 names and it is estimated that the aggregate number to be removed under this provision will not be less than 60,000.

Under subdivision (b) there have been removed from the rolls aliens to the number of 45,259.

The total already removed under these two provisions is, therefore, 82,099.

The original recommendation of the President for an appropriation of $875,000,000 did not contemplate these removals.

The number already removed from the rolls represents a saving at an average per capita cost of each W. P. A. worker of $61 per month, of $5,007,939 per month, or a total from April 1 to June 30, 1939, of $15,023,817.

When the full number of 60,000 are dropped from the rolls as not in actual need, the monthly saving will be $6,420,799.

The following is a tabulation of the number proposed to be on the relief rolls and the cost in accordance with figures given the House Committee on Appropriations and computed at the monthly cost of $61 per person.

	Average employment	Cost
April	2,875,000	$175,375,000
May	2,775,000	169,275,000
June	2,700,000	164,700,000
Apr. 1 to June 30, 1939, total cost		509,350,000
Mar. 20 to Apr. 1	3,000,000	61,000,000
Total cost		570,350,000

The last above figure represents the total amount necessary to carry all expenses of the W. P. A. administration from March 20 to April 1. Colonel Harrington testified before the Senate committee that on March 20 the unexpended balance of the W. P. A. was approximately $588,000,000. He further testified that on March 20 the unobligated balance of the W. P. A. was $476,344,724. This leaves obligated an amount of $111,655,276. It is estimated by Colonel Harrington that at least one-half of this obligated amount will be applied to the payment of wages, materials, and overhead to be earned or consumed subsequent to March 20. Adding one-half of this obligated amount to the unobligated balance leaves available for the payment of W. P. A. costs, from March 20 to June 30, 1939, $532,172,412. This would leave the amount of the additional appropriation necessary to carry the total W. P. A. cost up to June 30, 1939, as $38,177,588.

The figures of the Treasury Department show the unexpended balance of W. P. A. funds on March 20, 1939, to be $572,795,186.65. But if the figures for obligated and unobligated funds as given by Colonel Harrington are not changed the amount required to be appropriated to carry forth the program originally outlined under the $875,000,000 appropriation would not be altered by this change in the estimate of unexpended balance.

Colonel Harrington has stated that his estimates for the necessity of the $875,000,000 included an allowance of approximately $45,000,000 for the purpose of paying for services rendered, material consumed, and overhead after the end of the fiscal year on June 30, 1939; he insists that such a provision is necessary to insure orderly continuity of the W. P. A. program. While the committee does not concede this a necessity, in view of the fact that relief appropriations for the next fiscal year will be made before June 30, 1939, nevertheless acquiesced in this desire. The committee, therefore, is not only providing the amount necessary to pay for all work and materials to be rendered and consumed prior to June 30, 1939, according to the program submitted with the original request for $875,000,000 but is adding thereto the sum of approximately $55,000,000, which it is intended and expected will not be spent until the beginning of the next fiscal year and then only for materials consumed and labor rendered during such fiscal year.

The report of the Appropriations Committee of the House contains information and computations which are interesting and which support the position taken in the report.

THE PEPPER AMENDMENT

Amend the joint resolution, in line 8, by striking out "$825,000,000" and inserting "$875,000,000"; and in line 9, by striking out "$100,000,000" and inserting "$150,000,000."

[From the Washington Daily News of April 6, 1939]

"I'M NOT RETREATING," SAYS PEPPER ON W. P. A.

Senator CLAUDE PEPPER (Democrat, Florida) today threatened to delay Senate action on the House-approved $100,000,000 emergency relief bill.

Accusing Congress of adopting a "policy of retreat" from administrative objectives by cutting $50,000,000 from President Roosevelt's relief request, Senator PEPPER said he would attempt to restore the original amount. Administration leaders and economy advocates have agreed not to change the total appropriations on the Senate floor.

Chairman ALVA B. ADAMS (Democrat, Colorado), of the appropriations subcommittee in charge of relief, hoped to obtain unanimous consent to place the bill before the Senate today.

Senator PEPPER, an ardent New Dealer, said he would not object to immediate consideration provided he was assured an opportunity to offer an amendment raising the amount to $150,000,000 and to argue for it "at reasonable length."

I'M NOT RETREATING

"I am certain the President wants a fight made for the full amount," he said. "And I want it shown before the country that I am not retreating."

His effort to boost the amount will be made despite the agreement to avoid controversy over work relief by approving the House measure as quickly as possible.

Majority Leader BARKLEY (Democrat, Kentucky) and most of his followers agreed to abandon attempts to increase the appropriation, while leaders of the economy group promised to make no effort to cut it below $100,000,000.

SENATOR GLASS APPROVES

Approval of the bill by the full Appropriations Committee headed by Senator CARTER GLASS (Democrat, Virginia) came so quickly yesterday that the Workers' Alliance, an organization of Works Progress Administration employees, was hours late in a formal appeal to committee members to shun any "deals" and vote for the full $150,000,000.

"In view of the obvious inadequacy of even $150,000,000; in view of the discharges (of relief workers) now taking place in every part of the country, how could a responsible committee of Congress propose 'deals' by which to settle the fate of the unemployed?" the alliance said in its statement.

SEATTLE TO EVACUATE JOBLESS FROM CAMP

SEATTLE, WASH., April 7.—A "starvation" camp of jobless demonstrators on the lawn of the county-city building in downtown Seattle was ordered evacuated today by Mayor Arthur Langlie.

Demonstrators had been ordered to move out by nightfall last night, but some 25 or 30, for whom no quarters apparently were available, went to sleep for their third night on the lawn under an old circus tent. Langlie said today that if the men did not move voluntarily he would meet the problem "as it arises."

Some 400 slept in the camp the first two nights. The mayor said then he objected to the camp as "unsightly" and offered the demonstrators free light and water if they pitched their tent somewhere else.

A list of places to which the jobless might move was sent to the county commissioners. New quarters were chosen tentatively and were expected to be ready for occupancy later today.

In addition to the men who occupied the downtown "camp," more than 500 others continued a "sleep-in" strike at a welfare shelter.

The demonstration at the county-city building was organized by leaders of the Workers' Alliance in protest to curtailment of Federal relief funds and recent State and county action in dropping W. P. A. workers. Their food has consisted principally of bread, coffee, beans, and whatever else could be obtained.

County welfare officials said the number of persons dropped in Kings County because of curtailed State funds now totaled 13,214.

[From the Washington Daily News of April 7, 1939]

CUT RELIEF FUND MEANS "HUNGER," SAYS BORAH

Senator BORAH (Republican, Idaho) today declared he was "absolutely satisfied" the proposed reduction of the $150,000,000 relief appropriation requested by President Roosevelt "means suffering, means hungry, desperate people.

A poll of the Senate showed a majority of 60 Senators favored granting only $100,000,000, the amount voted by the House. Administration Senate leaders agreed to the smaller fund, but a small band of New Dealers continued to fight for the full $150,000,000.

Senator BORAH joined them and issued a statement announcing:

PROTECT HEALTH AND LIVES

"I am going to vote for the $150,000,000. I voted for it before because I believed it was needed to protect the health and even the lives of millions of our helpless people. And that being the situation, I do not feel that it is a thing to be compromised."

The $150,000,000 bloc, led by Senator PEPPER (Democrat, Florida), was seeking to delay a vote until next week when the President returns from Warm Springs, Ga. They lined up enough speakers to prevent action today and were attempting to stave off a vote tomorrow.

NOT VOTING AGAINST F. D.

"I am told that an agreement has been reached which satisfies the administration," Senator BORAH said. "I am not voting for or against the administration. I am voting for millions of American men, women, and children."

Economy bloc Senators said that despite the delaying tactics, Senator PEPPER could not corral more than 35 votes for $150,000,000. A poll by administration leaders showed 40 Democrats and 20 Republicans against that amount.

BARKLEY OPPOSES

Majority Leader BARKLEY (Democrat, Kentucky), carrying out an agreement with economy bloc Senators who threatened to slash the measure below $100,000,000, was among Senator PEPPER's opponents. Other New Dealers, like Senator MCKELLAR (Democrat, Tennessee), also opposed the amendment.

Senator BARKLEY last night said the agreement "still stands" as a practical solution to the problem. The House, he said, probably would refuse to accept the Pepper amendment if it should pass.

Coincidentally, House Republicans sought to turn responsibility for relief administration over to State and local governments.

Representative DITTER (Republican, Pennsylvania), a member of the House Appropriations Committee investigating the W. P. A., introduced two bills designed to abolish the present W. P. A. and create a relief board to allot funds to the States. Representative Ditter's measures would provide $1,200,000,000 for relief in 1940.

[From the Washington Times-Herald]

TAX SLASH IS FORECAST AS DEFICIT DROPS—ECONOMY POLICIES, RISE IN INCOME OF GOVERNMENT, PARE FIVE HUNDRED MILLIONS

(By Sandor S. Klein)

An unexpected increase in the Government's income and economy policies of the Budget Bureau forecast today a $500,000,000 reduction in the budgeted deficit for this fiscal year.

That reduction would slash the deficit for the year ending June 30 to approximately $3,600,000,000. President Roosevelt estimated in January that it would approximate $4,072,259,000.

MAY EASE TAX PRESSURE

This favorable forecast was made by fiscal experts as there appeared to be a possibility that Congress may yet get around to easing the tax pressure on industry by eliminating so-called business-deterrent taxes.

Taxes on Federal and State employees on the way up, the bill providing for reciprocal taxation of their incomes having passed the Senate in final form yesterday. It now awaits only House approval.

The remainder of the 1939 tax program is in various degrees of confusion. The President has said that elimination of any "deterrent" taxes must be accompanied by a tax increase elsewhere to compensate for lost revenue. Other than that his position has been noncommittal.

Under those circumstances, the tax situation is as follows:

Assured legislation.

1. Reciprocal taxation of Federal and State salaries to raise about $16,000,000 a year.

MANUFACTURER'S SALES TAX

2. Extension for another year of excise or manufacturer's sales levies, which raise around $430,000,000 annually.

3. Extension of the corporation income-tax levy, which raises about $1,100,000,000.

4. Amendment of social security pay-roll tax provisions, probably to prevent scheduled rate increases next year and for some time thereafter.

Only the latter would ease tax pressure on industry, and it is rather negative, in that taxes would not be reduced but merely kept from rising according to one of several formulas suggested by the Treasury.

Major factor in fiscal experts' prediction of a $500,000,000 reduction in the deficit was an unexpected windfall in income taxes resulting from improved business conditions in the last 3 months of 1938. That and increased miscellaneous revenue collections may push estimated receipts $230,000,000 over the Budget estimate.

Government expenditures on April 4 totaled $6,919,061,624, leaving $2,592,000,000 of the budgeted $9,592,329,000 for spending during April, May, and June.

Fiscal experts doubted that expenses would exceed more than $2,350,000,000 between now and June 30. That figure was arrived at by a previously accurate formula based on corresponding months of previous years.

They emphasized that the Budget Bureau's "hard boiled" policy on releasing any of the regularly "impounded" 10 percent of regular appropriations to departments and agencies would keep expenses at a minimum.

A comparison of January Budget estimates and current forecasts by experts follows:

	January Budget	Current forecast
Expenditures	$9,592,329,000	$9,350,000,000
Receipts	5,520,070,000	5,750,000,000
Deficit	4,072,259,000	3,600,000,000

BANK RESERVES SET ALL-TIME HIGH MARK

Excess reserves in banks affiliated with the Federal Reserve System total $3,710,000,000—an all-time high—for the week ended April 5, the agency's weekly financial statement disclosed last night. Bank reserves increased $190,000,000 over the previous week, officials said, principally because of an inflow of foreign gold totaling $132,000,000.

Government statisticians estimated that the huge reserves make possible a credit expansion of $30,000,000,000 on the theory that safe expansion can be undertaken on a basis of a 10-to-1 reserve ratio.

[From the Christian Science Monitor]

JOB SECURITY IS MAIN ISSUE IN CHICAGO PRESS STRIKE

CHICAGO.—A complaint of long standing against the management of Hearst newspapers—insecure tenure of employees—is registered here in the strike of the Chicago Newspaper Guild, a Congress of Industrial Organizations union of newspaper workers, chiefly editorial, against the Herald and Examiner and the Evening American, the two Hearst dailies here.

The strike, now in its fourth month, is complicated by two factors. First, the Herald and Examiner is generally said to be losing money and its large-scale dismissal of employees over a period of 18 months has been attributed to a need for cutting costs to keep the paper running. However, there is claimed to be room for disagreement on the methods used in dismissing the employees, and it is on this issue that the guild bases its claim of justice in its strike.

The guild contends that its 1-year contract, signed with the two Hearst newspapers a year ago this January, was repeatedly violated by the management. The guild makes no complaints about wages or hours, but raises an issue about the management's dismissal of 57 employees 2 weeks before last Christmas. The guild claims that the management refused to discuss with the guild a plan for keeping these employees on a few weeks longer, and that it was therefore obliged to strike to get observance of its contract.

MANAGEMENT'S SIDE

The management, on the other hand, points out that the case is now before the National Labor Relations Board, and holds that there is a question as to whether the guild represents the majority of white-collar employees, and insists that it therefore will wait until a decision is rendered.

The second complicating factor is the divided stand of organized labor. Both newspapers are being edited, printed, and distributed by union labor during the strike. Mechanical departments have long been organized in American Federation of Labor craft unions, delivery departments are so organized, and last summer, before the strike, two A. F. of L. union locals were formed in the editorial and commercial departments.

Leaders in some of these unions say they fear that guild strike strategy, instead of protecting their jobs, will make them less secure. The guild has gone after the newspapers' advertisers and urged them to take their advertisements out of the papers, hoping to bring the management to terms by hurting its business. It claims there have been big losses in advertising revenue as a result. But may this not reduce jobs, in the meantime, some workers ask? Might it not even drive the paper out of business?

The guild says, "No; look at the Seattle Post-Intelligencer, where the guild won its strike. It is making money now as it never did before."

STAND OF A. F. OF L.

Some A. F. of L. members remain neutral, like members of the Chicago Typographical Union No. 16; some are friendly to the guild. An A. F. of L. committee to aid the guild strike has been formed.

The guild claims 500 editorial and business-department workers out on strike. The two A. F. of L. unions claim a combined membership of 623. In the latter group are people who have taken over the jobs of the strikers.

With newspaper publication continuing under A. F. of L sanction, in a city where A. F. of L. unions are far more powerful than those of the C. I. O., it would appear that the guild strike would be small cause of worry to the management. This is not the case, however. The explanation is in the guild's attack on the newspapers' advertising revenues.

Management of the Hearst papers concedes there has been loss in lineage and in total revenue, holds the guild strike responsible in some degree, but argues that changes in its own policy are a bigger factor. When the Herald and Examiner was made a tabloid last fall, smaller advertisements were expected, said Merrill C. Meigs, publisher of the American. Since cost of publishing the smaller paper was less, this was not necessarily a disadvantage, he explained. Moreover, said Mr. Meigs, special low advertising rates offered last fall, for a combination of space in both newspapers, no longer holds. As for the guild, Mr. Meigs dismisses it as an organization "dominated by Communists." This charge, of course, is emphatically denied by guild members, who say their only objective is to get "job security."

H. O. L. C. FORECLOSES ON 1,725 VIRGINIA LOANS

RICHMOND, VA., April 7.—The Home Owners' Loan Corporation has acquired 1,725 pieces of property in Virginia as of March 1, G. Stanley Harding, State H. O. L. C. manager, said today. Of the 1,725 total, 647 properties have been sold.

On the average, the H. O. L. C. lost between $550 and $600 on each of the sales, but in these figures are included foreclosure costs, usually about $104.48 a case in Virginia, and taxes, sometimes delinquent from 1 to 3 years, which are paid by the Corporation when it takes the properties over, it was pointed out.

PLAIN ECONOMICS

(By John T. Flynn)

NEW YORK, April 8.—Amid so many alarms of war and so many fears of business it is pleasant to learn that we have no national debt—that this $40,000,000,000 which the Government owes is not a national debt, but just a more or less meaningless fiction.

Congressman T. Allan Goldsborough, of Maryland, leaving the House to become a Federal judge, assured his congressional colleagues of this in a farewell speech.

He explained it all very simply and sweetly. If America owed this $40,000,000,000 to foreign countries, then it would be a national debt. But we owe it to ourselves. The Nation owes the debt. But it owes it to the people of America. Then Mr. Goldsborough explained that nothing could be so silly as to talk about handing this debt on to posterity as a burden. Our grandchildren will owe it, to be sure, but they will owe it to themselves. They will both owe and own the debt.

But, unfortunately, Mr. Goldsborough has gotten the grandchildrin who will owe the debt and those who will own it mixed.

For instance, I observe that 18 large commercial banks in New York City own about four and a half billion dollars of this Government debt. Who owns that? The banks. These are investments of the banks, and these notes and bonds belong not to the people but to the banks.

The banks belong to their stockholders. The stockholders of these banks are relatively a mere handful of people. Certainly the people who own these four and a half billions and the people who owe them are quite different. They are owned by perhaps a hundred thousand stockholders. They are owed by 130,000,000 Americans.

Some of the American bonds are, of course, owned by mutual life insurance companies. And the ownership of these bonds is in the hands of a large number of people. But to say that those who own the bonds as a whole and those who owe them are the same people is to close one's eyes with singular stubbornness to the hard facts.

I know a club which has a bonded indebtednes. The club has about 400 members. The bonded indebtedness, which is not large, is held by about 20 of the members. It is true to say that the bonds are due by club members and are also due to club members. But they are due by 400 club members and are due to 20. It is the same with the Government's bonds.

These national bonds do constitute a national debt. They are due by the Government, which is a corporate entity, representing the people. The bonds are a debt of that organism. They are due to perhaps two or three million people, perhaps five million altogether. But not in equal proportions.

I know or knew one man who held nearly $20,000,000 himself. But the interest charges have to be met out of the taxes of 130,000,000 people. And, incidentally, those exempt from taxation are the very ones who own the bonds. All the rest of us are taxed to pay the interest on the bonds held by a small number whose bond interest is exempt from taxes.

[From the Washington Times-Herald]

F. D. WARNS CONGRESS ON RELIEF SLASH—BLAME WILL REST ON SOLONS, HE SAYS; SENATE FOES OF CUT FIGHT TO AVERT VOTE TODAY

(By Robert A. McGill)

Responsibility for any reduction in relief appropriations "must rest on the Congress," President Roosevelt warned again today in a message from his Warm Springs, Ga., retreat, while the Senate renewed debate on the $100,000,000 W. P. A. fund.

The message, delivered by the White House to David Lasser, president of the Workers' Alliance, said:

"Please tell Mr. David Lasser that the President has received his telegram in Georgia and feels as strongly as ever that the full amount should be appropriated and that responsibility for any cut whatsoever must rest on the Congress."

MEANT $150,000,000

By full amount, the President meant $150,000,000 which he has repeatedly and urgently asked Congress to appropriate for the W. P. A. to carry relief rolls until July 1. The amount was trimmed $50,000,000 in a bill passed by the House, approved by the Senate Appropriations Committee, and now before the Senate.

As Senate debate was renewed, New Deal Democrats parried for time to gather forces for a showdown on a proposal to increase the bill to $150,000,000. They were reported to be gaining support, and this impelled the Senate economy bloc to press for an immediate vote on the $100,000,000 bill.

Spokesmen for the economy-minded Senators conceded the administration might succeed in stalling a showdown until Monday, meanwhile picking up a few votes, but they still claimed enough strength to pass the House-approved $100,000,000 bill.

ECONOMY BLOC UNEASY

Members of the economy bloc admitted privately, however, that they were uneasy over the possibility that President Roosevelt's return to the Capital from Warm Springs over the week-end, might strengthen the opposition. This possibility caused the economy group to force a session of the Senate today.

Senator PEPPER (Democrat), of Florida, sponsor of the amendment to increase the bill's funds to $150,000,000, disclaimed any intention to "stall or filibuster," but the economy bloc thought otherwise.

PEPPER CONFIDENT

"The filibuster has accomplished its purpose, and I assume the whole issue will be carried over until Monday," said Senator ADAMS (Democrat), Colorado, a member of the economy forces, and Senate sponsor of the $100,000,000 bill.

"They may be able to pick up two or three votes over the week-end, but not enough to pass the $150,000,000 bill," he added. "I think that no matter when the vote comes, it will be about 2 to 1 for the $100,000,000."

PEPPER, meanwhile, predicted that he has lined up a sufficient number of speeches for his amendment to prevent a vote until Monday afternoon.

"We'll vote Monday at 3 p. m., and not a minute before," he said.

Economy forces, meanwhile, after forcing agreement with a majority of Democrats and Republicans to support their figure, were considering calling off members who have signified their intention of speaking on the issue—to save time. Senators GEORGE (Democrat), of Georgia, and KING (Democrat), of Utah, fighting the $150,000,000 proposal, had planned long speeches.

HOLD FLOOR 2 DAYS

Administration Democrats have held the floor for 2 days and were scheduled to lead off today with Senator BILBO (Democrat), of Mississippi, noted for his ability to speak at length.

PEPPER, as the Senate recessed until noon today, claimed at least 40 votes for his amendment, and said that "pressure" from constituents will drive some Senators, committed to "the agreement," to vote with him when the roll is called. On the other hand, the economy bloc, backed almost solidly by the Republicans, said they were sure of at least 60 votes.

[From the Washington Times-Herald of April 8, 1939]

STOCKS DROP AGAIN TO 10 MONTHS' LOW—ONE TO FIVE POINTS LOST AS 1,500,000 SHARES ARE SOLD IN 2 HOURS

NEW YORK, April 8.—Leading stocks lost from one to five points in today's 2-hour session in which about 1,500,000 shares changed hands on the stock exchange. The volume, with the exception of last Saturday's, was highest for a Saturday since October 1937.

Prices generally touched their lowest levels since June of last year. Closing prices were at or near the bottoms on the day. Government obligations also gave ground. Corporate bonds moved in sympathy with stocks. Wheat improved. Other commodity markets were closed.

ALL SECTIONS GIVE GROUND

All sections of the market were forced to give ground. While the Italian conquest of Albania was a good excuse, in the opinion of many, for lightening commitments over the week end, there was no domestic news to give strength to prices. On the contrary, the few domestic developments were anything but encouraging.

The shut-down of soft-coal fields was a bearish factor on the economy in a wide area. The unions and operators are now in a deadlock over a new wage scale and between 300,000 and 400,000 coal miners are without jobs temporarily. The shut-down, of course, has affected railroad employment and train traffic. Major carriers which serve the soft-coal area include Norfolk & Western, Chesapeake & Ohio, Baltimore & Ohio, Pennsylvania, and Pittsburgh & Lake Erie.

Opening prices were not as low as many traders had anticipated after yesterday's holiday and the developments in Europe. London was closed today and will be closed Monday so that there was some liquidation from there merely because of unwillingness to carry commitments over Sunday. Much of this type of liquidation had no doubt taken place Thursday.

United States Steel opened off 1¾ points on 2,500 shares. This was erroneously printed on the tape at 56¼, but it was quickly corrected to read 2,500 shares at 46¼. Bethlehem was off 1⅞, as was Chrysler. General Motors broke through 40 for a loss of three-fourths of a point. Douglas opened down 1½. General Electric was down a full point on 1,600 shares. National Biscuit, Consolidated Edison, Commercial Solvents, and Radio were one-eighth lower. Nickel was down one-fourth.

Rails had to absorb a fair amount of selling and gain up large fractions to more than a point on the opening transactions. New York Central opened off one-half on 1,500 shares. Union Pacific was off 1⅛, and Santa Fe was down 1⅜. Great Northern preferred did not sell until 10:55, when 3,500 shares changed hands at 17¼, a drop of 1¾ points.

TICKER RUNS LATE EARLY IN SESSION

The popular industrial issues, as well as rails and utilities, went into new low ground for the movement on the opening. The accumulation of sell orders was not as large as might have been expected, and offerings were fairly well absorbed considering market factors. The tape ran late for a few minutes shortly after the opening and again at 10:23, and was clear again at 10:33. It was not late again in the first hour, when volume reached 700,000 shares.

MARKET UNDER PRESSURE

Wall Street this week found encouragement only in the fact the stock and bond markets could undergo so much further selling pressure, put on them largely by the critical state of affairs in Europe, without cracking wide open.

After initial steadiness, prices lurched heavily on Wednesday and Thursday. Part of the decline no doubt was brought on by the desire of margin traders to be out of the market over the Friday holiday as a precaution against adverse foreign developments.

Mainly, the weakness was produced by the Italian movements in Albania and the cumulative effect of disappointing business statistics on this side.

HOPE TO BE BAILED OUT

Stock prices receded to the lowest levels they have occupied since June a year ago—shortly before the hopeful boomlet took place that was to carry the market safely past the election and to stimulate business into a semblance of recovery that many observers supposed would by this time have developed into a broad advance.

Those who missed the market in stocks in early summer and who bought later on the hope that by the spring of 1939 the markets would run into the full force of inflationary influences contained in the revived spending program of the Government, are now wondering what can take place to bail them out.

INVESTORS DOUBTFUL OF MARKET FUTURE

The stock market now is under two main influences. One is the liquidation originating in Europe in fear of war and the seizure by governments of individual assets. The other is of a negative nature, for the most part being a reluctance of investors on this side to buy stocks even at low prices, because their confidence has been shaken. They are now afraid that even if war be avoided in the near future, and if the market has discounted a conflict, the remainder of the year may not be propitious for higher prices or for better business.

In all probability opinion here is such that the stock market, had it not been for foreign operations, would have been no worse than dull on the week's developments. There is still a large body of opinion that believes a good recovery will take place once the war menace is removed.

SPRING GAINS DISAPPOINTING

Whether that proves to be the case depends a good deal upon whether industry can overcome the adverse forces threatening it. So far the spring recovery has been disappointing. The steel industry is holding fairly steady at slightly above half rate, but it has passed the time when peak usually is set. Railroad freight-car loadings have receded a little. Retail trade has been stimulated by Easter shoppers, but heavy industries still lack an inflow of capital and forward buying. In some lines trade is better and in others poorer than it was a year ago.

GOLD HOARDERS ALARMED

Gold hoarders in London were alarmed this week by the Government measure which locked in the Bank of England the Czechoslovakian assets on the ground that if they were paid out they might be seized by the German Government. It was supposed, too, perhaps erroneously, that the assets of other nationals might be seized by the British Government if they were threatened as was Czechoslovakia. This resulted in the shipment of more gold to us and the selling of American securities both here and in London. Much of the proceeds were put into dollars, which went into hoarding.

[From the Washington Daily News of April 7, 1939]

ONE HUNDRED AND NINETY-SIX IN DISTRICT OF COLUMBIA AREA DREW $15,000 PLUS IN 1937—$79,502 RECEIVED BY DEPARTMENT STORE EXECUTIVE TOPS FOR THIS VICINITY; MRS. ROOSEVELT'S PAY AS COLUMNIST PUT AT $16,587; ACACIA'S HEAD RAISED $250 TO $75,250

(By Charter Heslep)

One hundred and ninety-six persons in the Washington area were listed today by the House Ways and Means Committee as individuals who received $15,000 or more from corporations in 1937.

It is the last time such a roster will be available. Under amended law, only the names of persons receiving $75,000 or more will be made public hereafter.

Most prominent name on the list is that of Mrs. Roosevelt, who received $16,587 from United Features for her syndicated column published daily in the News. But the highest paid person, according to the committee, was Charles B. Dulcan, Sr., Hecht Co. vice president, whose salary and bonus totaled $79,502.

AMOUNT OF $50,000 FOR JESSE JONES

Gen. Hugh Johnson, another name familiar to News readers, drew $15,600 from the United Features.

R. F. C. Chairman Jesse Jones got $50,000 from two Houston concerns. As president of the Houston Chronicle Publishing Co. he drew $30,000, and he received $20,000 as "adviser" to the Commerce Co.

Representative BRUCE BARTON, New York Republican, got $58,751 as chairman of the board of Batten, Barton, Durnstine & Osborn, Inc.

SENATOR PAID $30,000

Maryland's junior Senator, GEORGE L. RADCLIFFE, is put down at $29,805 as vice president of the Fidelity & Deposit Co. of Maryland.

The total credited to each name includes salary, commissions, bonuses, and "other compensation." Thus, in many cases the figure does not represent the actual income of the person, as a sales manager may pay all the office expenses, including taxes and salaries of subordinates, salesmen, etc., with money credited to him as commissions.

Next to Mr. Dulcan, who is generally recognized as one of the ablest executives in the department store field, is President William Montgomery of the Acacia Mutual Life Insurance Co., with a $75,250 salary. This is a $250 raise over the 1936 listing.

AMOUNT OF $40,000 BONUS LISTED

E. Marshall Rust of the Rust Engineering Co. of Pittsburgh is credited with $51,400, including a $40,000 bonus.

Also, in the $50,000 class are President Robert V. Fleming of Riggs National Bank and Malcolm G. Gibbs, head of the Peoples Drug Stores.

President Edward G. Yonker of the Sanitary Grocery Co., at $48,222, is pressed closely by E. Taylor Chewning, head of the Union Brick and United Clay Products Corporations, who draws $46,980.

SEVERAL NEWSPAPERMEN

Others among the 15 highest are Charles P. Maloney of the Maloney Concrete Co., $45,189; Theodore W. Noyes, editor, and Frank B. Noyes, president of the Evening Star Newspaper Co., $43,045 each; and George D. Horning, $41,250.

Real-estate brokers, laundry owners, department store executives and noted Washington correspondents are prominent in the list. Among the latter are Frank R. Kent of the Baltimore Sun papers, $33,243; the New York Times, Arthur Krock, $24,600; Mark Sullivan of the New York Herald Tribune Syndicate, $24,426; the late Paul Y. Anderson, $16,300; Arthur Sears Henning of the Chicago Tribune, $21,400; P. H. Whaley (business-letter service), $22,050, and Willard M. Kiplinger, head of the Kiplinger Washington Agency, $30,000.

LAUNDRY PRESIDENT, $30,000

The remainder of the Washington list follows:

Arcade-Sunshine Co., Inc. (laundry and cleaning), Harry Viner, president, $30,000.

B. & R. Inc., William H. Lipscomb, president, $24,000.

A. H. Baker & Co., Inc. (insurance), C. R. Barker, president, $17,800, and S. B. Dillard, treasurer, $16,400.

George M. Barker Co., Inc. (lumber), Jacob Shulman, president, $18,000.

Becker's Leather Goods Co., W. A. Turke, Sr., president, $25,000.

Capital Transit Co., John H. Hanna, board chairman, $16,333.

Capitol Cadillac Co., Floyd D. Akers, president, $26,683.

Chesapeake & Potomac Telephone Co., Charles A. Robinson, general manager, $21,000, and Hanse Hamilton, assistant vice president, $18,333.

HOTEL EXECUTIVE, $25,000

Adams-Burch Co., Inc. (restaurant supplies), Donald H. Adams, $19,080.

Ambassador, Inc. (hotel), Morris Cafritz, president, $25,000.

American Sales Co., Inc. (soft drinks and beer), Wash B. Williams, president, $21,000.

American Publishing Co., C. J. Conway, salesman, $18,855 (commissions).

American Security & Trust Co., Corcoran Thom, president, $30,000, and Howard Moran, vice president, $17,500.

R. P. Andrews Paper Co., R. P. Andrews, president, $19,652, and William N. Schaefer, vice president, $21,993.

L. A. Clarke & Son (lumber), Aubrey L. Clarke, $20,000.

Colonial Ice Cream Co., B. L. Hartz, $19,000.

Columbia Speciality Co. (oil burners), Joseph Richards, Sr., president, $17,350.

Joseph DeYoung, Inc. (shoes), Joseph DeYoung, president-treasurer, $20,933.

AMOUNT OF $30,000 TO DR. DORAN

Distilled Spirits Institute, Inc., Dr. James M. Doran, $30,000; the late W. Forbes Morgan, $16,472, and Norman W. Baxter, $17,812.

Dodge Hotel, Karl P. Abbott, manager, $15,026.

D. J. Dunigan, Inc. (real estate), Mrs. Helen M. Dunigan, president, $18,000.

Dupont Laundry, Albert MacKenzie, president, and Hugh MacKenzie, secretary, $15,600 each.

Engineering & Research Corp., Henry A. Berliner, president, $30,000.

Evening Star Newspaper Co., Fleming Newbold, general manager, $35,818; Newbold Noyes, associate editor, $28,249; S. H. Kauffman, assistant manager, $21,257; Ben M. McKelway, managing editor, $16,150, and L. W. Herron, advertising manager, $15,610.

William J. Flather, Inc. (broker), William J. Flather, Jr., president, $16,000.

The Howard P. Foley Co., Inc. (electrical contractor), Howard P. Foley, president, $35,000, and Bancroft T. Foley, vice president, $35,000.

UNIVERSITY HEAD, $24,000

Folger, Nolan & Co. (investments), J. Clifford Folger, president, $19,569, and James Parker Nolan, $15,527 (both sums all commissions).

Ben Franklin University, John T. Kennedy, president, $24,000.

Fruit Growers Express Co., H. B. Spencer, president, $25,000, and E. J. Roth, general manager, $18,000.

Joseph Gawler's Sons, Inc. (morticians), Alfred B. Gawler, president-treasurer, $19,100, and Walter A. Gawler, vice president, $20,600.

General Hydraulic Co. (manufacturers' agents), Norman B. Frost, president and attorney, $15,000.

Clarence W. Gosnell, Inc. (builder), Clarence Gosnell, president, $27,000.

John I. Haas, Inc. (malt and hops), John Haas, president, $30,000; Fred J. Haas, vice president, $21,300; Walter Rauber, secretary, $21,300, and L. E. Kreider, $20,100.

Harris & Co. (jewelers), Col. Julius I. Peyser, treasurer and general counsel, $17,500.

WOMAN DRAWS $22,000

Hot Shoppes, Inc., Willard J. Marriott, president, $20,977.

Frank R. Jelleff, Inc., Frank Jelleff, president, $30,000; and Margaret Gollan, vice president, $22,000.

The Floyd Jennings Co., Floyd Jennings, president, $20,000.

The Robert C. Jones & Co., Inc. (investments), Robert C. Jones, president, $16,300.

Judd & Detweiler, Inc. (printers), John H. Davis, vice president, $33,000; and Waring E. Evans, secretary-treasurer, $18,150.

S. Kann Sons Co., B. B. Burgender, president, $40,595; and Sol Kann, vice president, $32,595.

Kass Realty Co., Garfield I. Kass, $20,000.

Harry Kaufmann, Inc. (department store), Harry Kaufmann, president, $16,000.

Kiplinger & Babson, Inc. (publishers), O. S. Granducci, associate editor, $16,146.

Kiplinger Washington Agency (business news letter), Paul T. Babson, president, $22,425; and S. A. Colton, vice president, $26,593.

BEER DISTRIBUTOR, $16,000

Milton S. Kronheim & Son, Inc. (beer and liquor), Milton S. Kronheim, president, and Bernard Cohen, secretary, $16,000 each.

Lansburgh & Bros. (department store), Ralph Goldsmith, general manager, $16,146.

S. G. Leoffler Operating Co. (municipal golf courses), S. G. Leoffler, president, $16,725.

Little Tavern Shops, Inc. (hamburgers), Harry F. Duncan, president, $35,000.

Loomis, Sayles & Co., Inc. (investments), W. F. Crosby, president, $21,000; and L. G. Coit, vice president, $27,000.

Maloney Concrete Co. (ready-mixed concrete), Charles P. Maloney, president, $45,189.

Manhattan Co. (laundry), Dr. John W. Lowe, president, $15,007.

May Hardware Co., Arthur J. May, president, $17,166; and Leo C. May, vice president, $17,000.

Mayer & Co. (furniture), Harry E. Mayer, president, $22,000.

Edgar Morris Sales Co. (electrical equipment), Edgar Morris, vice president, $20,000.

[From the Philadelphia Record]

RELIEF ROLLS JUMP TO NEW 3-YEAR HIGH; TOTAL IS 774,588—INCREASE RATE SLACKENS; LATEST BOOST SMALLEST SINCE DECEMBER 10

A new 3-year high in total number of persons on direct relief was registered for the week ended February 4, the department of public assistance announced yesterday.

A net rise of 4,269 cases (13,424 persons) boosted the total to 774,588 persons. That is the highest since December 1935, when there were 866,000 on direct relief.

But there was a ray of hope in the otherwise dark picture. The rate of increase is slowing down. In fact, the net rise of cases was the smallest for any week since last December 10.

APPLICATIONS ALSO DROP

The slackening, Howard L. Russell, secretary of the department, said, reflected fewer cases traceable to private employment lay-offs and W. P. A. curtailment.

An additional factor in the slowing-up process, he said, was the department's transfer of approximately 850 cases to old-age assistance and dependent children aid rolls, to take advantage of Federal participation in costs.

Russell also noted that "the volume of applications for assistance (a barometer of potential case openings) dropped below the 10,000 mark for the first time in a nonholiday week since the beginning of December."

REASONS VARY

The net rise of 4,269 cases during the report period is reached by subtracting 5,052 cases closed during the week from 9,321 cases opened.

Private employment accounted for closing 2,052 of the cases; 445 were discontinued because of W. P. A. employment; 698 were discontinued because of receipt of unemployment compensation; and 1,857 were closed for a variety of reasons running from C. C. C. employment to contributions from relatives.

Of the 9,321 cases opened, 3,826 were accepted for assistance because of loss of private employment or decreased wages; 298 because of loss of W. P. A. jobs or inadequate security wage earnings; and 827 because of cessation of unemployment compensation.

BIGGEST INCREASE HERE

The other 1,687 cases were accepted for reasons ranging from exhaustion of resources and loss of contributions from relatives to loss of public employment other than W. P. A.

Yesterday's report showed that in the 9 weeks since December 3—a period paralleling the curtailment of W. P. A. activities—the net rise of direct-relief rolls totaled 25,429 cases, or 87,294 persons.

Philadelphia County, which is taking advantage of only 38 percent of its total W. P. A. quota because of city council's lethargic attitude, again was the State's leader in the increase of relief cases, with 602. Allegheny was second with 560; Westmoreland third, 289; and Luzerne fourth, 195.

Of all counties, Elk and Pike alone had no increases.

DENIES MISCALCULATION

J. Banks Hudson, State W. P. A. administrator, yesterday denied using "bad arithmetic" in his estimate that Congress' recent 17-percent slash in the W. P. A. budget will hit 40 percent of Pennsylvania's W. P. A. pay roll.

"Had the entire reduction been permissible on February 1," he explained, "40,000 (about 17 percent of the State's 243,000) could have been dropped immediately."

An amendment to the act, he pointed out, prohibited a lay-off greater than 5 percent before April 1. Furthermore, Hudson said, a mass lay-off even then would interrupt construction jobs in progress. Thus, the ultimate wholesale firing will involve 100,000 workers by July 1.

Hudson said the "least objectionable" method would be to stagger dismissals according to this scale: 54,000 during April, another 42,000 through May, and 4,000 more during June. That total would amount to 40 percent.

CLAIMS OF TRADE GAIN DISPUTED—REPUBLICAN CONGRESSMEN FIGHT PLAN TO END CONGRESS IN JUNE

(By Paul Mallon)

WASHINGTON, April 5.—A private report on the business situation is being circulated among House Republicans by Representative FRED CRAWFORD, of Michigan. It is based largely on a four-day survey he made personally within his own district (Saginaw).

Mr. CRAWFORD is telling the Republicans the situation was more discouraging than at any time since 1933 * * * people are not buying.

More than $50,000,000,000 (yes, billions) are tied up in savings deposits * * * inflexible, fixed charges (taxes, labor, commodities) are too high to encourage business * * * one trucking transportation company has had to hire an expert at $7,000 a year to do nothing except handle the firm's relations with the Federal Government.

He spent 2 weeks alone to compile a report required by the I. C. C. * * * only way out is to adjust prices downward (taxes, labor, commodities) in an effort to lure the $50,000,000,000 out of savings accounts.

Government economists are agreed on their disagreement with the pessimistic tone of this picture. They blame the recent stock market discouragement entirely on Hitler, think everything else points upward.

Library of Congress, Legislative Reference Service—Recent unemployment statistics

Country	Population	Number unemployed, etc.	Date	Classification
Belgium (1935)	8,299,940	240,860	December 1938	Unemployed.
Canada (1937)	11,284,278	88,639	do	Applicants for work registered.
Chile (1930)	4,287,445	5,578	November 1938	Do.
Czechoslovakia (1939)	[1] 10,500,000	142,316	January 1939	Do.
Danzig	[1] 450,000	4,612	December 1938	Unemployed registered.
Denmark (1937)	3,742,000	155,814	January 1939	Applicants for work registered.
Esthonia (1934)	1,126,413	2,252	do	Unemployed registered.
Finland (1935)	3,786,844	4,294	December 1938	Do.
France (1931)	41,834,923	460,816	January 1939	Applicants for work registered.
Germany (including Austria) (1938)	[1] 78,000,000	733,012	do	Do.
Great Britain and Northern Ireland (1936)	47,098,000	1,635,378 2,039,026	do	Wholly unemployed. Applicants for work registered.
Hungary (1938)	[1] 10,200,000	43,631	November 1938	Do.
Ireland (1936)	2,965,854	105,012	January 1939	Do.
Japan (1937)	71,252,800	230,262	June 1938	Unemployed, estimate.
Latvia (1935)	1,950,502	3,737	December 1938	Applicants for work, registered.
Mexico (1936)	18,526,258	196,145	August 1938	Unemployed, estimate.
Netherlands (1937)	8,608,533	335,380	November 1938	Wholly unemployed, registered.
New Zealand (1937)	1,587,367	1,026	do	Unemployed males.
Norway (1930)	2,814,194	34,122	January 1939	Unemployed.
Poland (1938)	[1] 33,500,000	456,286	December 1938	Applicants for work, registered.
Portugal (1930)	6,825,833	40,240	1937	Unemployed, registered.
Rumania (1935)	19,033,363	5,290	October 1938	Do.
Sweden (1937)	6,266,888	122,343	December 1938	Unemployed.
Switzerland (1932)	4,095,095	85,377	January 1939	Applicants for work, registered.
Yugoslavia (1936)	15,000,000	23,590	December 1938	Unemployed, registered.
United States (1937)	[1] 129,257,000	7,215,961	do	Applicants for work, registered.

[1] Estimated.

Source: International Labor Review, March 1939, pp. 380-385. Political Handbook of the World, 1938.

Employment authorizations by States

	April	March	Decrease in Works Progress Administration rolls
REGION I			
Connecticut	25,950	28,000	2,050
Maine	9,730	10,000	270
Massachusetts	110,260	120,000	9,740
New Hampshire	9,730	10,000	270
Rhode Island	15,130	16,000	870
Vermont	5,400	7,500	2,100
Total	176,200	191,500	
REGION II			
New Jersey	82,150	90,000	7,850
New York City	156,740	170,000	13,260
New York (exclusive of New York City)	60,530	65,000	4,470
Pennsylvania	220,510	240,000	19,070
Total	519,930	565,000	
REGION III			
Delaware	3,350	3,600	250
District of Columbia	10,810	11,800	990
Maryland	14,050	15,000	950
Virginia	27,240	30,000	2,760
West Virginia	44,320	48,000	3,680
Total	99,770	108,400	
REGION IV			
Illinois	210,780	229,000	18,220
Indiana	80,530	85,500	4,970
Michigan	128,630	139,000	10,370
Missouri	91,880	102,500	10,620
Ohio	225,920	245,500	19,580
Total	737,740	801,500	

Employment authorizations by States—Continued

	April	March	Decrease in Works Progress Administration rolls
REGION V			
Alabama	54,290	59,000	4,740
Florida	45,400	49,000	3,600
Georgia	59,990	65,000	5,010
Kentucky	58,160	63,000	4,840
North Carolina	45,400	49,000	3,600
South Carolina	43,240	47,000	3,760
Tennessee	47,020	52,000	5,980
Total	353,470	384,000	
REGION VI			
Arkansas	47,560	52,000	4,400
Louisiana	47,020	52,000	4,980
Mississippi	42,160	46,000	3,840
Oklahoma	58,910	64,700	5,790
Texas	97,820	104,000	6,180
Total	293,470	318,700	
REGION VII			
Iowa	28,100	30,000	1,900
Kansas	30,810	33,500	2,690
Minnesota	57,500	63,000	5,500
Nebraska	26,270	28,500	2,230
North Dakota	13,190	14,300	1,100
South Dakota	14,810	15,800	990
Wisconsin	68,860	75,000	6,140
Total	239,540	260,100	
REGION VIII			
Colorado	25,510	28,000	2,490
Idaho	10,570	11,500	930
Montana	16,350	18,000	1,650
New Mexico	11,670	12,000	330
Utah	11,400	12,500	1,100
Wyoming	4,130	4,500	370
Total	79,630	86,500	

Employment authorizations by States—Continued

	April	March	Decrease in Works Progress Administration rolls
REGION IX			
Arizona	9,200	10,000	800
Northern California	56,480	61,500	5,020
Southern California	46,320	50,000	3,680
Nevada	2,320	2,500	180
Oregon	17,080	18,500	1,420
Washington	42,150	46,000	4,850
Total	173,550	188,500	
Hawaii	2,700	2,850	150

[Excerpt from How to Stop Dictators, by Stuart Chase, as published in the New Republic, January 25, 1939]

The Nazis publish a newspaper called Der Angriff. One task of its editors is to prove to Germans that political democracy is an inferior form of government to the totalitarian state. Not long ago Der Angriff published a series of pictures showing American billboards with their cheery slogans: "There is no way like the American way"; "The world's highest wages," and so on. Just below, it ran a group of photographs taken in the United States, showing unemployed men at factory doors, slums, bums, breadlines, shacks of tenant farmers. It captioned the two exhibits: "Thank God we have a better way."

In one sense, the Nazis have. There were 6,000,000 unemployed in Germany when Hitler came into power. Today there are practically none. The outlook for German youth was black in 1933; now the future is dangerous but full of action. Factory chimneys were cold; now they are belching smoke. (Poetic image: German engineers save the smoke.)

We had better not try to win a contest against dictators simply by shouting about the blessings of "liberty" and "freedom." People do not eat liberty and freedom; these words make no jobs. For every cultivated American liberal who cares profoundly about the Bill of Rights, there are 99 citizens in the lower-income groups who care more profoundly about employment and security. Americans have political democracy rooted deep in their folklore, but it is rash to suppose that they are prepared to defend it at the price of permanent economic misery. If we value our liberties of speech, press, and ballot, we shall have to make the economic machine work better than it has worked since October 1929. With 20,000,000 Americans on relief, those cheery posters warrant a razzing from Hitler or anybody else.

Why were Italians converted to fascism? Because they were suffering from intolerable economic conditions, unemployment, insecurity, and were disappointed over Italy's share in the spoils of the Versailles Treaty. They turned to a strong man.

Why were Germans converted to nazi-ism? Millions of them, remember, had been voting a Socialist ticket. They were suffering from unemployment, terrible economic conditions, poor food, savage reparation payments, unending debts to foreigners, the iron ring of Versailles, the middle-class fear of communism. They turned to a strong man.

Why do the people of many nations in Europe support dictators, and hang out a "to rent" sign on their houses of parliament? Because of desperate economic conditions, unemployment, insecurity. Will such conditions produce a strong man in France, in England, some day? If they continue long enough, they probably will. There are already signs of it in Paris. They once produced a Napoleon in France, following a queen who said "Let them eat cake."

[From the New York Times of April 2, 1939]

W. P. A. HERE TO DROP 10,800 THIS WEEK ON CAPITAL'S ORDER—8,000 IN CONSTRUCTION JOBS, 2,800 WHITE-COLLAR WORKERS WILL BE DISMISSED—HALF TO GO ON CITY RELIEF—FURTHER FEDERAL CUT EXPECTED UNLESS CONGRESS GRANTS FULL APPROPRIATION REQUEST

Dismissal slips will be given this week to 10,800 W. P. A. workers in this city under instructions received from Washington yesterday by Lt. Col. Brehon B. Somervell, local Works Progress administrator. The dismissals will begin tomorrow and continue at the rate of 2,000 a day until Saturday.

A further lay-off of 20,000 workers is expected May 1 unless the Senate restores the $50,000,000 cut made by the House of Representatives Friday in President Roosevelt's request for a supplementary relief appropriation of $150,000,000. If the cut stands, the local W. P. A. rolls will be reduced from a present total of 167,500 to 127,000 by June 30, according to semiofficial estimates last night.

Fifty percent of the W. P. A. workers dropped in past mass lay-offs have been found eligible for home relief. On this basis it is expected that 5,400 of the Federal relief employees to be discharged this week will be added to the home relief rolls of the city welfare department, increasing the local outlay by $270,000 a month. The city provides 60 percent of this money and the State 40 percent.

"UNESSENTIAL" GO FIRST

In bringing the W. P. A. here down to its new quota of 156,740 Colonel Somervell directed that unessential workers without relief status be dismissed first. They will be followed by employees, regardless of relief status, with work ratings of "unsatisfactory," after which workers with ratings of "fair" are to be dropped. Those having the longest period of employment on W. P. A. will go first in each category.

The cut will affect 8,000 employees among the 122,740 assigned to construction projects and 2,800 among the 44,800 assigned to white-collar and professional projects.

In anticipation of the cut, every effort was made to complete projects last month. This drive made it possible to finish 142 undertakings during the month, the administrator announced.

Twelve white-collar projects were ordered discontinued yesterday. They were county clerk of Kings County, Staten Island Public Museum, Staten Island Zoological Society; county clerk of Bronx County, ichthyological research at the Aquarium, restoration of municipal court records, consumer marketing information; revision, renovation, and installation of record system in the Kings County surrogate's court; research studies in treatment and disposal of sewage and polluted water, analysis of real property laws, State division of standards and purchases, and reorganization of W. P. A. employment cards for State labor department.

NO WORD ON ART PROJECTS

The cut of 10,800 workers does not apply to the five W. P. A. Federal arts projects, which are not under Colonel Somervell's jurisdiction. Whether the staffs of these projects were to be reduced could not be learned in the absence of Paul Edwards, administrative officer of the arts program here.

Before the lay-off order was made public at W. P. A. headquarters, 70 Columbus Avenue, a group of 250 members of the Unemployed and Project Workers Union had formed a picket line to protest any curtailment of W. P. A. employment here. One of the marchers, Frank Cleary, 47 years old, of 1067 Teller Avenue, collapsed after an hour in the line. A heart attack caused his death a few minutes after an ambulance had carried him from the W. P. A. offices to Roosevelt Hospital, three blocks south.

Henry V. Rourke, president of the Unemployed and Project Workers Union, said Cleary had been employed as a painter on W. P. A., and that he left a wife and three grown children, all without jobs. A collection among the marchers brought $12.60 to buy a wreath. The group observed a minute of silence in Cleary's memory.

Mr. Rourke said his organization would "fight to the finish" against the dismissals scheduled for this week.

A national "job march" to Washington in protest against the movement in Congress to cut the President's relief request is under consideration by the Workers Alliance, largest organization of W. P. A. workers and home-relief recipients. Willis R. Morgan, president of the Workers Alliance of Greater New York, said the results of city-wide balloting on the question by W. P. A. workers here would be made known next week.

The administrative committee of the alliance will meet Tuesday to map its plans of resistance in the immediate situation, Mr. Morgan announced.

The process of reducing the W. P. A. rolls here began last November when the quota stood at 175,000. For a period of 10 weeks no replacements were made from home relief and the regular departure of W. P. A. workers for private jobs resulted in a drop of about 8,000 in the total roster. The rolls were reopened for replacements at the beginning of February and remained open until last week.

There are 160,000 families on home relief in this city. The board of estimate approved on Friday a budget of $28,928,955 to meet the costs of home relief for the quarter that began yesterday.

CUTS UP-STATE ORDERED

ALBANY, April 1.—Lester W. Herzog, up-State W. P. A. administrator, said today that 5,808 workers would be stricken from W. P. A. rolls by April 8 to comply with a reapportionment of funds actually appropriated.

The cut, Mr. Herzog said, will begin tomorrow in line with orders from Col. F. C. Harrington, National W. P. A. Administrator, for a reduction pending action of the United States Senate on a resolution to give W. P. A. $100,000,000 additional funds to June 30. The House approved the measure.

Proposed reductions in the 11 State districts, Mr. Herzog said, and the new employment totals include:

District 1 (Franklin, Clinton, Essex, Hamilton, Warren, Fulton, Saratoga, and Washington Counties)—575 to 5,368.

District 2 (Albany, Montgomery, Schoharie, Schenectady, Rensselaer, Columbia, Greene, and Ulster)—500 to 4,809.

District 3 (Orange, Dutchess, Putnam, Westchester, and Rockland)—825 to 8,308.

District 4 (Nassau and Suffolk)—500 to 4,809.

District 6 (Oneida, Herkimer, Madison, Cayuga, Oswego, Lewis, Jefferson, and St. Lawrence)—525 to 5,332.

District 7 (Onondaga)—300 to 3,014.

District 8 (Broome, Tioga, Thompkins, Cortland, Chenango, Otsego, Delaware, and Sullivan)—300 to 3,054.

District 9 (Monroe)—450 to 4,151.

District 10 (Allegany, Steuben, Livingston, Wayne, Yates, Chemung, Schuyler, Seneca, and Ontario)—375 to 3,263.

District 11 (Niagara, Orleans, Genesee, Wyoming, Cattaraugus, and Chautauqua)—300 to 2,767.

District 12 (Erie)—800 to 7,947.

State-wide projects: Adult education, 81 to 834; nursery schools, 16 to 166; public-health nursing, 11 to 117.

[From the Chicago Tribune of February 10, 1939]

W. P. A. HERE EXTENDS ITS DENTAL SERVICE—WORKERS ON ITS OWN ROLLS WHO GET LESS THAN $18 A WEEK TO BE CARED FOR—FAMILIES ALSO ELIGIBLE—EXPANSION WILL ADD 300,000 PROSPECTIVE PATIENTS TO THE 500,000 NOW SERVED

Free dental care will be provided for 90,532 W. P. A. workers earning less than $18 a week and their families—a total of more than 300,000 persons—under a program outlined yesterday by Lieut. Col. Brehon B. Somervell, local Works Progress Administrator.

The service will be given at 6 clinics for adults and 86 for children. Most of the juvenile clinics are one-chair affairs in public schools. If all the persons affected by the program take seriously the injunction to have their teeth examined twice a year, the W. P. A. dentists will have their hands full, for they already serve 500,000 men, women, and children on home relief.

The staff assigned to the dental clinics by the W. P. A. includes 165 dentists, who work 15 hours a week, and 107 dental hygienists, who work 30 hours a week. If all the 800,000 patients should come in every 6 months, the professional workers would be able to devote 12 seconds to each visitor. The dentists and hygienists receive $98.70 a month from the Federal relief agency.

In the past the W. P. A. clinics have been closed to W. P. A. workers unless they were receiving supplementary home relief from the city's department of welfare. Under the new arrangement workers whose W. P. A. pay amounts to less than $18 weekly will be able to get fillings, extractions and prophylaxis but no false teeth. Persons on home relief can get dental plates through the welfare department, but Colonel Somervell made clear that this practice would not be adopted by W. P. A.

Appointments for dental service are to be made by W. P. A. employees through the district offices of the home-relief division nearest their homes.

[From the Philadelphia Record of March 21, 1939]

SEVEN HUNDRED SCHOOL TEACHERS IN SCHUYLKILL COUNTY GO PAYLESS; 1,000 WILL BE ON LIST BY APRIL IF STATE FAILS TO ACT

(By David G. Wittels)

POTTSVILLE, March 20.—More than 700 teachers are working without pay in Schuylkill County alone, and by the 1st of the month the number will be at least 1,000.

Those figures do not include school clerks, attendance officers, bus drivers, janitors, and other employees. Some 75 of the latter are unpaid now, and their total will be more than 100 by April 1.

Teachers and school employees are now unpaid in 24 of the 68 school districts in this county. So are bills for light, heat, tuition, and supplies. And so, in many cases, are interest payments on bonds.

Teachers in those 24 districts number 715.

In at least four more districts, including the sizable cities of Shenandoah and Mahanoy City, pay checks for this month were the last the teachers will get this year. These 4 districts have 246 teachers.

In nine other districts, mostly rural and small, they may be able to worry through by borrowing and scrimping, and they may not. In some of the smaller districts, the school directors have no clear idea how they stand. There are 237 teachers in those nine districts.

POTTSVILLE ASKS AID

Even the school district of the city of Pottsville, with 159 teachers, has been forced to appeal to the State for emergency aid—in other words, for "relief" money.

But there is no money in the State treasury for the purpose. Already school facilities in the distressed districts are beginning to break down. Several schools may have to close shortly.

There is no money for supplies and even the teachers are beginning to express resentment and disgust. They have in the main stuck to their posts with amazing fortitude, and carried on despite worry, shame, hardship, and in some cases, literal hunger. But they are only human.

Twenty-eight teachers were on the relief rolls in Schuylkill County as of March 1, and more than 50 others have applied. Scores, and perhaps hundreds of others, need relief, according to informed school officials, but are too proud.

They shun relief, even though under the plan worked out by Anthony Flannery, public assistance officer for Schuylkill County, the relief money is given them as loans, with the teachers signing notes against their pay, when and if they get it.

In one district the athletic coach bootlegs coal—digging anthracite out of a tiny, primitive mine of his own making—after school hours, so that he can feed himself and his family. Teachers in his district have not been paid for 3 months and were paid only irregularly most of the year.

At least six teachers have quit in disgust. One took a job clerking in a hardware store. "At least it pays every week, and I can eat," he told his friends. Another went with the W. P. A. Adult Education Project. A third turned to selling stationery and books.

CAN'T REPLACE THEM

School districts find it virtually impossible to replace these teachers; no one seems to want a job without pay.

Tales of hardship and suffering are numerous, though the teachers try to keep up a brave front, are extremely reticent about their troubles, and undergo almost any difficulty before making public their problems.

Typical is the case of a young man teacher. He has a wife and baby. He had borrowed on his salary to take extra courses at State College last summer to fit him to be a better teacher. When his district stopped paying, he could pay neither rent nor feed his family.

He borrowed up to the limit on his life insurance. Finally, at the end of his rope, he had to break up his home. He sent his wife and baby to live with the wife's parents, and went to live with his parents.

There are teachers in this county who have suffered so long from payless paydays that they lacked shoes to wear to class. The relief authorities had to arrange quietly a deal for shoes for them so they could go on teaching.

CREDIT TIGHTENED

Teachers usually can get credit easily and make loans more easily than most other wage earners. But some of the distressed school districts are in such bad shape that banks and loan companies refuse to make the loans to school teachers which ordinarily they are extremely anxious to make.

Up to March 1, more than $275,000 was owed teachers in this county. By the end of the school fiscal year, the first Monday in July, that figure will be at least half a million dollars.

Distressed school districts in this county also owed, as of March 1, $90,278.63 for fuel, light, textbooks, and supplies; $40,229.20 in salaries for January, bus drivers, and attendance officers; $93,189.90 for tuition to other school districts.

They have so far this year defaulted on $77,070.17 in school district bonds, some of them held by the State teachers' retirement fund.

Morale of the unpaid teachers in this county is somewhat higher than in other counties, largely due to the efforts of the Schoolmen's Club, of Schuylkill County, and such leaders as Assistant County Superintendents James D. Toole and Arthur H. Henninger, and Paul Christman, superintendent of schools at Schuylkill Haven, who heads the teachers' legislative committee. It is a striking point that none of these three men, who are doing the most to have the situation remedied, are themselves affected by the situation.

ASK $2,500,000 OF STATE

They, like teachers' leaders throughout the affected areas, want a special appropriation of $2,500,000 passed at once by the legislature to aid the distressed districts and a large appropriation for the same purpose for the next biennium. Details of these proposals will be discussed in later articles.

Following is the first published accurate, up-to-date list of districts in Schuylkill County, where teachers are unpaid:

	Number months unpaid	Number of teachers
Barry Township	1¾	9
Blythe Township	4¾	41
Branch Township	5¾	23
Butler Township	1¾	44
Cass Township	3	63
Coaldale Township	3¼	49
Delano Township	1¾	13
East Norwegian Township	2¾	10
East Union Township	2¾	22
Foster Township	1¾	15
Frailey Township	2¾	11
Girardville Borough	1¼	38
Gilberton Borough	4¾	28
Kline Township	1¾	18
Mahanoy Township [1]	2¾	69
New Castle Township	2¾	17
Norwegian Township	2¼	13
Porter Township	3¾	37
Reilly Township	3¼	21
St. Clair Borough	2¾	46
Schuylkill Township	5¼	21
Tremont Borough		20
Tremont Township	5¼	12
West Mahanoy Township	5½	75

[1] In Mahanoy Township there is an arrangement with the banks whereby the teachers are advanced money on their salaries.

NO MORE THIS YEAR

In the following districts the teachers were paid up to March 1, but there will be no more pay for them this year unless the legislature and Governor James relent and supply the $2,500,000 needed to carry the distressed school districts of the State through to the first Monday in July:

Teachers: Shenandoah Borough, 124; Mahanoy City Borough, 75; Palo Alto Borough, 9; Hegins Township, 38.

Shenandoah expects to be $100,000 behind in its salary payments to teachers by the end of the school fiscal year unless the State comes through.

OTHERS IN DANGER

The following are struggling, but may pull through:

Teachers: Ashland Borough, 39; Mechanicsville Borough, 3; Middleport Borough, 6; McAdoo Borough, 35; Minersville Borough, 54; New Philadelphia Borough, 6; Tamaqua Borough, 71; Union Township, 8; Walker Township, 5.

There may even be other distressed districts whose directors are ashamed or afraid to admit they are in difficulty and about to suspend payments to teachers.

SCHUYLKILL ASKS AID

The following districts in Schuylkill County have applied for emergency State aid:

Branch Township, Butler Township, Coaldale Borough, East Norwegian Township, East Union Township, Frailey Township, Gilberton Borough, McAdoo Borough, Minersville Borough, New Philadelphia Borough, Porter Township, Pottsville City, Reilly Township, St. Clair Borough, Schuylkill Township, Tremont Borough, Tremont Township, and West Mahanoy Township.

Others need help just as badly, but have failed to apply because they know it is no use, because the cupboard is bare or because of conditions which make them dread the rigid State auditing and inspection which follows an application for relief.

Various factors are responsible for the plight of the distressed school districts. In some small part is mismanagement in some districts. In other places it is the general drop in real-estate valuations—a State-wide condition. But in Schuylkill County the major factor by far is the illness of the anthracite industry and the resultant nonpayment of taxes by the coal companies.

SOME SEE NO HOPE

The districts in this county cannot go on supplying school facilities without far greater State aid than they have been getting. For them this is not a temporary situation. Even should anthracite improve, they still will be in trouble. It is perfectly obvious that these districts cannot go on depending upon taxes upon real property for their school income.

(Plans now being advanced for drastic changes in the systems of taxation for school purposes will be discussed in detail in later articles.)

In Schuylkill County 39 of the 68 school districts have tax assessments of $93,000,000, of which 68 percent, or $63,000,000, is assessable on coal lands.

But the districts are not getting most of their coal taxes. The Philadelphia & Reading Coal & Iron Co., biggest in the area, is in receivership. Lehigh Valley is protesting tax claims and not paying taxes. Glen Alden is paying, but many small companies have not paid for years, and there is no prospect that they ever will be able to pay up.

Strange situations result. One district, situated in immensely rich coal land, can't collect enough taxes from the coal companies to pay its coal bills, and so, to heat its buildings, it had to burn bootleg coal this winter.

Tremont Township, with 99.3 percent of its assessed valuation in coal property, also can't pay its coal bills.

Following is the list of the 39 coal school districts, with (a) their total school assessments, (b) total coal-land assessments, and (c) percentage of coal land to total assessment. In most cases the percentage of taxes that come from coal is a pretty good indicator to the distress of the district.

District	A	B	C
Ashland	$3,206,310	$1,224,846	35.6
Barry	351,150	118,854	31.8
Blythe	3,998,749	3,841,584	95.1
Branch	2,534,035	2,321,173	90.3
Butler	4,303,049	3,783,338	86.5
Cass	3,131,425	3,027,465	94.8
Coaldale	2,479,313	1,956,799	76.0
Delano	579,445	361,700	60.0
East Norwegian	1,381,109	1,250,575	89.3
East Union	678,157	344,719	47.6
Foster	1,809,204	1,597,638	98.2
Frailey	2,869,814	2,704,015	93.7
Girardville	1,554,065	589,130	36.0
Gilberton	1,393,494	1,195,412	82.3
Hegins	3,278,908	2,443,595	73.2
Kline	1,045,740	826,884	76.1
Mahanoy City	5,245,360	603,610	11.1
Mahanoy Township	7,108,102	7,043,540	98.1
Mechanicsville	228,711	90,265	37.1
Middleport	331,521	183,972	52.6
Minersville	2,537,371	434,342	16.3
New Castle	1,604,523	1,468,295	90.1
New Philadelphia	964,284	602,124	59.6
Norwegian	2,590,155	2,362,930	90.4
North Union	358,448	59,615	15.6
Palo Alto	472,880	168,855	32.3
Port Carbon	1,046,958	212,673	19.4
Porter	3,387,587	2,796,659	80.8
Rahn	1,999,934	1,921,476	95.6
Reilly	3,674,430	3,595,428	97.2
St. Clair	2,085,137	733,129	33.1
Schuylkill Township	2,742,224	2,556,766	91.8
Shenandoah	7,942,548	1,606,846	19.5
Tamaqua	5,250,891	946,156	17.1
Tremont Borough	991,349	307,114	29.5
Tremont Township	4,069,296	4,050,104	99.3
Union	660,584	296,015	43.5
Walker	998,712	759,122	75.1
West Mahoney	3,937,564	3,359,049	83.6

"There is bound to be a collapse of the school systems in many of Schuylkill County's school districts in the near future, unless the State does something drastic soon," declared the heads of the Schoolmen's Club of Schuylkill County. "It is up to the State, and the State must act. No other agency can solve the problem."

[From the Philadelphia Record of March 21, 1939]

UNPAID TEACHERS IN LUZERNE DO ODD JOBS FOR LIVELIHOOD—533 EMPLOYEES IN GOVERNOR JAMES' HOME COUNTY GO WITHOUT SALARIES—397 MORE FACE PAYLESS PAY DAYS; $2,500,000 NEEDED TO CARRY ON

(By David G. Wittels)

WILKES-BARRE, March 21.—One high-school teacher in Plains Township, Luzerne County, has built up an undertaking business on the side—so he can feed and clothe his family.

He can't support them on his school salary, for the 121 teachers and 19 other employees in that school district have not received any pay for 3 months. There is no indication when they will get any.

In 11 school districts in Luzerne County a total of 450 teachers and 83 other employees are going without pay. The districts are broke, and the special State appropriation for relief of distressed school districts is exhausted.

At least 13 other school districts in the same county are in serious financial difficulties, mostly through inability to collect taxes. That means an additional 347 teachers and nearly 50 other employees face payless pay days before the end of the school fiscal year.

Two other school districts, with 107 teachers and 14 other employees, will barely squeeze through.

OFFICIALS HIDE CONDITION

Several other districts in the same county are broke, or on the verge of halting payments to teachers, but their officials denied the facts through pride, shame, or desire to protect the districts' credit. More than 200 teachers are employed in those districts.

Only two of the unpaid teachers in Luzerne County are on relief so far, but in many other cases other members of their families went on relief when the teachers' pay stopped.

The teacher who turned undertaker on the side—a Holy Cross College graduate and former athlete—is not the only one who has turned to extra curricular activities to keep from starving.

One sells sporting goods after school hours.

Two teachers clerk in shoe stores in Wilkes-Barre on Saturdays to get money for food.

One sells life insurance in his spare time, another peddles class rings to graduating classes, while a third has turned to raising chickens.

In Duryea Borough, a school teacher takes a long nap after school, then spends his nights as a watchman in a colliery yard to get cash for his family.

The districts definitely not paying their teachers and other school employees are:

Avoca Borough, Courtdale Borough, Duryea Borough, Freeland Borough, Fairview Township, Plains Township, Pringle Borough, Slocum Township, Swoyerville Borough, Wilkes-Barre Township, and Yatesville Borough.

AT LEAST $2,500,000 IS NEEDED

Avoca Borough school district has been unable to pay its 36 teachers and 4 other employees since February 1, and has no hopes of paying any until some time in July unless the State legislature comes through with a special appropriation. (At least $2,500,000 is needed to carry the distressed school districts of the State through until the first Monday in July.)

Courtdale Borough owes its seven teachers a month's pay. The school directors don't know if there will be any more pay this year. They intend to pay the teachers in dribbles, if necessary, when and if any tax money comes in. The Kingston Coal Co. owes this district $4,000 in taxes.

The school district of Duryea Borough is 3 months behind in pay to its 69 teachers and 11 other school employees. Part of the reason is that the Pennsylvania Coal Co., formerly called the Pittston Coal Co., owes $30,000 in taxes, according to the school directors. The borough itself is hard hit, too. Municipal employees have not been paid for nearly 5 months.

Freeland Borough school district owes its 56 teachers and 4 other employees 2 months' pay. And, according to the school directors, they'll be 3 months behind by June. That school district is scraping along on borrowed money, and has skipped pay days before. School officials there blame most of their troubles on drastic cuts in coal-land valuations, which reduced the district's tax income terrifically.

Fairview Township is 3 months behind to its 15 teachers.

In Plains Township, where 121 teachers and 19 other school employees have not been paid for 3 months, some are getting credit from the banks. The school district expects to be 4 months behind in salary payments by the end of the school term. The Lehigh Valley Coal Co. has not paid its 1938 tax bill of $110,000; Conlon Coal Co. is charged with $15,000 in unpaid taxes, and general real-estate-tax payments have not been coming in normally.

Pringle Borough school district hasn't paid its 16 teachers and 3 other employees for a month, and expects to be 2 months behind by the end of the term. Teachers there are almost used to it, so often had the district been behind. Once it was 7 months behind in pay. The Payne Coal Co., according to school directors, hasn't paid taxes for 4 years, and the Kingston Coal Co. owes $18,000. Pringle has been existing largely on State aid, now exhausted.

OUTLOOK "NOT SO BRIGHT"

Tiny Slocum Township is 1½ months behind to its six teachers, and the outlook for the rest of the year is "not so bright."

In Swoyerville Borough, where the school directors piled up some sort of record for the number of janitors, clerks, cleaners, etc., they

managed to get on the pay roll, the 54 teachers and 29 other employees have been unpaid for 3 months. And the school directors admit it will be worse before the end of the fiscal year.

The Wyoming Valley Co.'s two mines there are now shut down, and for the first time that company is behind in taxes. It owes the school district $19,000. Delinquent taxes for school purposes in that district total $112,000.

Wilkes-Barre Township school district owes 2 months' pay to 59 teachers and 17 other school employees, and expects to be 3½ months behind by June. The school directors were waiting for the second half of the regular State-aid appropriation.

But there isn't going to be any. The $60,000,000 appropriated 2 years ago for regular State subsidies to all school districts in the State during the current biennium is gone—and $1,510,000 short besides.

Wilkes-Barre Township is slowly degenerating into a ghost town. It is, or was, rather, entirely a coal town. Ninety-five percent of the tax money came from coal lands. But three coal companies have abandoned their workings in its confines. About 70 percent of its 8,000 people are on W. P. A. or relief.

CASH TUITION BASIS

Yatesville Borough school district owes 3 months' pay to its seven employees. Children of high-school age must travel far to get to high schools, because Yatesville has none and nearby Jenkins Township won't take them any more except on cash tuition basis. Yatesville school district owes Jenkins Township school district so much money for back tuition that Jenkins won't trust it any more. Jenkins dares not trust anyone. It is in too precarious shape financially itself.

The 13 districts in more or less serious financial difficulties which have paid their teachers so far, but may have to default before the fiscal year is over, are:

Conyngham Township, Dupont Borough, Denison Township, Exeter Township, Foster Township, Hunlock Township Jenkins Township, Plymouth Township, Shickshinny Borough, West Hazelton Borough, West Wyoming Borough, Wright Township, and Wyoming Borough.

Conyngham Township has paid its 22 teachers so far, but probably will not be able to give them any more pay the rest of the term if the State legislature does not come to the rescue. That school district needs about $20,000. It owes more than $9,000 to neighboring districts for tuition for its high-school children.

Denison Township school district's five teachers have their pay so far, but may lose out before the term is up.

Dupont Borough school district has paid its 32 teachers and 14 others up to date—but has an empty treasury right now and may have to miss its next pay day.

OWES OTHER DISTRICTS

Exeter Township's five teachers are paid up, but Exeter is being dunned for tuition it owes nearby districts.

Foster Township school district (near Hazleton) probably will owe its 46 teachers and 5 other employees 2 months' pay by the time the term ends, though they are paid up now. Cause of the trouble is mostly falling valuations on coal lands.

Hunlock Township is paying its eight teachers, and hopes to continue doing so—if it doesn't pay the $4,700 it owes other districts.

The 56 teachers and 14 other employees in Jenkins Township most likely will get their next pay, as they have in the past—"but after that we don't know," the school directors admit. One company owes the school district $100,000 in back taxes on coal land, "and if we don't get that we'll be in serious trouble for the next 2 years at least," the school directors say.

Plymouth Township (home ground of Governor James) school district also is in trouble. Its 37 teachers and 11 other employees are paid up, but will be a month short in their pay by the end of the term, according to the school officials. (Governor James took no cognizance of the seriousness of the situation in his budget message, recommending only $2,000,000 for special aid to distressed school districts, the same as last biennium, though last biennium's appropriation has proved at least $2,500,000 short, and best estimate is that about $11,000,000 will be needed for the next biennium.)

NEARBY TOWNSHIP BLAMED

Shickshinny Borough will be 2 months behind in payments to its 27 teachers and 7 other school employees by the end of the school term, the directors of that school district admit, though pay days have been met so far. They lay some of the blame on Conyngham Township school district, which owes for tuition.

West Hazleton Borough school district, which pays its 46 teachers and 7 other employees on a 12-month basis, will have to borrow to meet pay days through the summer months.

West Wyoming Borough school district will have to borrow money—if it can—to continue paying its 23 teachers and 9 other employees. If not successful in its borrowing efforts, it may run 3 months behind in pay, school officials admit. Lehigh Valley Coal Co. owes $10,000 in taxes.

Wright Township school district is in trouble because a new building cost $16,000 instead of $8,000. Its five teachers have been paid so far, but the rest of the year is uncertain.

Wyoming Borough school district must borrow, and "in all likelihood" will run short on the pay roll for its 35 teachers and 13 other employees before the end of the term.

PAY WITH BORROWED MONEY

The two districts that will barely squeeze through, but hope to be able to meet pay rolls, are Edwardsville Borough and Pittston Township.

Edwardsville Borough school district has been paying its 76 teachers and 19 other school employees out of borrowed money, having succeeded in raising loans of $80,000 last year. To meet a pay roll of between $9,000 and $10,000 a month that school district has $15,000 on hand.

The Kingston Coal Co. owes it $30,000 in delinquent taxes, but the district has no immediate hopes for that money. Edwardsville bases much of its hope for being able to meet its pay rolls for the rest of the term on the fact that it has $18,000 coming to it under the State subsidy.

But the State school subsidy fund is exhausted.

Pittston Township school district manages to scrape enough to meet its pay rolls, but its students are attending classes in a school building that has been condemned because of cave-ins. They have no gymnasium, and the curriculum, according to the school directors, is inadequate—because of lack of funds.

That's the financial condition of 26 of the sixty-odd school districts in Luzerne County. All not mentioned in this article, if their directors have been frank, can meet their pay rolls the rest of the year.

NEW YORK, N. Y., *February 9, 1939.*

Hon. ERNEST LUNDEEN:

Re tel. there were 183,243 cases on relief in New York City in October. City's cost, $5,810,174; State, $3,374,859; total of $9,185,033. In November 183,687, an increase of 444 cases. City's cost, $5,852,577; State, $3,378,068, a total of $9,230,645. In December 186,005, an increase over previous month of 2,318; city's cost, $6,057,271; State, $3,528,655; total of $9,585,926. In January there were 189,742 cases, an increase over December of 3,737. City's cost, $5,993,078; State's cost, $3,485,033; a total of $9,478,111. In February to date there has been a net increase of about 200 families a day. Estimated cost in February is $9,596,514, of which the city's share is $6,050,821; State's, $3,545,693. March estimated total is $9,732,925, of which the city's share is $6,132,891; State's, $3,600,034. Note that these are cases and not individuals. We average about three and one-half persons. My impression is that there must be a sustained improvement in business and industry to absorb 2,500,000 workers before there will be any substantial and noticeable reduction of relief rolls. Please also note that these figures are in addition to the Federal W. P. A. in New York City. Neither city nor State can assume any additional load.

F. H. LAGUARDIA, *Mayor.*

CHICAGO, ILL., *February 11, 1939.*

Hon. ERNEST LUNDEEN,
United States Senator, Washington, D. C.:

In Chicago on direct relief in October, 91,800; on W. P. A., 120,487. November, direct, 94,500; W. P. A., 118,432. December, direct, 99,200; W. P. A., 112,689. January, direct, 103,600; W. P. A., 106,068. Estimated February direct, 105,000; W. P. A., 108,000. Estimated March direct, 108,000; W. P. A., no estimate. Spent in Chicago by city and State in October, $5,235,342; November, $8,820,899; December, $9,068,022; January, $9,396,379. Estimated February, $11,151,000; estimated March, 11,340,000. Chicago Relief Authority estimates 1939 requirements for direct relief at $46,000,000. To meet that there is available of city funds $2,900,000. Assuming that present State appropriation will be continued by general assembly, there will be available of State funds for Chicago relief approximately $30,000,000 in 1939, leaving an estimated deficit of $13,100,000. Should the general assembly not continue present State appropriation for relief, letting it automatically drop downward, in accordance with present law, the State funds available to city are estimated at only $23,000,000, which will result in a relief deficit for Chicago of $20,100,000. Chicago Relief Administration reports approximately 639,000 persons in December, or 1 out of each 6 of the 1930 population, receiving public assistance through Works Progress Administration employment, general relief, or old-age pensions. It also reports 42,000 employable persons now on direct relief who are not working. It is urgent, to avoid difficulties, that W. P. A. employment in Chicago be increased substantially. Now employs 103,000. Should be increased, as a minimum, to the October level of 121,000, and preferably higher. Lack of employment in Chicago is greater now than it has been at this season in the last 3 years, according to the Association of Commerce employee index.

EDWARD J. KELLY,
Mayor, City of Chicago.

PHILADELPHIA, PA., *February 9, 1939.*

Hon. ERNEST LUNDEEN,
Senate Office Building:

Extent of relief load in Philadelphia as of December 24, there were 76,427 relief cases. According to the calculations, 202,530 were on direct relief. There are at present 23,000 cases on W. P. A., of which 5 percent are nonrelief, which means that approximately 87,400 cases are receiving relief through this form.

More than 202,000 persons receiving direct relief, and approximately 205,000 to be taken care of directly and indirectly through W. P. A. There is great need for additional W. P. A. funds in this city.

It is a grave mistake to reduce W. P. A. appropriations to $725,000,000. Such a step means the dropping of many workers and consequent distress in their families, and produces a serious crisis in this city.

Financial ability of city to meet needs: There is now an appropriation of $1,000,000 available to continue old and to supply for new W. P. A. projects.

S. DAVIS WILSON,
Mayor of Philadelphia.

PROVIDENCE, R. I., *February 27, 1939.*

ERNEST LUNDEEN,
United States Government, Washington, D. C.:

On relief roll, Providence: October 1938, 3,660; November, 3,682; December, 4,120; January 1939, 4,959. City expended: October 1938, $109,235; November, $109,689; December, $118,955; January 1939, $126,278. State contributed: October, $49,766; November, $57,697; December, $35,810; January 1939, $58,622. We are financing all extraordinary relief programs with borrowed money under statutory authority. Relief is on the increase, with prospects of reduction with the opening of spring.

Mayor JOHN F. COLLINS.

DETROIT, MICH., *February 9, 1939.*

Hon. ERNEST LUNDEEN,
Washington, D. C.:

In re telegram number on relief, Detroit, October, 20,908; November, 19,102; December, 20,006; January, 21,691; cost, October, State, $754,296, city, $347,100; November, State, $738,400, city, $163,150; December, State, $761,021, city, $319,291; January, State, $580,443, city, $575,396; estimated total cost welfare first 3 months 1939, $3,750,000. City must borrow to meet all welfare costs for the next 5 months. Current appropriations completely exhausted.

RICHARD W. READING, *Mayor.*

BALTIMORE, MD., *February 10, 1939.*

Senator ERNEST LUNDEEN,
United States Senate:

Four thousand six hundred and sixty-three families on relief October; 4,887 November; 5,378 December; 6,247 January; 3,000 waiting W. P. A. Relief situation critical without funds to meet basic need. Employment situation in city has not improved so far this winter.

T. J. S. WAXTER,
Director, Public Welfare, Baltimore, Md., for Mayor Howard W. Jackson.

MINNEAPOLIS, MINN., *February 9, 1939.*

Hon. ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

Persons on relief: October, 39,450; November, up 3,041; December, up 3,125; January, up 2,190 over previous month. Commitments, State and local funds: October, $408,000; November, up $52,852; December, up $45,062; January, up $33,630 over previous month. Anticipate increase in relief load next 2 months due to W. P. A. lay-offs. Sharp increase after April 1 if W. P. A. carries out proposed cut. Minneapolis only available resource is bond issue. City now forced to refund maturities because of abnormal relief bond issues in past 6 years. Requirements for refunding aid for direct relief and sponsor's share of W. P. A. will exhaust city.

Debt leeway before December 31, 1939, or earlier if W. P. A. retrenchment increases direct relief intake. Over-all case load with all categories of aid now the highest in history of Minneapolis. Mayor Leach is out of town.

O. A. PEARSON,
Superintendent, Division of Public Relief.

ST. PAUL, MINN., *February 8, 1939.*

Hon. ERNEST LUNDEEN,
United States Senate, Washington, D. C.:

Six thousand four hundred and eighty-seven cases on direct relief October; 7,194 in November; 7,898 in December. Figures for January not available. Total cost for relief to Ramsey County for October, $140,000; November, $118,000; December, $234,000. Assistance received from the State, October, $80,000; November, $125,000; December, $40,000. Estimated cost of relief for calendar year, $3,500,000; cost during winter months slightly in excess of cost for summer months. Any increase in employment is not yet reflected in relief load. Reduction in W. P. A. employment is already shown in marked increase in application for direct relief.

W. H. FALLON,
Mayor of the City of St. Paul.

MILWAUKEE, WIS., *February 9, 1939.*

Senator ERNEST LUNDEEN,
Senate Office Building:

Milwaukee County's relief load, expenditures, and State contribution by months, follows: October, 21,474, $420,540, $10,000; November, 22,158, $490,327 $10;000; December, 23,101, $540,511, $10,000, January, 23,481, $550,000, $10,000. County tax levy this year 100 percent greater than for 1928, all due to relief. Unless at least present W. P. A. quotas are maintained, Milwaukee faces a serious crisis in financing relief. Unemployment is a national problem. Why should Congress economize at the expense of overburdened local governments?

DANIEL W. HOAN, *Mayor.*

CLEVELAND, OHIO, *February 10, 1939.*

Hon. ERNEST LUNDEEN,
Senate:

In reply your telegram February 8, W. P. A. employment in Greater Cleveland for months October to January was 79,000, 75,000, 72,000, and 68,500, respectively. Direct relief cases for same period serviced by subdivisions constituting Greater Cleveland were 18,746, 18,951, 19,711, and estimated 21,550, respectively. Relief case represents an average of 3 people. Local direct relief expenditures for this period were $541,000, $635,000, $599,000, and estimated $619,000. Relief loads and expenditures have increased during this period due to stopping of assignments by W. P. A. in October and also due to W. P. A. order issued in December directing removal from W. P. A. program of persons believed eligible for categorical public assistance. Temporary relief bill passed by State of Ohio last week will enable Greater Cleveland subdivisions to service direct relief not later than April 1. Permanent program under consideration by Governor and general assembly of State. Enactment of such program necessary during March in order to avoid break-down.

HAROLD H. BURTON,
Mayor of Cleveland.

KANSAS CITY, MO., *February 9, 1939.*

ERNEST LUNDEEN,
Washington, D. C.:

Re telegram February 8 to Mayor Smith. Number of cases on relief October, 4,660; number of persons, 10,801. November cases, 4,886; persons, 12,011; December cases, 5,668; persons, 13,682; January cases, 5,901; persons, 14,931. Amount spent from State funds only for general relief on above cases, October, $56,710; November, $75,838; December, $97,101.25; January, $81,364. State of Missouri only source of general relief funds for Kansas City. General relief load increasing rapidly. Funds dependent on State appropriation.

WILLIA HUTTIG,
Secretary, Administrator Jackson, County Social Security Office.

NEW ORLEANS, LA., *February 9, 1939.*

Hon. ERNEST LUNDEEN,
United States Senate, Washington, D. C.:

Orleans Parish relief cases: October, 7,908; November, 7,863; December, 8,056; January, 8,233. State expended in Orleans Parish: October, $116,000; November, $117,000; December, $119,000; January, $117,000. Figures are State share social-security grants and relief unemployables; no city appropriation. Grants limited to 75-percent minimum family budgets. Three thousand eight hundred applications pending. No funds available local relief employables waiting W. P. A. employment. Recent quota reductions make situation urgent. Entire program financed by State sales tax.

ROBERT S. MAESTRI,
Mayor of New Orleans.

SAN FRANCISCO, CALIF., *February 9, 1939.*

Hon. ERNEST LUNDEEN,
United States Senate:

Re your telegram 8th, persons on relief October, 42,874. No increases November or December. Amounts expended for relief by State and city for October, $370,000; November, $369,000; December, $376,000. Employment figures include W. P. A. expenditures. Do not include Federal contributions. Expenditures and persons on relief January not available. Indications are that relief loads are increasing first 3 months this year. City and county of San Francisco now carrying all load possible financially.

ANGELO J. ROSSI, *Mayor.*

LOUISVILLE, KY., *February 10, 1939.*

ERNEST LUNDEEN:

Direct unemployment relief cases: October, 939; November, 958; December, 986; January, 1,038. Net city expenditures: October, $18,186; November, $19,714; December, $22,089; January, $22,906. No State aid for city cases. City does not provide direct relief for employable cases. Relief needs for first 3 months 1939 will exceed ability to meet adequately. Cannot handle any additional load. Placement in private industry slightly improved over same period last year. Current applications for unemployment compensation not as heavy as anticipated. Seasonal slump in some lines, but indications are that lay-offs not as extensive as this time last year.

JOSEPH D. SCHOLTZ,
Mayor, Louisville, Ky.

BOSTON, MASS., *February 11, 1939.*

Hon. ERNEST LUNDEEN,
United States Senate, Washington, D. C.:

Number on relief in Boston October 1938, 28,012; increases, November 1938, 328; December 1938, 1,236; January 1939, 968. Total January 1939, 30,544; expenditures by welfare department, Boston, with State supplementing (Federal contributions deducted): October 1938, 685,815.05; November 1938, 790,569.37; December 1938, 892,896.21; January 1939, 884,662.44. Expectancy now is February 905,824.06; March 1,032,306.17. City now facing heaviest drain for all forms of relief since 1932, employment in private industry

showing no gain yet, relief situation very critical, additional burdens for relief most detrimental to city's continued ability to meet obligations.

Hon. MAURICE J. TOBIN, *Mayor.*

SEATTLE, WASH., *February 18, 1939.*

ERNEST LUNDEEN,
Washington, D. C.:
An answer February 8.

Re telegram re relief needs of city of Seattle administered under joint county-State relief administration. Mr. Charles F. Ernst, State social-security head, reports to us as follows: October 6,000, November 6,400, December 8,000, January 10,300, and estimate February and March same as January. Expenditures for respective months October 88,000, November 96,000, December 126,000, January 143,000, with like amounts for February and March. Estimated limited funds available make necessary grant on basis of average, or 6.30 per person, which must be further reduced if there is more reduction in W. P. A. quota. No improvement in employment conditions expected until April, and legislature now in session still unable to find funds beyond those required for maintaining O. A. A. blind and children's program on present level. Counties attempting to meet needs of unemployables in institutional and medical care and both State and county require and expect Federal assumption of responsibility for unemployed persons in need of work.

ARTHUR B. LANGLIE.

BUFFALO, N. Y., *February 9, 1939.*

ERNEST LUNDEEN,
Washington, D. C.:

In answer 8th, mayor of Buffalo—Buffalo home relief case load in October, 18,787; increase in November, 7.7 percent; December, 5.6 percent; January, 3.2 percent. Relief costs for October, $644,396; November, $735,328; December, 811,290; January, $865,805. Forty percent of foregoing costs borne by State, 60 percent by Erie County. Estimated cost first 3 months of 1939, $2,700,000. Employment conditions very unfavorable. Case load now at highest point since 1935.

ERIE COUNTY DEPARTMENT OF SOCIAL WELFARE,
THOMAS W. H. JEACOCK, *Commissioner.*

SPOKANE, WASH., *February 9, 1939.*

Hon. ERNEST LUNDEEN,
United States Senate, Washington, D. C.:

Welfare association reports numbers on relief, October, 2,194; November, 3,770; December, 5,028; January, 5,171. W. P .A. reports persons on relief, October, 5,497; November, 5,500; December, 4,960; January, 4,407. Welfare association spent, October, $22,688; November, $35,860; December, $62,109; January, $84,306. City spent for sponsors contribution W. P. A. during the period quoted $80,236. Relief load increasing; no relief from private employment before April. More detailed information regarding State's expenditure must be secured Don Abel, administrator, Alaska Building, Seattle. Local welfare estimates relief needs next 3 months as $293,000.

F. G. SUTHERLIN,
Mayor, City of Spokane.

HOUSTON, TEX., *February 9, 1939.*

ERNEST LUNDEEN,
Federal Relief Headquarters, Washington, D. C.:

Re tel. Mayor out of city. Following information from records. Relief case load under care: October, 2,398; November, 2,508; December, 2,835; January, 3,266. Expenditures from local public funds, city and county, October, $34,745; November, $35,596; December, $39,290; January, $39,431. No State funds. Due to seasonal decrease in private employment and restrictions on W. P. A. assignments local situation becoming acute; over 2,000 employable heads of families certified and eligible for W. P. A. who cannot be assigned. City and county financially unable to meet needs of employable group. Relief for unemployable provided for inadequately.

T. KRIEGEL, *Secretary to Mayor.*

NEWARK, N. J., *February 9, 1939.*

ERNEST LUNDEEN,
Washington, D. C.:

Newark cases on relief October, November, December, and January average 18,350, fluctuating from 18,209 to 18,509, and representing an average of 53,300 persons, fluctuating from 52,816 to 53,919; amounts expended average $580,000, fluctuating from $561,000 to $609,475. Estimated cost of relief for first 3 months current year is $1,809,475, exclusive of administration costs. Estimated cost for current year is $6,613,000, including administration costs. Last year the State failed to provide full share of its relief obligations to municipalities to the extent of approximately $8,000,000. Ways and means are now being devised to discharge that obligation; prevailing conditions may force municipalities to shoulder entire load of State's 1938 obligations, and until legislative action is taken what contributions the State will make to municipalities for current year remains undetermined. Because of these entanglements Newark faces extreme difficulty in financing relief out of budgetary appropriations.

MEYER C. ELLENSTEIN, *Mayor.*

OMAHA, NEBR., *February 11, 1939.*

Senator ERNEST LUNDEEN:

Reply your telegram. All relief here furnished by county. Relief figures follow. Number on relief and sum spent, October, 573, $5,262; November, 599, $5,439; December, 627, $6,539; January, 806, $6,875. In addition, county relief gave $30,000 toward county hospital. On hand in direct relief fund, $193,000 to last for entire year. Prospects that relief load will increase greatly due to W. P. A. lay-offs and extreme cold weather. Three thousand now certified to W. P. A., but unable to be put to work. Great need for additional employment this winter.

DAN B. BUTLER, *Mayor.*

COLUMBUS, OHIO, *February 10, 1939.*

ERNEST LUNDEEN,
United States Government, Washington, D. C.:

For Franklin County, October, 15,000 persons,, $106,000; November, 14,000 persons, $115,000; December, 15,600 persons, $132,000; January, 17,500 persons, $148,000. No local funds available for handling 1939 load and deficit, January 31, $460,000. Some State help after February 15, but will be not more than 50 percent of need. Private employment situation not improving and W. P. A. lay-offs have increased relief loads.

DIVISION PUBLIC CHARITIES, CITY OF COLUMBUS.

BUTTE, MONT., *February 9, 1939.*

Hon. ERNEST LUNDEEN,
Washington, D. C.:

Re tel., number in State on direct relief or eligible for W. P. A. employment October, 5,949; November, 6,870; December, 8,824; January, 11,453. Number in Butte October, 1,225; November, 1,178; December, 1,204; January, 1,681. Amount expended by State exclusive of subdivisions, October, 76,539; November 78,816; December, 94,810; January, estimate 120,000; Butte same months, 15,085 and 13,825, 17,265; estimate 20,000. No indication of increased employment in State but possible decrease in Butte if additional mines close. One mine closed recently separating 950 men and some curtailment in other mines. W. P. A. employment October, 22,214; November, 22,362; December, 2,198; January, 17,814. Reduction due to reduced quota Butte employment W. P. A.; reduced from 6,948 October to present 4,318. Butte doing everything possible to help county carry load. County cannot go beyond 6 mills to carry direct relief. Reduced quota necessitating increased direct relief causing very serious situation here.

CHAS. A. HAUSWIRTH, *Mayor.*

CHATTANOOGA, TENN., *February 9, 1939.*

ERNEST LUNDEEN:

Relief case load for city bureau of relief as follows: October, 805; November, 1,148; December, 1,128; January, 1,051. Expenditures: October, $6,444; November, $8,207; December, $10,178; January, $9,360. Chattanooga bureau of relief established last October with initial appropriation of $50,000. Additional appropriation will be necessary to complete fiscal year. Expect sharp reduction case load in spring. Many of relief case load eligible for W. P. A. assignment. Curtailed W. P. A. work has increased city relief load.

ED D. BASS,
Mayor, City of Chattanooga.

LITTLE ROCK, ARK., *February 9, 1939.*

ERNEST LUNDEEN,
Washington, D. C.:

Relief roll, October, 8,471. Small increase other months. City expended for relief in October, $13,000; November, $4,000; December, $11,000; January, $5,000. Relief needs for Arkansas have not decreased. City in bad financial condition and unable to match Federal funds as in past.

R. E. OVERMAN, *Mayor.*

CHEYENNE, WYO., *February 10, 1939.*

ERNEST LUNDEEN,
Washington, D. C.:

The several assistance agencies exclusive of W. P. A. in Laramie County, Wyo., required care of cases enumerated per records in county welfare office: October, 387 cases costing $8,500; November, 450 cases costing $10,000; December, 544 cases costing $12,800; January, 612 cases costing $15,000. Approximately 75 percent funds from Federal and State, and 25 percent from county. Relief needs expected to remain high until May, when seasonal employment and railroad expected to relieve unemployment situation.

ED WARREN, *Acting Mayor.*

OKLAHOMA CITY, OKLA., *February 10, 1939.*

Hon. ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

Employable county relief cases receiving Federal surplus commodities only: October, 900; November, 1,000; December, 1,300; January, 1,800 cases; average 4 people; getting more serious; county unemployables average 1,100 cases, 2,300 people; receive average $2,500 from State and equal sum from county, plus $500 paid for rent and fuel. County provides home for 150 unemployables, $3,000 monthly; city provides seasonal unemployment relief for average of 200 cases, $14,000 monthly; county and city provide

$10,000 monthly for hospitalization and medical aid. The city of Oklahoma City's financial status will not permit appropriation of additional funds to relieve mounting relief load.

W. A. QUINN, *City Manager.*

DENVER, COLO., *February 10, 1939.*

Hon. ERNEST LUNDEEN,
United States Senator,
Washington, D. C.:

General relief for October, 3,008; November, 3,994; December, 4,396; January, 4,911; October, 132,052, November, 142,502; December, 249,413; January, 175,277.

B. F. STAPLETON, *Mayor.*

NORFOLK, VA., *February 10, 1939.*

Hon. ERNEST LUNDEEN:

October, 378 cases on home relief, $7,366 expenditures; November, 407 cases, $8,915; December, 536 cases, $11,331; January, 721 cases, $15,647.66; estimate $50,000 needed first quarter 1939. Believe a careful purging of W. P. A. rolls on basis of needs would help the situation. The city cannot handle much greater increase in load.

Col. CHARLES B. BORLAND,
City Manager.

CITY OF ATLANTA,
OFFICE OF THE MAYOR,
Atlanta, Ga., February 9, 1939.

Mr. ERNEST LUNDEEN,
Washington, D. C.

DEAR SIR: Your wire of February 8 was duly received. The following are the figures on relief cases for October, November, and December, the figures for January not being immediately available:

	Cases	Persons
October	6,224	12,453
November	5,743	12,624
December	5,925	13,104

The amount expended for the same months is as follows:

	City	State and Federal	County
October	$21,350	$48,376.80	$30,000
November	21,350	48,376.80	30,000
December	21,350	48,418.65	30,000

We do not see that there will be any material change in the number of relief cases for the first 3 months of 1939.

Under a new agreement, Fulton County will handle the entire relief load for city and county payments from now on. Of course, the money is coming out of approximately the same pocketbooks, as the citizens of Atlanta pay 85 percent of the county of Fulton taxes, and it is merely a matter of bookkeeping so far as the people are concerned, as to which political subdivision issues the check.

So far as we can see, the unemployment situation should be neither better nor worse for the coming 3 months.

Very truly yours,

JOSEPH GREGG, Jr.,
Executive Secretary.

DES MOINES, IOWA, *February 9, 1939.*

ERNEST LUNDEEN,
Washington, D. C.:

Seven thousand six hundred on relief October; November, 7,979; December, 9,863; January, 10,622. Local expense for respective months, $45,000, $50,500, $54,900, $56,300; State, $13,600, $14,900, $19,600, $20,000. In addition following number on W. P. A.: 6,972, 6,871, 6,211, 6,091. Relief will be approximately the same first 3 months. City has no relief funds, same taken care of by county.

MARK L. CONKLING, *Mayor.*

DULUTH, MINN., *February 9, 1939.*

SENATOR ERNEST LUNDEEN,
Washington, D. C.:

Duluth persons on direct relief in October, 8,781; November, 9,600; December, 10,906; January, 11,467. Expenditures for direct relief in Duluth, October, State, $9,087; local, $82,419; November, State, $9,071; local, $96,666; December, State, $9,087; local, $110,107; January, State, $9,099; local, $115,262. Relief load expected to increase in February and March and remain high until well into next shipping season. Local expenditures now exceeding legal mill levy for direct relief. City tax rate now 107 mills. Debt charges take 29 percent of city's tax revenues. Any increase in local expenditures for direct or work relief would be most serious. Adequate Federal provision for work relief urgent.

C. R. BERGHULT, *Mayor.*

ST. CLOUD, MINN., *February 9, 1939.*

Hon. ERNEST LUNDEEN,
Washington, D. C.:

Number of persons on relief 740 October, 1,050 November, 1,260 December, 1,530 January. Cost to county $4,500 to $10,500 per month. State pays $848 per month. First 3 months 1939 expected to average $11,000 per month. Financially able to handle if no drastic cuts are made in W. P. A. labor. Local conditions worse than year ago.

PHIL COLLIGNON, *Mayor.*

ST. CLOUD, MINN., *February 11, 1939.*

ERNEST LUNDEEN,
Senator, Washington, D. C.:

October on relief 18, November increase 15, December increase 7, January increase 32; October expense $97.40, November expense $132.40, December expense $235.40, January expense $343.78. We expect 50 percent increase for next 3 months. Poor fund in bad condition. Unemployment and relief situation worse than ever and from present outlook will be greatly increased. We have 15 men out of work at present time who should be on W. P. A.

L. A. CLEALL,
Village Clerk, Waite Park.

EVELETH, MINN., *February 9, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

Answering your wire: Number on direct relief in city of Eveleth, October 736, November 740, December 751, January 770. Old-age assistance and others average additional 175 for these months. Total average expended monthly $7,800. Total number on W. P. A. 376. City employs additional 280 men receiving 3 to 8 days per month, considered relief labor. Unable to give amount expended for relief by the State. City finances will not warrant carrying relief laborers very long. Finances conserved to carry on W. P. A. projects. Unemployment situation becoming more acute each month.

HERBERT WOOLCOCK, *Mayor.*

VIRGINIA, MINN., *February 9, 1939.*

Hon. E. LUNDEEN,
United States Senator,
Washington, D. C.:

October, 1,176 on relief; November, 1,172; December, 1,350; January, 1,520. Average amount expended per person, $9. All relief in the city of Virginia is taken care of through the county of St. Louis. There is no doubt in my mind but what the next 3 months will be the same as the present month with a possible increase if anything. County almost at the end of the rope and unable to take care of much more than they are at the present time.

OSCAR TAMTE, *Mayor.*

MONTEVIDEO, MINN., *February 10, 1939.*

Hon. ERNEST LUNDEEN,
Senator, Senate Office Building,
Washington, D. C.:

Re tel., October relief cases county number 209, costing $3,300. November increase to 254 cases, costing $4,200. December increase to 256 cases, costing $4,600. January increase to 263 cases, costing better than $5,500. Total cost 4 months close to $18,000, of which State paid about $3,000. More cases expected. Balance of first quarter at increased cost. County will have to borrow to carry load at present. Any heavy increases would cause financial difficulty. W. P. A. supported an average of 411 cases, costing about $23,000 per month from October 1 to January 31. More complete details following in letter.

GEORGE STAMSON,
Mayor, Montevideo.

MONTEVIDEO, MINN., *February 9, 1939.*

Hon. ERNEST LUNDEEN,
Senator, Senate Office Building,
Washington, D. C.:

DEAR SIR: The city of Montevideo pays no direct relief costs. Under the system in practice here county and State plus Federal Government pay out directly for relief.

Our telegram gave you the number of cases handled by Chippewa County for October as being 209 cases, costing better than $3,300. This case load increased in November to 254 cases, costing $4,136. The December case load increased to 256 cases, costing $4,595. The January case load increased to 263 cases, costing $5,502. The total cost of relief to the county and State amounted to approximately $17,535. Of this amount the State of Minnesota paid Chippewa County $3,031.

Chippewa County, at the beginning of its fiscal year, July 1, 1938, appropriated an additional $15,000 for relief for 1939. At the present time Chippewa County has less than $6,000 in its relief fund and the prospect of receiving more from taxes which will be paid will not be in sufficient amounts to cover the increased relief costs already placed upon the county. Therefore the county commissioners at the present time are struggling with the problem of securing additional money to take care of these increased costs. Therefore, it is only natural and logical to assume that any heavy added burden of relief on Chippewa County woud create a difficult financial problem.

The W. P. A. in Chippewa County during the month of October employed 421 at a cost of $22,401. November figures were 440 persons at a cost of $23,454. December figures were 441 persons at a cost of $23,517. January figures were 423 persons at a cost of $22,553 or a total cost to W. P. A. for the 4 months of $91,925. In addition to this amount the city of Montevideo had paid out $4,525 as sponsor's money to keep W. P. A. projects going in the city, thus employing those men on W. P. A.

If W. P. A. had not been available in Chippewa County you can readily see what the burden would have been upon our county, which in turn would have affected our city a great deal because the bigger percentage of relief cases in Chippewa County are located in the city of Montevideo. It would be extremely hard to separate all of these cases of direct relief and W. P. A. from county totals and would take considerably more time than you would care to have us take. Therefore, the figures submitted to you are the best indicator that we can give you at the present time.

It is the opinion of those who have direct control and authority over W. P. A. and relief that the remainder of February and March will see an increase rather than a decline in cases and costs. In any event they do not expect that the number or costs will be lowered to any appreciable amount.

I do not know what can be done to replace W. P. A. at this present time but do know that any additional load would be of grave concern and would cause great difficulty in raising the necessary funds for same. If this information is not sufficient in detail, please advise and I would be very happy to secure and furnish to you reliable detailed information.

Yours very truly,

GEORGE STAMSON,
Mayor of Montevideo.

BENSON, MINN., *February 9, 1939.*

ERNEST LUNDEEN,
United States Senator,
Washington, D. C.:

Number of direct relief cases and amount money expended as follows: October, 70; amount, $1,018.17; November, 63; amount, $1,304.47; December, 86; amount, $1,537.89; January, 94; amount, $1,991.86. Amounts estimated needs for February, 100 cases, $2,000; March, 95 cases, $1,800; April, 80 cases, $1,600. Have 92 W. P. A. cases on work relief. Have expended $1,000 additional in an endeavor to keep relief rolls from increasing. Financial situation of town very bad. Bonded indebtedness approximately $250,000, per capita indebtedness $90, which points to the continued need of relief moneys, and unable to cope with the handling of any additional relief load.

GEO. S. TAIT, *Mayor.*

WINONA, MINN., *February 9, 1939.*

Senator ERNEST LUNDEEN:

City of Winona statistics as follows: Number of families on relief October, 232; decrease, 2; for November, 230; increase, 57; December, 287; increase of 35; January, 325; expenditures, city and State, October, $7,030.81 November, $5,939; December, $6,911.37; January, $9,919.88 plus $632.70 each month allotted by State. Case load will increase to 400 for February, 450 for March. Fiscal year for city ends March 31. Will have deficit of about $15,000 at that time. No prospects for employment. Two thousand two hundred and four persons registered at employment office. Above figures do not include W. P. A. families.

A. H. MAZE, *Mayor of Winona.*

MORA, MINN., *February 9, 1939.*

Hon. ERNEST LUNDEEN:

Numbers on relief October 60, November 126, December 124, January 117. Expenditures October $1,370, November $1,790, December $1,750, January $1,675, exclusive of resettlement grants and social-security benefits and exclusive hospitalization paid by county. County tax delinquency 20 percent, mill rate 83. Distressed county. Must have outside assistance. Unemployment situation serious.

WALTER EDGAR, *Mayor.*

ELY, MINN., *February 9, 1939.*

ERNEST LUNDEEN,
United States Senator,
Washington, D. C.:

In October 350 on relief, local expenditures $6,300. In January 400 on relief, local expenditures $8,500, exclusive of W. P. A. On W. P. A. in October 240, in January 200. Decrease, $2,000. Relief needs critical for next 3 months. City in worst financial condition in history. Levying legal limit and have reached statutory debt limitation. Cannot carry normal load. No improvement expected in employment. Six hundred employables without opportunity to enter private employment. All need relief.

B. M. LAMBERT, *Mayor.*

ST. PAUL, MINN., *February 9, 1939.*

Hon. ERNEST LUNDEEN:

Answering. October had 111 families on relief. Increased as follows: November, 39; December, 61; January, 131. County expenditures monthly: twenty-three hundred, thirty-five hundred, four thousand, sixty-two hundred, of which State contributed $225 monthly. In addition city has paid monthly for work relief approximately one thousand. Half of the first 3 months current year elapsed and feel that peak has been reached. PWA projects under way here will have tendency to reduce unemployment. Do not feel that either city or county in shape financially to care for additional load.

S. W. DENNISON, *Mayor.*

BUFFALO, MINN., *February 9, 1939.*

Senator ERNEST LUNDEEN,
Washington:

Buffalo is county seat of Wright County, which operates on a county system. County case load and expenditure for October 191, $3,465; November 234, $4,379; December 259, $5,309; January 285, $6,170. Estimate for first 3 months for 1939: January, 285; February, 300; March, 325. Employment will not show improvement until May. Tax delinquency increased 3 percent resulting from reduction in farm prices of 30 percent. Buffalo is unable to financially handle relief load without Federal aid. Raise farm prices, which will help unemployment and relieve situation.

J. J. CHAFER, *Mayor of Buffalo.*

BEMIDJI, MINN., *February 9, 1939.*

Senator ERNEST LUNDEEN:

In county and city there were 693 relief cases in October, 699 November, 813 December, 884 January. State and county expended approximately $55,000 over this period. In the city in October there were 479 on W. P. A., 415 in November, 447 in December, 376 in January. City expended over this period approximately $6,700. No reduction in sight. Unemployment and relief situation is bad. No funds only from taxation, with a rate now of 162 mills.

E. R. JAHR, *City Administrator.*

PELICAN RAPIDS, MINN., *February 9, 1939.*

ERNEST LUNDEEN,
United States Senator:

Five on direct relief October; amount, $55; 5 in November, $25; 6 in December, $26; 10 in January, $183. Have no record of State or county funds expended for relief. We expect considerable load to carry next 3 months. Our financial condition does not warrant carrying same. Unemployment not improving. Believe general situation warrants Government to continue sufficient funds.

FRED QUAMME, *Mayor.*

FRAZEE, MINN., *February 10, 1939.*

Hon. ERNEST LUNDEEN,
United States Senator:

Your wire February 9. Following information: October, 150 persons employed W. P. A., expenditures, $7,600; November, 157, $7,800; December, 142, $7,100; January, 135, $6,700. Months most needed steady decrease employment. Conditions apparently no better to induce private employment. No industries here. October, November, December, January, direct relief expended by village average $150. Regard relief situation here, numerous inquiries from various workers who were discharged under recent quota, and number of other individuals have made application for W. P. A. work.

L. W. MCKINNON.

FARIBAULT, MINN., *February 9, 1939.*

ERNEST LUNDEEN:

Rice County October cases 188, expenditures $3,392. November cases 233, expenditures $4,462. December cases 284, expenditures $5,237. January cases 344, expenditures $7,330. Estimated expenditures: February cases 370, estimated expenditures $8,500; March cases 350, estimated expenditures $7,500; April cases 300, estimated expenditures $6,500. State expenditures $4,319. Financial condition, county relief fund overdrawn approximately $42,000. Local funds: October expenditures, $384; November, $756; December, $586; January, $518. We are only able to get 50 percent of our case load on W. P. A. for lack of W. P. A. funds.

MAYOR, CITY OF FARIBAULT.

NORTHFIELD, MINN., *February 9, 1939.*

Hon. SENATOR ERNEST LUNDEEN,
Washington, D. C.:

The relief of Northfield is on a county basis and handled from Faribault. These records are not separate, but as a county in whole information has been sent you from Faribault today, which includes Northfield. Northfield expenses other than county, October, $129.62; November, $147.35; December, $184.54; January, $190.99. Financial condition not favorable. Poor fund overdrawn. Hospital project only improvement in view at present time.

JOHN LARSON, *City Recorder.*

ROSEAU, MINN., *February 9, 1939.*

Senator ERNEST LUNDEEN:

Number on W. P. A. relief October, 97; increased to 150 January. Amount expended for relief October to January, inclusive $33,600; by county and city, same period, $3,193. Sixty-nine men certified but not working; 296 registered with State employment not working. Financial condition of city and county poor. Unemployment situation acute. Any additional load would prove very unwelcome. Estimated amount to be expended by county next 3 months, $2,500.

J. O. JUVRUD, *Mayor.*

MAHNOMEN, MINN., *February 9, 1939.*

Hon. ERNEST LUNDEEN,
Washington, D. C.:

Persons on relief Mahnomen County, October, 426, expenditures $1,192.59; November 557, expenditures $1,808.03; December 744, expenditures $2,516.12; January 559, expenditures $2,754.93. Inadequate relief used total funds available for January. All city and county relief paid by State funds. Impossible for county to handle any part of relief load. W. P. A. lay-offs made situation impossible. Relief load increasing daily. Over 80 families on W. P. A. waiting assignment list. Urgent need for additional quota.

VAL A. FRANTA, *Mayor.*

STILLWATER, MINN., *February 9, 1939.*

ERNEST LUNDEEN,
United States Senator:

Direct relief handled on county basis and expenditures made by county rather than by villages and cities. Two hundred and twenty-seven cases were on direct relief in October; 227 in November; 287 in December; 301 in January. Total direct relief orders issued, October 4,150, November 5,780, December 6,340, January 7,630. State contributed approximately 15 percent; county not able handle additional load. Recommend Federal allocation for direct relief, perhaps, instead of Federal aid now given; such as surplus commodities.

WILLIAM ALVIN,
Mayor of Bayport.

DILWORTH, MINN., *February 11, 1939.*

ERNEST LUNDEEN,
Senator, Washington, D. C.:

October, 3 cases direct relief, 16 border-line cases receiving surplus commodities, expenditure, October $65; November, 4 cases direct relief, 14 border-line cases receiving surplus commodities, expenditures, $60; December, 4 cases direct relief, 16 border-line cases receiving surplus commodities, expenditures, $51.68; January 1939, 5 cases direct relief, 17 border-line cases receiving surplus commodities, expenditures, $100 February 1939. Our total amount under the 2-mill tax levy is $247 per year. It is necessary to transfer money from the general fund to handle the ever-increasing relief load. Increased allotment on W. P. A. quota would greatly help to reduce this local expenditure.

ROY LAMB, *Mayor.*

CROOKSTON, MINN., *February 10, 1939.*

Senator ERNEST LUNDEEN,
United States Senate:

Replying for Polk County as a whole re telegrams to mayors of East Grand Forks and Crookston, the following is case load and cost each month: October, 260, cost, $6,726; November, 353, cost, $9,086; December, 438, cost, $11,081; January, 461, cost, $12,368; 50 percent of case load is employable. Increased W. P. A. quota would reduce case load. Cost of direct relief, 90 percent county, 10 percent State.

DORA G. THOM,
Executive Secretary, Polk County Welfare Board.

BRAINERD, MINN., *February 9, 1939.*

ERNEST LUNDEEN,
Senator from Minnesota:

Brainerd in county on township system relief until January 1 had 174 cases period September 15 to October 15. Expended $3,150; October 15 to November 15, 179 cases; expended $3,040; November 15 to December 31, 247 cases; expended $7,550. No State aid received by city since last July. Information for January not available this office. Understand poor fund of county in bad shape; direct relief cases increasing due primarily to lay-offs on W. P. A.

H. W. CREGOR, *Mayor.*

HIBBING, MINN., *February 10, 1939.*

Hon. ERNEST LUNDEEN,
United States Senator:

Unable to obtain number on relief, as this is county-wide matter and contract for this information must be made to A. J. Erchul, Courthouse, Duluth, Minn., amount expended by village only as sponsors share local relief projects, October 2, $161.63; November, $1,095.10; December, $872.11; January, $1,491.09. Village also has P. W. A. paving, sewage-disposal plant, and water-line projects. Letter follows explaining these relief conditions not improved over 1938, and probably even more acute than last year.

W. W. BRANDT,
Village Recorder, Village of Hibbing.

MINNEAPOLIS, MINN., *February 8, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

Re tel village of Edina: October, 15 on direct relief; cost, $650; November, 21 on direct relief, cost, $750; December, 30 on direct relief, cost, $1,050; and January, 33 on direct relief, cost, $1,025, during which time no State aid received. Relief is highest in months of December, January, February, and March. Believe whole relief and unemployment situation could be helped if Federal Government would give local units more authority and discretion in relief moneys and projects.

BEN B. MOORE, *Village recorder, Village of Edina.*

STILLWATER, *Minn., February 9, 1939.*

ERNEST LUNDEEN,
United States Senator,
Washington, D. C.:

Our county has complete charge of distribution and expenditures through its welfare board. Numbers on relief, October, 227; November, 278; December, 287; January, 301. Slight increase over last year. Amounts expended: October, $4,154; November, $5,781; December, $6,339; January, $7,630. Recommend Federal allocation for direct relief. County not able to handle additional load when State contributes approximately 15 percent.

R. G. BRODEEN, *Mayor.*

WHEATON, MINN., *February 9, 1939.*

Senator ERNEST LUNDEEN:

Direct relief for Traverse County, October, $461; persons, 21. November, same. December, $606; persons, 33. January, $598; persons, 34. Farm direct relief, November, $246; persons, 14. December, $468; persons, 25. January, $530; persons, 33. Relief requirements for next 2 months would be small if employment could be obtained by idle people.

CARL SWEDBERG, *Mayor.*

PINE ISLAND, MINN., *February 10, 1939.*

Senator ERNEST LUNDEEN,
Senate Chamber, Washington, D. C.:

In answer your recent telegram, November, 35 persons; December, 49; January 4, 50. Number receiving aid in Goodhue County, October, 82; spent $15.42. November, 96; spent $14.14. December, 117; spent $19.83. January, 141; spent $23.92. Village financial condition O. K. Relief should make right about face; longer hours less pay; make it look disagreeable instead of attractive. Employ competent W. P. A. overseers and make them work instead of loaf. Cut social-security cost and repeal time and one-half waste provision wage and hour bill. Leave minimum at 25 cents for years to come.

Mayor IWEN, *of Pine Island.*

CANNON FALLS, MINN., *February 9, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

Forty on relief October; present same, no increase or decrease. Government pay roll approximately $2,200 per month, matched by about 22 percent by city. All on city-sponsored W. P. A. project expect need for 3 months about same. City now extending itself to cover sponsors' contribution. Unable to absorb relief direct. Could render detailed written report if desired.

W. L. EILER, *City Clerk.*

BUHL, MINN., *February 10, 1939.*

Hon. ERNEST LUNDEEN,
Washington, D. C.:

Relief situaton here very bad October; 21 on direct relief; increased 29 January. Unable find amount expended; 115 men W. P. A. Village spent, October $1,985, November $2,124, December $4,362, January $2,677. Casual labor indirect relief to unemployed miners as follows: 97 married men, $10 to $20 per month; 192 single men, $2 to $4 per month; in addition, 82 part-time employees, $50 per month. Unable to maintain these expenditures. If no help forthcoming, unable to state what will happen.

MAYOR, CITY OF BUHL.

PROCTOR, MINN., *February 11, 1939.*

Hon. Senator LUNDEEN,
The Senate, Washington, D. C.

DEAR SIR: In reply to your request for statistics on relief in Proctor, Minn., number on relief, October, 280; November, 280; December, 300; January, 320. Amount expended for relief by State from October to January, $1,590; city, from October to January, $6,630. Estimate additional cost for first 3 months in 1939, city, $8,000. On W. P. A. during October, 135 men; November, 131; December, 141; January, 140. The relief situation is increasing rapidly and the village of Proctor is bonded to the legal limit and cannot help on this additional load.

Yours truly,

M. J. KLOELOSKI,
President, Village of Proctor.

OWATONNA, MINN., *February 9, 1939.*

ERNEST LUNDEEN,
Washington, D. C.:

Referring your telegram of February 8, number cases on relief in Steele County for October, 59. County paid $1,376, State paid $84. For November, 76 cases, county paid $1,561, State paid $120. For December, 134 cases, county paid $4,468, State paid $120. January, 97 cases, county paid $2,304, State share $120. Increase in cases in December due to change in medical plan. Unemployed increasing. Total number registered unemployed as of February 3, 1939, was 452.

STEELE COUNTY WELFARE BOARD.

HUTCHINSON, MINN., *February 9, 1939.*

Hon. Senator ERNEST LUNDEEN,
Capitol Building, Washington, D. C.:

Fourteen direct relief clients October, 17 November, 16 December, 20 January. Ninety on Works Progress Administration, 25 applications for same. No help from State during these months. Expenditures by city for October $287.71, $504.30 November, $258 December, $360.88 January. Our needs will be greater during next 3 months than they have been. Our financial condition will not warrant a heavier load. In my opinion this is a serious situation and needs the Government's support.

GRANT W. DWINNELL, *Mayor.*

LE SUEUR, MINN., *February 10, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

October 1938, helped 7 families, $154. November 1938, helped 6 families, $91. December 1938, helped 9 families, $209. January 1939, helped 9 families, $201. First 3 months of this year will take $150 to $200 per month, possibly more. We don't feel we can stand much more. W. P. A. has about 15 Le Sueur men. If Government would make W. P. A. wages what farmers could afford to pay it might take some off W. P. A.

A. E. CADWELL,
Administrator, Relief for Le Sueur.

SAUK CENTRE, MINN., *February 10, 1939.*

Hon. ERNEST LUNDEEN,
United States Senate, Washington, D. C.:

October, $215.90; November, $232.55; December, $311.18; January, $332.41, of which city pays one-fourth and State and county balance. Also city paid additional $30, October; $165.33, November; $32.79, December; $51.61, January. Number on relief, 13–13–16–14; estimate first 3 months, $1,200, and budget practically exhausted. W. P. A. should not be cut. About 60 here on same, and if any cut, throws them on direct relief.

J. A. SCHOENHOFF, *City Clerk.*

ST. PETER, MINN., *February 11, 1939.*

Senator ERNEST LUNDEEN:

Number on direct relief: October, 27; November, 34; December, 44; January, 64. W. P. A. rolls: October, 114; November, 124; December, 128; January, 128. There are 21 cases that it is necessary to assign, but quota used amount expended for direct relief, October, $137; November, $275; December, $323; January, $444. Relief need will be heavier. Very essential to maintain Government help with most economy possible.

REUBEN R. SEIBERT, *Mayor.*

ST. CHARLES, MINN., *February 10, 1939.*

ERNEST LUNDEEN,
Washington, D. C.:

The city is now obligated to the amount of $38,698 as a result of W. P. A. and P. W. A. projects in order to curb increasing direct relief costs to the city; direct costs for medical have averaged $100 per month and $300 per month for food supplies in addition to an average of $800 per month of commodity surplus of the State, and covers an average of 110 persons per month. The financial condition of the city of St. Charles is such that they will be unable to care for a very large increase in direct relief.

E. W. PFEIL, *Mayor.*

MINNEAPOLIS, MINN., *February 9, 1939.*

Hon. ERNEST LUNDEEN,
The United States Senate:

Direct relief cases October 18, November 22, December 26, January 26, in amounts $365, $705, $1,046, and $787, respectively. In addition 40 are employed on W. P. A. projects. Relief needs for first 3 months 1939 will be approximately $2,600. This increase in relief cost is due principally because of W. P. A. lay-offs and because additional men certified cannot be placed on W. P. A. projects.

VILLAGE OF BROOKLYN CENTER,
W. C. PETER, *Recorder.*

BROWNS VALLEY, MINN., *February 10, 1939.*

ERNEST LUNDEEN:

October, 75; November, 73; December, 77; January, 74. No figures available for State. City given no relief. Impossible to do so. Most business done by our town depended on W. P. A. pay roll. Many local people need relief but impossible to get on W. P. A. since early request. Sincerely request that you fight for increased appropriation.

ROY MILLER, *Mayor.*

CALEDONIA, MINN., *February 10, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

On county system. Following excludes all dependent children and old-age assistance. Two thousand seven hundred, October, 82 increase; 2,000, November, 88 increase; 4,000, December, 105 increase; 3,200, January, 106 increase. Approximately half, supplemental W. P. A. relief. Two hundred and seventy-five on W. P. A. with 30 eligible awaiting assignment. Illness increases load. Work seasonal. Necessity continuation W. P. A. projects. State allotments, 4 months, $480. Remainder, county burden. County levy, current relief, $22,300.

F. A. GROEZINGER, *Mayor.*

MONTGOMERY, MINN., *February 9, 1939.*

Hon. ERNEST LUNDEEN,
United States Senator,
Washington, D. C.:

Have 47 relief men working on W. P. A. projects present date, 14 more applicants not working, 18 more for whom we provide local relief work. In my opinion we can carry no additional local load and hereby earnestly recommend extension to April 1 of present W. P. A. and relief program.

Dr. JOSEPH O. MCKEON, *Mayor.*

MADISON, MINN., *February 10, 1939.*

Senator ERNEST LUNDEEN:

Relief here county and State only. Number on relief October, 134; expended $3,029. November, 155; expended $3,492. December, 212; expended $4,698. January, 230; expended $5,738. State aid last fiscal year $3,000 only for county, rest of load borne by county. These figures exclusive of medical care which averages $2,000 per month. At present relief funds exhausted. Anticipated need, direct relief first 3 months 1939, exclusive of medical, $15,000.

WALTER N. LEE, *Mayor.*

DAWSON, MINN., *February 10, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

Twenty-four on relief, October, increased to 42 in November, December, and January. City expended $300 in October, about $150 for each month, November, December, January. Relief needs are greater for first 3 months 1939. Our city unable to expend any money for relief on account of financial load. Fair farm prices will relieve our unemployment.

O. THOMSON, *Mayor.*

BIWABIK, MINN., *February 10, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

Mesaba Iron Range, Duluth and Twin Cities unable to stand cut in relief, having 1,400 population. Biwabik has 40 cases direct relief, 109 W. P. A. workers, and 34 N. Y. A. workers, plus $1,000 per month for relief from this village. This is the Federal and village load for each of the last 4 months. We must have continued help. No industrial jobs are available. Must have same continued help for first 3 months of this year. No mines worked here last year. Not a pound of ore was shipped.

W. C. JONES, *Mayor.*

MINNEAPOLIS, MINN., *February 9, 1939.*

Senator LUNDEEN,
Senate Building, Washington, D. C.:

Relief for October, $435; November, $465; December, $490; January, $625; February, estimate, $735; March and April, $1,000 each. Relief appropriation will be exhausted in 6 months. Have funds now, but will run out in May. Have received no assistance from State since October, due to disorganization of Hennepin County Welfare Board.

PAUL A. SEEMAN,
Chairman, the Village of Golden Valley.

PAYNESVILLE, MINN., *February 10, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

The following on relief: October, 4 men, amount $137.50; November, 6 men, $164.50; December, 8 men, $240.80; January, 7 men, $180.70; February, 8 men, $149.40. Conditions same as last year. Our part in handling more not very good, account other expenses, also account delinquent taxes.

W. S. JOHNSON, *Mayor.*

WASECA, MINN., *February 9, 1939.*

ERNEST LUNDEEN,
Washington, D. C.:

On relief: October, 69; November, 89; December, 126; January, 155. No money expended by State, county, or city. Expended by Federal relief: October, $1,231; November, $1,500; December, $2,139; January, $3,925. Relief will increase 20 percent February and March. We have no county or city funds. Federal office unable to take care of any additional relief. Ask that you do everything possible to take care of this situation. Employment situation not improving.

H. W. KRITZER, *Mayor.*

EXCELSIOR, MINN., *February 9, 1939.*

Hon. ERNEST LUNDEEN,
United States Senator,
Washington, D. C.:

Replying to telegram direct relief very small. Seventy-six dollars October; $68 November; $94 December; and jump to $175 in January. Handle all direct relief ourselves. Receive no State or county aid. Expect relief needs for February and March to be same as January providing number of men on W. P. A. not reduced. Have quite a few men on W. P. A. project just beginning

and few men on P. W. A. project just being completed. These projects have been our salvation. Can handle relief needs at present, but due to high cost of running this village cannot handle much more.

ELMER E. BARDWELL, *Mayor.*

JACKSON, MINN., *February 9, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

Thirteen direct city relief October, $170; 18 November, $400; 13 December, $200; 22 January, $660, exclusive of 98 on W. P. A. relief. Need increased if W. P. A. is reduced city must assume load. No present outlook private employment. Continued reduction W. P. A. would place serious financial burden on city.

R. H. HUTCHINSON, *Mayor.*

ALBERT LEA, MINN., *February 9, 1939.*

Senator ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

Number of families on relief October, Albert Lea and Freeborn County, 224; November, 297; December, 406; January, 452; W. P. A. pay roll last year, $188,000. Additional amount contributed by city of Albert Lea and county of Freeborn $114,000. Estimated relief load first 3 months 1939 will exceed same period last year. State contributions last year only $8,000; city and county contributed $60,000 last year. We are practically unanimous in belief Government funds for relief should be allocated to State and county for administration.

Mayor E. L. HAYEK.

SPRINGFIELD, MINN., *February 9, 1939.*

Hon. ERNEST LUNDEEN,
Senator from Minnesota,
Washington, D. C.:

On relief: Month of October, 31; month of November, 32; December, 32;; January, 34. Expended by city as sponsor in October, $1,000; November, $700; December, $1,200; January, $800. This same number of men will need relief work for some time to come, but do not believe city will be able to produce projects and cash as sponsor of W. P. A.

AUG. NEIMANN,
Mayor, City of Springfield.

OSAKIS, MINN., *February 9, 1939.*

ERNEST LUNDEEN,
Washington, D. C.:

Eighty-six men, ten women on W. P. A.; twenty persons direct relief. Direct relief: October, $398; November, $337; December, $412; January, $512. Relief load is growing, and we have a number of men should be on W. P. A. Are reducing rolls and will not take them on. Cannot take on any more in village, as we have just finished on $35,000 bond issue to sponsor W. P. A. Do not see where we can get any more; next 4 months' relief will increase by one-half.

B. H. LAMPHEAR, *Recorder.*

WINNEBAGO, MINN., *February 10, 1939.*

Hon. ERNEST LUNDEEN,
United States Senator:

Referring to your telegram February 8. Number on relief in Winnebago October, 21 families; November, 32 families; December, 83 families; January, 89 families; average four or five each family. State expended, October, $502; November, $697; December, $1,533; January, $2,252. Village has spent only to distribute surplus commodities: October, none; November, December, and January about $75 each month. One hundred and fifty-nine families receiving surplus commodities. Relief load increasing first 3 months 1939. Financially, condition of village will not permit handling additional load. Unemployment increasing.

F. J. MCGUIGGAN, *Mayor.*

CAMBRIDGE, MINN., *February 10, 1939.*

ERNEST LUNDEEN:

Number on relief, October 1938, 121; November, 150; December, 145; January 1939, 142. Amounts spent on relief, October 1938, $1,506.42, county $305.90; State, November $2,393.12, county $305.90; State, December $2,015.49, county $305.90; State, January 1939, $2,231.22, county $305.90. State will be sharp increase first 3 months in 1939. Need more State and Federal funds.

A. E. BERGLUND, *Mayor.*

ST. PAUL, MINN., *February 10, 1939.*

Hon. ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

Re your telegram February 10: Relief statistics for Redwood Falls, data for city is not readily available, but data for Redwood County is as follows: (W. P. A. employment as of middle of each month) October, 205; November, 209; December, 211; January, 203; total W. P. A. expenditures, Redwood County, 3 months' period, October through December, $33,791; total sponsors' expenditures, $6,865. In addition to above following number of persons were being carried direct relief either because not employable or employable cases unable to be absorbed by W. P. A. due to limitation of funds, October, 87; November, 112; December, 124; January, 189. Expenditures by State and County for direct relief purposes, October, $2,030.50; November, $2,287.52; December, $2,602.87; January, unavailable. Funds available this administration do not at this time permit assignment of any additional persons excepting those returning from private employment. We have total of 12,755 persons awaiting assignment to work program, but who cannot for above reason be put to work. There is a large number of persons in need and eligible for certification under regulations, but who are not being certified because W. P. A. is unable to put additional men to work. Unemployment conditions have not improved in Minnesota during last several months.

LINUS C. GLOTZBACH.

AURORA, MINN., *February 10, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

Combined report for village of Aurora and township which is classified by relief agency under one distriet. January, 318 relief clients; figures for October, November, and December not available, but the load was somewhat smaller. Number on W. P. A. October 275, November 275, December 252, January 254; these are in addition to above 318 direct-relief clients; amount expended for relief by State and city, October, $7,069.18; November, $3,099.17; December, $2,724.66; January, 2,740.89; our village is located in mining area and have had no mining activity since 1927; no other private employment available within our village; W. P. A. and relief an absolute necessity for the first 3 months of 1939 and from present indications for the next few years; cannot stand any greater load as to sponsors' contribution. Have been granted by the State in 1938, $17,000 to our village and used as sponsors' contribution.

C. F. CHELLEW,
Village President.

HOPKINS, MINN., *February 9, 1939.*

United States Senator LUNDEEN,
Washington, D. C.

DEAR SENATOR: Enclosed find the requested information concerning the relief costs for the village of Hopkins.

October, 13 cases; $182.84; 16 percent State aid.
November, 19 cases; $361.95; 14 percent State aid.
December, 31 cases; $709.46; 12 percent State aid.
January 85 cases; $1,434.58; 10 percent State aid.

You can see the increase is going to be unbearable if this situation continues. We have asked that we be consulted on the various cases that were to be discharged from W. P. A. but have been absolutely ignored. We know more about these cases than they do in St. Paul or Washington, and know which should be kept on and which could stand to be discharged with the least effect.

To date business is not absorbing employment the way it should, and this load of relief is getting to a point where we do not know how we are going to pay for it. With all the W. P. A. lay-offs that are being put back on the village of Hopkins, I certainly feel that something should be done to take the pressure off, and keep these men and women working at least for another 3 months, at which time business will possibly absorb some of this load.

Thanking you for the interest shown, and that this wholesale firing off of W. P. A. be stopped, and with kindest regards, I am

Sincerely yours,

E. V. MANCHESTER,
Mayor of Hopkins.

BOVEY, MINN., *February 11, 1939.*

Senator LUNDEEN,
Washington, D. C.:

Men asking relief from village of Bovey, October, 39; January, 74; working on W. P. A. project, 38. Unemployment is increasing. Village financially unable to take care of relief except as sponsored contribution for W. P. A. project. Cut in relief will be disastrous. Cause suffering and actual starvation.

NELS WANGENSTEIN, *Mayor.*

GRACEVILLE, MINN., *February 13, 1939.*

ERNEST LUNDEEN,
United States Senator:

Re telegram, 40 men and 18 women on relief here. Village has no funds. Only relief available is furnished by State and Government.

ARTHUR SCOFIELD, *Mayor.*

MILACA, MINN., *February 15, 1939.*

ERNEST LUNDEEN,
United States Senator:

Amount spent for relief from State and county funds in Mille Lacs County as follows: October, $2,561.11; November, $3,453.07; December, $5,073.95; January, $4,590.86. Estimate for February, $5,000; March, $6,000. Both unemployment and relief rolls are increasing and there are no prospects of private employment absorbing either.

WILLIAM H. CROWE,
Executive Secretary for Mayors of Princeton and Milaca.

ST. PAUL, MINN., *February 10, 1939.*

Hon. ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

Re wire this date, W. P. A. employment February 1, 63,067, a reduction of 8.18 percent from employment figure of 68,716 on November

23, 1938. No forced reductions made for the present except those persons unwilling or unable to do a reasonable day's work and those persons eligible for other categorical aids, such as old-age assistance, aid to dependent children, farm security, and similar agencies. W. P. A. quota allowed for February, 63,000. Total awaiting assignment certified as eligible to W. P. A. employment as of February 1, 12,755. We believe this figure would be increased considerably if we were making new assignments. We suggest that any further comment on relief situation be asked of State relief agency.

LINUS C. GLOTZBACH, *State Administrator.*

MOORHEAD, MINN., *February 11, 1939.*

HON. ERNEST LUNDEEN,
Capitol:

October 1938, $422.42, 47 persons; November, $502.99, 60 persons; December, $629.73, 75 persons; January, 1939, $744.18, 101 persons.

Clay County receives from State of Minnesota, $1,200 per year for direct relief. Clay County is on township system and reimburses each subdivision 75 percent on what they spend over one million. Owing to curtailment of W. P. A. our relief has increased very materially. We will have to receive some financial assistance to reeducate the public to be self-supporting rather than charges of branches of our Government.

E. W. HUMPHREY, M. D., *Mayor.*

GLENWOOD, MINN., *February 11, 1939.*

HON. ERNEST LUNDEEN,
United States Senate Chambers, Washington, D. C.:

Re tel., the city of Glenwood is located in Pope County, which is now under the county system of poor relief. The welfare board administered direct relief as follows: October, 129 cases; expenditure, county, $2,639.07; State, $362.90; November, 113; county, $1,612.51; State, $362.90; December, 155; county, $2,875.29; State, $362.90; January, 160; county, $2,764.68; State, $362.90. The estimate for first 3 months 1939 is $10,500. It is my opinion that the relief administered here is inadequate. Many persons in the county are unemployed. Greetings, Ernie.

A. O. CORNIE WOLLAN, *Mayor.*

BELLE PLAINE, MINN., *February 13, 1939.*

Senator ERNEST LUNDEEN:

Number on W. P. A., month of October, 14. Four additional added the following 3 months. Fourteen others applied but were refused. City expended about $3,500 for 4 months, including January. State around $3,000 and county about $4,000. City here unable financially to handle additional load without Federal aid. This aid absolutely necessary until at least June 1.

J. J. RENDLE, *Mayor.*

CASS LAKE, MINN., *February 14, 1939.*

Senator ERNEST LUNDEEN:

Answering telegram 8th, relief families, October, 50; November, 60; December, 70; January, 75; cost to State relief agency, $800, $1,100, $1,300; $1,400, respectively. Slight increase anticipated February and March when mill shuts down. Approximate number of men W. P. A. present 65, reduced 10 since December account quota reduction. Village finances unable to handle additional load. Total village relief expense above months about $500.

F. J. GANGLEHOFF,
Acting Mayor.

WATERVILLE, MINN., *February 14, 1939.*

Senator ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

Number of families on relief, October, 1; November, 3; December, 16; January, 23. Family average, 4 persons. Local expenditures, October $20; November $25; December $200; estimate for January, February, and March $3,000. No money available to meet these items, and have overdrafts from previous year. No employment since January 1, for those on relief.

T. J. SUCHOMEL, *Mayor.*

CLOQUET, MINN., *February 14, 1939.*

Hon. ERNEST LUNDEEN,
Senator, Washington, D. C.:

November, 261; December, 242; January, 242; expenditures in order, $2,382, $3,014, $3,039; $3,077 estimate January; $4,500 February; $5,000 March. Carlton County reports they handle all relief. W. P. A. funds short. Condition very poor.

GEORGE W. DEPOT, *Mayor.*

COLERAINE, MINN., *February 11, 1939.*

Senator ERNEST LUNDEEN:

October, 15 men, $270; November, 20 men, $360; December, 26 men, $468; January, 26 men, $980.50. Forty to 45 men needing work the next 3 months, which cannot handle because limited funds. Have applied for P. W. A. project to take care of same, but have had no word since filed in Washington. Only four families on direct relief receiving about $16 each per month. No information available as to those receiving social security, but understand these are about through drawing. Financial condition poor and will get worse next 3 months. Now paying interest on warrants. Would appreciate information regarding our P. W. A. project application.

J. E. MCCARTHY,
Village President.

RENVILLE, MINN., *February 11, 1939.*

Senator ERNEST LUNDEEN:

Answering your wire, number on direct relief, Renville County, October 188, November 236, December 245, January 278. Cost October $4,132, November $6,246, December $6,510, January $7,198. Estimated cost February and March, $14,000. No State funds available until July. These amounts are in addition to W. P. A. county bonded debt, $1,700,000. Per capita debts of $100. This makes increased cost prohibitive. Relief conditions worst ever experienced due to lack of farm employment. Owing to rural characteristics of this county, employment situation cannot change until farm income increases.

MAYOR A. T. THORNSON.

ST. PETER, MINN., *February 14, 1939.*

ERNEST LUNDEEN,
United States Senate:

Pursuant your request we submit following relief data: 27 direct-relief cases October, disbursement, $84 State funds, $53.20 county funds; 34 cases November, $120 State funds, $155.51 county; 44 relief cases December, $120 State, $203.25 county; 64 relief cases January, $120 State, $324.40 county. Relief needs will be greater next 3 months of this year than anytime during previous year.

HOWARD W. PAULSON,
Nicollet County Welfare Board.

WARROAD, MINN., *February 14, 1939.*

ERNEST LUNDEEN:

Village relief, month October, $300; November, $169; December, $181; January, $292; averages 15 cases per month for same months; 22 men working on municipal hospital at $44 per month which would otherwise be relief cases. Expect relief increase of 33 percent over past 3 months.

BURT INMAN.

TWO HARBORS, MINN., *February 15, 1939.*

Senator ERNEST LUNDEEN:

Your wire mayor Two Harbors referred to our county. October, direct relief 69 cases, $1,406; November, 74, $1,483; December, 93, $1,781; January, 118, $2,147; State contributing 38.2 percent, county balance. Estimate February, 120 and $2,300; March, 125 and $2,400. Nineteen thirty-eight county welfare tax rate 22.40 mills—direct relief 8.99 mills—both exorbitant. Nineteen thirty-eight relief expenditures exceed income $26,218. Welfare-fund overdraft December 31, $48,587; direct relief, $5,427. No immediate relief decrease seen. There is little private employment; no road, timber, or construction work; fishing at standstill. W. P. A. reduction will cause hardship.

ARTHUR O. LORNTSON,
Chairman, Lake County Board of Commissioners and Lake County Welfare Board.

THE CITY OF WEST ST. PAUL,
February 14, 1939.

Mr. ERNEST LUNDEEN,
United States Senate, Washington, D. C.

DEAR SIR: In answer to your telegram herewith following information as requested:

Approximately 100 on relief month of October; November, December, and January, no increases. Amounts expended for relief by city for October $1,900, November $1,500, December $2,200, January $560. Relief needs on the increase the first 3 months of 1939. The city's financial condition is such that it will be unable to handle additional load. Unemployment is on the increase owing to the fact that many are being laid off from their work in private industries. Weather conditions here do not permit outside work at this time of the year, so relief is on the increase.

Yours sincerely,

THOMAS A. THRIFT, *City Clerk.*

AITKIN COUNTY WELFARE BOARD,
Aitkin, Minn., February 16, 1939.

Hon. Senator ERNEST LUNDEEN,
Washington, D. C.

DEAR SENATOR: Your telegram of February 8, 1939, sent to the mayor of Aitkin has been referred to this office, as all relief in Aitkin County is handled on the county system of poor relief. This system handles old-age assistance, aid to dependent children, direct relief, aid to the blind, W. P. A. certifications, as well as subsidiary phases of the relief program.

It has been necessary for Aitkin County to secure State aid for all welfare programs. The State of Minnesota at this time is financing direct relief 100 percent and are supplementing both aid to dependent children and old-age-assistance loads under provisions set up for distressed county aid in this State.

Aitkin County has the largest tax delinquency in the State of Minnesota. The last 6 years the delinquency in Aitkin County is as follows:

	Percent
1933	58
1934	61
1935	70
1936	66
1937	68
1938	66

Warrants registered and outstanding amounting to an amount in excess of $70,000 are shown on the county auditor's trial balance as of January 1, 1939. Bonded indebtedness also is shown to amount to $865,000.

The total relief load, including relief, old-age assistance, aid to dependent children, C. C. C., W. P. A., etc., carries 7,662 people out of 15,009 population in the county as of January 1939. This load was 10,543 in February 1935. The cause of this load is chargeable mainly to a stagnant population who originally moved to Aitkin County for the purpose of timbering, mill work, etc.

It has been estimated that Aitkin County will need for its share in the next biennium for all relief purposes, $252,000. Aitkin County, as well as many other distressed northern Minnesota counties, will be forced to look either to the Federal or State Government to carry the majority of its load.

The relief load in the village of Aitkin, as well as in the entire county, has remained practically constant for the past 18 months. Some months the general load increases, and other months decreases. The load for the month of January 1939 is as follows:

Direct relief, 298 cases, $5,009.93; surplus commodities (all programs) (retail value), $8,009.09; flood relief, 22 cases, $418.16; farm relief, 67 cases, $920.47; old-age assistance, 825 recipients (average case, $18.13), $14,961.43; aid to dependent children, 30 cases (82 children), $873; administration, 12 employees, $1,532.80; W. P. A., 592 cases.

Aitkin County is considered distressed county No. 1 in the State of Minnesota. There are no mines or industries of any kind in this county. Out of the 3,300 so-called farmers in the county, actually 250 of these can be classified as operating farmers—those who receive the major portion of their income from farm operations. Relief standards (budgets) in Aitkin County are extremely low. This is due to the fact that with only about $8,000 in local funds available for poor purposes the bulk of the load rests with the State.

Northern Minnesota is in hopes that the Federal Government will take over the cut-over timber areas in this section on a reforestation program, which would give employment to the stagnant population in our 14 cut-over northeastern counties. I am at the present time a member of the Great Lakes committee on employment, relief, and rehabilitation.

Any information requested by you will be gladly forwarded.

With kindest personal regards.

Very truly yours,

JAMES E. CALL.
Executive Secretary, County Welfare Board.

ST. LOUIS PARK, MINN., *February 10, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.

DEAR SIR: In response to your telegram of February 8, 1939, we are glad to supply you with the following data relative to the relief situation in St. Louis Park.

In the month of October 1938 there were 285 persons on relief, and the total expenditure was $998.98. The case load remained the same in the month of November, at a cost of $1,755.02. The December load was 315 persons, and total expenses of $2,314.40, and January 1939 showed 334 persons aided, and total cost of $2,454.47.

It is difficult to anticipate just what the relief cost will be for the months of February, March, and April, due to the fact that we are uncertain as to the status of our local W. P. A. project. We have 70 workers employed on this project, and if, as we believe, considerable reductions will be made in the personnel, of course, a considerable additional load will be added to the already heavy burden which the village is carrying.

We are hoping for the usual seasonal reduction in relief costs during the summer months, but if drastic cuts are made in the number of workers employed on our project, we are sure that this will offset any savings made in seasonal reemployment of workers by private industry.

With this in mind we would estimate the expenditures for the months of February, March, and April 1939 at $2,400, $2,200, and $1,800, respectively, or a total of $6,400 for the 3 months. I know that you will agree that this is a very heavy load for a municipality of this size to carry, and it is just a question as to how long the village will be able to cope with this situation.

Trusting that this will give you the desired information, and thanking you for this inquiry, we are,

VILLAGE OF ST. LOUIS PARK,
By E. W. NELSON, *Mayor.*

FEBURARY 10, 1939.

Mr. ERNEST LUNDEEN,
Washington D. C.

DEAR MR. LUNDEEN: In reply to your telegram of February 9, the welfare of Hastings is handled through the county set-up, with no funds expended by city. In October there was $5,260 expended for 250 people on direct relief; in November there was $7,045 expended for 302 people on direct relief; in December there was $7,818 expended for 339 people on direct relief; in January 1939 there was $10,507.90 for people on direct relief.

The men on W. P. A. for those months were as follows: October, 550; November, 550; December, 500; and January, 500.

If the W. P. A. is not reduced I believe the direct relief will remain about the same for February and March.

The relief is paid by direct taxation, which is making a heavy burden on the county taxpayers.

There are about 100 men in the city of Hastings that are not on W. P. A. or direct relief that unless given jobs soon will have to be put on direct relief.

I feel that the President is correct in asking for the allotment of W. P. A. funds, as this is the best way of handling the unemployed and I see no work in the future for these men unless times change a lot.

There is a small amount paid by the State for relief which is not included in the county figures.

Very truly yours,

L. D. PECK, *Mayor of Hastings.*

MINNEAPOLIS, MINN., *April 6, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.

HONORABLE SIR: It is most imperative that you do all within your power to put through a deficiency W. P. A. appropriation of $150,000,000 immediately to forestall a most critical financial situation in the city of Columbia Heights. Today a large W. P. A. project of men was shut down in Columbia Heights and this city cannot stand the additional relief burden caused by such actions. We demand that this unfair discriminatory action be immediately rescinded by W. P. A.

CITY COUNCIL OF COLUMBIA HEIGHTS, MINN.

MINNEAPOLIS, MINN., *April 6, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

Great discrimination was shown against Columbia Heights when entire quota of W. P. A. lay-off in this district was made by shutting down local project affecting 62 work-relief clients in this city. We urge your attention to remedying this situation; we also urge your support of and immediate action of $150,000,000 appropriation to continue work-relief program. Columbia Heights businessmen, represented by 72 members of this organization, will be greatly affected by any discontinuance of W. P. A. as community must rely upon ability of workers to pay for necessities of life. We believe this problem to be national in scope and implore your cooperation to affect its solution.

COLUMBIA HEIGHTS COMMERCIAL CLUB,
AL NAEGLE, *President.*
LOUIE BROUILLARD, *Secretary.*

MINNEAPOLIS, MINN., *April 6, 1939.*

Senator ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

Minneapolis Board of Public Welfare at meeting attended by 500 W. P. A. and N. Y. A. workers, and other citizens, who voiced strenuous protests against lay-offs. Adopted motion to implore Senators from Minnesota to exert every effort to restore $150,000,000 appropriation for W. P. A. or needy citizens will be helpless to care for themselves during next 90 days.

A. C. BOLSTAD, *Secretary.*

CUSHING, MINN., *April 6, 1939.*

Senator LUNDEEN,
Washington, D. C.:

Cushing town board this day, in meeting assembled, resolved: Whereas having laid off all men working on W. P. A., our township, regardless of their needs, thereby creating a situation this township unable to cope with, we hereby request that you use your influence to continue the W. P. A. on basis whereby these men will be reemployed immediately.

CARL P. ANDERSON, *Clerk.*
J. O. JOHNSON, *Chairman.*

MOTLEY, MINN., *April 1, 1939.*

Senator CLAUDE PEPPER:

We, the Village Council of Motley, are unable to bear the relief burden if appropriation is cut.

STANLEY STEWART, *Mayor.*

PLAINVIEW, MINN., *March 31, 1939.*

DEAR SENATOR: Just a reminder.

Unhoardable money and enough for economic equilibrium to buy all we can produce and to produce all we want to buy. Idle money means idle men. Keep on fighting for this and save our America.

Your fellow citizen,

J. H. LEY.

Requesting your vote for the Workers Alliance appropriation for $275,000,000.

PEARL ALYES, *Moorhead, Minn.*

MINNEAPOLIS, MINN., *April 6, 1939.*

United States Senator LUNDEEN,
Washington, D. C.:

Do your part today for full $150,000,000.

Our membership pressing for drastic action if another member is laid off Works Progress Administration, meaning half million dollars added monthly local load instead of what Pearson wired.

Workers here will embrace occasion for renewed militancy.

FEDERAL WORKERS' SECTION, LOCAL 544,
By CARL S. KUEHN, *Recording Secretary.*

MINNEAPOLIS, MINN., *March 31, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.

DEAR SENATOR: I have taken time to write an article which contains a few suggestions, and I hope you will take time to read it. I note your comment in the press, if the people knew what was told to you Senators by the President, the hair would stand up on our heads. I want to say to you, Mr. Senator, what is going to take place, if the Congress of the United States of America does not do something, and that in this session, will not be as sad to we poor devils as it will be to some of you Senators. You are going to wake up one of these mornings and find that Senators and Congressmen are not needed in the picture, that is what's going to happen. If you gentlemen cannot find a way to give employment to the people of this land, some one will and that some one will not need your assistance.

The whole trouble, you lawmakers are afraid to make a good job out of anything, it's a little slice here and there—all summed up amounts to nothing. This world has been run by parasites and racketeers but that hour has passed. You see what has taken place in Germany and Italy, it's taking place here and at a rapid gait. If you love democracy, save it; otherwise it's going to be something else. No government can survive with an inefficient banking system; nuf said. You gentlemen can save the system if you will remodel it; if not, and I do not mean half way, it's finis.

Yours truly,

GEO. G. BESON.

MINNEAPOLIS, MINN., *January 22, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

Vote and work against W. P. A. slash. It is inhuman to lay our people off in the midst of winter. All of us want to work all year around. There are no jobs in industry. This telegram adopted at central committee meeting of Hennepin County Workers' Alliance.

CLYDE BLAZIER, *Chairman.*

MINNEAPOLIS, MINN., *January 16, 1939.*

Senator ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

We urge you to support President's recommendation for $875,000,000 for W. P. A. Vote against rider eliminating more than 25-percent differential between North and South.

MINNEAPOLIS FEDERATION OF ADULT EDUCATION TEACHERS.

ST. PAUL, MINN., *January 12, 1939.*

Senator LUNDEEN:

We, the Minnesota Symphonic Band, do hereby emphatically oppose any curtailment of funds or cut in manpower on the W. P. A. and do fully recommend Congress to support President Roosevelt in his mandatory request.

Sincerely,

F. DORAN, *President,*
DAVE RACER, *Secretary,*
O. B. SHERMAN, *Steward.*

BEMIDJI, MINN., *January 12, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

The members of this local will appreciate your voting against the reduction of the W. P. A. appropriation. We have many members of the Federation whose sole income is derived from project work, which is considered by us to be beneficial to the public, as well as means of employment to members. Therefore we ask and advise you to vote against the proposed reduction of funds.

AMERICAN FEDERATION OF MUSICIANS, LOCAL NO. 481.

VIRGINIA, MINN., *January 21, 1939.*

SENATOR LUNDEEN,
Washington, D. C.:

Joint conference of W. P. A. workers, A. F. of L., C. I. O., and farmers vigorously protest any appropriation under billion for W. P. A.

CONFERENCE ON UNEMPLOYMENT.

DULUTH, MINN., *January 17, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

Because of seasonal employment in this locality it is imperative that W. P. A. be continued in full strength. Please use every means to carry on this present program.

VILLAGE COUNCIL, VILLAGE OF PROCTORKNOTT, MINN.

VIRGINIA, MINN., *January 19, 1939.*

Senator ERNEST LUNDEEN:

Urge you do utmost to prevent reduction W. P. A. appropriations.

AMERICAN-FINNISH CIVIC ASSOCIATION,
HERMAN KORTESOJA, *President.*

AKRON, OHIO, *January 19, 1939.*

Senator ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

On behalf of members of United Rubber Workers of America in your State urge you vote for President Roosevelt's appropriation for Works Progress Administration. Many of our people still unemployed; depend upon Works Progress Administration for livelihood. They are faced with destitution if Works Progress Administration reduced. Appreciate reply.

S. H. DALRYMPLE,
President, United Rubber Workers of America, Akron, Ohio.

ST. PAUL, MINN., *January 19, 1939.*

Senator LUNDEEN of Minnesota,
Washington, D. C.:

As our representative we ask you to vote for the $150,000,000 to continue the Works Progress Administration with a desperately needed increase in wages. It is wrong and un-American to let millions of citizens die of hunger.

WORKERS ALLIANCE OF AMERICA, EAST ST. PAUL LOCAL 174,
JOHN KRYZAK, *Secretary-Treasurer.*

MINNEAPOLIS, MINN., *January 18, 1939.*

ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

Due to the continued increase of unemployed in the Twin Cities as well as throughout the State. Our group earnestly solicits your full cooperation in supporting the full relief appropriation bill asked by President Roosevelt. Local 78, U. F. W. A., comprising approximately 300 supervisor employees.

ARNOLD TETNER,
Chairman, Local 78, U. F. W. A.

DULUTH, MINN., *January 19, 1939.*

Hon. ERNEST LUNDEEN,
Senator, Washington, D. C.:

Urge your support President's requested 875 million for W. P. A.

NATIONAL MARITIME UNION.

HIBBING, MINN., *January 20, 1939.*

Senator ERNEST LUNDEEN:

The Hibbing Central Labor Union are opposed to any reduction in the W. P. A. appropriation.

L. C. STAPLETON,
Secretary, Hibbing Central Labor Union.

DULUTH, MINN., *January 24, 1939.*

Hon. Mr. LUNDEEN,
United States Senate, Washington, D. C.:

Minnesota teachers urge you to use your influence to prevent cuts in salaries or personnel on Minnesota adult-education program.

CHRISTINE RUD,
Secretary Treasurer, Minnesota Federation of Teachers.

VIRGINIA, MINN., *January 25, 1939.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

The Virginia Central Labor Union requests you use every effort to raise the W. P. A. appropriation to $1,000,000,000, so wage cuts will be unnecessary in the next fiscal year.

Virginia Central Labor Union.

WINONA, MINN., *January 14, 1939.*

Hon. ERNEST LUNDEEN,
Senator, Washington, D. C.:

We, undersigned officers of American Federation of Musicians, Local No. 453, advise you to vote against the reduction of the W. P. A. appropriation.

Any reduction will affect all musical projects and musicians. Musicians are worse off than other workers, for there is no chance for them to become absorbed in other industries, as those in which they have been employed have mostly been mechanized. Therefore, musicians who have relief denied them in future will face an absolutely hopeless economic condition.

AMERICAN FEDERATION OF MUSICIANS, LOCAL 453,
KARL KALSOW, *President.*
MAX LEWIS, *Secretary.*

ROSEAU, MINN., *April 1, 1939.*

Hon. ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

We feel curtailment of relief work would be tragedy. Favor relief appropriation full amount asked by President. Urge you support passage uncurtailed relief bill.

ROSEAU WORKERS ALLIANCE, LOCAL 91341.

MINNEAPOLIS, MINN., *April 6, 1939.*

Senator ERNEST LUNDEEN:

I have been informed today that W. P. A. will lay off 750 persons by April 8, in Minneapolis. Every one of those laid off W. P. A. will return to the relief rolls, and will become a burden on the city of Minneapolis. I respectfully urge upon you the need for stopping these lay-offs, and to take any possible action to restore adequate W. P. A. quotas to Minneapolis.

O. A. PEASON,
Superintendent, Division of Public Relief.

ST. PAUL, MINN., *April 6, 1939.*

Senator ERNEST LUNDEEN:

Minnesota Workers Alliance protests lay-off of nearly 6,000 W. P. A. workers in our State. We urge you work, speak, and vote for at least $150,000,000 deficiency appropriation, and that private industry provide jobs for workers before they are separated from Federal works program.

CHESTER WATSON,
President, Minnesota Workers' Alliance.

WASHINGTON, D. C., *April 6, 1939.*

Senator ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

Proposal to reduce President's recommendation to W. P. A. to $100,000,000 must cause tragic increases in suffering to American unemployed. This question is far above partisan politics or factional deals. Entire amount requested by President will at best be inadequate. Labor's Nonpartisan League urges that you support movement to authorize $150,000,000 appropriation.

ELI L. OLIVER,
Executive Vice President,
Labor's Nonpartisan League.

DULUTH, MINN., *January 11, 1939.*

HONORABLE SIR: I think it is imperative that the relief appropriation be held at a level high enough to continue relief administration at its present status. The $875,000,000 advocated by President Roosevelt is not too high. The proposed quota cuts on W. P. A., should they materialize, will serve to undo a great deal of good that has already been done.

I have talked with many people in several walks of life during the past week or two and most of them are wholeheartedly in favor of continuing W. P. A. work, while not a few thought the program should even be extended. Of course, there are those who are fundamentally opposed to any kind of relief program, but I think they are in a selfish minority.

I have seen hungry men; I've seen them fight for jobs that paid hardly enough to keep them alive, but there comes a time when a hungry belly gives a man backbone. Anyone will agree that a little healthy morale is far more desirable than brooding discontent. And if anyone is curious about dissatisfaction he has but to visit a few of the homes I have been in where the head of the family, unemployed, can't get on W. P. A., but must take "direct" relief. It will knock the stuffings out of almost anyone.

That is why I think the appropriation should be held at our President's figure. Government relief workers, besides being helped physically and morally themselves, have done a great deal of good in public work. Let us continue to progress.

Respectfully yours,

CLAYTON A. VIDEEN.

NEW YORK, *January 10, 1939.*

DEAR SENATOR: The membership of this local are considerably alarmed by the recent action of the House of Representatives in drastically reducing the President's proposal for the Works Progress Administration deficiency appropriation. Not only do our members recognize that this action, if concurred in by the Senate, will condemn millions of deserving citizens to a bleak, misery-laden future, but will constitute a direct assault against the living standards of every wage earner in the Nation.

This organization feels that even the President's proposals were too low for the Nation's needs and that the action of the House was dictated by partisan political motives completely alien to the interests of the people. Moreover, we feel that this is, indeed, playing politics with human misery.

We therefore respectfully urge you to reject the action of the House and to increase this appropriation to a figure more in keeping with the urgency of the situation. We believe that an appropriation of at least $1,000,000,000 is the very minimum which should be set aside for this purpose.

By this action we believe the Senate will be doing a genuine service to the country's inhabitants and at the same time help to secure that prosperity which we all so keenly desire.

Very truly yours,

AMERICAN COMMUNICATIONS ASSOCIATION, LOCAL NO. 10,
H. V. TRAUTMAN, *Secretary.*

ALBERT LEA, MINN., *January 16, 1939.*

Hon. ERNEST LUNDEEN,
United States Senator, Washington, D. C.

DEAR MR. LUNDEEN: I feel it highly important that the original figure for relief as set forth by President Roosevelt be passed, and I ask that you do all in your power to this end. There are more unemployed in this city now than since 1933. Why shall our people suffer and at the same time our Government spend billions for war?

Thanking you and wishing you success.

Sincerely yours,

EMMANUEL JEPSON,
C. E. DUNCAN CO.

AMALGAMATED ASSOCIATION OF IRON, STEEL AND TIN WORKERS OF NORTH AMERICA, LODGE NO. 1664,
Ely, Minn., January 17, 1939.

Mr. ERNEST LUNDEEN,
United States Senator,
Washington, D. C.

DEAR SENATOR: At a recent regular monthly meeting, this organization went on record to fight and protest against any cuts in Works Progress Administration or other relief projects.

We sincerely urge that in your official capacity you will endeavor to get more W. P. A. and relief work appropriations for the State of Minnesota.

Respectfully yours,

J. EMIL MAKI, *Secretary.*

Whereas the announcement that the W. P. A. will close all its projects beginning with January 26 reveals the seriousness of the emergency which is now facing the unemployed of America; and

Whereas in the face of this emergency this Joint Conference of A. F. of L. and C. I. O. unions, meeting this 6th day of January 1939, at Virginia, Minn., asks that the Congress immediately appropriate not less than $1,000,000,000 for the continuation of W. P. A. up to June 30, 1939. We are convinced that this is the most immediate duty which faces the Congress. Unless action is taken within the first weeks of January, 3,200,000 American workers and at least 10,000,000 human beings who are dependent upon them will face disaster: Therefore be it

Resolved, That Congress, knowing the facts, should face this emergency in an American way, and should appropriate the funds necessary to carry on the activities of W. P. A.; be it further

Resolved, That a copy of this resolution be sent to Congressman WILLIAM PITTENGER and United States Senators HENRIK SHIPSTEAD and ERNEST LUNDEEN.

SOCIAL SERVICE EMPLOYEES' UNION,
New York, N. Y., January 14, 1939.

The Honorable E. LUNDEEN,
Senate Chambers, Washington, D. C.

DEAR SIR: We regard the relief appropriation, reduced by the House of Representatives, as a real menace to the welfare of our country and its citizens.

We see the conditions of the unemployed at first hand and we can vouch for the deprivations that have occurred to millions, even under last year's appropriations.

We urge you to think of the President's proposal of $875,000,000 for W. P. A. in terms of human beings and to adopt the administration's minimum appropriation.

Very sincerely yours,

WILLIAM PIEHL, *Organizer.*

MOUNTAIN IRON, MINN., *January 13, 1939.*

Hon. Senator ERNEST LUNDEEN,
Washington, D. C.:

DEAR SIR: Labor conditions on the iron range demand continuance of W. P. A.

We pray you will use your utmost efforts in endeavoring to pass an extra appropriation to take care of this need.

Yours truly,

THE VILLAGE COUNCIL OF MOUNTAIN IRON, MINN.,
ANTON CERKVENIH, *Village Clerk.*

UNITED RUBBER WORKERS OF AMERICA,
Red Wing, Minn., January 26, 1939.

Hon. Senator LUNDEEN,
Washington, D. C.

DEAR SIR: Feeling that any cut in the $875,000,000 appropriation asked by President Roosevelt to continue Works Progress Administration would mean starvation to many unemployed fellow citizens and a halt to business revival, the United Rubber Workers of America, Local 31, went on record at their last meeting to ask your support in the passage of the entire appropriation of $875,000 000.

Respectfully yours,

HOWARD RAPP,
Recording Secretary.

FEDERATION OF ARCHITECTS, ENGINEERS, CHEMISTS AND TECHNICIANS,
St. Paul, Minn., January 27, 1939.

Senator ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.

SENATOR LUNDEEN: We wish to emphatically urge that you support either the President's proposal of an appropriation of $875,000,000 for W. P. A. or the proposal of the Congress of Industrial Organization for an appropriation of $1,000,000,000 for W. P. A. for the balance of the fiscal year.

It has been vividly called to our attention that not only is there a need for the continuation of the W. P. A. in Minnesota

in its present status, but that conditions caused by a change of administration as well as an unusual reduction of activities of some of the State departments—notably the highway department—make it necessary that increased activities should be undertaken by the W. P. A. Hundreds of people have been laid off from the highway department who have no place to turn for employment. No logical answer can be given these people concerning what they are supposed to do. If the interest of the National Government is to have a continuation of our present economical system it certainly seems an unusual procedure for the Government, at this time, to further the cause of the extreme radicalism toward which these people thrown out of work are naturally forced.

May we urge that you give utmost concentration to this problem.

Sincerely yours,

STUART GREEN,
General Secretary.

Whereas Congress has cut W. P. A. appropriations $150,000,000, leaving a sum for W. P. A. inadequate to meet the needs of the unemployed; and

Whereas this cut will mean hunger and misery for millions of our citizens: Be it hereby

Resolved, That we, the auxiliary of the Lake Superior Newspaper Guild, demand of our Senate that it immediately restore the appropriation for W. P. A. to the full amount suggested by the President.

ORDER OF BUSINESS

During the delivery of Mr. LUNDEEN'S speech,

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LUNDEEN. I yield.

Mr. BARKLEY. I wish to see if we can reach some agreement with respect to a vote on the amendment. I assume that we probably cannot reach a vote on it today. Easter is approaching; and the spirit of Easter, which is the spirit of peace, is no doubt having its influence here.

In that spirit I ask unanimous consent that at an hour not later than 2:30 on Monday next the Senate shall proceed to vote on the pending amendment and all amendments thereto, and that the time be equally divided between those who favor and those who oppose the amendment, the time to be controlled by the Senator from Florida [Mr. PEPPER] in favor of the amendment, and by the Senator from Colorado [Mr. ADAMS] in opposition to it.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). The Senator from Kentucky submits a unanimous-consent request that not later than 2:30 o'clock on Monday the Senate shall vote on the pending amendment and all amendments thereto; that the time on Monday shall be equally divided between the proponents and opponents of the amendment, and shall be controlled by the Senator from Florida and the Senator from Colorado, respectively.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Oregon?

Mr. LUNDEEN. If the Senator will pardon me one moment, I should like to say that if any agreement is reached I hope I may be given permission to put in the RECORD certain telegrams which I have received from all the great cities in the country, and particularly from my own State of Minnesota, and various articles, data, information, and statistics dealing with the question under consideration.

Mr. BARKLEY. Mr. President, I am willing to ask unanimous consent now that the Senator from Minnesota be permitted to put those matters in the RECORD in connection with his remarks.

Mr. LUNDEEN. Otherwise, I shall have to inflict them on the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky with reference to the request of the Senator from Minnesota concerning printing certain matters in the RECORD in connection with his remarks?

The Chair hears none, and it is so ordered.

Mr. McNARY. Mr. President, just a moment. Under the unanimous-consent agreement the Senator will not lose his status by reason of the inclusion in the RECORD of the matter to which he has referred. He can go forward and speak for the remainder of the day, and on Monday until 2:30 o'clock.

Mr. BARKLEY. Of course, the Senator would not be entitled to have the floor on Monday and occupy the whole time.

Mr. McNARY. No; but he can go on from now until Monday.

Mr. BARKLEY. I am sure he can.

Mr. McNARY. I think the Senator can work that out in his own time a little later. I should not want the present proposition to interfere with his speech.

Mr. President, the hour suggested for the vote to be taken was 2:30, I believe.

The PRESIDING OFFICER. The Senator is correct.

Mr. McNARY. I am almost persuaded to accept that proposition. It is very much like the one I made yesterday, except I think we should limit the debate to 15 minutes for each speaker. The Senator from Nebraska [Mr. NORRIS] made an able statement yesterday. Over the years, I have seen much of the time allotted under agreements of this kind used by one or two Members of the Senate. Even though the time is used intelligently, I think we should limit the time of each Senator to 15 minutes.

Mr. BARKLEY. In that connection, under my unanimous-consent request, the time would be under the control of the two Senators referred to. They can yield as much of it as they desire to any Senator speaking on their side. It seems to me that will obviate the necessity of limiting debate by unanimous consent.

Mr. McNARY. It would if the Senators in question would insist on the limitations being strictly observed; but I have seen instances when Senators, because of the great courtesy we observe among ourselves, have hesitated to ask other Senators to shorten their speeches. My proposal was for the purpose of making it easy for all concerned.

Mr. BARKLEY. I will say to the Senator that all the debate up until now has been on the side favorable to the amendment; and it may be desirable for some member of the committee, or perhaps some other Member of the Senate, to speak longer than 15 minutes, and that matter ought to be left to the Senator who controls the time.

Mr. McNARY. I ask the Senator from Colorado if he would rather have it done in that fashion, by the two Senators controlling the time, or by limitation fixed by the Senate itself?

Mr. ADAMS. Mr. President, a number of Senators have suggested to me that they desired to speak against the amendment. Two things are involved. If the time is evenly divided, I doubt that quite enough time would be afforded if we were to limit the debate to 2:30 p. m. In other words, I do not see that it makes any great difference whether we fix the time for a vote at 2:30, 3 o'clock, or 3:30.

As the Senator from Kentucky has stated, practically all the argument has been on one side of the question. So far as I am concerned, I have been eager to have a vote. I am willing to let matters rest; but I think there are some things that ought to be explained. I know the Senator from Kentucky wishes to say something on the subject. I do not care how the time is divided, so long as there is a reasonable division and opportunity offered for each side.

Mr. McNARY. I will not insist on the limitation; I shall leave that to the able Senator from Colorado; but I cannot agree to go beyond 2:30.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

ORDER FOR RECESS

Mr. BARKLEY. Mr. President, will the Senator further yield?

Mr. LUNDEEN. I yield to the Senator from Kentucky.

Mr. BARKLEY. I am compelled to leave the Chamber. I ask unanimous consent that when the Senate concludes its business today it stand in recess until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

CONFIRMATION OF NOMINATIONS EN BLOC

Mr. BARKLEY. Will the Senator yield to me also to ask, as in executive session, that the nominations on the calendar of executive business be confirmed en bloc, with the

exception of the first name on it, that of Miss Florence Clarke Lynch, which went over at the suggestion of the Senator from Utah [Mr. KING]?

Mr. LUNDEEN. I yield for that purpose.

Mr. BARKLEY. I make that request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky. The Chair hears none, and the nominations referred to are confirmed en bloc.

(The nominations referred to are those of Frederick I. Thompson to be a member of the Federal Communications Commission, and sundry nominations of postmasters, all of which appear at the end of today's Senate proceedings.)

IN THE ARMY

Mr. SHEPPARD. Mr. President, will the Senator from Minnesota yield to me in order that I may report a number of Army nominations?

Mr. LUNDEEN. I am glad to yield to the able and distinguished Senator from Texas.

Mr. SHEPPARD. Mr. President, as in executive session, from the Committee on Military Affairs, I report back favorably all routine appointments in the Army which were referred to the committee on the 3d of April.

These nominations, which total nearly 600, are all of a routine character, none being appointments to general officer grades. In order to save the expense of printing this large list of names on the Executive Calendar, I ask unanimous consent for their immediate consideration and confirmation en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and the nominations are confirmed en bloc.

Mr. SHEPPARD. Mr. President, in order to bring about a further saving in printing, I ask unanimous consent that the RECORD shall not contain the printed names of these officers, but shall refer to them as having been nominated by the President on a particular date.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See end of today's Senate proceedings.)

Mr. SHEPPARD. Mr. President, to expedite the work of the War Department, I ask unanimous consent that the President be notified at once of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered, and the President will be notified.

After the conclusion of Mr. LUNDEEN's speech,

RECESS TO MONDAY

Mr. ADAMS. Mr. President, under the order previously entered, I move that the Senate take a recess until Monday next.

The motion was agreed to; and (at 4 o'clock and 32 minutes p. m.) the Senate took a recess until Monday, April 10, 1939, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 8 (legislative day of April 6), 1939

FEDERAL COMMUNICATIONS COMMISSION

Frederick I. Thompson to be a member of the Federal Communications Commission.

APPOINTMENTS, PROMOTIONS, AND TRANSFERS IN THE REGULAR ARMY

(NOTE.—The nominations of persons named for appointment, promotion, or transfer in the Regular Army, which were received on the 3d instant, were confirmed en bloc. The names of persons confirmed today will be found in the CONGRESSIONAL RECORD of April 3, 1939, beginning on page 3714, under the caption "Nominations.")

POSTMASTERS

ARKANSAS

Harry T. Colvert, Cullendale.
Moses Preston Muse, Junction City.
Evelyn B. Gowen, Knobel.
Carl A. Lovell, Mountainburg.

FLORIDA

Kirby L. Sandlin, Jasper.

MAINE

Alberta A. Cheney, Wells.

MARYLAND

George W. Bryant, Greenbelt.

NEBRASKA

Hubert D. Bowley, Taylor.

NORTH CAROLINA

Paul H. Moser, Claremont.
Annie J. Deese, Willard.

TEXAS

Clarence B. Haynes, Chillicothe.

SENATE

MONDAY, APRIL 10, 1939

(Legislative day of Thursday, April 6, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O God, who, for our redemption, didst give Thine only begotten Son to the death of the cross, and by His glorious resurrection hast opened unto us the gate of everlasting life: Grant to each one of us Thine especial blessing at this glorious Eastertide, and, if it may be, vouchsafe to us clearer vision, stronger, finer impulses, and steadier, graver purpose for the sacred work whereunto Thou hast called us. Gracious Father, in whom all creatures live, especially those whom we've loved long since and lost awhile, we commend to Thy fatherly love and care our beloved comrade, whom Thou but yesternight didst call out of the body into the higher life. Grant that in that sphere of light and advancement all that is noble may live and grow in him and whatsoever is imperfect may be done away. Take in Thy arms of tender mercy the dear one for whom especially we pray; grant that in Thy holy keeping she may find peace and comfort, and by the sacrament of our sympathy may be sustained. O Life Eternal, quicken us to believe and hope serenely, to dream nobly, and to know the restlessness of divine discontent until we find our perfect rest in Thee. We ask it in the name of the risen Saviour, Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Saturday, April 8, 1939, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Caraway	Hatch	McNary
Andrews	Clark, Idaho	Hayden	Maloney
Ashurst	Clark, Mo.	Herring	Mead
Austin	Connally	Hill	Minton
Bailey	Danaher	Holman	Murray
Bankhead	Davis	Holt	Neely
Barbour	Donahey	Hughes	Norris
Barkley	Downey	Johnson, Calif.	Nye
Bilbo	Ellender	Johnson, Colo.	Overton
Bone	Frazier	King	Pepper
Borah	George	La Follette	Pittman
Bridges	Gerry	Lee	Radcliffe
Brown	Gillette	Lodge	Reed
Bulow	Glass	Logan	Reynolds
Burke	Green	Lucas	Russell
Byrd	Guffey	Lundeen	Schwartz
Byrnes	Gurney	McCarran	Schwellenbach
Capper	Harrison	McKellar	Shipstead

Smith	Thomas, Utah	Vandenberg	White
Stewart	Townsend	Wagner	Wiley
Taft	Truman	Walsh	
Thomas, Okla.	Tydings	Wheeler	

Mr. MINTON. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from New Jersey [Mr. SMATHERS], and the Senator from Texas [Mr. SHEPPARD] are detained from the Senate on public business.

The Senator from Indiana [Mr. VAN NUYS] is unavoidably detained.

The Senator from Arkansas [Mr. MILLER] is absent because of illness in his family.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

DEATH OF SENATOR LEWIS, OF ILLINOIS

Mr. BARKLEY. Mr. President, because of the tragic and unfortunate death of one of the most beloved and outstanding Members of the Senate, no business will be transacted by the Senate today. The Senator from Illinois [Mr. LUCAS] desires to offer appropriate resolutions.

The VICE PRESIDENT. The Senator from Illinois.

Mr. LUCAS. Mr. President, in announcing to the Senate that my colleague from Illinois, Senator JAMES HAMILTON LEWIS, passed into the Great Beyond on yesterday, I do so with a heart that is heavy and laden with sorrow. I confess my absolute inability to express adequately in words my deep feelings upon his passing.

While every sigh of the whispering wind brings death somewhere, yet it grieves us surely to learn that Almighty God, in His infinite wisdom, has taken one of our colleagues who, as a citizen, soldier, and statesman, has devoted his life to promoting the basic and fundamental principles of this Republic.

Though by the death of Senator LEWIS I have lost a dear friend and a wise counselor, my personal loss pales into insignificance when compared with the loss sustained by the State of Illinois and the Nation.

Ever a stalwart champion of Illinois and a zealous guardian of her rights and prerogatives, he was, above all, a picturesque statesman and a sincere patriot in the fullest meaning of those words. His penetrating scholarship and his courtly gentility cannot be replaced in the United States Senate.

I shall not detain the Senate longer, but at some later date I shall beg leave of the Senate to deliver an address in commemoration of the deeds and life of this great and good man.

Mr. President, I send to the desk appropriate resolutions and ask unanimous consent for their immediate consideration.

The VICE PRESIDENT. The resolutions will be read.

The legislative clerk read the resolutions (S. Res. 118), and the Senate proceeded to their consideration, as follows:

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. JAMES HAMILTON LEWIS, late a Senator from the State of Illinois.

Resolved, That a committee of 16 Senators be appointed by the President of the Senate to take order for superintending the funeral of the deceased Senator.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Mr. BARKLEY. Mr. President, I cannot let this moment pass without saying a word concerning Senator LEWIS.

During all the history of this Nation no more brilliant or colorful man has ever occupied the stage of public life within its borders. When I was a schoolboy in Kentucky, I recall reading in the newspapers about JAMES HAMILTON LEWIS, then a Member of the House of Representatives from the State of Washington. His career has been unique. He served one term in the House of Representatives from that State named for the Father of his Country, at the end of which he retired to private life and resumed the practice of his profession. He disappeared somewhat from public view like a sunken river that later, in some unexpected place, rises again above the surface to flow between verdant shores, and to bless all with whom it comes in contact.

Years after his service in the House Mr. LEWIS removed to Chicago, where he became corporation counsel of that great city. In 1912 he was elected to the United States Senate from the State of Illinois, being the last Senator to be elected to the Senate by the legislature of that State instead of by the people. At the end of a 6-year term, which was marked by patriotism and ability and brilliance, in which he drew his shining sword in combat here, friendly though it was, against the ablest and the most militant Members of this body, he was defeated for reelection. In 1930 he was again returned to the Senate by the voice of the people of Illinois, and in 1936 was reelected to a second consecutive term, being a third time in the Senate.

I join in the encomiums uttered by his colleague the able and brilliant young Senator from Illinois [Mr. LUCAS]. It will not be difficult to replace JAMES HAMILTON LEWIS in the Senate; it will be impossible.

Without regard to geographical location or political persuasion, I think we will all admit that JAMES HAMILTON LEWIS, with all the attributes of a courtly gentleman which he possessed, with the keen and well-trained and scholarly mind which was always his chief weapon in debate and in forensic consideration, not only occupied in the Senate but occupies in our hearts, and will occupy in our memories, a place which cannot be filled by any other Member of this body within our recollection.

Only 3 days ago I received from him in Chicago a telegram asking me to record him on any vote according to my own wishes. Mr. President, that was a compliment from my friend and colleague which I appreciated and which I shall always treasure very dearly.

Not only have we lost a statesman, not only have we lost a scholar, not only have we lost a patriot, not only have we lost a gentleman in the highest sense of the term, but we have all lost a personal friend in the death of Senator LEWIS.

Peace to his ashes, and expanding glory to his influence and to his memory among all who here served with him, and all the millions in America who admired and knew him, and among whom his name was, and will remain, a household word.

Mr. McNARY. Mr. President, our eloquent colleague of yesterday was gentle, kindly, and beloved by every Member of this body, irrespective of party affiliations.

With a slight interruption, for 21 years I served with JAMES HAMILTON LEWIS in the Senate. I formed for him a deep affection, and I shall mourn his loss the remainder of my life.

The VICE PRESIDENT. The question is on agreeing to the resolutions.

The resolutions were unanimously agreed to.

The VICE PRESIDENT. The Chair will subsequently appoint the members of the committee authorized by the resolution.

Mr. BARKLEY. Mr. President, the funeral of Senator LEWIS will occur in this Chamber at 2:30 p. m. on Wednesday; and on tomorrow suitable resolutions providing for the funeral will be offered.

The VICE PRESIDENT subsequently, under the second resolution, appointed the following Senators to take order for superintending the funeral of the deceased Senator: Mr. LUCAS, Mr. BARKLEY, Mr. MCNARY, Mr. BORAH, Mr. ASHURST, Mr. PITTMAN, Mr. KING, Mr. CAPPER, Mr. GEORGE, Mr. WAGNER, Mr. VANDENBERG, Mr. BAILEY, Mr. AUSTIN, Mr. CLARK of Missouri, Mr. GERRY, and Mr. MINTON.

Mr. LUCAS. Mr. President, as a further mark of respect to the memory of our deceased colleague, I move that the Senate do now adjourn.

The motion was unanimously agreed to; and (at 12 o'clock and 17 minutes p. m.) the Senate adjourned until tomorrow, Tuesday, April 11, 1939, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 10, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O crowned Son of God, above the surpassing glory of sun and star, Thou hast set the lamps of heaven. We praise Thee that the permanent truth of the universe is that Jesus lives and is alive forevermore. Hope rises in our breasts and throbs response to this eternal verity. Heavenly Father, lift us to the realm of wise action; may there be no bitterness nor intemperate speech; by diligence and faithfulness may there be a wooing and a winning of that which is best. We entreat Thee for the races of men. May the Light of the World rise with healing in His wings. We are rooted in a common soil and intertwined by the same destinies. As the spring has broken the bonds of winter by which the earth has been held prisoner, O come and light up its destitute and saddened places. Be with our President, our Speaker, and the Congress in the administration of their sacred trust. Grant, O Lord, that the pale, tremulous twilight of these days may soon die away into the glory and promise of a new earth, and Thine shall be the praise. Through Christ. Amen.

The Journal of the proceedings of Thursday, April 6, 1939, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 225. Joint resolution amending the joint resolution entitled "Joint resolution providing for the construction and maintenance of a National Gallery of Art," approved March 24, 1937.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2021. An act to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3790) entitled "An act relating to the taxation of the compensation of public officers and employees."

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 10. An act for the relief of the Fred Harvey Transportation Department;

S. 11. An act for the relief of Hubert H. Clark and Dr. W. C. Copeland;

S. 511. An act for the relief of Dolores P. de Williamson;

S. 545. An act for the relief of George H. Pierce and Evelyn Pierce; and

S. 745. An act for the relief of the Pacific Telephone & Telegraph Co.

TAXATION OF COMPENSATION OF PUBLIC OFFICERS AND EMPLOYEES

Mr. DOUGHTON. Mr. Speaker, I present a conference report and statement on the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, and ask unanimous consent for its immediate consideration.

The SPEAKER. The Clerk will report the conference report.

The Clerk read the conference report and statement, as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 8.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 9, 10 and 13, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by the Senate amendment, and on page 6 before line 1 of the House bill insert the following:

"SEC. 210. For the purposes of this Act, the term 'officer or employee' includes a member of a legislative body and a judge or officer of a court."

And the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 207. No collection of any tax (including interest, additions to tax, and penalties) imposed by any State, Territory, possession, or local taxing authority on the compensation, received before January 1, 1939, for personal service as an officer or employee of the United States or any agency or instrumentality thereof which is exempt from Federal income taxation and, if a corporate agency or instrumentality, is one (a) a majority of the stock of which is owned by or on behalf of the United States, (b) the power to appoint or select a majority of the board of directors of which is exercisable by or on behalf of the United States, shall be made after the date of the enactment of this Act."

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 208. This title shall not apply with respect to any officer or employee of a State, or any political subdivision thereof, or any agency or instrumentality of any one or more of the foregoing, after the Secretary of the Treasury has determined and proclaimed that it is the policy of such State to collect from any individual any tax, interest, additions to tax, or penalties, on account of compensation received by such individual prior to January 1, 1939, for personal service as an officer or employee of the United States or any agency or instrumentality thereof. In making such determination the Secretary of the Treasury shall disregard the taxation of officers and employees of any corporate agency or instrumentality which is not exempt from Federal income taxation, or which if so exempt is one (a) a majority of the stock of which is not owned by or on behalf of the United States and (b) the power to appoint or select a majority of the board of directors of which is not exercisable by or on behalf of the United States."

And the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "211"; and the Senate agree to the same.

R. L. DOUGHTON,
THOS. H. CULLEN,
JOHN W. MCCORMACK,
JERE COOPER,
ALLEN T. TREADWAY,
FRANK CROWTHER,
HAROLD KNUTSON,
Managers on the part of the House.

PAT HARRISON,
TOM CONNALLY,
PRENTISS M. BROWN,
ROBERT M. LA FOLLETTE, Jr.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendment No. 1: The Senate amendment is clerical, and the House recedes.

On amendments Nos. 2, 3, 4, and 10: The Senate amendments make the changes in existing law proposed by the bill amendments to the new Internal Revenue Code rather than to the Revenue Act of 1938. The House recedes.

On amendment No. 5: The Senate amendment provides that the compensation of judges of courts of the United States who took office on or before June 6, 1932, shall be included in gross income for Federal income-tax purposes for taxable years beginning after December 31, 1938. The present law subjects to Federal income taxation the compensation of so-called constitutional judges taking office after June 6, 1932, and the compensation of so-called legislative judges whether appointed on, before, or after June 6, 1932. The amendment adds to the class of taxable judges only so-called constitutional judges appointed on or before June 6, 1932, because they are the only group of judges now exempt. There is no comparable provision in the House bill. The House recedes.

On amendment No 6: The Senate amendment changes a section number; and the House recedes.

On amendments Nos. 7 and 8: The Senate amendments expressly include within the provision of the House bill under which consent was granted to the taxation by State and local taxing authorities of compensation of Federal officers received after December 31, 1938, Senators and Representatives, and judges and officers of courts. The House bill had the effect of consenting to the taxation of such persons. The conference agreement inserts a clarifying definition which provides that for the purposes of the bill the term "officer or employee" includes a member of a legislative body and a judge or officer of a court. This would, of course, include Senators and Representatives as well as Federal judges and court officers and make them subject to State taxation to the same extent as other Federal officers. It would also include members of the State legislatures, State judges, and court officers and make them subject to Federal taxation to the same extent as other State officers. The House recedes with such an amendment on amendment No. 7, and the Senate recedes on amendment No. 8.

On amendment No. 9: Under the House bill credit or refund of tax for years prior to January 1, 1939, was to be made in the case of State and local officers who filed claim after January 18, 1939, if the Commissioner found that to disallow the claim would be to apply the doctrine of the Gerhardt case, which extended the classes of such persons subject to Federal income tax. The Senate amendment adds the cases of Helvering against Therrell and Graves against O'Keefe. The effect of the amendment is to permit the same relief to be given to the classes of persons as to whom the power to tax was extended by these cases as was given by the House bill to those classes who by reason of the doctrines of the Gerhardt case were brought within Federal taxing power. The House recedes.

On amendment No. 11: The Senate amendment provides that State and local taxing authorities shall not collect any tax after the date of the enactment of the act on the compensation received before January 1, 1939, by officers and employees of the United States or its agencies. An exception to the provision permits collection of tax on such compensation if the person is an officer or employee of a corporate agency or instrumentality of the United States the majority of the voting stock of which is not owned by or on behalf of the United States. There is no comparable provision in the House bill. The House recedes with an amendment which embodies the substance of the Senate amendment with clarifying changes. The first change is to make certain that the Territories and possessions—Hawaii, Puerto Rico, the Philippines, etc.—will not subject Federal officials to tax for years prior to 1939. The second change is one which is designed to define more precisely the corporate agencies of the United States whose employees may not be subjected to tax for back years. Under the conference agreement, in order for the employees to be relieved, the corporation must be one which is exempt from Federal income tax and also it must be either a corporation the majority of the stock of which is owned by the United States or a corporation a majority of the board of directors of which may be selected by the United States. It is believed that the effect of the conference agreement is to leave undisturbed the taxation of employees of instrumentalities of the United States which are essentially private corporations enjoying certain Federal privileges who have heretofore been generally regarded as subject to State taxation.

On amendment No. 12: The Senate amendment provides that after the Secretary of the Treasury has determined and proclaimed that it is the policy of any State to collect tax from persons who are officers or employees of the United States or its agencies, on account of compensation received by them prior to January 1, 1939, the relief granted by title II to the officers and employees of that State or its subdivisions or agencies shall no longer apply. In making the determination as to whether or not the State is taxing Federal employees, taxation by the State of officers or employees of a corporate agency or instrumentality, a majority of the voting stock of which is not owned by or on behalf of the United States, is to be ignored. Thus, taxing such persons by the State will not result in the denial of relief to State and local officers. There is no comparable provision in the House bill. The House recedes with an amendment similar to that made by the conference agreement under amendment No. 11, the effect of which is to describe more precisely the corporate agencies of the United States which are to be disregarded in ascertaining the policy of the State with respect to taxing Federal officials.

On amendment No. 13: The Senate amendment provides that judges of the Supreme Court and other constitutional judges who took office on or before June 6, 1932 (the date of the enactment of the Revenue Act of 1932), shall not be subject to income tax under the Revenue Act of 1938 or any prior Revenue Act. This is a clarifying amendment to make certain that Supreme Court and circuit and district judges (including the Court of Appeals and District Court judges of the District of Columbia) will not be subject to Federal taxation for years prior to 1939. The taxation of judges of so-called legislative courts is unaffected by the amendment. There is no comparable provision in the House bill. The House recedes.

On amendment No. 14: The Senate amendment changes a section number. The House recedes with an amendment making a further change in section number.

R. L. DOUGHTON,
THOS. H. CULLEN,
JOHN W. MCCORMACK,
JERE COOPER,
ALLEN T. TREADWAY,
FRANK CROWTHER,
HAROLD KNUTSON,
Managers on the part of the House.

The SPEAKER. The gentleman from North Carolina asks unanimous consent for the present consideration of the conference report. Is there objection?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Massachusetts [Mr. GIFFORD] may be allowed to address the House for 25 minutes following the legislative program of the day and the previous order of the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a short article on patriotism.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD to include therein an account recently printed in New York and Washington relative to the tornado that visited New England last September.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PARSONS. Mr. Speaker, I ask unanimous consent to extend in the RECORD at this point a letter which I addressed to the Honorable JOSEPH J. MANSFIELD, chairman of the Rivers and Harbors Committee, and his reply thereto with reference to a river and harbor bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The matter referred to follows:

HOUSE OF REPRESENTATIVES,
Washington, April 6, 1939.

Hon. JOSEPH J. MANSFIELD,
Chairman, Rivers and Harbors Committee,
House of Representatives, Washington, D. C.

MY DEAR JUDGE MANSFIELD: More than 3 months of this session of Congress have gone by and nothing very definite about a river and harbor bill has been done except to conduct hearings on a few new projects.

When, in your opinion, will it be practical for your committee to report a river and harbor bill?

I believe it is of the utmost importance that the committee report a bill at the earliest possible date so that it reach the floor on regular committee call without having to apply to the Rules Committee for a rule.

I will be pleased to have your reaction in this regard.

With kindest best wishes, I am,

Cordially yours,

CLAUDE V. PARSONS, M. C.

COMMITTEE ON RIVERS AND HARBORS,
HOUSE OF REPRESENTATIVES, UNITED STATES,
Washington, D. C., April 7, 1939.

The Honorable CLAUDE V. PARSONS,
Member, Committee on Rivers and Harbors,
Washington, D. C.

DEAR MR. PARSONS: In reply to your inquiry as to when, in my opinion, it will be practicable for our committee to report out a river and harbor bill, I have to say that I think we should do this as soon as possible. I expect to be out of the hospital in a few days, and I hope that in the meantime the committee members will consider carefully the projects we have before us in order that we may be ready to act promptly.

The cost to complete river and harbor projects heretofore authorized is growing smaller each year. Extensive projects for waterway

improvements sometimes require 15 or 20 years for completion. The smaller projects cannot always be completed quickly. Even if we are to continue to have an annual river and harbor appropriation as low as $30,000,000, we need a backlog of authorized projects for a proper waterway program to proceed along economical and sound lines. This means that to the present authorization backlog there should be added an authorization for new projects. It should be kept in mind that such an authorization is unlike the huge annual appropriations being made for sundry purposes and is merely provision for orderly governmental procedure in prosecuting sound public improvements, which aid in keeping men off the relief rolls.

As usual the railroads are opposing waterway improvements, and at this time have a particularly energetic and skillful group employed for this purpose. It is my opinion that railway officials are short-sighted in the matter. In the long run the various forms of transportation aid each other. This great country has been developed because of improvements in transportation facilities, and our waterways should not be permitted to fall behind in progress.

The waterway planning both for urgent construction and for long-range improvements is in excellent shape. The Army engineers have investigated thoroughly and after digested consideration have supplied our committee with a large number of excellent projects throughout the United States. We should be able to pass on these projects promptly and report out a river and harbor bill without delay.

For the information of the committee, brief descriptions of reports favorably considered by the Board of Engineers or by the Chief of Engineers are given below. The whole or such parts of these projects as may be agreed upon by the committee can be reported out as soon as the committee is ready to act.

Hendricks Harbor, Maine (S. Doc. No. 40, 76th Cong.): At a small first cost and with nominal annual maintenance a safe entrance can be provided for the substantial benefit of the fishing fleet and for transient recreational craft.

Northeast Harbor, Maine (H. Doc. No. 132, 76th Cong.): The great increase in volume of small-boat navigation has overtaxed the capacity of the good natural harbor. Dredging at relatively small cost will make available a large additional area for safe harboring of transient recreational craft.

Ogunquit-Perkins Cove, Maine (H. Doc. No. 227, 76th Cong.): Local interests will contribute one-half of the cost of providing sufficient depth in Flat Pond and in the entrance channel to permit transient recreational craft to seek shelter, regardless of stage of tide.

Boston Harbor (reserved channel), Mass. (H. Doc. No. 225, 76th Cong.): This channel was improved and has been maintained by the Commonwealth of Massachusetts. It serves the general commerce of Boston Harbor and is the only approach to the important Army base in South Boston.

Connecticut River, Hartford, Conn., to Holyoke, Mass. (H. Doc. No. 165, 76th Cong.): This project contemplates the extension of the navigable channel of the Connecticut River from Hartford, Conn., to Holyoke, Mass.

Clinton Harbor, Conn. (H. Doc. No. 240, 76th Cong.): The harbor is used by a great number of small craft from distant places. Local interests will contribute substantially to the cost of dredging and will establish and maintain service facilities for public use.

Greenwich Harbor, Conn. (H. Doc. No. 125, 76th Cong.): The existing harbor is crowded and needed space for accommodation of transient craft can be provided at relatively low cost, of which local interests will contribute half.

Norwalk Harbor, Conn. (H. Doc. No. 220, 76th Cong.): The improvement will remove existing hazards to general navigation; provide a safe entrance channel, and afford much needed sheltered anchorage area. Local interests will contribute one-half the cost of the anchorage.

Little Narragansett Bay, R. I.: In accordance with pending report by the Chief of Engineers, the improvement is to restore depths that have been impaired by natural forces; also to remove certain obstructions which particularly endanger transient recreational boats cruising eastern Long Island Sound.

Orowoc Creek, N. Y. (H. Doc. No. 126, 76th Cong.): This is an improvement of an existing channel provided by local interests to permit water transportation of bulky commodities to suburban Long Island.

Northport Harbor, N. Y. (H. Doc. No. 109, 76th Cong.): The improvement is needed to afford convenient access to excellent facilities that have been provided by local interests for recreational craft operating through Long Island Sound. Local interests will contribute one-half the cost.

Peconic River, N. Y. (H. Doc. No. 237, 76th Cong.): Removal of shore areas in Flanders Bay restricts the use of the improved channel in Peconic River to Riverhead, the county seat of Suffolk County, an important port of call for craft traversing the Long Island Intracoastal Waterway.

Shark River, N. J. (H. Doc. No. 102, 76th Cong.): The entrance to this river has been provided and maintained by the State of New Jersey. It serves a large resort population drawn from the entire country and should be improved and maintained as a Federal project.

New Jersey Intracoastal Waterway, N. J. (H. Doc. No. 133, 76th Cong.): This is an essential link in the intracoastal route from Boston to Miami. The saving in transportation cost of bulk commodities alone distributed over the waterway justifies the cost; in addition, large numbers of recreational craft will have a safe route from New York Bay to Delaware Bay.

Susquehanna River at Havre de Grace, Md.: In accordance with pending report by the Chief of Engineers: This harbor, near the head of Chesapeake Bay and the entrance to the Chesapeake and Delaware Canal, will serve principally the recreational craft traversing the canal and cruising in the upper bay. It provides for the larger vessels facilities made available to small craft at the municipal yacht basin.

Island Creek, St. Georges Island, Md. (H. Doc. No. 99, 76th Cong.): For the benefit of the oyster industry and a harbor of refuge for small boats traversing the wide expanse of the lower Potomac River.

Mill Creek, Md. (H. Doc. No. 100, 76th Cong.): An entrance channel through a sand bar can be provided at small cost to give access to a large bay especially suitable for small-boat anchorage.

St. Catherines Sound, Md. (H. Doc. No. 242, 76th Cong.): This is a small-boat harbor upon which fishermen depend for safety in their precarious occupation. The fishermen offer a cash contribution toward the cost of providing the slight increase in depth which is so important to them in their struggle to earn their living.

Duck Point Cove, Md. (H. Doc. No. 241, 76th Cong.): This improvement is primarily for the benefit of the sea-food industry. Depths in the natural channel are not adequate to permit the free movement of the fishing boats that is necessary to assure deliveries on schedule and avoid spoilage of the catch.

Lower Thoroughfare (Deals Island), Md. (H. Doc. No. 238, 76th Cong.): This is a small project for the benefit of the sea-food industry to permit the use of larger boats and to remove the uncertainty attending dependence on tides. The benefits will greatly exceed the cost.

Town Creek at Oxford, Md. (H. Doc. No. 219, 76th Cong.): This creek in its present condition carries an important general commerce and is the base for operations of an important oyster fleet. The need for adequate depth at all stages of tide was emphasized by the loss of eight lives in a sudden squall in Tangier Sound just off this harbor last February.

Black Walnut Harbor, Talbot County, Md. (H. Doc. No. 217, 76th Cong.): This project serves an island community dependent for its livelihood on the sea-food industry. Improvement of the harbor at small cost to the United States will permit the community to continue to be self-supporting when otherwise it may become a public charge.

Chesapeake Bay to Chincoteague Bay, Va., inland waterway; in accordance with pending report by the Chief of Engineers: This is a link in the coastal waterway between Delaware Bay and Chesapeake Bay. It will reduce the hazards of ocean navigation by small boats now serving the commercial needs of the area and will provide a safe route for those who prefer the coastal waters to the steamship route via the Chesapeake and Delaware Canal and upper Chesapeake Bay.

Appomattox River, Va. (H. Doc. No. 223, 76th Cong.): This river is carrying a substantial commerce on a depth of 10 feet. It serves the industrial city of Petersburg, Va., and is an important feeder of the Intracoastal Waterway. Deepening to 12 feet will permit the economy of through shipment over the Intracoastal Waterway.

Norfolk Harbor, Va. (H. Doc. No. 224, 76th Cong.): The Eastern Branch of Elizabeth River serves an important and growing industrial part of the port. A turning basin has been dredged by private interests to improve conditions in the channel. Some widening of the channel and maintenance of the turning basin will increase the efficiency of the harbor.

Inland waterway from Norfolk, Va., to Beaufort Inlet, N. C. (in vicinity of Great Bridge, Va.) (H. Doc. No. 117, 76th Cong.): The improvement is to protect the canal against damage from storm tides such as those that caused great damage to Government and adjoining private property in 1933 and 1936. The entire cost of protection is less than the loss in one storm.

Chowan River, N. C., and Blackwater Creek (River), Va. (H. Doc. No. 101, 76th Cong.): This project serves an area producing pulpwood and is a feeder to the intracoastal waterway for the products of a large paper mill. Annual transportation savings are six times the cost of the improvement.

Channel from Pamlico Sound to Rodanthe, N. C. (H. Doc. No. 234, 76th Cong.): This channel will serve the need of the United States Coast Guard, and will also provide the necessary facilities needed by the population for transporting mail and supplies.

Channel from Edenton Bay into Pembroke Creek, N. C. (H. Doc. No. 235 76th Cong.): The benefits from this project will accrue primarily to the United States, as it will provide necessary navigational facilities to the fish hatchery in which the Government has an investment of $30,000; it will aid general navigation by providing an access to a sheltered anchorage; and it will facilitate the shipment of lumber, not presently included in general navigation.

Cape Fear River, N. C., at and below Wilmington, N. C. (H. Doc. No. 131, 76th Cong.): The enlargement of the channel and turning basin is warranted by the economies that will result from the safe handling of fully loaded large vessels, and the prospective savings to inland-waterway commerce that will result.

Swan Quarter Bay Waterway, N. C. (H. Doc. No. 239, 76th Cong.): This project will eliminate tolls and permit the establishment of a fish and oyster market. In addition, there will be a resultant saving in time and distance traveled, thus reducing the transportation cost to the local inhabitants.

Rollinson Channel, N. C. (H. Doc. No. 236, 76th Cong.): Benefits resulting from this project will accrue to the following Federal agencies: The United States Coast Guard, the Lighthouse

Service, the Weather Bureau, and the National Parks Service. Local and general commerce of the harbor will also benefit.

Abbapoola Creek, S. C. (H. Doc. No. 97, 76th Cong.): The cost of transportation to and from this port will be reduced by eliminating the truck haul to Charleston that is now required during periods of low tide. The improvement will also permit lumber to be transported by barges at reduced cost.

Russell Creek, S. C. (S. Doc. No. 41, 76th Cong.): This improvement will reduce damaging delays experienced in moving farm produce to market. Additional expensive truck hauls now necessary during periods of low flow will be eliminated. It will increase the general small-boat navigation in the vicinity.

Santee, Congaree, and Cooper Rivers, S. C. and N. C.; in accordance with plans approved by the Chief of Engineers: This project contemplates the extension of navigation from the project now under construction up to Columbia, S. C., as well as the development of hydroelectric power.

Winyah Bay, S. C. (H. Doc. No. 211, 76th Cong.): The added depth over the entrance bar is generally desirable to offset the effect of storm waves and of the increased draft of vessels under way. Other benefits include an increase in an already substantial commerce and the resulting savings in transportation costs.

Charleston Harbor, S. C. (in accordance with pending report by the Chief of Engineers): This improvement will permit larger ships to enter the naturally deep harbor and will assure the locality of the savings in transportation costs that these larger carriers make possible. The improved channel will serve the United States navy yard and will have an increased value as a harbor of refuge.

Clark Hill Reservoir, Savannah River of Georgia, South Carolina, and North Carolina, in accordance with pending report by the Chief of Engineers: This is a navigating project capable of developing hydroelectric power and providing some flood control.

Anclote River, Fla. (H. Doc. No. 243, 76th Cong.): Benefits from the turning basin will accrue in general to small-boat navigation by relieving congestion at the sponge wharf, thereby reducing the fire hazard. It will provide much-needed additional anchorage space for recreational craft.

The Atlantic-Gulf Ship Canal across Florida (H. Doc. No. 194, 75th Cong.): This project can be authorized as a whole or one of several self-contained useful units can be authorized at greatly reduced cost. Any one of these units will be a part of the plan for the whole.

Channel from intracoastal waterway to Vero Beach, Fla.; in accordance with pending report by the Chief of Engineers: This improvement will enable small freight boats and recreational craft to move advantageously between the intracoastal waterway and several thriving winter resorts along this part of the lower east coast of Florida.

Canal from intracoastal waterway to St. Josephs Bay, Fla.; in accordance with pending report by the Chief of Engineers: Local interests provided waterway improvements that were effective in reviving and extending the business at Port St. Joe, and resulted in the restoration of railroad service to this port. The contemplated Federal project will take over and enlarge the canal provided by local interests to make it serve as a feeder to the intracoastal waterways.

Apalachicola, Chattahoochee, and Flint Rivers, Ala., Fla., and Ga.; in accordance with pending report by the Chief of Engineers: This is a limited self-contained unit of moderate cost which is an integral part of a comprehensive development.

Mobile Harbor, Ala. (H. Doc. No. 221, 76th Cong.): The contemplated modification of the harbor will take advantage of previous improvements made by the Emergency Fleet Corporation and the city of Mobile and will give access to a large area suitable for the development of terminal facilities. Local interests will be required to furnish assurances that they will provide adequate terminal and manufacturing facilities.

Warrior and Tombigbee Rivers, Ala. and Miss. (lock and dam near Demopolis, Ala.); in accordance with pending report by the Chief of Engineers: Eliminating four existing small locks by the construction of a single lock with larger dimensions will be of marked benefit to the steadily growing commerce moving over this waterway.

The Tennessee-Tombigbee Waterway in Alabama, Mississippi, and Tennessee: This project can be authorized as a whole, or a self-contained unit at greatly reduced cost can be authorized. This unit will be a part of the complete canal project.

Galere Bayou, Miss. (H. Doc. No. 112, 76th Cong.): The proposed channel and turning basin will, for a small cost, afford a necessary and convenient harbor of refuge along a part of the Gulf coast where the many fishing and recreational craft do not at present have a convenient and dependable harbor to run to during storm.

Back Bay of Biloxi, Miss.: For a nominal expenditure the provision of this channel will give access to natural depths in Old Fort Bayou and enable commercial and recreational craft to penetrate farther inland into this important resort area.

The mouth of the Mississippi River, La. (H. Doc. No. 215, 76th Cong.): The important and ever-growing commerce of the port of New Orleans, together with the trend toward the use of larger ships, makes it desirable to modify and consolidate the several existing channel projects in the passes at the mouth of the Mississippi River, with a view to permitting free and uninterrupted passage of larger vessels.

Louisiana and Texas Intracoastal Waterway, from the Mississippi River to Corpus Christi, La. and Tex. (H. Doc. No. 230, 76th Cong.): The movement over this waterway of petroleum, iron, and steel products is steadily increasing in volume. The enlargement of the cross-sectional area of the waterway and the elimination of sharp bends will permit increased capacities of barges, with resulting operating economies.

Guadalupe River and Canyon Dam, Tex. (H. Doc. No. 247, 76th Cong.): The existing channel in the Guadalupe River will be enlarged and a dam will be constructed for stream-flow regulation in the interest of navigation, power development, and flood control. These stream improvements are urgently needed in this area and, together with the hydroelectric power that will become available, will afford widespread benefits.

Houston Ship Channel, Tex. (H. Doc. No. 226, 76th Cong.): The improvement of the channel of Buffalo Bayou behind Brady Island is needed to accommodate larger draft boats now using this channel.

Houston Ship Channel, Tex.: Enlargement of channel and turning basin to accommodate commerce which has developed far beyond expectations.

Ouachita River Channel to Felsenthal, Ark. (H. Doc. No. 104, 76th Cong.): Modification of the existing project is necessary in order to relieve local interests of obligations to construct certain facilities which, due to changed conditions, are not needed. This modification requires no Federal expense.

Lake Erie-Ohio River Canal, Pa. and Ohio (H. Doc. No. 178, 76th Cong.): This project could be authorized as a whole, but a self-contained unit only can be authorized at greatly reduced cost, and such unit will be an integral part of the complete project.

Oswego Harbor, N. Y. (H. Doc. No. 96, 76th Cong.): The propcsed improvement consists of dredging and improving the breakwater of a harbor where additional facilities are needed to accommodate shipments of coal.

Rochester Harbor, N. Y. (H. Doc. No. 139, 76th Cong.): The improved channel is needed for commerce exceeding 500,000 tons annually. Less than 1 percent of the commerce is local and a large percentage represents exports to Canada.

Allegheny River Reservoir (in accordance with pending report by the Chief of Engineers): Construction of this reservoir as a unit in the project for the protection of Pittsburgh, Pa., from floods has been authorized, and it is now proposed to raise the dam 10 feet to provide storage for pollution abatement.

Erie Harbor, Pa. (H. Doc. No. 116, 76th Cong.): The project contemplates the preservation of the peninsula of Presque Isle, which serves as a breakwater for Erie Harbor.

Cleveland Harbor, Ohio (H. Doc. No. 232, 76th Cong.): Provision of the proposed turning basin will accomplish for commercial craft an annual saving in time and towing fees of more than three times the annual cost.

St. Joseph Harbor, Mich. (H. Doc. No. 129, 76th Cong.): The proposed improvement will eliminate loss of time and remove a distinct hazard to navigation, as approximately one-half the commerce is now carried in vessels too long for the existing turning basin.

Menominee Harbor and River, Mich. and Wis. (H. Doc. No. 228, 76th Cong.): This project provides for the maintenance of an existing channel in Menominee Harbor.

Green Bay Harbor, Wis. (H. Doc. No. 95, 76th Cong.): The benefits in the saving of time and the cost of moving vessels upstream to existing turning basins and the reductions in the cost of bridge protection and operation more than justify the costs.

Milwaukee Harbor, Wis. (S. Doc. No. 29, 76th Cong.): This project provides for needed extensions to existing channels in Milwaukee Harbor.

Calumet-Sag Channel to Indiana Harbor, Ill. and Ind. (H. Doc. No. 145, 76th Cong.): The proposed widening and extension of the existing project will accommodate the expected traffic of over 8,000,000 tons with estimated benefits three times the costs.

Calumet Harbor and River, Ill. and Ind. (H. Doc. No. 233, 76th Cong.): Improvement of Calumet Harbor by the provision of an approach channel and the extension of an existing breakwater will protect the growing traffic of one of the most important ports on the Great Lakes.

Baudette Harbor, Minn. (H. Doc. No. 216, 76th Cong.): The proposed channel and turning basin will permit the use of the village wharf at times when the Lake of the Woods is drawn down.

Red Wing Harbor, Mississippi River, Minn. (H. Doc. No. 103, 76th Cong.): The small boat harbor proposed will meet the immediate needs of the locality resulting from the provision of a 9-foot channel on the Upper Mississippi River.

Mississippi River at Cochrane, Wis. (H. Doc. No. 137, 76th Cong.): The report in this document covers payments for damages resulting from the operation of navigation pool No. 5, Upper Mississippi River project.

Mississippi River at McGregor, Iowa; in accordance with pending report by the Chief of Engineers: Adequate depths for the increasing number of transient and visiting craft are greatly needed at McGregor, Iowa.

Mississippi River at Chain of Rocks, St. Louis, Mo. (H. Doc. No. 231, 76th Cong.): The report on this project sets up a comprehensive plan, including navigation and water-front development, at the city of St. Louis. The navigation plan only can be authorized or the comprehensive development can be authorized.

Missouri River, Sioux City to the mouth, Missouri, Kansas, Iowa, and Nebraska (H. Doc. No. 214, 76th Cong.): This document recommends increasing the Missouri River project from a 6-foot to a 9-foot depth. A substantial commerce is already developing on the partially completed 6-foot project and indications of steady increases in traffic warrant a 9-foot channel.

Monterey Harbor, Calif., in accordance with pending report by the Chief of Engineers: Dredging is needed to provide full use of exist-

ing wharves and facilities for receiving fresh fish and for repairing and servicing boats.

Sacramento River flood control, California: The item for this project in the River and Harbor Act of August 26, 1937, is amended by adding thereto a proviso to authorize an additional contribution by the Federal Government for completion of the project previously adopted.

Columbia River at Arlington, Oreg. (S. Doc. No. 28, 76th Cong.): The development of Arlington as the natural point of transfer serving an important farming and mining area in north Oregon is essential to realize the full savings from water transportation on the improved Columbia River Channel.

Columbia River at Camas, Wash. (H. Doc. No. 218, 76th Cong.): Port development at Camas will eliminate terminal and handling charges in the transshipment of commerce to and from ocean carriers at Vancouver, Portland, and other deep-water terminals.

Tacoma Harbor, Wash. (H. Doc. No. 124, 76th Cong.): Further extension of the deep-draft channel is badly needed, and the Federal expenditures proposed are fully warranted by the estimated benefits to the important foreign commerce at this locality and by the substantial expenditures for harbor improvements heretofore made by local interests.

Metlakatla Harbor, Alaska (H. Doc. No. 138, 76th Cong.): A protected small-boat basin is greatly needed to afford protection of the fishing boats and other property of the Indians of the Metlakatla Reservation, who depend upon the fishing industry as their principal means of livelihood.

Meyers Chuck Harbor, Alaska (H. Doc. No. 222, 76th Cong.): The construction of a breakwater will provide a protected harbor of refuge for the inhabitants of the village of Meyers Chuck, who are dependent on their fishing industry.

Wrangell Narrows, Alaska; in accordance with pending report by the Chief of Engineers: Greater depth, width, and improved alinement of the channel and provision of an anchorage area are essential to assure the safe operation of the large vessels now in use in Wrangell Narrows, a part of the protected route from Puget Sound to the Gulf of Alaska.

Harbor of Apra on the island of Guam: A suitable harbor to accommodate ocean-going vessels and afford refuge from the open sea is needed at Guam, which is over 1,000 miles distant from the nearest existing haven for large vessels and is in a zone subject to typhoons.

Yours very truly,

J. J. MANSFIELD,
Chairman, Committee on Rivers and Harbors.

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD a resolution of the Lowe-McFarlane Post of the American Legion, of Louisiana.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The matter referred to follows:

Be it remembered that on this the 16th day of March 1939 at a regular meeting of Lowe-McFarlane Post, No. 14, of the American Legion, held at Shreveport, La., the following resolution was introduced and unanimously adopted; be it

Resolved, That every effort be used to induce the United States Veterans' Administration to locate a hospital and home for domiciliary care in the Fourth Congressional District of the State of Louisiana.

Whereas the members of this post feel that Shreveport, La., is the proper place for this hospital and home, due to the fact that the larger number of veterans in need of hospitalization and care live in and near Shreveport, La.;

Whereas it has come to the attention of the Legion that at times there is a delay of as much as 2 months in getting a veteran in the hospital for treatment. These delays cause undue suffering to those in need of immediate attention;

Whereas the Lowe-McFarlane Post feels that a hospital located in Shreveport, La., which is in the extreme northern part of the State of Louisiana would not only serve the veterans in north Louisiana, which is isolated from the other sections of the State having hospital facilities but will also serve east Texas, south Arkansas, and northwest Mississippi territory, and it is the belief of this post that Shreveport would be the most centrally located point to serve this area; be it

Resolved, That the Honorable OVERTON BROOKS, Congressman of the Fourth Congressional District of the State of Louisiana, be requested to use his influence and vote in having the United States Veterans' Administration and the Administrator of Veterans' Affairs locate a hospital and other facilities necessary for the care of veterans in Shreveport, Caddo Parish, La.; be it also

Resolved, That this post now express its thanks and gratitude to Congressman OVERTON BROOKS for his past untiring efforts in this matter.

Mr. KELLER. Mr. Speaker, I ask unanimous consent that I may be given 5 additional days to prepare my W. P. A. address, because I have been delayed somewhat in getting the information.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I was very much interested in this morning's United States Daily News, a very reliable paper and authentic, giving an account of the amount of cotton that has been exported the past several years.

The 10-year average, from 1922 to 1932, was 8,000,000 bales; 1933, 7,534,000 bales exported; 1936, 5,598,000 bales exported; 1938, 3,800,000 bales exported—less than one-half of the year 1932. I feel confident the Bankhead cotton bill is responsible for the decrease in exports.

Mr. Speaker, if the reciprocal trade agreement policy were working properly, and if we were looking after the affairs of the cotton farmers of America in a proper way, we would try to bring about some arrangement under which we could export more cotton, inasmuch as we are growing more and more cotton in order to take care of the cotton farmers of the South. We now have on hand owned by the Government over 25,000,000 bales, and we produce over 12,000,000 a year. What is going to happen?

We need some real men in government to handle the affairs of the Nation today. This spending spree must stop. We must cancel the reciprocal-trade agreements. Put in a tariff to protect the American laborer, the American farmer, and the American manufacturer. Let us change the N. L. R. B., the Wagner Act, and put the 12,000,000 unemployed men back to work in industry and get them off the W. P. A. and P. W. A. in a hurry before it is too late or we will go into bankruptcy. What will you do about it?

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by Hon. E. G. Causer, of Canton, Ohio.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a very short statement by Walter Winslow.

The SPEAKER. Is there objection?

There was no objection.

Mr. CLASON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a supplemental statement by William H. McMasters, of Cambridge, Mass., to the Committee on Ways and Means of the House of Representatives.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a short editorial from the Chicago Tribune of the issue of Saturday last.

The SPEAKER. Is there objection?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein part of a letter from Secretary Wallace.

The SPEAKER. Is there objection?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to place therein a speech delivered by the president of the senate of Puerto Rico.

The SPEAKER. Is there objection?

There was no objection.

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a resolution adopted by the Wisconsin County Boards Association.

The SPEAKER. Is there objection?

There was no objection.

AMENDING NATIONAL HOUSING ACT

Mr. SABATH, from the Committee on Rules, reported the following resolution (H. Res. 155), which was referred to the House Calendar and ordered to be printed:

House Resolution 155

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 5324, a bill to amend the National Housing Act, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER. Today is District of Columbia Day, and the Chair recognizes the chairman of the committee, the gentleman from West Virginia [Mr. RANDOLPH].

SUFFRAGE IN THE DISTRICT

Mr. RANDOLPH. Mr. Speaker, before bringing up the single item of legislation from the Committee on the District of Columbia, I ask unanimous consent to extend my remarks in the RECORD at this point and to include therein two editorials from the Times-Herald, of Washington, and the Evening Star, of Washington, on the subject of possible suffrage for the District of Columbia.

The SPEAKER. Is there objection?

There was no objection.

The matter referred to is as follows:

[From the Washington Times-Herald]

MR. SUMNERS HAS CHARACTER; DEMOCRACY HAS A CHANCE

On May 18, 1938, the House Committee on the Judiciary met to consider House Joint Resolution 564 (LEWIS-RANDOLPH) and House Joint Resolution 232 (CAPPER-NORTON), proposing various ways to amend the Constitution and provide suffrage for the District of Columbia.

On May 20, 1938, the committee adjourned, having permitted several dozen voteless taxpayers of the Nation's Capital to "blow off steam" as the cynics put it. Those who oppose democracy and self-government here said, "Well, it's all over, now. Those boys will just bury it and we won't hear any more of this. SUMNERS is from Texas. He'll never do anything about votes for Washington on account of the Negroes." Well, the cynics and the self-assured enemies of suffrage got a shock yesterday.

Chairman SUMNERS introduced a resolution to amend the Constitution which combines most of the elements of the Lewis-Randolph and the Capper-Norton resolutions, and provides some additional points evidently devised by him.

To evaluate you have to know some details of each resolution. Here are the main points of each.

Capper-Norton (the oldest and most limited):

The Congress shall have power to admit to the status of citizens of a State the residents of the District constituting the seat of Government of the United States, created by article I, section 8, for the purpose of representation in the Congress and among the electors of President and Vice President and for the purpose of suing and being sued in the courts of the United States, under the provisions of article III, section 2.

When the Congress shall exercise this power the residents of such District shall be entitled to elect one or two Senators as determined by the Congress or such other representative in the Senate as Congress may provide for, Representative in the House according to their numbers as determined by the decennial enumeration and presidential electors, equal in number to their aggregate representation in the House and Senate or as Congress may provide.

Lewis-Randolph (broadest):

Section 1: The Congress shall have power to establish a republican form of government for the District constituting the seat of Government of the United States. The government so established shall have such legislative, executive and judicial officers, to be selected in such manner as the Congress shall be law provide; and such government shall exercise such legislative, executive, and judicial powers over the said District as the Congress shall by law provide.

Section 3: The Congress shall by law provide for the times, places, and manner of holding elections for the officers of the government of the said District, and the Representatives, Senators, and Presidential electors, herein authorized, and for the qualifications of the voters at such elections.

And now the Sumners resolution:

Section 1: The Congress shall have power to provide for the people of the District constituting the seat of the Government of the United States, representation in the Congress and among the electors of President and Vice President no greater than that of the people of States, and to delegate to such government as Congress shall establish therein all or any of its power over said District; and the judicial power of the United States shall extend to controversies to which citizens of said District shall be parties the same as to controversies to which citizens of the States shall be parties.

Section 2: All legislation hereunder shall be subject to amendment and repeal, provided that no amendment or repeal shall affect the office of a Senator or Representative during the time for which he was elected.

You can see that the Capper-Norton plan provides no authority for Congress to transfer to a local government the powers of legislation and taxation essential to the democratic process. It is hesitant concerning representation in Congress, and is positive only on voting for the President and Vice President, and on establishing our technical position in the courts.

MIDDLE OF THE ROAD

The Lewis-Randolph resolution is a full and unrestrained proposal for permanent republican government here, making the District, in effect, an irrevocable forty-ninth State of the Union. We like it best of all for it makes us equal forever with the people of the rest of the Nation.

The Sumners formula strikes a middle ground, providing Congress with all the power necessary to establish local self-government, representation in Congress and a voice in Presidential elections, but retaining for Congress the ultimate authority to revoke any or all these if the national interest so demands. In this, it appears there is still some doubt that the people of Washington are the equals of the people of the States, though they have to pay taxes, obey the laws, and die in war with all other Americans.

But we are not quibbling with Mr. SUMNERS on that matter of an irrevocable transfer of power. The great thing is that any transfer at all is suggested.

More than suggested.

HE GOES IN TO WIN

Chairman SUMNERS is a man of character. He does not introduce measures lightly. He believes the District of Columbia is entitled to the kind of government his resolution outlines and he intends to see that it gets that kind of government. Of that you may be assured, for he is not a liberty-faker. He does not wrap himself in the flag when doing so is histrionics. He acts on conviction, and when convinced he does not retreat.

No stronger friend could be found in Congress. Mr. SUMNERS belongs with Senators ARTHUR CAPPER, of Kansas, and J. HAMILTON LEWIS, of Illinois, and Representatives MARY NORTON, of New Jersey, and JENNINGS RANDOLPH, of West Virginia, in our catalog of patriots.

Let us all join with these five and go in to win, this session of Congress:

Votes for Washington.

[From the Washington Star of April 6, 1939]

THE SUMNERS AMENDMENT

The constitutional amendment proposed by Chairman SUMNERS, of the House Judiciary Committee, enabling Congress to confer national representation and other privileges now denied to them upon the people of the District of Columbia, gains added importance because of the circumstances preceding its introduction.

Chairman SUMNERS, one of the real leaders of the House, presided at the hearings before his committee last year on the two somewhat similar resolutions—the Capper-Norton and the Lewis-Randolph—proposing constitutional amendments. The resolution he now sponsors is reasonably to be interpreted, therefore, as meeting his own views and, it is hoped and believed, the views of his committee colleagues as to the language and scope best designed to assure success of an amendment in meeting the test of congressional and State ratification.

Still more important to the people of the District is the fact that Chairman SUMNERS, in proposing the amendment—which he discusses briefly in a special article elsewhere in today's Star—champions the principle of national representation for the District of Columbia; equal status for District citizens with the people of the States and aliens before the Federal courts; and their right to a voice in the Government which taxes them and sends them to war. Quoting from his article, "There is something fundamentally inconsistent in a government such as we have, a government by the people, which would deny to nearly a half million persons all voice even in their Federal Government, although in the judgment of Congress they could have such voice with no hurt to the Federal rulers. This amendment would remove that inconsistency."

That inconsistency is what the people of the District want removed and they will eagerly endorse Mr. SUMNERS' plan of procedure in removing it. This endorsement becomes the more enthusiastic because the Sumners amendment contains nothing that is hostile to the basic spirit of previous proposals or those now pending. It is naturally disturbing to Washingtonians to find in the proposed amendment that the grant to them of the right to participate in their Government which taxes them and may send them to war should be subject to a possible withdrawal of that right by a majority vote of Congress.

If, however, the grant could not be obtained at all without reservation of the power of withdrawal, the Washingtonian might reassure himself by the thought, as suggested indirectly by Representative SUMNERS, that the power of withdrawal would never be

Mr. DOUGHTON. Mr. Speaker, I yield 10 minutes to the . to the Unemployment Compensation Act, and suggestions are

exercised; that if the Americans represented by two-thirds of Congress and three-fourths of the States had, in effect, approved the Americanization of the Washingtonians, he would never by these Americans be de-Americanized.

The Sumners amendment does not go as far as the Lewis-Randolph amendment, in that the latter, in effect, proposes amendment of the "exclusive legislation" clause of the Constitution—at least it raises the question of continued retention of such powers as the courts have construed them. The Sumners amendment, on the other hand, retains and in its phraseology can be seen to emphasize the principle of the paramount control over the District of Columbia which the Constitution vests in the National Government. In this respect it follows the theory of the Capper-Norton amendment, whose advocates have always argued that the grant of national representation to the people of the District does not need to mean and does not mean the surrender by Congress of its supreme power of control.

As Mr. SUMNERS points out in his article for the Star, the grant of representation in Congress and the electoral college to the people of the District involves no loss of power to Congress, no loss of power to the people of the States and leaves to Congress the unquestioned right to delegate those of its powers in local government which it chooses. There is no conflict here with the principle of the Capper-Norton amendment, but additional support from a powerful quarter—such support being expressed in language which, in the highly respected opinion of Mr. SUMNERS, gives it added weight with the Members of Congress and the people of the States.

HOURS OF DUTY FOR FIREMEN OF THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 3314) to provide shorter hours of duty for members of the Fire Department of the District of Columbia, and for other purposes, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, in order to reduce hours of labor in the fire-fighting division of the Fire Department of the District of Columbia, which now are greatly in excess of those required in industry and other Government services, said hours being 10 hours per day and 60 hours per week when on day duty, and 14 hours per day and 84 hours per week when on night duty; and to improve service and efficiency, and promote morale among said officers and members, upon the passage of this act, or as soon thereafter as necessary additional personnel can be obtained, there shall be granted to each officer and member of the Fire Department of the District of Columbia required to serve under the two-platoon system, 2 consecutive days off duty each week of 7 days, which shall be in addition to his platoon tours off duty, to his annual leave and sick leave now allowed by law or official regulation; and no member of the fire department shall be required to remain on duty more than 70 hours per week on night platoon duty nor more than 50 hours per week on day platoon duty: *Provided*, That compensatory time, in addition to regular annual and sick leave, shall be allowed any officer and member of the fire department for all of the 8 legal holidays on which he may be required to be on duty: *Provided further*, That under conditions which may be defined by the Commissioners of the District of Columbia as emergencies of such a character as to require the service of all or any member of the fire department during their normal off-duty hours, the chief engineer of the fire department shall have authority, and it shall be his duty, in person or by power delegated to subordinate officers, to require such duty during the continuation of such emergency, but compensatory time, in addition to platoon tours off duty, and to the annual leave and sick leave now allowed by law or official regulation shall be allowed later to those affected by the extra time so worked during the said emergency period.

With the following committee amendment:

Page 2, lines 8, 9, and 10, strike out "70 hours per week on night platoon duty nor more than 50 hours per week on day platoon duty" and insert "an average of 60 hours per week."

Mr. RANDOLPH. Mr. Speaker, this legislation comes to the House from the District Committee after hearings were held which disclosed that the firemen in the District of Columbia have been working approximately 72 hours per week. Throughout the States and the cities from which the membership of this body come I think it is a known fact that firemen work perhaps 60 hours per week, and, in many instances, a less number of hours. We are attempting to establish a 60-hour workweek here in the District of Columbia and provide that compensatory time, in addition to regular annual and sick leave, be allowed to any officers or members of the Fire Department for any legal holiday on which they may be needed on duty or for any time in excess of the 60-hour limit they may be required to work due to any emergency that might arise.

The Fire Department occupies a unique position in the District of Columbia, answering about 5,000 calls a year and operating on a 24-hour basis every day in order to give adequate protection.

These fire fighters are loyal public servants and the guardians of life and property in the Nation's Capital.

It is an interesting fact that out of the total annual appropriations for the District of Columbia the Fire Department uses only about 5 percent of that amount, whereas in most cities the appropriation for the Fire Department amounts to about 9 percent of the total.

Mr. SHAFER of Michigan. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. Yes; I yield to my colleague from Michigan, a member of the committee.

Mr. SHAFER of Michigan. Mr. Speaker, I think it will be well to state that a similar bill passed the House last year.

Mr. RANDOLPH. Yes; the gentleman is correct.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. Yes; I gladly yield.

Mr. MURDOCK of Arizona. Merely to say that from the far-off State of Arizona I have had two resolutions from fire departments there asking that this bill be passed.

Mr. SECCOMBE. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. Yes; I yield to a member of the committee.

Mr. SECCOMBE. To state that firemen at the present time receive 4 days off a month. Being a fireman is one of the most hazardous positions in the Nation. These men do not come under the wage and hour bill, and for that reason I think they are justified in asking for a 60-hour week, and from time to time I think there is no one who suffers more than do the firemen in respect to the allocation of both their conditions and wages and hours. I merely mention this in support of what the gentleman says.

Mr. RANDOLPH. I am delighted to have the gentleman from Ohio contribute to the debate. I feel that this measure is most meritorious.

Mr. Speaker, if there is no further discussion I move the previous question.

The previous question was ordered.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. RANDOLPH. Mr. Speaker, that is the only item of legislation to be brought before the House today by the committee.

INCREASED AUTHORIZATION FOR APPROPRIATIONS FOR ADMINISTRATION OF STATE UNEMPLOYMENT COMPENSATION LAWS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 5482) to increase the authorization for appropriations for the administration of State unemployment compensation laws; and, coupled with that, I ask unanimous consent that general debate may proceed not to exceed 1 hour, one-half the time to be controlled by the gentleman from Massachusetts [Mr. TREADWAY] and one-half by myself; the debate to be confined to the bill.

The SPEAKER pro tempore (Mr. JONES of Texas). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That section 301 of the Social Security Act is amended to read as follows:

"SEC. 301. For the purpose of assisting the States in the administration of their unemployment compensation laws, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of $4,000,000, for each fiscal year thereafter up to and including the fiscal year ending June 30, 1938, the sum of $49,000,000, and for the fiscal year ending June 30, 1939, and for each fiscal year thereafter, the sum of $80,000,000, to be used as hereinafter provided."

Mr. COOPER. I yield

employment insurance or unemployment compensation pro-

Mr. DOUGHTON. Mr. Speaker, I yield 10 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Speaker, the pending bill (H. R. 5482) is before the House for consideration under a unanimous report from your Committee on Ways and Means.

This bill seeks to make one rather simple, specific amendment to the Social Security Act. The report filed by the committee is comprehensive and complete and will afford all Members detailed information on any phase of the question with regard to which they may desire definite information.

The Social Security Act provides, in titles III and IX, for a Federal-State system of unemployment compensation. Title IX lays certain taxes on employers of eight or more individuals, and provides that when and if any State passes an unemployment compensation law and taxes such employers for the purpose of paying benefits to unemployed individuals the employer may credit the taxes paid to such States against the Federal tax, up to 90 percent of the Federal tax. This leaves 10 percent of the total taxes under title IX in the hands of the Federal Government.

Title III of the Social Security Act provides that, for the purpose of assisting States in the administration of their unemployment compensation laws, certain appropriations shall be made by Congress. The Social Security Board is authorized to grant to the States which have unemployment compensation laws, approved by the Social Security Board, the total amount which may be necessary to cover the cost of proper administration. The act as written provides that for each fiscal year after 1936 the Congress is authorized to appropriate the sum of $49,000,000 for this purpose.

At the time the Social Security Act was written it was not known definitely just how fast the States might enact State unemployment compensation acts, or just how fast this plan or program might develop. For the time being it was thought that the amount of $49,000,000 authorization for appropriations would be adequate, and it has proven adequate up to this time; but now it appears that the States adopted unemployment compensation plans perhaps faster than we had anticipated at the time the Social Security Act was enacted. So it now appears that all States of the Union have passed unemployment compensation acts, and all States of the Union except two are now actually paying benefits under their unemployment compensation acts. Those two States will begin the payment of benefits in July of this year. Therefore the situation has developed that the authorization for the appropriation of these funds for the various States of the Union for the administration of their unemployment compensation acts, is not adequate to provide the funds that are found to be necessary. For the present fiscal year the fund will be adequate except possibly for the last quarter of this year, and for succeeding fiscal years as the States further develop their programs, it is thought from the best information your committee has been able to secure, that an additional authorization from $49,000,000 up to $80,000,000 will be necessary to provide adequate funds for the various States for this purpose.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield.

Mr. COCHRAN. This is simply an authorization bill?

Mr. COOPER. That is true.

Mr. COCHRAN. The question of amendments to the act itself has been receiving consideration of the Ways and Means Committee and will come in at a later date?

Mr. COOPER. That is correct. I might say to the gentleman that the Committee on Ways and Means began hearings on the Social Security Act on February 1. About 57 days have been devoted to public hearings on the Social Security Act. The public hearings were closed last Friday afternoon. Naturally your committee will have to go into executive session now to consider all of the various matters presented in course of the public hearings, and as soon as reasonably possible will report legislation to the House for consideration.

Mr. COCHRAN. I thank the gentleman for the information, as we are receiving a great deal of mail with reference to the Unemployment Compensation Act, and suggestions are being offered to perfect it. We are looking forward to some future date when the committee will bring in a bill that will perfect existing law and make it more workable.

Mr. COOPER. Of course, during the course of the hearings many matters were brought to the attention of the committee with respect to present title III and title IX of the Social Security Act, which are the titles relating to unemployment compensation. That is under consideration now by the committee. This is one specific matter rather in the nature of an emergency, to simply increase the amount of the authorization so that proper appropriations may be made to provide for the States to continue to function as they have in the past in carrying forward the program for unemployment compensation.

Mr. TREADWAY. In the last remarks the gentleman made he practically covered the inquiry I was about to make. Is it not further a fact that this special item is brought before the House at this time in the nature of an emergency to assist the States to meet the expenditures authorized under the Social Security Act for which the Government is not in a position to contribute beyond $49,000,000?

Mr. COOPER. The gentleman is correct; that is the situation exactly.

Mr. TAYLOR of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield.

Mr. TAYLOR of Tennessee. What is the proposed amendment to the Social Security Act which has aroused such protests from the ministry?

Mr. COOPER. That, of course, has nothing to do with the pending bill, but I am glad to give the gentleman an explanation of it, because all of us have received similar requests from ministers and others interested in religious institutions.

I may say to the gentleman from Tennessee and for the information of the House, that your Committee on Ways and Means has already met in executive session and decided that the exemptions of the present Social Security Act with respect to religious, educational, and other nonprofit institutions, also with respect to agricultural labor and domestic servants in the home, will not be changed. No change in those exemptions will be recommended by your committee.

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield.

Mr. GORE. Is it not true that the maximum authorization of $80,000,000 will not approximate the total 10-percent collection which comes from the Federal Government?

Mr. COOPER. The situation is that up to the present time the 10 percent has amounted to about $90,000,000, and it is thought that the authorization of $80,000,000 in the years of the future will still be well within the 10 percent which is provided under the Social Security Act which now provides for grants to the States for the administration of their programs.

Mr. GORE. In other words, this authorization does not go so far but that the act can be self-sustaining in its administrative features?

Mr. COOPER. That is true. It is estimated on the basis of the best information we have been able to secure that the 10 percent will still be adequate to cover the $80,000,000 authorized.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from North Carolina, the chairman of the committee.

Mr. DOUGHTON. Mr. Speaker, the $90,000,000 referred to by the gentleman from Tennessee is not the total amount received up to this time, as I understand; but the amount received approximates $90,000,000 per year. It was $90,000,000 for the year 1937.

Mr. COOPER. The gentleman is correct.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield 5 additional minutes to the gentleman from Tennessee.

Mr. ZIMMERMAN. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield.

Mr. ZIMMERMAN. The gentleman stated a while ago that the committee had definitely decided not to include religious, educational, or nonprofit organizations. I have been memorialized in a great many letters by our fraternal benefit societies, which are rather strong in the State of Missouri, asking that they likewise be exempted. Will the gentleman from Tennessee inform us whether or not it is contemplated to include these organizations in the amendment?

Mr. COOPER. I may say to the gentleman from Missouri that the matter is definitely under consideration by the committee. While that particular phase of it is somewhat different from the exemptions now included in the Social Security Act with respect to religious, educational, and other nonprofit institutions, we have definitely under consideration the very point to which the gentleman has referred, and I am hopeful that we shall be able to work out something satisfactory along that line.

Mr. ZIMMERMAN. I may say to the gentleman from Tennessee that the people of my State who belong to these organizations are very strongly opposed to being included in this program, and I want the gentleman to have that information in considering the matter.

Mr. COOPER. I think that matter has been adequately presented to the committee during the course of the hearings, and I am sure that it will receive careful consideration.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield.

Mr. McCORMACK. I think, for the benefit of the gentleman from Missouri, that it might be well to have the RECORD show that the societies he mentions are not opposed to the act. They constitute a small group of fraternal societies, credit unions, and small chambers of commerce. Under the existing law, the Internal Revenue Department has construed an officer as being an employee for the purpose of tax collections, taxes applying to an employer of eight or more people.

Mr. ZIMMERMAN. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield.

Mr. ZIMMERMAN. I am referring to fraternal insurance societies, insurance organizations. They are fraternal organizations.

Mr. McCORMACK. There are many groups in a similar situation, affected by the interpretation placed upon the law by the Bureau of Internal Revenue. I, like the gentleman from Tennessee, can assure my friend that the committee has the matter under very serious consideration, and I join with him in his expression that we are hopeful that the gentleman's specific problem and other similar problems will be met in any bill which the committee reports.

Mr. ZIMMERMAN. I thank the gentleman for the explanation.

Mr. COOPER. I thank the gentleman from Massachusetts.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield.

Mr. POAGE. Possibly I failed to catch the trend of the discussion, but as I understand it, this appropriation is simply to take care of the unemployment compensation feature of the Social Security Act. Is it simply to take care of the payment of compensation? As I understand it there are two divisions: There is the payment of unemployment compensation and then there are the employment bureaus who seek to place unemployed persons in jobs.

I know in my State last fall we reached a situation where there was plenty of money available to keep up the payments and the compensation office force had plenty of money to exist and to handle payments of the insurance, but there was no money to carry on the work of placing unemployed people in jobs. Does this take care of both of those situations or only the one?

Mr. COOPER. Of course, as the gentleman will readily see by reference to the bill itself, this is only an authorization. The Ways and Means Committee cannot report an appropriation bill. This is an authorization for grants to be made the various States for the administration of their unemployment insurance or unemployment compensation programs. The point that evidently is in the gentleman's mind is with respect to the employment service. That is taken care of under the so-called Wagner-Peyser Act, which provides for a cooperative arrangement or system for operating the employment agencies throughout the various States.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. POAGE. Will this appropriation make possible additional help to those State employment agencies that are trying to place men in jobs?

Mr. COOPER. This bill does not authorize an appropriation for that purpose. It authorizes an appropriation in order to make contribution to the States for the administration of unemployment compensation.

Mr. POAGE. Which covers simply the insurance feature?

Mr. COOPER. I may say to the gentleman, however, that the Social Security Board under the unemployment compensation title of the present act does make contributions to the various agencies, and these unemployment agencies receive definite benefits under this arrangement.

Mr. POAGE. It will receive that out of this money?

Mr. COOPER. The same as in the past.

Mr. POAGE. The trouble is they have in the past cut down on many States where the greatest demand is, of course, to find placements or to find jobs for people. This, of course, cuts down the number of payments they have to make on the insurance side. They have been given plenty of money to pay the insurance, but have been cutting off money which could be used to find new jobs for people out of work.

Mr. COOPER. I think the gentleman has specifically in mind the Wagner-Peyser Act. The Committee on Ways and Means does not have jurisdiction over that matter. The Committee on Labor has jurisdiction.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. COOPER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. With further reference to the matter brought up by the gentleman from Texas, in my State we have these unemployment offices set up under the Wagner-Peyser Act. The last State legislature, believing that they constituted possibly an unnecessary expense, but at least a function that might be handled by some other agency, made no appropriation for the continuance of those employment offices. The question rose as to how the determination of people who may be eligible for unemployment compensation benefits under this particular legislation may be made. It has been proposed as a possible solution that the social-security offices which are recognized by the Social Security Board for the certification of people for old-age assistance and also for the certification of people for employment by the Works Progress Administration be recognized as the office or agency for the administration of the unemployment-compensation law. We found some difficulty, however, with the Social Security Board recognizing that branch, although, of course, the gentleman from Tennessee recognizes that the Social Security Act provides that the Social Security Board may recognize these employment offices or such other agencies as it may desire.

Does the gentleman feel, if this further appropriation is authorized for the Social Security Board, that the Board will adopt the policy of recognizing the available agencies we may have in my State under the circumstances I have described?

Mr. COOPER. I do not think the question in the gentleman's mind is directly involved in this bill.

Mr. CASE of South Dakota. The gentleman will see that those of us who feel that the Social Security Board is not disposed to recognize such other agencies hesitate to vote in favor of granting them additional appropriations unless it is going to recognize such agencies.

Mr. COOPER. I think the gentleman is confused with reference to the question here under consideration. The question of grants-in-aid to the States for the operation of employment agencies is a matter that comes under the

Wagner-Peyser Act. That is not under the jurisdiction of the Ways and Means Committee.

Mr. CASE of South Dakota. I understand that.

Mr. COOPER. It is my understanding that legislation seeking to amend the Wagner-Peyser Act is now under consideration by the Committee on Labor. This is a different matter. This simply allows the gentleman's State, as well as all other States of the Union, to receive the necessary funds and make it possible for them to administer their unemployment-compensation program. The purpose of this bill is to increase the authorization so that sufficient funds may be appropriated for this purpose.

Mr. CASE of South Dakota. But if they fail to recognize the only available agencies we have in the State, the matter is a moot question.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. MASSINGALE. Will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Oklahoma.

Mr. MASSINGALE. The confusion that seems to exist in the House applies to my State. It is a prerequisite to receiving this aid that a person shall have been employed and shall have contributed to the fund itself prior to the time he receives it.

Mr. COOPER. Of course, the applicant must qualify under the terms of the Social Security Act and the Unemployment Compensation Act of the State in which he lives. Not only the Federal act but the State law determines the question of qualification.

Mr. MASSINGALE. Is it a prerequisite that the applicant shall have been on a pay roll prior to the time he can receive any benefits under this act?

Mr. COOPER. Yes; he must have had the required period of so-called covered employment, but I cannot answer the gentleman's question specifically because I am not familiar with the State law of his State. Of course, the State law of the gentleman's State, along with the Social Security Act, controls the question of eligibility.

Mr. MASSINGALE. I thank the gentleman.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. As a matter of fact, the State law is the determining factor?

Mr. COOPER. That is true.

Mr. McCORMACK. All the Social Security Act provides is certain basic requirements to which the State law must conform, but outside of that the State law is practically unlimited with regard to what its provisions shall be and eligibility for unemployment compensation is for all practical purposes determined by State law.

Mr. COOPER. The gentleman is absolutely correct. The Federal act lays down certain broad standards to which State acts must conform. Of course, all details of the administration, as the gentleman from Massachusetts very properly suggests, come under the State act.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I believe that, generally speaking, the agency which administers unemployment insurance as covered by the bill under consideration today is not the same agency which supplies employment, to which the gentleman is referring. I do not know whether that is the case in every State, but I believe it is, because the Federal law provides very strictly what kind of an agency this must be. I do not know of any State where they would have the same board administer these two activities.

Mr. COOPER. In further reply, I believe it may be well to point out that rather generally throughout the country there is close coordination between the unemployment-compensation agencies and the employment-service agencies.

Mr. CARLSON. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Kansas.

Mr. CARLSON. The facts are that payments for unemployment compensation have been made out of these same offices, and that the group which is dealing with the unemployment service under the Wagner-Peyser Act has made these payments and been reimbursed from funds of the Social Security Board.

Mr. COOPER. The gentleman is correct. There has been a very close coordination along that line.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from California.

Mr. VOORHIS of California. Has not the interpretation been made to the effect that if the Social Security Board grants money for the operation of the work of the employment service, it is thereby making a contribution to the State which has to do with the administration of unemployment compensation?

Mr. COOPER. If I understand the gentleman's question correctly, I believe that is true.

Mr. VOORHIS of California. If that is true, then would it not follow that it would be possible for assistance to be given under this interpretation out of these funds for the work of finding jobs for people through the employment service?

Mr. COOPER. As I endeavored to point out, there is cooperation between these two agencies, the unemployment-compensation agency and the employment-service agency, throughout the various States.

Mr. VOORHIS of California. I know that in my own State the employment service has gotten more money from the Social Security Board than it has through the Wagner-Peyser Act.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I yield 1 additional minute to the gentleman from Tennessee.

Mr. COOPER. Mr. Speaker, I should just like to call attention to one other item in connection with this bill that is now under consideration, and that is it is shown in the hearings we had before our committee that much better progress has been made in this country than was made in Great Britain so far as the amount of money necessary to administer the unemployment compensation law is concerned. It took that country 15 or 20 years to bring its cost of administration down to about 10 percent, whereas our cost of administration is now below that figure. Therefore, I believe a splendid job has been done by the Social Security Board and on the whole by the various States throughout the Union. This additional authorization is now found to be necessary in order that they may continue to carry forward this splendid program. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, in view of the nature of the discussion and the inquiries that have just been made of the gentleman from Tennessee, who has given such a splendid explanation of the bill, I am first going to yield 4 minutes to the gentleman from South Dakota [Mr. CASE].

THE BOARD SHOULD RECOGNIZE OTHER AGENCIES WHEN EMPLOYMENT OFFICES ARE NOT AVAILABLE

Mr. CASE of South Dakota. Mr. Speaker, with further reference to the matter on which I interrogated the gentleman from Tennessee, there is no confusion as to what this bill does and there is no confusion as to the connection between the employment offices in South Dakota and the function they serve in the certification of people for the payment of unemployment-compensation benefits. The bill before us proposes to increase the funds from which the Federal Social Security Board may contribute to the State administration of unemployment-compensation laws. The question I raise is simply whether in a period when a State may have no employment offices under the Wagner-Peyser Act, whether the Social Security Board will recognize some other agency to handle unemployment compensation, a thing for which the basic law makes definite provision.

I have in my hand a copy of the Social Security Act, title III and title IX of which both provide that the Board in

handling unemployment-compensation benefits may utilize either public-employment offices in the State or "such other agencies" as the Board may approve. I read paragraph (a) under section 303, which states:

The Board shall make no certification for payment to any State unless it finds that the law of such State, approved by the Board under title IX, includes provisions for—

There follow several subsections and subsection (2) reads as follows:

Payment of unemployment compensation solely through public-employment offices in the State or such other agencies as the Board may approve.

The particular problem we have in South Dakota is that the State legislature in its wisdom, which I am not here to prove or disprove, decided a few weeks ago not to make an appropriation for the employment offices that then were being conducted, apparently feeling that the work could be handled by the county-welfare or social-security offices which we have in each county seat. Under the Wagner-Peyser set-up we have had 14 regional offices or employment offices. Some people feel that these 14 regional offices have been so scattered that they have not been able to give the close attention to employment and unemployment problems that would be given were offices to be maintained in each of the 64 counties of the State. Therefore, with no State funds to continue the State's Wagner-Peyser employment offices, it has been suggested that the Social Security Board should recognize the county-welfare offices for the certification of persons for the payment of unemployment-compensation benefits. It would be intolerable that our employers should be required to pay unemployment-compensation taxes and have their unemployed unable to receive the benefits.

In the section of the law that I read it was clearly and definitely provided that the Social Security Board might recognize agencies, other agencies than employment offices, in administering unemployment compensation.

I am not here to argue that one agency is better than another. It may be desirable to have the agency that pays insurance to the jobless be the agency that is seeking to place people in jobs. It may be that it is bad sociology for a man who wants either a job or his job insurance to report each week to the office where other jobless people are seeking work on W. P. A. as they do at our county-welfare offices. It may be that there is no handicap to those who have lost their jobs to travel from 150 or 300 miles each week to check in before they can qualify for their weekly unemployment compensation. There have been only 4 employment offices to serve the 24 counties in my district, with an area the size of Kentucky.

Those are all interesting questions, but the practical question that concerns the employees and employers in my State is whether the Social Security Board will recognize some agency to administer the unemployment-compensation fund.

I realize this is purely an authorization bill to increase Social Security's funds for making grants to States in the administration of their unemployment-compensation laws. But we must insist that they use it for that purpose fairly among the States and not as a club over them. The employers in my State pay their unemployment taxes the same as in any other State.

Accordingly, in all fairness I must say, or serve notice, so to speak, that unless the Social Security Board is willing to operate under the specific provision in the Social Security Act which authorizes them to recognize other agencies when employment offices under the Wagner-Peyser Act are not available, that I, as a member of the Appropriations Committee, will feel bound to propose that any appropriations made under the authorization herein proposed must be accompanied by a limitation to provide that these funds shall not be available unless the Social Security Board finds some solution or recognizes some agency for the administration of the State's unemployment-compensation laws, including the certification of people for unemployment-benefit payments. Why increase the funds unless they are used for the purpose intended?

In justification of this position I may point out that these social-security offices in each county seat in my State are all recognized by the Federal Social Security Board for the certification of people under other titles of the Social Security Act. They certify the people for old-age assistance. They certify the people for assistance to the blind. And the Works Progress Administration accepts their certification as to the eligibility of people for work under the W. P. A. program. So we can see no reason why their certification should not also be recognized by the Social Security Board under title IX for unemployment compensation.

As I have pointed out, the Social Security Act expressly sets forth that the Social Security Board may recognize employment offices "or other agencies," and under the circumstances described, where we face a practical problem, I feel the Board should recognize the "other agencies." [Applause.]

Mr. TREADWAY. Mr. Speaker, I yield 2 minutes to the gentleman from Maine [Mr. BREWSTER].

Mr. BREWSTER. Mr. Speaker, I appreciate this measure coming so promptly to our attention, as it has given very considerable concern in the State of Maine as to whether the provision would arise in sufficient season to prevent curtailment of the activities in unemployment compensation which would be most unfortunate in view of the widespread stagnation.

It is my undestanding that if action is taken here today as promptly as would be indicated and the matter goes to the Senate, final action may be completed before April 15, by which time I understand Maine, at least, will be in need of allocation of the additional funds for which this measure would provide.

I want also to say that I trust the Social Security Board will continue a sympathetic attitude in viewing the problems of the various States in its administration, to which reference has been made here.

It may be that the citizens of Maine and their officials are unduly sensitive because of differences in viewpoints that have existed in the past, but it is my impression the matter is working out very satisfactorily at the present time so far as reports received by me are concerned; and I trust that the very prompt cooperation of the Congress, as indicated by this action, will be interpreted by the Social Security Board as meaning that they, too, should view with sympathy the problem of the States and not use the very tremendous powers which are necessarily lodged in them in any arbitrary or bureaucratic fashion. [Applause.]

Mr. TREADWAY. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Speaker, in the heavily industrialized State of Pennsylvania we are much concerned with the problem of unemployment, and in cooperation with the Social Security Board, Pennsylvania established its unemployment-compensation commission. At the present time we maintain a central office at Harrisburg and 100 field offices, and in accordance with the wire I have in my possession from the director of our department of labor and industry, the Honorable Lewis G. Hines, unless additional appropriation is authorized by this Congress, it will be necessary to curtail the efforts of the commission.

At this time, in order that the Congress may know that we in Pennsylvania approve of the compensation commission and want to continue our efforts for the relief of the unemployed, I ask unanimous consent to insert in the RECORD as a part of my remarks the telegram I have received from the Honorable Lewis G. Hines.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pensylvania?

There was no objection.

The telegram referred to follows:

HARRISBURG, PA., *April 5, 1939.*

Congressman JAMES E. VAN ZANDT,
House Office Building, Washington, D. C.:

On March 31 the director of unemployment compensation of the Social Security Board informed the writer that the Chairman of the Social Security Board had on March 16 informed the Acting Director of the Budget that in addition to $9,000,000 appropriated by the first deficiency bill the Board estimated that $11,700,000 additional would be required for balance of current

fiscal year for grants to States for operation of unemployment-compensation and employment-service agencies and that further on March 28 the Acting Director of the Budget replied stating that no further supplemental estimates could be considered unless Congress enacts legislation increasing the limit of $49,000,000 now in the Social Security Act; and further, that there could be no assurance even if authorized limit were increased that additional funds would be provided for current fiscal year. Until deficiency appropriation was available to the Social Security Board only about one-half of the grant for first calendar quarter was remitted to Pennsylvania. I am informed that funds now available to the Social Security Board are only sufficient to pay expenses of administration of unemployment compensation and employment service through the month of April. It is urgent therefore that sufficient additional funds be furnished by the Congress for the balance of fiscal year. Understand that Ways and Means Committee has reported favorably bill H. R. 5482 increasing statutory limitation on appropriations. It is imperative that not only for Pennsylvania but for all States that the necessary legislation be passed to furnish the essential funds so that we can operate during the months of May and June. The 100 employment offices and central administration cannot continue to pay unemployment compensation and render service if funds are not made available.

LEWIS G. HINES,
Secretary, Department of Labor and Industry.

Mr. TREADWAY. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Speaker, I had not intended to use any time on this bill. The bill has the unanimous approval of the Ways and Means Committee, as the gentleman from Tennessee [Mr. COOPER] stated, but I saw a very interesting newspaper clipping from my home district this morning. It occurs to me it might be of interest to the House. Here in Congress we discuss and hear so much about unemployment that we begin to believe there are no jobs available.

The Salina Journal of April 7 carried a report of the progress being made by the Kansas State Employment Service. The Kansas State Employment Service district office, working under the Social Security Act and the Wagner-Peyser Act, has submitted a most encouraging report for the first quarter of 1939. The United States Employment Service in this district has placed 352 workers since January 1, and it is estimated by Mr. Floyd H. Shield, manager of the Salina office, that about 25 percent of the 352 will have permanent jobs. The United States Employment Service is rendering a real service, and nothing must be done to decrease its efficiency. As they are receiving a large portion of their funds from the Social Security Board, I was fearful there might be a tendency on the part of the Social Security Board to demand that those who are receiving social-security benefits be given first consideration when it comes to reemployment. This would be unfair in a large section of our country. In the agricultural and nonindustrial area most of our workers are not covered by the social-security unemployment insurance as the larger portion of our businesses employ eight people or less. In addition to this group we have the unemployed veterans and detached agricultural workers. Should the Social Security Board insist that those receiving unemployment insurance be given first consideration for employment, it would work to the disadvantage of the other groups. During the discussion on this bill in committee I called these facts to the attention of Dr. Arthur J. Altmeyer, Chairman of the Board, and he assured me they would be fair with all unemployed individuals. In my opinion, we will not have national prosperity until private industry and business are able to largely absorb the unemployed. This Congress can render no greater service to our Nation than to remove many of the restrictions which are withholding private enterprise. During the past few years much time has been devoted to reform programs. We should now begin to spend more time on a program of recovery.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. CARLSON. Yes.

Mr. JENKINS of Ohio. I think the gentleman is raising an important point. If they should do that, it is perfectly patent there will be some people left out of the purview of this expenditure, because there are many who do not have employment status, that would enable them to get compensation under the Social Security Act. In other words, take, for instance, an agricultural employee, or, for instance, a man who mows lawns or who works part of the time. He has no status under the Social Security Act, and if they take over this whole class this fellow might be left out.

Mr. CARLSON. As I stated, that is a real danger, and I do not say that it will happen; but I can see possibilities where that might work to the disadvantage of workers in agricultural sections.

Mr. DISNEY. Mr. Speaker, will the gentleman yield?

Mr. CARLSON. Yes.

Mr. DISNEY. There was no evidence before the committee on that subject, was there?

Mr. CARLSON. The gentleman will remember that I asked Dr. Altmeyer that very question and he stated that he did not think we should have any fears about it. Personally I am fearful that the Social Security Board will take over the entire employment service to the disadvantage of some individuals.

Mr. DISNEY. There was no evidence of any such experience in the operation of this. There is no evidence that has come to the committee that there will be any taking over.

Mr. CARLSON. That is very true, but under the present set-up, the United States Employment Service is receiving a large portion of money under the Wagner-Peyser Act. In the future they may not receive this money and the costs will be paid by the Social Security Board. If that is the case then it would be only natural for the Social Security Board to ask them to take care of those drawing unemployment compensation.

Mr. DISNEY. Suppose the Wagner-Peyser Act appropriation is complete. Still the issue would be here in Washington between the employment service and the Social Security Board.

Mr. CARLSON. Of course we realize that this United States Employment Service is handled by the Department of Labor, and this fund deals only with the Social Security Board.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. TREADWAY. Mr. Speaker, I yield myself the remainder of my time.

It is a splendid way to begin Monday morning after Easter by being in hearty accord upon two matters brought in by the majority of the Committee on Ways and Means. We disposed of one in a favorable manner a few minutes ago. I trust that within the next few minutes this present bill will be similarly disposed of. I can see no serious reason for any delay in passing this measure, as it is presented to the House as an emergency measure, and not as a part of the general program of revision of the Social Security Act. Naturally, the Members of the House have the Social Security Act in mind, and as the gentleman from Tennessee [Mr. COOPER] so well said a few moments ago, the Committee on Ways and Means has a tremendous task on its hands in bringing in a satisfactory revision of the present Social Security Act.

I would hesitate to prophesy that the same harmony and unanimity of expression of opinion is likely to exist on that great measure when the Ways and Means Committee finally makes a report as today appears on the two measures now before us.

In view of this unanimity of expression on the part of the entire committee, I ask unanimous consent, Mr. Speaker, at this point in my remarks to insert the report of the committee on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Committee on Ways and Means, to whom was referred the bill (H. R. 5482) to increase the authorization for appropriations for the administration of State unemployment-compensation laws, having had the same under consideration, report it back to the House without amendment and recommend that the bill do pass.

GENERAL STATEMENT

The Social Security Act provides, in titles III and IX, for a Federal-State system of unemployment compensation. Title IX lays certain taxes on employers of eight or more individuals and provides that when and if any State passes an unemployment compensation law and taxes such employers for the purpose of paying benefits to

unemployed individuals, the employers may credit the taxes paid to such States against the Federal tax up to 90 percent of the Federal tax. This leaves 10 percent of the total taxes under title IX in the hands of the Federal Government.

Title III of the Social Security Act provides that, for the purpose of assisting States in the administration of their unemployment-compensation laws, certain appropriations shall be made by Congress. The Social Security Board is authorized to grant to the States which have unemployment compensation laws approved by the Social Security Board, the total amount which may be necessary to cover the costs of proper administration. The act as written provides that for each fiscal year after 1936 the Congress is authorized to appropriate the sum of $49,000,000 for this purpose.

At the time the act was written there was no way of knowing how rapidly the States would respond to the incentives so provided, by passing unemployment compensation laws. Consequently, it was impossible to predict what amount might be necessary in future years to cover the costs of administering such laws. The sum of $49,000,000 was probably a reasonable limit on appropriations for this purpose during the initial period. However, the States have responded very rapidly, as everyone might have wished, and today every State in the Union has an unemployment-compensation law and all but two States are actually paying benefits to unemployed workers—and these other two will begin to pay benefits in July.

The costs involved in developing such a program have thus increased more rapidly than might have been anticipated at the cutset. During the fiscal years 1937 and 1938 the necessary appropriations were well within the authorization of $49,000,000 fixed in the Social Security Act. During these years the State agencies were gradually developing, and their necessary expenditures increased as their operations expanded. At the present time, with all but two States actually paying benefits, operations are at a level which requires expenditures well beyond the $49,000,000 authorized by the Social Security Act. The Board has already found it necessary to grant to the States for the current fiscal year almost $49,000,000, and it seems likely that approximately $12,000,000 more will be needed to carry through the fourth quarter. Beginning with the first quarter of the next fiscal year, all States will be paying benefits, so that the expenditures are likely to be not less than $17,000,000 or $18,000,000 per quarter for the present activities.

Information which the Social Security Board has made available indicates that the cost of administering those State systems which have been longest in operation was at a maximum during the first few months after benefits were first paid. If this experience is indicative of what may be expected in other States, it would seem that expenditures at the present time are probably as high for all of the States taken together as they are likely to be, except as additional functions are required of the State agencies. There are some such added functions which must be provided for. Certain activities connected with so-called "employers' merit ratings" are authorized by the Social Security Act but have been undertaken by the various State agencies only to a very limited extent because of the pressure of more immediate problems. However, inasmuch as the majority of State laws provide for merit rating to go into operation in the near future, a large part of the annual cost involved in the operation of such a program will need to be incurred in the fiscal year 1940, so that the modified rates can be put into effect in 1941. It will be necessary, therefore, to increase the appropriation for the coming fiscal year above the amount required for present operations.

Although the Federal Social Security Act now exempts certain classes of employees from coverage, the tendency at the present time is to amend the State acts to include certain of these exempted occupations. Furthermore, many State unemployment-compensation laws have extended coverage to employers of one or more rather than limiting coverage to employers of eight. These developments naturally increase somewhat the costs of operation of the State programs.

When consideration is given to these various factors it seems clear that the total cost of operating the State systems may eventually reach $80,000,000 per year. In order that the Congress may be in position to make the necessary appropriations for carrying on this important service, it seems both necessary and advisable at this time to amend the Social Security Act to increase the authorization in title III to at least $80,000,000.

Such authorization in the basic law does not necessarily mean that this sum will be spent each year. The States are required to present their requests for funds to the Social Security Board and the Board determines the amounts which are actually necessary for the proper and effective operation of the State laws. As experience shows where economies can be made, and as laws are simplified to eliminate some of the more cumbersome and expensive procedures now necessary, expenditures may be expected to decrease somewhat. The experience of the 23 States which have paid benefits since January 1938 justifies this assumption. For the quarter January 1 to March 31, 1939, the allotment to these States was something over a million dollars less than for the corresponding period last year. With a few exceptions the States have, in the main, done a very good job in setting up and getting into operation a system such as unemployment compensation in the short period of 3 years. In some cases costs are probably still too high, but, with the help of the Social Security Board, these States, too, may be expected to bring their operations in line with the general experience.

It should be pointed out, too, that the $80,000,000 suggested as a maximum authorization is well within anticipated receipts from the 10 percent of pay-roll taxes under title IX which will be retained by the Federal Government. The actual collections in the year 1937 were over $90,000,000, and the estimate for 1938 is somewhat above that amount. Unless business activity should be much less in the future than anything we have known in the last 5 years, collections may be expected to run over $90,000,000 annually. Since the 10 percent retained by the Federal Government was intended to cover the costs of administration of the unemployment-compensation system, an authorization of $80,000,000 annual appropriation is therefore very conservative.

It may be mentioned in passing that during the early years of the English system costs were regularly well above 10 percent of collections. To be sure, the coverage was small and costs relatively large, but these costs ranged from 26 percent in 1913 down to 10.5 percent in 1922–23, and were less than 10 percent for only 3 years up to 1932. In view of this experience, a 10-percent operating cost would not seem unduly high, and the system as a whole in this country is actually operating well below that level.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows: Existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italics; existing law in which no change is proposed is shown in roman.

"SEC. 301. For the purpose of assisting the States in the administration of their unemployment compensation laws, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of $4,000,000 [and] for each fiscal year thereafter [the] *up to and including the fiscal year ending June 30, 1938, the* sum of $49,000,000, [to] *and for the fiscal year ending June 30, 1939, and for each fiscal year thereafter, the sum of $80,000,000, to* be used as hereinafter provided."

Mr. TREADWAY. My reason for doing this is that I consider the report a very complete and proper answer to the various questions involved in this bill, and it ought to be thoroughly understood by the membership of this House.

I do not know that it is necessary for me to elaborate at all on the statement made for the committee by the gentleman from Tennessee [Mr. COOPER].

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield.

Mrs. ROGERS of Massachusetts. There is no authorization in this to take the United States Employment Office from the Department of Labor, is there?

Mr. TREADWAY. That question has been discussed pro and con during the general hearings. There is nothing of that nature in the measure before us, but the gentleman from South Dakota [Mr. CASE] has given warning that when the measure comes up in the Appropriations Committee he will ask that the Social Security Board take over some of the functions, at least, of the United States Employment Service. I might say further that the gentleman from Tennessee [Mr. COOPER] did not touch upon the point that this question has been considered by the Ways and Means Committee, and both sides have been heard upon the subject. There is not harmony in the two departments involved as to whether or not the United States Employment Service, now in the Department of Labor under the Wagner-Peyser Act, should be amalgamated with the Social Security Board. We had a difference of opinion expressed to the committee at one of the hearings. Directly answering the inquiry of the gentlewoman from Massachusetts [Mrs. ROGERS], I would say that this bill does not make any reference whatsoever to the United States Labor Employment Service.

Mrs. ROGERS of Massachusetts. The money could be taken from the Social Security Board and given to the United States Employment Office?

Mr. TREADWAY. It is possible that it could if agreeable to the officials carrying out the purpose of the Social Security Act.

Mrs. ROGERS of Massachusetts. Of course, social security is unemployment insurance and the other is finding jobs. It seems to me they should be separate.

Mr. TREADWAY. There is such a wide difference between the two types, one the payment of unemployment insurance and the other finding jobs for people, that it would seem to be a mistake to combine them.

Mrs. ROGERS of Massachusetts. I thank the gentleman.

Mr. TREADWAY. But that is not for me to say.

Mr. LEAVY. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. LEAVY. The gentleman stated he would make no prophecy as to what will come out of the Ways and Means

Committee with reference to amendments to the Social Security Act?

Mr. TREADWAY. That is a correct statement.

Mr. LEAVY. There are a great many Members on the floor of this House, and I think among the American public generally, who are quite interested in knowing whether H. R. 2, the Townsend plan, or H. R. 11, which is the general welfare plan, may come out. Would the gentleman care to make a prediction on that?

Mr. TREADWAY. Not the slightest prediction, not knowing the intention of the Democratic majority. If the gentleman will find out what my colleagues on the Ways and Means Committee on his side of the House think about those two measures or about bringing them out, then I could answer; but under existing conditions my mind is a blank, as is that of the gentleman from Washington—absolutely a blank.

Mr. LEAVY. I think they should both come out, and I am wondering if the gentleman is going to aid us in bringing them out.

Mr. TREADWAY. I would refer the gentleman once more to the distinguished chairman of the Committee on Ways and Means and his associates on the majority side of the House.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. Certainly.

Mr. DOUGHTON. The gentleman says his mind is entirely a blank as to what the majority of the Ways and Means Committee might do. His own mind is a blank as to what the minority members may do.

Mr. TREADWAY. Yes, indeed.

Mr. DOUGHTON. The mind of the gentleman from Massachusetts is never a blank when it comes to raising partisan questions.

Mr. TREADWAY. We are discussing in a very jocular manner a very serious question. I will answer directly, in all earnestness, to my distinguished chairman that in view of the fact that neither H. R. 2, nor H. R. 11, nor the amended H. R. 11, nor any other social-security matter has as yet been discussed in executive session, I am justified in saying that we know nothing about what is likely to come out in the future. I think that is a fair statement.

Mr. DOUGHTON. But the gentleman did refer to the majority members. I have been hoping——

Mr. TREADWAY. I am perfectly willing to include my colleagues.

Mr. DOUGHTON. Will the gentleman yield further?

Mr. TREADWAY. Yes; I yield.

Mr. DOUGHTON. I was hoping that the debate on this entire subject of amendments to the Social Security Act would proceed without any reference to the majority or minority, entirely separate and apart from any partisan consideration, and I still hope so.

Mr. TREADWAY. Have I not stated the fact correctly, that neither of those bills nor any other amendment to the Social Security Act has been given any consideration whatever in executive session, other than the single agreement that we entered into not to include charitable, educational, and religious employees?

Mr. DOUGHTON. The gentleman is absolutely correct on that.

Mr. KNUTSON and Mr. O'CONNOR rose.

Mr. TREADWAY. I yield first to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Answering the chairman of the committee, we realize, of course, that the majority was badly handicapped during the absence of the President, but we expect with his return that the majority will know what we are going to do.

Mr. TREADWAY. Mr. Speaker, I hope that partisanship will not enter into the discussion of a very meritorious measure, such as the one we now have before us, and I would prefer not to answer any further questions, but I will yield to the gentleman from Montana.

Mr. O'CONNOR. Does not the gentleman feel that the millions of people throughout the United States interested in it are entitled to have H. R. 2, known as the Townsend plan, brought to the floor of the House and discussed? Surely they are entitled to know what the Congress wants to do with it.

Mr. TREADWAY. That matter is not under discussion this morning and general debate on the bill is nearly completed. In fact I believe my time has expired or will presently expire. I have yielded time I expected to use for myself in discussing the measure before us in answering my colleague's questions, many of which were not pertinent to the bill, and I would prefer not to get into a further discussion of that matter at this time.

Mr. Speaker, I had intended to use the time remaining in discussing some of the features of this measure, but having probably now consumed my time——

[Here the gavel fell.]

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by inserting some remarks I expected to make today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. TREADWAY. The effect of the bill is to increase from $49,000,000 to $80,000,000 the authorized Federal appropriations to the States for meeting the cost of the administration of their unemployment-insurance systems. This increase does not involve any expense to the Federal Government, inasmuch as the appropriations are within the $90,000,000 of revenue which the Government now collects from the pay-roll tax under title IX of the Social Security Act.

This $90,000,000 represents the 10-percent of the Federal pay-roll tax for unemployment insurance which the Government retains after allowing the 90 percent offset for amounts contributed by employers to State unemployment-insurance systems.

The present appropriations are not adequate to meet the needs of the States, but cannot be increased without raising the limit authorized by law. The present limitation of $49,000,000 was not intended to be an upper limit of Federal contributions, but it was thought that this amount would be sufficient while States were setting up their unemployment-compensation systems. However, there has been such rapid progress that all but two States are now actually paying unemployment benefits.

It was the intention of the original act that the amount of pay-roll tax revenue retained by the Federal Government should be used for paying administrative costs. It should be made clear that no Federal benefits for unemployment insurance are paid. The only purpose in imposing a Federal pay-roll tax for unemployment insurance was to force the States to set up systems of their own. This was done through the 90-percent credit device. Presumably the whole 100 percent would have been credited if constitutionally possible. The only alternative is for the Government to use the 10 percent of the tax it retains for the purpose of meeting State administrative costs.

In this way all the money collected through pay-roll taxes for unemployment insurance, both by the Federal and State Governments, is used for unemployment-insurance benefits and administrative costs. It is not expected that the full $80,000,000 authorization will be used at once, but the Social Security Board estimates that about $72,000,000 will be required in the next fiscal year.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Speaker, I join with my distinguished friend from Massachusetts [Mr. TREADWAY] in his expression of satisfaction at the spirit of peace and happiness that prevails in this Chamber on Easter Monday. It would be a very fine example for the rest of the world to follow and a very fine example for us to follow during the remainder of this session. If my friends of the minority will continue to follow with this same spirit of cooperation I am sure we shall be able to adjourn somewhere between the 1st of June and the 15th of June. I have in mind, of course, the recent statement made by my distinguished friend, the

of remedy. Any new legislation of such far-reaching import

The SPEAKER. Is there objection to the request of the

gentleman from Massachusetts [Mr. MARTIN], for whom I have the highest regard that it is possible for one man to have for another. The minority leader said that the expectation of adjournment some time in June was just a hope, that probably it would be sometime in July or August.

Mr. MARTIN of Massachusetts rose.

Mr. McCORMACK. If this fine, this pleasant state of mind continues—Mr. Speaker, I am happy to yield to the minority leader.

Mr. MARTIN of Massachusetts. The gentleman realizes, of course, that the statement I made was to the effect that we had plenty of business to keep us here probably until July. The gentleman from Massachusetts with his great ability, with his fairness, of course, never makes a political speech.

Mr. McCORMACK. Oh, I do, I do! I am not one of those fellows who say they never talk politics. I am just like my friend, the gentleman from Massachusetts [Mr. TREADWAY].

Mr. MARTIN of Massachusetts. I apologize; the gentleman does make partisan speeches.

Mr. McCORMACK. Oh, I make political speeches. I would not want the RECORD to carry any other insinuation that I did not make political speeches. Like my distinguished colleague from Massachusetts, I frankly confess that I make political speeches at times, but this is not one of those times.

Mr. MARTIN of Massachusetts. What was the gentleman trying to get at concerning the possibility of adjournment by the middle of June?

Mr. McCORMACK. I was saying that my friend from Massachusetts [Mr. TREADWAY], in the very fine remarks that he made, referred to the harmonious spirit that prevails in the House on Easter Monday. I just extended the sentiment of his remarks by expressing the hope that this harmonious state of mind would continue; and I stated that if it did continue we would be out of here between June 1 and June 15. Has my friend from Massachusetts any objection to that hope?

Mr. MARTIN of Massachusetts. Not at all; but I would ask the gentleman if he does not believe that Members of the minority side may have some ideas of their own, and if they do, does he not believe that they should have the right to express themselves?

Mr. McCORMACK. Mr. Speaker, the gentleman is assuming something that does not exist in my mind.

Mr. MARTIN of Massachusetts. Oh, the gentleman means, does he, that because a matter is proposed, the matter is right?

Mr. McCORMACK. The gentleman is again assuming something that does not exist in my mind.

Mr. MARTIN of Massachusetts. I am afraid I cannot imagine what is in the gentleman's mind.

Mr. McCORMACK. I am afraid the gentleman is correct in this particular statement. I now yield to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. I would like to speak in a little less serious vein.

Mr. McCORMACK. I am not speaking in a serious vein. If I were, I would not have made the remarks I just made to my friend from Massachusetts [Mr. MARTIN]. Our exchange was in a purely jocular vein.

Mr. TREADWAY. May I ask the gentleman whether or not one of the further reasons for his hope of adjournment in June is to a certain extent based on the glories of Massachusetts scenery, the seashore, the hills, and the climatic conditions there that he and I want to return to as early as possible?

Mr. McCORMACK. That is always a strong inducement. I am glad to see that again the gentleman from Massachusetts [Mr. TREADWAY] and I are in agreement this day.

Mr. TREADWAY. Yes; on Easter Monday.

Mr. O'CONNOR. Will the gentleman yield?

Mr. McCORMACK. The gentleman is not going to take issue with the statement just made by the gentleman from Massachusetts, is he, about the attractiveness of Massachusetts?

Mr. O'CONNOR. I am going to ask the gentleman for some information. I asked the gentleman from Massachusetts [Mr. TREADWAY] the same question and I did not get any information.

Mr. McCORMACK. On the Townsend plan?

Mr. O'CONNOR. Yes. The gentleman said he would answer the question. May I ask the gentleman from Massachusetts [Mr. McCORMACK], as a member of the Ways and Means Committee, whether or not he is in favor of reporting H. R. 2 so that the House of Representatives may have an opportunity to vote upon it, talk about it, and discuss it?

Mr. McCORMACK. As far as I am concerned, personally, I am in favor of a vote being taken on this and any similar bill.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, in view of the fact the pending resolution has been ably discussed, especially by my colleague from Tennessee [Mr. COOPER], I see nothing to be accomplished by further discussion of the bill. I do want to make one statement in reference to something that has not been referred to. This is an authorization only. Of course, the Committee on Ways and Means has no authority to appropriate money. This authorization is well within the 10 percent that is paid into the Treasury in the form of a tax for the purpose of administration of the law and imposes no additional burden on the Treasury of the United States. Further, this being an authorization and not an appropriation, the Social Security Board will be compelled to make its case before the Appropriations Committee before $1 of this authorization is appropriated. The authorization is, therefore, absolutely safeguarded and the money will not be appropriated unless the matter is satisfactorily explained to the Appropriations Committee by the Social Security Board.

Mr. REED of New York. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from New York.

Mr. REED of New York. All that is really involved here in this authorization is simply the question of meeting an obligation which we should discharge to the several States which have since come in under the Social Security Act?

Mr. DOUGHTON. Yes; obligations for the remainder of this fiscal year and obligations which will arise in future years. The 10 percent retained for this purpose is admitted to be adequate to meet the appropriation which may be authorized under this bill.

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK of Arizona. Mr. Speaker, now at the conclusion of the reading of this bill, and before its final passage, I want to say briefly that I favor it and shall not even offer a pro forma amendment to gain 5 minutes to speak on it, although it had been suggested to me that a bill now before the Ways and Means Committee, H. R. 898, which I introduced, would make an appropriate amendment to this act. There has been so much harmony expressed here—perhaps it be the carry-over of the Easter spirit—I do not feel I ought to inject anything into the measure about to be voted on that might stir up controversy. We have been assured by several that legislation amending the Social Security Act will soon be presented, and I think my measure, H. R. 898, will undoubtedly receive consideration at that time. Therefore, I reserve my amendment.

This authorization for the appropriation of money to enable the present social security set-up to function is undoubtedly a proper move. I know that there are needed amendments to the basic act itself, and I hope to see those brought forward soon. Although the Social Security Act was passed before I came to Congress, I approve of the general spirit of the legislation. I have heard many complaints about it and realize that it has imperfections and is in need

President Roosevelt's objections were reported to be on the ground of conflict with reciprocal-trade agreements with Cuba and that

The 1939 acreage quota curtails beet production in Montana

of remedy. Any new legislation of such far-reaching import is bound to have imperfections. This is an experimental piece of legislation and merits leniency of judgment and sympathetic treatment at the hands of Congress and in the minds of the American people. Both those who are to receive benefits under it and those who must foot the bill deserve our consideration in writing or rewriting the law.

Last year the committee very justly and generously wrote into the Revenue Act of 1938 a provision granting a credit or refund to certain taxpayers who were having difficulty in regard to their 1936 social-security taxes under certain circumstances. I felt then, as I do now, that we should show proper leniency in the collection of this tax and not be too severe for the first few years of its beginnings. I have no desire to shield willful tax evaders, but I do wish to see the Government deal fairly with the taxpayers who may have gotten confused in regard to some of the complexities of this new legislation. For that reason I have again introduced a bill which is the proposed amendment, H. R. 898, as a matter of simple justice to many overburdened taxpayers without weakening the financial structure of this great humanitarian social-security system. Let us pass the bill before us as the immediate need, and then as quickly as may be modify the original act in a spirit of justice and fair play to those who are to be taxed and those who are to be benefited.

The SPEAKER. The question is on the passage of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD with reference to the presentation of a gavel to our colleague the gentleman from Colorado [Mr. TAYLOR], and to include therein a very brief memorial passed by the Senate of Colorado regarding his long services in Colorado and in the Congress of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Colorado [Mr. MARTIN]?

There was no objection.

ELECTION OF JAMES G. POLK

Mr. THOMAS of Texas. Mr. Speaker, by direction of the Committee on Elections No. 3, I present a resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 156

Resolved, That the Honorable JAMES G. POLK was duly elected as Representative from the Sixth Congressional District of the State of Ohio to the Seventy-sixth Congress and is entitled to his seat.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. THOMAS]?

There was no objection.

Mr. THOMAS of Texas. Mr. Speaker, I understand this resolution is agreeable to the gentleman on the minority side of the aisle, and I therefore move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his own remarks in the RECORD.

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the bill H. R. 933, a bill which would create 9,000,000 new jobs.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. HOOK]?

There was no objection?

Mr. TENEROWICZ, Mr. PITTENGER, and Mr. COFFEE of Washington asked and were given permission to extend their own remarks in the RECORD.

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the bill H. R. 3314.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. LEA. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until 5 o'clock this afternoon to file a report on the bill H. R. 5412.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD and include therein a tabulation showing contributions, domestic and imported, to sugar consumption of the continental United States from all areas.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, an agricultural absurdity which has handcuffed and is now slowly starving sugar-beet growers of Montana and other Western States must be corrected through legislation during this session of Congress.

I can best express my stand and the views of sugar-beet growers in Montana by terming the present sugar program of the Department of Agriculture as the height of folly, unsupported by any logic.

I challenge any Member of this House to answer this statement: How can the Department of Agriculture conscientiously curtail acreages of domestic sugar-beet or cane growers when we provide only 29.69 percent of the amount of sugar necessary for domestic consumption? And as a follow-up to that statement: How can the Department of Agriculture and other Federal agencies allow Cuba to provide 28.82 percent of our domestic consumption and then curtail the acreages of our farmers in the United States? The figures are based on 1938 compilations released by the Department of Agriculture.

I would appreciate and would be indebted to any Member of this House who would enlighten my knowledge and defend the present sugar-beet program at the conclusion of my statement.

Senate bill 69, known as the Ellender sugar-quota bill, is a partial answer to continuous demands of Congressmen from sugar-beet-producing States for acreage increases. The bill as passed the Senate will be of immense value to sugar-beet growers in the West, with the clause stricken providing for an allocation of 6,000 acres of the increase to the State of Nevada.

It is unfair to single out the State of Nevada or any other Western State in the bill, and I condemn the clause as discriminatory against States not specifically mentioned. With the Nevada amendments, introduced by Senators PITTMAN and MCCARRAN, stricken, the bill will mark our first step toward offering our sugar-beet growers a fair deal.

At this point permit me to insert excerpts from a news story which appeared in the Washington Post, under copyright by International News Service, on April 4:

President Roosevelt will veto the Ellender sugar-quota bill should Congress enact it, House Democratic leaders said they were informed yesterday.

The bill, passed last week by the Senate, now is before the House Agriculture Committee. It increases the continental sugar quota of 300,000 tons, which would curtail a corresponding quantity from Cuba and the Philippine Islands.

The Democratic platform of 1932 contained the following | The Democratic platform of 1936 stated:

President Roosevelt's objections were reported to be on the ground of conflict with reciprocal-trade agreements with Cuba and that Hawaii and Puerto Rico would be denied participation in the increase to be given domestic beet- and cane-sugar growers.

Chairman MARVIN JONES, of the House Agriculture Committee, revealed there are no plans to give consideration to the measure.

After reading the aforementioned story the thought occurred to me that if crops must be curtailed and thereby contribute to our relief rolls, it is much better for the unemployed to be in Cuba rather than in the United States. That is, if we must have people on relief through unemployment, let us give preference to our own farmers.

Under the amendment offered by Senator ADAMS to the Ellender bill the sugar-beet acreage in the United States would be increased by 80,000 to 100,000 acres, according to an informal estimate by the Department of Agriculture officials.

Dr. Bernhardt, Chief of the Sugar Division of the Department of Agriculture, before the House Appropriations Committee in February, estimated that of the sugar consumption of 6,650,000 tons in the United States in 1938, 2,360,000 tons were produced in continental United States from sugar beets and cane.

But of the production of 2,360,000 tons by domestic producers, they were allowed to place only 2,013,500 tons, or 29.69 percent, on the market for consumption within the United States. There is only one answer to that situation. Either the entire sugar program is built upon absurdity or else the powerful Wall Street bloc which owns and operates the sugar refineries in Cuba and other foreign countries have dominated the Department of Agriculture.

I am not speaking for Montana alone, but for all States that are concerned with the proposed increase in sugar-beet acreage. In addition to Montana, the States include California, Colorado, Idaho, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, Oregon, Utah, Washington, and Wyoming.

Our Committee on Agriculture may refer me to a letter written by Secretary Wallace to Hon. MARVIN JONES, chairman of the House Agriculture Committee, and printed in the CONGRESSIONAL RECORD of January 26, 1939.

Secretary Wallace set forth that—

limitation through quotas on the admission of foreign and insular sugars, which limitations have been fully effective and restrictive each year since 1934, and limitations on marketings of the mainland sugarcane and sugar-beet industries, which have been nominal since 1935 because production was generally below the quotas for such areas established in the legislation.

Secretary Wallace also stated that—

In 1938 Cuba contributed about 28.8 percent of the total United States requirements as compared with 43 to 53 percent in the period 1925–30.

The Cuban contribution to the United States sugar consumption has undoubtedly decreased since 1925, but certainly that fact alone does not erase the eyesore that Cuba contributed virtually the same amount of sugar for domestic consumption last year as the United States processors.

If the Secretary was correct when he wrote that "production was generally below the quotas for such areas established in the legislation," how it is possible to convince the sugar-beet growers of the West that they must curtail their production. Production may be "generally below the quotas," but the fact remains that we had 300,000 tons in 1938 above our quota toward domestic consumption.

Sugar-beet production in Montana, according to figures released by the Department of Agriculture the last 10 years, follows:

In 1929, 43,282 acres; in 1930, 49,198 acres; in 1931, 64,232 acres; in 1932, 59,225 acres; in 1933, 74,879 acres; in 1934, 72,994 acres; in 1935, 57,113 acres; in 1936, 74,398 acres; in 1937, 77,227 acres, in 1938, 84,076 acres, and the allotted production in 1939 totals 82,020 acres.

These figures reveal that production increased 3,000 acres in 1937 over the previous year, 7,000 acres in 1938 over 1937, setting the normal production increase at about 6,000 acres in 1938, which would amount to 88,000 acres against the Department of Agriculture's curtailment to 82,020 acres. The 1939 acreage quota curtails beet production in Montana more than 2,000 acres below the production last year and approximately 6,000 acres below what Montana growers would normally produce this year. And, at the same time, the quota does not permit the production of sugar beets on new lands.

I wish to quote excerpts from an editorial which recently appeared in the Dawson County (Glendive, Mont.) Review:

Part of the Buffalo Rapids irrigated district will be under water next year and it is highly desirable that a start should be made in raising beets, but, of course, it will be necessary to call on Secretary Wallace and lick his boots to even get a hearing and then doubtless be informed that all the available acreage has been allotted.

Is this America or is it Russia or Germany? What are we coming to when a free American farmer must beg permission to raise sugar beets on his land? In spite of a sizable sugar-beet industry in many States of the Union, we still import from Cuba and other tropical countries the great bulk of the sugar consumed in this land of ours. American farmers must curtail sugar beet, wheat, and other crops so that Cuban and other foreign farmers may benefit.

George Hayes, sugar-beet grower at Valier, Mont., explains the sugar-beet situation vividly in a letter recently received by me. His letter, in part, follows:

Last season we planted 30 acres of beets, and if this area is not allowed sufficient acreage allotment whereby we will be allowed to increase our acreage to at least 40 to 50 acres, we are going to suffer considerable loss on our investment in equipment. As matters stand, we have no assurance that we will be allowed to plant any acreage whatever to beets.

You undoubtedly are entirely familiar with our condition and know full well that our diversification of crops is limited. This has been a wheat country principally and due to low prices, and in order to conform with the wheat allotment program, our wheat acreage will be considerably reduced. It seems entirely inconsistent that we should not be allowed to expand our beet acreage to offset, at least in part, the extensive decrease in wheat acreage.

It has been definitely established that the beet industry is a profitable enterprise in this area and if we are to follow along with the wheat allotment, and at the same time are denied the privilege of properly developing the beet industry, we might do well to turn the country back to the Indians, as we likely will have no alternative.

Another Valier, Mont., farmer, Thomas E. Brown, wrote me as follows:

Last year I only seeded 10 acres in sugar beets for a trial and I had planned to seed 30 acres this year, but now I am told I can only seed the same acreage that I had last year.

I have bought some high-priced machinery, and I will never be able to pay for it unless I can seed more than 10 acres. If the acreage must be cut, why can't the big growers cut their acreage and let us small farmers put in enough for expenses and to pay for our machinery? Please let me know if I can seed more than the 10 acres I had in last year.

The preceding letter is a typical example of hundreds of communications which I have received from Montana farmers who are fairly begging to grow sugar beets, but they cannot because concessions have been made to foreign countries.

The United Sates Government has spent millions of dollars on irrigation and reclamation projects in Montana and other Western States, and today the farmers cannot take advantage of the projects owning to acreage curtailments.

I have been reliably informed that two or three additional sugar refineries would be constructed in Montana if the farmers were allowed to grow additional acres of sugar beets. Construction of refineries, manning the machinery, production of sugar beets means employment, and that alone is a step toward the solution of our unemployment problem today. But how in the name of the spirits can we carry out that program when the Department of Agriculture and other agencies are blockading any progressive move?

That is the picture facing the sugar-beet growers in the United States today. The least we can do this session is to pass the sugar bill now before the House Committee on Agriculture. It will be a partial answer to the fair requests of the beet and cane growers.

It is important in our consideration of the Ellender bill that we pause for a moment and reflect on the agriculture provisions of the 1932 and 1936 national platforms of the Democratic and Republican Parties.

The Democratic platform of 1932 contained the following provisions:

Extension and development of farm cooperative movement and effective control of crop surpluses so that our farmers may have full benefit of the domestic market. The enactment of every constitutional measure that will aid the farmers to receive for their basic farm commodities prices in excess of cost.

And from the Republican platform of 1932, I read:

The fundamental problem of American agriculture is the control of production to such volume as will balance supply with demand. In the solution of this problem the cooperative organization of farmers to plan production, and the tariff to hold the home market for American farmers, are vital elements.

The Democratic platform of 1936 stated:

We favor the production of all the market will absorb, both at home and abroad, plus a reserve supply sufficient to insure fair prices to consumers.

The Republican platform of 1936 provided:

Our paramount object is to protect and foster the family type of farm, traditional in American life and to promote policies which will bring about an adjustment of agriculture to meet the needs of domestic and foreign markets. To protect the American farmer against the importation of all livestock, dairy, and agricultural products, substitutes therefor, and derivatives therefrom, which will depress American farm prices.

Table showing contributions, domestic and imported, to sugar consumption of continental United States from all areas, 1925–38
[In short tons—raw value]

Year	Total [1]	Continental United States				Hawaii		Puerto Rico		Philippine Islands		Virgin Islands		Cuba		Full duty [2]	
		Beet		Cane													
		Tons	Percent	Tons	Percent	Tons	Percent	Tons	Percent	Tons	Percent	Tons	Percent	Tons	Percent	Tons	Percent
1925	6,603,000	1,063,500	16.11	140,500	2.26	763,000	11.56	603,500	9.14	485,000	7.35	10,000	0.15	3,486,000	52.79	40,500	0.61
1926	6,796,500	1,046,000	15.39	84,000	1.24	740,500	10.90	551,000	8.11	375,000	5.52	6,000	.09	3,944,500	58.04	47,500	.70
1927	6,348,000	935,000	14.73	46,500	.73	762,000	12.00	578,000	9.11	521,000	8.21	6,500	.10	3,491,000	54.99	6,500	.10
1928	6,642,500	1,243,000	18.71	138,500	2.08	819,000	12.33	698,500	10.52	570,500	8.59	11,000	.17	3,125,000	47.05	35,000	.53
1929	6,964,000	1,026,500	14.74	189,000	2.71	928,500	13.33	480,000	6.61	724,500	10.40	4,000	.06	3,613,000	51.88	17,500	.25
1930	6,827,000	1,140,500	16.71	197,500	2.89	924,000	13.53	780,000	11.43	804,500	11.78	6,000	.09	2,945,500	43.14	29,000	.43
1931	6,779,000	1,343,000	19.81	205,000	3.04	997,500	14.71	795,500	11.74	872,000	12.86	2,000	.03	2,534,000	37.38	29,000	.43
1932	6,350,000	1,318,500	20.76	160,000	2.52	1,048,000	16.50	939,500	14.80	1,028,000	16.19	4,500	.07	1,834,500	28.89	17,000	.27
1933	6,377,500	1,366,000	21.42	315,000	4.94	989,500	15.52	793,000	12.43	1,248,500	19.58	4,500	.07	1,619,500	25.39	41,500	.65
1934	6,577,000	1,561,500	23.74	269,000	4.09	948,500	14.42	807,500	12.28	1,088,000	16.54	5,000	.08	1,866,500	28.38	31,000	.47
1935	6,278,000	1,479,000	23.56	319,500	5.09	926,500	14.76	793,000	12.63	916,500	14.60	2,500	.04	1,830,000	29.15	11,000	.17
1936	6,836,000	1,378,500	20.16	396,500	5.80	1,033,000	15.11	907,500	13.28	985,500	14.42	3,500	.05	2,102,500	30.76	29,000	.43
1937	6,820,000	1,238,000	18.15	457,000	6.70	985,000	14.44	897,000	13.15	991,000	14.53	8,000	.12	2,155,000	31.60	89,000	1.31
1938	6,780,500	1,584,009	23.36	429,500	6.33	922,000	13.60	815,500	12.03	991,000	14.61	4,000	.06	1,954,000	28.82	80,500	1.19

[1] Totals for years 1925-29 include a small quantity of miscellaneous sugars.
[2] Foreign countries other than Cuba.

1925-29 from Tariff Commission, Rept. No. 73, p. 161, table 10, converted to short tons, raw value; 1930-33 from data obtained in connection with the revision of the quota bases in 1935; 1934-35 from the charges against the quotas; 1938 based on the final 1938 quotas.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the National Press Building Auditorium was the scene of a most unusual meeting last Wednesday night. What had been liberally advertised as a "Stop Hitler" meeting was the magnet which drew together a motley crowd of Communists, Socialists, "parlor pinks," and others whose humanitarian sympathies for the moment seem to have displaced a mature consideration of what groups and what influences were behind this meeting.

To say the gathering was typically un-American is to put it lightly. There were neither prayers nor pledges of loyalty to our own country. No patriotic songs were sung. Not one syllable was spoken in condemnation of the alienism element represented in our country by the Communist Party.

On the contrary, our own country's policies were subjected to severe criticism and resolutions were introduced and passed calling for a liberalization of our immigration laws so that thousands of additional aliens may be brought to our shores to find a haven of economic security.

The first speaker of the evening was a Capt. Ralph Bates, a British subject who, according to the announcement, had formerly served as a member of the Fifth Regiment of the late Spanish Loyalist Army. After a graphic description of the horrors of war in Spain, Captain Bates, in a very professional manner, launched a plea for contributions to aid Spanish refugees in France. He collected $440.02 from the audience and departed by plane for New York, perhaps to continue his money-raising activities there.

In the foyer of the auditorium, before and after the meeting, representatives of various groups were active distributing and selling anti-Fascist and communistic literature.

The Committee for Industrial Organization had a representative present who passed out circulars calling upon the people to "Save the Wagner Labor Act."

Circulars were distributed calling attention to the fact that a strike was in progress at a local motor establishment on Florida Avenue.

What have these things to do with peace and democracy?

Resolutions were passed at the meeting severely criticizing the Department of State for recognizing the government of Franco in Spain. It is said that a member of this body declared he "was ashamed of the United States of America for recognizing that kind of government" and that he "did not think it was a creditable step on the part of the State Department."

Mr. Speaker, meetings of the character that was held last Wednesday night in the National Press Building Auditorium are not conducive to peace, but stir up trouble for our own citizens. In the audience were many well-known Communists from Washington. There were others from New York. The hand behind this meeting was the hand of Moscow.

If we are to preserve peace and democracy for the American people, we must expose the forces behind these movements; we must disclose the leadership behind these meetings and halt the exploitation of our own working men and women who are the victims of un-American propaganda of all kinds.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER. Under a previous order of the House, the gentleman from Maine [Mr. OLIVER] is recognized for 25 minutes.

Mr. OLIVER. Mr. Speaker, on April 3 the United States News carried an item that Mr. Marriner Eccles, Chairman of the Federal Reserve Board of Governors, is reported to have told the President that another depression is in the cards for 1940.

If this report is true, then it is my opnion that Mr. Eccles should be required by this House to state any recommended course of action which may be set in motion whereby such a further calamity and catastrophe may be averted. If Mr. Eccles, who occupies one of the most responsible official positions of this Government, cannot recommend such a course, then it is my considered opinion that this House should pass a

vote of lack of confidence in him and he should resign. On the other hand, if the report is not true, then he should deny it.

Personally, it is my opinion that Mr. Eccles would be entirely justified in making such a statement. The only suggestion that I would add, is that I have never felt that we have freed ourselves from the clutches of the 1929 debacle. Furthermore, it occurs to me that this Nation will show tremendous vitality if our economy does not collapse before 1940.

However, my main objective in calling to your attention, Mr. Speaker, this newspaper report, which, coming from the United States News, can be considered reasonably accurate and based on fact, is that Mr. Eccles should be in a position to advise this Congress and, as a matter of fact, should be required to advise this Congress, now, on monetary moves which could and must be made to forestall such a crisis. Certainly ten to twelve millions of unemployed men and women, millions more of industrial workers who would be seriously affected by such a further decline, and all of America's farmers who are holding on, hoping and praying for better prices and wider markets; elderly men and women dependent upon old-age assistance payments and extension of the same; mothers with dependent children; veterans relying on compensation payments; in short, all of America are looking to this administration, Mr. Eccles, and all of the rest of us to meet the present absurdity of want in the midst of plenty, to say nothing about averting an accentuation or further aggravation of the present poverty-stricken and insecure conditions facing the greatest and wealthiest nation of the world.

In 1933, Mr. Eccles told Congress that he was president of First Security Corporation, owning and operating 26 banks and 1 trust company in the principal points of Utah and southern Idaho—total resources of approximately $50,000,000. He further stated that—

> It must be recognized that the break-down of our present economic system is due to the failure of our political and financial leadership to intelligently deal with the money problem. In the real world there is no cause nor reason for unemployment with its resultant destitution and suffering of fully one-third of our entire population. We have all and more of the material wealth which we had at the peak of our prosperity in the year 1929. Our people need and want everything which our abundant facilities and resources are able to provide for them. The problem of production has been solved, and we need no further capital accumulation for the present, which could only be utilized in further increasing our productive facilities or extending further foreign credits. We have a complete economic plant able to supply a superabundance of not only all of the necessities of our people but the comforts and luxuries as well.
>
> Our problem, then, becomes one purely of distribution. This can only be brought about by providing purchasing power sufficiently adequate to enable the people to obtain the consumption goods which we as a nation are able to produce. The economic system can serve no other purpose and expect to survive. If our problem is, then, the result of the failure of our money system to properly function, which today is generally recognized, we then must turn to the consideration of the necessary corrective measures to be brought about in that field.

This is the same man who today says, "First, prices cannot be controlled by changes in the amount and cost of money, and second, the Board's control of the amount of money is not complete and cannot be made complete."

On March 16, 1939, I addressed a letter to Mr. Eccles calling to his attention several periods since 1920 when our money supply exerted a tremendous influence on our price level. In that letter I also suggested that perhaps the usefulness of the Board of Governors of the Federal Reserve System as presently constituted has come to an end. Today, after noting the report of this statement attributed to Chairman Eccles, I am reasonably assured of this fact.

For, Mr. Speaker, if another decline is in the cards for 1940—and I subscribe to the possibility and the probability of such a crisis—and if a governmental representative in the position of authority and responsibility which Mr. Eccles holds can make no reasonably constructive suggestion to avert such a calamity, then certainly his usefulness as a public official to our people has come to an end.

On March 17, 1937, an editorial in the Philadelphia Record referring to Mr. Eccles was written in part as follows:

> Here is the man in the country's key economic position—a position more powerful in its influence upon recovery than any other save that of the President—calling for a return to discredited deflationary policies.

On April 6, 1937, another editorial in the same paper reads in part as follows:

> The Record had hoped the Banking Act of 1935 would provide a workable compromise by which private ownership of the Federal Reserve banks could be continued, with Government holding the balance of power on the Open Market Committee. But if the Reserve Board is to continue to put public interest second to the private interests which dominate the Reserve banks, it will invite the Government to take over the whole system—in short, Government ownership.
>
> As it is, the Reserve Board has weakened public confidence in its administration of the monetary system. Its open-market purchases will but slightly compensate for the harm worked upon thousands of small banks, which had to sell their Government bonds at a loss to meet higher reserve requirements. That, in turn, has hurt thousands of small-business men, because the small banks have been prevented from extending the credit those businessmen need.
>
> Recovery depends upon forthrightness and courage in monetary management. The cover-up system isn't that kind of management.

At that time, perhaps, such strong language was not justified in view of the fact that based on his own previous statements we could feel some confidence in the attempt of Mr. Eccles to take action or make suggestions to meet our changing conditions and our emergencies. Mistakes of judgment can be overlooked but the present situation and the statement reputed to have been made by him cannot justify our further indulgence. If, in accordance with this newspaper statement, Chairman Eccles feels disaster is threatening and suggests no monetary action to meet the development, then I state again, in my opinion he should resign.

Oh, I know that he and his associates will content themselves with the thought that they have consistently advocated and experimented with deficit financing. I know that they will feel easy over the thought that through their deficit-financing policies the banks are full of demand deposits and that existing excess reserves are a base for potential credit expansion such as has never before been available.

They will state that, having furnished these available deposits for use in business expansion, there is nothing further which they can do about the situation; but, Mr. Speaker, to sit tight in this hour of the country's need and not demand constructive monetary action, in my opinion, is criminal; it is high treason. Millions of our citizens are crying for action; for example, here is an excerpt from a statement mailed to me today from Los Angeles, Calif.:

> The people have lost faith in their legislative servants and their governmental masters and are rapidly espousing the "isms"—anything but what Americanism seems to stand for is happening here, right under the noses of a dumb, pusillanimous Congress of swivel-chair national representatives—the Benedict Arnolds of our time. God forgive them. My Congress makes me ashamed of my American citizenship.

Continued deficit financing is no answer, but there is a real answer, and I believe that Mr. Eccles and his associates know that answer. They should come to this Congress and ask for authority to carry out the program which will not only avert the pending crisis but which will meet our continuing problem of needless involuntary unemployment and absurd insecurity.

There is one basic and permanent cause for the continuation of this starved economy of ours, and that is the folly and criminality of paying persistent obeisance and worshipful idolization to the superstition of debt money. A large portion of the supply of debt money in the form of demand deposits, to which Mr. Eccles will point with pride, might just as well not be in existence. A large percentage of these deposits are idle, hoarded, and out of existence so far as industrial expansion and reemployment of the millions of our people in the lower income brackets are concerned. Further debt accumulation on the part of two-thirds of our population is not possible. Business today is functioning and planning its sales campaigns on the assumption that the population of American has dwindled to 50,000,000 instead of the 130,000,000 actually existing here.

Why is it that Mr. Eccles and his advisors will not see this situation in its proper light? They know that the economy of the United States cannot be permanently healthy

with a money supply dependent upon the contraction and expansion of private and/or public credit or debt. The able Dr. Laughlin B. Currie, who is an assistant director in the Division of Research and Statistics of the Board of Governors of the Federal Reserve System, and who, I understand, is held in good esteem by his immediate superiors in office, stated in his Monograph on the Supply and Control of Money in the United States, in 1935, that—

The most perfect control of the supply of money could be achieved by direct Government issue of all money, both notes and deposits subject to check.

He further stated that the merit of such a proposal lies in the fact that it divorces the supply of money from the loaning of money.

At this point I appreciate that many good citizens will cry inflation fiat money, printing-press currency, and so forth. But, Mr. Speaker, we know that a scientific synchronization of our money supply with our production will never result in uncontrolled inflation of the price level. We also know that a continual bumping along on the underinflated tires of an economy only one-half or one-third utilized will eventually ruin the whole economic machine.

From the words of Dr. Currie, however, one can reasonably assume that Mr. Eccles has in his camp an advisor, learned and wise, who is in a position to recommend constructive monetary action. Is it not reasonable for us who are laymen on the subject of money and who are Members of Congress to ask why it is, in view of the impending decline which Mr. Eccles refers to, that he does not call into conference Dr. Currie and others of like views and submit their recommendations, in which many of us are interested, to the Congress for constructive consideration?

As has been stated before, Mr. Eccles recently advised Congress and the country that—

(1) Prices cannot be controlled by changes in the amount and cost of money; (2) the Board's control of the amount of money is not complete and cannot be made complete.

Yet Congress has constantly been advised that control of the money supply is most vital and essential to our well-being and our preservation as a nation. Our forefathers thought so strenuously and strongly on this point that they incorporated such a safeguard in our Constitution. Again in 1876, in the Silver Commission Report a congressional investigating committee found that the expansion and contraction of our money supply is the most powerful factor for good and evil in our national economy. Let me quote from that report:

Money is the great instrument of association, the very fiber of social organism, the vitalizing force of industry, the protoplasm of civilization, and as essential to its existence as oxygen is to animal life. Without money civilization could not have had a beginning with a diminishing supply it must languish and, unless renewed, finally perish.

Again let me call to your notice further statements from the same report which parallel conditions of 1873 and now—

Whenever and wherever the mutterings of discontent were hushed by the fear of increased standing armies, the foundations of society were honeycombed by powerful secret political associations. The cause at work to produce this state of things was so subtle and its advance so silent that the masses were entirely ignorant of its nature. They had come to regard money as an institution fixed and immovable in value, and when the price of property and the wages of labor fell, they charged the fault, not to the money but to the property and the employer. They were taught that the mischief was the result of overproduction. Never having observed that overproduction was complained of only when the money stock was decreasing, their prejudices were aroused against labor-saving machinery.

They were angered at capital because it either declined altogether to embark in industrial enterprises or would only embark in them upon the condition of employing labor at the most scanty remuneration. They forgot that falling prices compelled capital to avoid such enterprises on any other condition, and for the most part to avoid them entirely. They did not comprehend that money in shrinking volume was the prolific parent of enforced idleness and poverty, and that falling prices divorced money, capital, and labor. * * * It is in a volume of money keeping even pace with advancing population and commerce, and in the resulting steadiness of prices, that the wholesome nutriment of a healthy vitality is to be found. The highest moral, intellectual, and material development of nations is promoted by the use of money unchanging in its value. * * * Money in shrinking volume becomes the paramount object of commerce instead of its beneficent instrument. Instead of mobilizing industry it poisons and dries up its life currents. It is the fruitful source of political and social disturbance. It foments strife between labor and other forms of capital, while itself, hidden away in security, gorges on both. It rewards close-fisted lenders and filches from and bankrupts enterprising borrowers. It circulates freely in the stock exchange, but avoids the labor exchange. It has in all ages been the worst enemy with which society has had to contend. The great and still continuing fall in prices in the United States has proved most disastrous to nearly every industrial enterprise. The bitter experience of the last few years has been an expensive but most thorough teacher. * * * The worst effect, however, economically considered, of falling prices is not upon existing property, nor upon debtors, evil as it is, but upon laborers, whom it deprives of employment and consigns to poverty, and upon society, which it deprives of that vast sum of wealth which resides potentially in the vigorous arms of the idle workman. A shrinking volume of money transfers existing property unjustly, and causes a concentration and diminution of wealth. It also impairs the value of existing property by eliminating from it that important element of value conferred upon it by the skill, energy, and care of the debtors from whom it is wrested. But it does not destroy any existing property, while it does absolutely annihilate all the values producible by the labor which it condemns to idleness.

The estimate is not an extravagant one that there are now in the United States 3,000,000 persons willing to work, who are idle because they cannot obtain employment. This vast poverty-stricken army is increasing and will continue to increase as long as falling prices shall continue to separate money capital, the fund out of which wages is paid, from labor, and to discourage its investment in other forms of property. Money capital, labor, and other forms of capital are the warp and woof of the economic system. Labor cooperating with the forces of nature is the source of all wealth, and to reach the highest degree of effectiveness it must be classified through the aid of capital and supported by capital during the process of production and be measured and paid in money, each unit of which is a sight draft on all other forms of property, bearing a value in proportion to the number of such drafts. In order that any country may reach the maximum of material prosperity certain conditions are indispensable. All its labor, assisted by the most approved machinery and appliances, must be employed, and the fruits of industry must be justly distributed. These conditions are only possible when capital is absolutely protected against violence and free from illegitimate legislative interference and when the laborer is protected in his natural right to dispose of his labor in such manner as he may prefer. They are utterly impossible when the money value of property and services is declining. Howsoever great the natural resources of a country may be, however genial its climate, fertile its soil, ingenious, enterprising, and industrious its inhabitants, or free its institutions, if the volume of money is shrinking and prices are falling its merchants will be overwhelmed with bankruptcy, its industries will be paralyzed, and destitution and distress will prevail. * * * Under an unjust money system, under a system which through law or accident fails to regulate the quantity of money so as to preserve the equilibrium between money and the other factors of production, the conflict between money and labor and other forms of capital becomes destructive and ruinous. It is in the shadow of a shrinking volume of money that disorders social and political gender and fester, that communism organizes, that riots threaten and destroy, that labor starves, that capitalists conspire and workmen combine, and that the revenues of governments are dissipated in the employment of laborers, or in the maintenance of increased standing armies to overawe them.

The peaceful conflict which under a just money system is continually waged between money capital and labor and which tends only to secure the rights of each and is essential to the progress of society is changed under a shrinking volume of money to an unrelenting war, threatening the destruction of both. * * * The peculiar effect of a contraction in the volume of money is to give profit to the owners of unemployed money, through the appreciation of its purchasing power, by the mere lapse of time. It is falling prices that robs labor of employment. Idle machinery and industrial appliances of all kinds, instead of being productive of profit, are a source of loss. * * * The loss which this country sustains by reason of the enforced idleness of 3,000,000 persons who, although idle, must still in some scanty way be supplied with food, clothing, and shelter, is in the aggregate very great. If it be estimated at $1 per day for each laborer, it would amount in 2 years to a sum sufficient to discharge the national debt. It would pay the interest, at 5 percent per annum on $18,000,000,000. It would be a sum more than sufficient to supply anew each year the circulating medium of the country. It would amount, in 4 years, to a greater sum than the world's entire gold product has amounted in the last 50 prolific years. It would aggregate in 10 years a value far greater than the world's entire product of both gold and silver for the last hundred years. It would amount in 4 years to a sum more than sufficient to duplicate and stock every mile of railroad now in the United States.

On February 12, 1820, William H. Crawford, Secretary of the Treasury, said:

All intelligent writers on currency agree that when money is decreasing in amount, poverty and misery must prevail.

In 1859 in the Encyclopedia Britannica, J. R. McCulloch stated:

An increasing amount of money, and consequently augmenting prices, are attended by results precisely the contrary. Production is stimulated by the profits resulting from advancing prices; labor is consequently in demand and better paid, and the general activity and buoyancy insure to capital a wider demand and higher remuneration.

The report of the Silver Commission of 1876 concludes in part as follows:

The contrast presented by these authorities between the effects of an increasing and decreasing volume of money shows that if a change in the one direction or the other is unavoidable, a change in the direction of increase is the most desirable. Undoubtedly the best condition upon the whole is that of steadiness, or only such an increase of money as would correspond with the advance of population. But with the history before us of 30 centuries of mining, we know that an injurious and excessive increase of metallic money has never occurred. We may feel assured that it never can occur, because the enlargement of commercial exchanges, which results from an increase of money, speedily restores the equilibrium. The danger of an unduly increasing money is theoretical and fanciful. The mischief which practically threatens the world, and which has been the most prolific cause of the social, political, and industrial ills which have afflicted it, is that of a decreasing and deficient money. It is from such a deficiency that mankind are now suffering, and it is the actual and present evil with which we have to deal.

But now in the face of these studies and recommendations of the past when various authorities agreed that the expansion and contraction of our money supply caused definite and ascertainable results in our national economy; now, in the face of congressional attitude on this issue as reflected in the passage of the Goldsborough bill in May 1932 through the House; now, in the face of the passage of the Thomas amendment to the agricultural bill in 1933; now, in the face of the viewpoint expressed by at least one of his technical and research advisers; now, Mr. Speaker, in the face of these factors, Mr. Eccles, chairman of the Federal Reserve Board of Governors, complacently sits and smugly informs this Nation that he and his associates disagree with the viewpoint that the money supply has a direct bearing on prices and as a direct result the making and breaking of our civilization. Mr. Eccles sits in the seat of the mighty and reputedly gazes into the crystal, calls the turn on the possibility and probability of a further economic decline; makes no suggestions except a continuation of deficit financing. Such a man, Mr. Speaker, should resign. His usefulness to the American people in a public capacity has ended. We do not expect Mr. Eccles to be a miracle worker—we do not want him to be a medicine man but we do require from our public officials forthright and constructive discharge of their duties and in my opinion Mr. Eccles is not hitting the ball. As a matter of fact he is not even up at the bat. His sincere and persistent adherence to the policy of deficit financing has placed this country and its people directly behind the economic eight ball. Now, the country demands positive and constructive action. Idle man power, idle plant structure, and idle resources demand the same action. Mr. Eccles should either fish or cut bait. Recommend, act, or resign. [Applause.]

EXTENSION OF REMARKS

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address by the gentleman from New York [Mr. REED] on the subject of the services of our former leader, Mr. Snell.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RANKIN and Mr. CRAWFORD asked and were given permission to revise and extend their own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER pro tempore. Under a previous special order, the gentleman from Massachusetts [Mr. GIFFORD] is recognized for 25 minutes.

Mr. GIFFORD. Mr. Speaker, I desire first to congratulate the last speaker and those others who are attempting to bring about monetary reform, especially for their persistence and enthusiasm, although I cannot fully agree with their theories.

This money plan is so very strange
That few people comprehend it;
Reforms oft bring about some change
But do not seem to mend it.

I recommend this thought to those who are advocating these new doctrines.

I wish to speak this afternoon about the housing bill, in the hope that I may arouse curiosity and cause the Members to think about the measure before tomorrow, when it will be brought up for general discussion. Before I begin the reading of my remarks, however, I wish to make a few comments.

I listened carefully to the speech which the Honorable Jesse Jones, of the Reconstruction Finance Corporation, made on the radio last evening. If you listened, you probably were overwhelmed, as I was, at the tremendous number of activities in which our Government has been engaged. But Mr. Jones did not say anything about the national debt.

He did not tell us where he got the money to carry on these many activities. He did not tell us that he borrowed it of the people at one-half of 1-percent to 2¼-percent interest and loaned it out at from 4 to 5 percent, so that he could mop up all the losses. Why could not the Government carry on? Why could it not absorb all business if it can be provided with funds in that manner? With no profit permitted to private business, how do you expect private business to continue? Businessmen will not take chances under present conditions, and a strong protest must be made by the people lest the Government embark upon every single phase of business.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from California.

Mr. VOORHIS of California. Would the gentleman favor a lowering of the rate of interest on such loans in order to narrow the margin?

Mr. GIFFORD. No; I would not. I do not want the Government to lose money; neither do I want the departments of the Government to boast that they will not lose any money under such conditions. On a business of some $20,000,000,000 they can mop up tremendous losses which private industry could not endure or absorb. Have we embarked already upon such competition with business and shall it be so attractively presented to the people that they will want the Government to continue at even a greater pace than heretofore? It is not a pleasant picture. Even your monetary reforms would not lessen but would rather accelerate it. How much longer will our people loan these Government agencies money at such a small rate of interest for the Government to do business by politically appointed administrators? To me this prospect is rather frightening.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If the gentleman will, I wish he would clear up in my mind, at least, his opinion on the thought just expressed. Are we, the people, lending this money to government? I have gotten fixed in my own mind this formula, that it is one proposition for the gentleman or for me or others to go to government and say, "Here, Mr. Government, I have saved from my earnings $1,000. I want to loan it to you for you to use in promoting the program you are following." It might be such a program as Mr. Jones has discussed. That would be one proposition, but in my mind it is entirely dissimilar from the proposition where the Government operates the banking machinery in such a way that the deposits of the people are, in a way, used without their consent or permission or endorsement by government in order to promote the great activities to which Mr. Jones referred last night. Would the gentleman enlarge on this point?

Mr. GIFFORD. Of course, the people do not know much about it, but they will demand to know about it pretty soon. They are beginning to realize the way the banks are using their money by loaning to the Government to compete with private business.

I sometimes hesitate to complain so much, but it is my job. I am here to watch expenditures of government. I am assigned to that position. I helped to form the R. F. C., and voted for most of these things as emergency measures. But we should turn and take the road back and we should not make these emergency agencies permanent institutions. This is what we are doing and this is what I am protesting against today. With respect to the housing bill, please give it some attention and let me now point out to you some of the dangers.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. McCORMACK. I think the gentleman's position is absolutely sound, and none of us, certainly I do not, want to see the R. F. C. become a permanent agency. I am not going to ask a question about any remarks heretofore made, but I simply want to ask my friend if he does not think that Mr. Jones on that question, by insisting upon bank participation, is doing more to prevent the R. F. C. from becoming a permanent agency than any other action the gentleman knows about; in other words, is it not the gentleman's frank opinion that Mr. Jones himself does not want the R. F. C. to become a permanent agency?

Mr. GIFFORD. I cannot speak too highly of Mr. Jones. If the Speaker of the House is not to be a candidate, I wish he might be the candidate on your side for President. I might even vote for him—but the Speaker would come first. [Applause.]

The Federal Housing Act was to be the great steam shovel to lift the country out of this historically defined Roosevelt depression. Lack of proper housing in the Nation was greatly stressed and the credit of the Government was again jeopardized to insure many more billions of private capital which needed to be coaxed from havens of security where it had fled rather than invest itself in business suffering from the lash of reform and the confiscation of all profits under and by its own present Government. The amount of new construction is, indeed, highly disappointing. In some localities it has, of course, been of some value. The outcome of the pressure brought to bear to revive the music of the saw and hammer in so many sections of the country already overbuilt, where business stagnation has already brought about a tremendous oversupply of vacant tenements, is not reassuring. There has been much switching and brokerage of existing mortgages which is having a devastating effect upon the building and loan associations of the Nation. They seem to be unanimously protesting against further insurance of existing loans. Shall we continue to allow real-estate brokers to fatten and financial institutions willing even to pay premium on insured mortgages deliberately attracted from local institutions which have functioned so splendidly in the public interest? Both the President and the Administrator gave their assurance last year that this phase would be discontinued in July 1941. There is little or no justification for its continuance. Every well-informed citizen knows full well that 80 and 90 percent mortgages on real estate are seldom safe investments. What individual would take such a risk with his own money? Why should a legislator be willing to risk the credit of his own government in a guarantee of losses on mortgages of such unreasonable amounts?

However, in spite of the tremendous sums spent in the extraordinary ballyhoo of this new venture of government, the effect on the Nation's recovery is yet almost unnoticed. Very few Congressmen can rise and testify as to its potency for recovery in their own districts.

Certainly promoters have attempted to fatten on these projects. Some appear to have succeeded. However, the most startling statement is made by the Administrator that of $750,000,000 worth of large housing projects, he has been able to approve only $71,000,000. This scheme of insuring large units for 80 percent of their value is one of almost impossible proper supervision by the officials of this Government.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I seldom refuse to yield.

Mr. SABATH. The gentleman makes a statement which seems to satisfy me and should satisfy him that the affairs of the administration or the department or the bureau are safeguarded if they have refused so many of the applications on the part of the brokers.

Mr. GIFFORD. I am paying tribute today to those people who are trying to administer an impossible situation under the pressure of those prominent in the administration to O. K. these promoters' projects.

Under the lash of the administration, they were probably urged to make haste to help in the business depression. Certainly I have no criticism of the management of the F. H. A. in its attempt to administer such an impossible assignment. They acknowledge that there are many tricks in the business, and in order to hasten the work they have evidently condoned many sharp practices. We cannot put too much faith in politically appointed supervisors of large building operations. Such operations have to be approved in their blueprint stage, since the insurance must be guaranteed in order that the funds of private institutions may be advanced for the purpose.

I have a large folder containing much information from individuals and clippings from newspapers relating to two large units in St. Louis, Mo., insured by the Government. Certainly this city already had a great amount of vacant and available tenements. The erection of these two great units simply lessened real-estate values in the entire locality. This information I have received from the real-estate boards and others whose authoritative knowledge as to value and real-estate conditions cannot be questioned. It seems a paradox that, in order to revive building operations and furnish employment for this class of workmen, it must be carried on in places already overbuilt and the real cause of the idleness of this class of workers.

Let us glance at the way the promoter works. When Government insurance of such propositions at its inception was broached in our committee it was freely predicted what would happen. In these two projects in St. Louis, Mo., an architect and a builder were the actual promoters. Indeed, the architect seemed to have been very much of a promoter, according to the letters I have on file. The land purchased for these two projects was bought for about $35,000 and $71,000, respectively. The parcels were immediately marked up and transferred to the corporation for $171,000 and $360,000, respectively. This mark-up was allowed and even condoned by the F. H. A., and, of course, counted heavily toward the 20-percent equity contribution. It is indeed a strained defense that can be offered to soothe the shock of this transaction to the ordinary citizen whose Government furnishes the guaranty. The land was bought in the name of the clerk in the office. It was sold immediately by her to the corporation formed to carry on the project. Will she be assessed a Federal income tax on these very large and profitable transactions? Or will she simply have taken stock in the corporations, which shares really have no value?

The revenue stamps on the deed show the transaction, although it is very customary to add more stamps than needed in order to indicate a higher price than that which was actually paid. In fact, it is noted that the amount of stock representing the 20-percent cost of the project, except for one share or a very few shares, is held by the office clerks. The F. H. A. says this is quite customary, and I fully agree with them. However, it takes but a little degree of comprehension to decide that other write-ups furnished the stock necessary for the 20-percent contribution. Shall we ask the clerk where she obtained the money? One of these projects for $2,000,000 originally paid a fee for building permit on basis of $1,000,000. Letters I have received say that the zoning law was changed under most questionable methods. It is shown that the plumber holding the large contract was paid by the city to approve his own work. An electrician paid by the city was displaced and another employed. In fact, I have a statement that the electrical inspector had to kick back one-half his fee to the promoter.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. HOFFMAN. Would the Administrator know about that?

Mr. GIFFORD. Oh, yes; the Administrator fully explained that such methods might be customary, but were merely local phases of it. They did not deem raw land of so much value, but argue that land, after building thereon, may be worth at once three times what it was valued at in the first place. We don't think they paid even $35,000 for that land marked up to $171,000. Real-estate brokers often put too many revenue stamps on deeds to make you think they paid more for the property than they actually did. That is an old trick. We recognize that.

Mr. HOFFMAN. Did the Administrator have any knowledge of the local conditions; that is, of the value of that land?

Mr. GIFFORD. He ought to have been familiar with the value of that land. He is, or was, a resident of St. Louis. Nearly the whole 20 percent of the stock was held in the name of the clerks in the office. They said they saw no significance in that—do not people often carry property in their wives' names? Yes; but my wife and I are supposed to be one. But when you select a clerk, it does seem different. Must this clerk acknowledge to the Government that she bought something for $35,000 and then sold it the next day for $171,000? What a Federal income-tax she must pay!

Mr. HOFFMAN. In more simple language, will the gentleman please describe that transaction for me?

Mr. GIFFORD. The promoters must put up 20 percent. They must form a corporation, to be a limited-dividend corporation. The promoters who form the corporation generally have the management and can milk it at will if they desire to be dishonest.

In order to put up the 20 percent, they put up the value of the land at seemingly any price, and it is assumed that contractors "kick in" a good share of their profits in construction.

Right here I may say that while much of this is a matter of public record, I recognize that these witnesses who have written me should be placed under oath before we can give full credence to their statements.

I inquired of one large contractor who has had much experience in these matters how the 20-percent equity was usually accounted for. He informed me that under a $2,000,000 contract, the contractor might well estimate a profit of $450,000 so that he could kick into the 20-percent fund at least 50 percent and still have a most satisfactory profit on the operation. It is generally understood that subcontractors would make their estimates high enough to contribute their full share. The stock held by the young ladies is to some of us definite evidence that it is of no real value unless the project itself proves profitable. It is perfectly plain that the 20-percent equity bears little, if any, relation to the actual cost of construction. That there have been attempts in a very large way to impose on the Government is amply demonstrated in the fact that of $750,000,000, only $71,000,000 could be approved.

Letters from St. Louis state that only a very small percentage of units are yet occupied in the project which has been completed for some months. The district attorney is contemplating action because of lack of fire escapes and proper stairways. In fact, the newspapers of St. Louis have condemned the project from so many angles, it is small wonder that they demand a congressional investigation. They have sent two attorneys with some 2,000 signatures to Washington to make this request. I read that this is too hot a potato for the Congressmen from that city to wish to handle. I regret that I must act for them in the matter. As a member of the Banking and Currency Committee, to whom this very heavy correspondence has been addressed, I feel it my full duty to bring it before the House. If you will read the record of the hearings, you will find much of interest and which is of course, the basis of these statements.

The plumber, though paid by the city, approved his own work; and we are assured by the F. H. A. that they have a competent man there all the time during the construction, and he could take care of the situation. How impossible that any man politically appointed could know all the intricacies of such larger building operations!

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. CRAWFORD. The performance which is now being described by the gentleman is entirely in keeping with the loopholes that we have in the act which this House passed?

Mr. GIFFORD. Exactly; and, as we in the committee last year and the year before freely predicted, it has happened exactly as we said it would happen.

Mr. CRAWFORD. And the bill in its amended form as it will come to the House tomorrow afternoon will continue these same loopholes, and this procedure can go on its way?

Mr. GIFFORD. It corrects nothing; but I hope by taking the floor this afternoon and from what may be said tomorrow caution may be put in the hearts of the administrators of this law, so that the promoters in the future will not be permitted to impose upon them quite as much as they have in the past. The propositions have been so questionable, they threw out all except $71,000,000 of $750,000,000 as it is. Oh, the gentleman from Chicago [Mr. SABATH] has tried to uncover the operations of real-estate investment trusts. Think of what the Republicans will have to do to uncover the frauds and mistakes of the past 6 years.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Certainly I yield to the gentleman.

Mr. SABATH. I agree with the gentleman that perhaps some of these loans to the manipulators of these big projects should not have been made, and I do not believe in it, but I want to say that, on the whole, this thing has been of great benefit to the Nation, and as there is nothing perfect under the sun, we cannot expect that this administration will be perfect.

Mr. GIFFORD. I hope the gentlemen are listening to what I say. I told you about the plumber being paid by the city to approve his own work. I have letters here, although the writers should be under oath, stating that one electrician was discharged and another put in his place, and the latter had to kick back to the promoter one-half the fee paid to him by the city. I am not surprised that that is so. I should expect it to be so.

These witnesses, I say again, ought to be put under oath, and from their letters I feel sure they would be quite willing.

How these corporations can make any money is beyond my comprehension, especially in localities already overbuilt. I regret that I am speaking for St. Louis. I wish her Congressmen would take the floor on this matter. I am trying to represent that city, because the people who have written to or called on me have said: "This is a hot potato for the St. Louis Congressmen to handle." Quite possibly the promoters involved may be highly reputable men. If so, they ought to be defended. But what they have done can only be condoned. Of course some sort of defense will be forthcoming.

As a member of the Banking and Currency Committee to whom this heavy correspondence has been addressed, I have felt compelled to speak. I fear the same conditions prevail in other large projects. I do not blame the officials of the F. H. A. It is altogether too impossible an assignment. It is too difficult to detect sharp practices in large building operations.

I have asked, "How can you milk the Corporation after construction?" I was reminded that some units cost $5 for heat, while other units cost as high as $12. Who gets the profit on such a difference in oil contracts? Your imagination need not be strained too much to think of many ways a sharp manager might obtain profits.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. GIFFORD. Financial institutions take these insured mortgages even at great distances and with slight examination. That they are insured by the Government is enough,

and they will even pay brokerage in the way of a premium to get them.

Are we not convinced that our Government should discontinue this sort of business? We should at once abandon the feature of insuring existing mortgages and protect those institutions already doing a completely satisfactory job. If this is allowed for 2 years more, it is plainly evident that all existing mortgages might as well, or will actually be forced to get under this Government umbrella of insurance. Furthermore, if the F. H. A. is to be continued, it should be limited to mortgages of such scope that the tricks of the promoter and real-estate contractors could be held to a minimum.

It is not possible under our form of government that political appointees would be men of sufficient training to supervise large units of building construction. It is a highly complicated work, and as we gaze at the large buildings being erected in this city of Washington every one of us may well imagine how helpless we would be if we were called upon to ferret out the devious methods used to cut corners and force down the prices in order that we might get at the actual cost to the contractor. It is an impossible situation for any department of government to be placed in. The Administrator himself strongly hinted at the very great pressure brought upon him by some highly placed in the Government to approve many of these projects. I greatly wonder why he, or anyone else, should be willing to serve in such a capacity.

In summing up, I approve of title I, when limited to loans of $2,500 or less for repairs or small types of construction. I insist that we should discontinue insuring existing mortgages. I would approve of the insurance, even at 80 percent value, of small units which could without question be successfully supervised. However, because of the unfortunate experiences already had in these large-scale housing experiments, I would expect much fewer of them in the future. Certainly unless promoters see a real profit in the construction itself, few such would be built except in prosperous cities like Washington where, at the moment, more housing is needed. Even here, when the multitude of jobs created by New Dealers are canceled, we would not strain our imagination if we predicted losses to the Government even in this highly prosperous and protected area, supervised by Congres itself. Let us act sensibly and erase the prejudicial opinion we may have held for the continuation of this highly dangerous activity and limit it to those channels capable of proper supervision.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. CRAWFORD. Is it not true that this fight is going to resolve itself pretty much between the Home Owners' Land bank and the Federal Housing Administration in the final analysis, the first working in the interest of the building and loan leagues of America scattered throughout all of our local communities, and the other attempting to administer the Federal Housing Act as it has been handed to them by Congress?

Mr. GIFFORD. Yes. What a shame for a traveling broker with no money at stake to get a list of the mortgages owned by a bank and openly solicit the mortgagor to apply an 80-percent mortgage. The life insurance companies pay them a premium for the business. The building and loan associations, of course, which we have built up painstakingly during all these years are fighting for their lives because of this Government operation. [Applause.]

COMMITTEE ON FOREIGN AFFAIRS

Mr. BLOOM. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may sit during the sessions of the House for the balance of the week.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

STATISTICAL STUDIES BY DEPARTMENT OF LABOR

Mrs. NORTON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2021) to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentlewoman from New Jersey explain the bill?

Mrs. NORTON. Yes; I shall be pleased to. The purpose of the bill is merely to continue the authorization to the Department of Labor to make special statistical studies, prepare records, and furnish transcripts of such studies when requested by business organizations. There is no additional expense to the Department of Labor for this service because it is paid for by the persons, organizations, and corporations requesting the information.

Mr. MARTIN of Massachusetts. The gentlewoman means that the companies pay the Government for the reports that are made for them?

Mrs. NORTON. Yes. The charge is based on cost to the Department for preparing the information desired. I have here a list of some of the companies who asked for such information last year. I have one from the gentleman's State, the Boott Mills, of Lowell, Mass. This company paid $60 for a tabulation of pay rolls in connection with the cotton-textile industry. The United Hatters, Cap, and Millinery Workers of New York City, is another. The National Association of Wool Manufacturers is another; and there are many others. The fees paid range all the way from $15 to $150.

Mr. MARTIN of Massachusetts. When was this service established?

Mrs. NORTON. In 1935.

Mr. MARTIN of Massachusetts. And it is now desired to make it permanent?

Mrs. NORTON. Yes. The authority under the present law terminates on April 13, 1939.

Mr. MARTIN of Massachusetts. Can the gentlewoman from New Jersey tell us how much it costs the Bureau and also what the receipts are?

Mrs. NORTON. The cost depends entirely upon the nature of the information requested and the time necessary to prepare it.

Mr. MARTIN of Massachusetts. But there must be some regular employees carried by the Bureau for this special purpose.

Mrs. NORTON. Yes. This comes under Mr. Lubin's department, the Bureau of Labor Statistics.

Mr. MARTIN of Massachusetts. It certainly must cost the Government something.

Mrs. NORTON. It does not cost the Government anything. The charge is passed on to the parties requesting the information.

Mr. MARTIN of Massachusetts. Suppose nobody asked for information.

Mrs. NORTON. Then none would be furnished.

Mr. MARTIN of Massachusetts. What about the salaries of the clerks who prepare this information? There must be some employees carried for the purpose of preparing these studies.

Mrs. NORTON. Before the study is undertaken a contract is made with the person requesting the information. As has been explained, there is absolutely no additional cost to the Department for this service. I refer the gentleman to the report of the Senate committee in which Senator LA FOLLETTE, Senator WALSH, and others recommended that this service be continued. Mr. Bell, the Acting Director of the Budget, advised that he has no objection whatsoever to the submission of the bill to Congress; that it will not cost the Government any additional money.

Mr. MARTIN of Massachusetts. It is a service that is desired, and I believe the Committee on Labor is unanimous in its report on the bill.

Mrs. NORTON. Yes. The bill is accompanied by a unanimous report from the committee.

Mr. MARTIN of Massachusetts. I cannot, however, agree with the statement that it does not cost the Government

something, because a certain number of clerks are necessary if we are to give this service.

The lady has not any information with reference to the receipts?

Mrs. NORTON. If the gentleman would like me to do so, I can read a letter from the Secretary of Labor in full explanation.

Mr. MARTIN of Massachusetts. What becomes of the fees? Are they turned into the Treasury?

Mrs. NORTON. Yes. Into the Labor Department treasury or fund to pay for the service rendered as per contract.

Mr. MARTIN of Massachusetts. I have no objection.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey [Mrs. NORTON]?

There was no objection.

The Clerk read the Senate bill as follows:

Be it enacted, etc., That the authorization contained in the act entitled "An act to authorize the Department of Labor to make special statistical studies upon the payment of the cost thereof, and for other purposes," approved April 13, 1934 (48 Stat. 582), as amended, is hereby extended without limitation as to time.

The bill was ordered to be read a third time, was read the third time, and passed.

A similar House bill (H. R. 5226) was laid on the table.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. COCHRAN]?

There was no objection.

Mr. COCHRAN. Mr. Speaker, the gentleman from Massachusetts, in his usual critical way, recited some instances in reference to the activities of the Federal Housing Administration, and in particular he referred to what he called two St. Louis projects, characterizing them as "hot potatoes." He stated further the St. Louis Representatives did not care to handle the "hot potatoes," and it became his duty to do so, or words to that effect.

Mr. Speaker, it so happens that these "hot potatoes" are not in my congressional district. They are, however, in the metropolitan district of St. Louis. They are in St. Louis County, which adjoins the city of St. Louis, and, when occupied, probably 85 percent or more of the tenants will be people who earn their livelihood in the city of St. Louis.

I am one St. Louis Representative and one Representative in this House who never has nor never will condone any fraud or any unethical practice. The gentleman knows that I have talked to him on numerous occasions about the St. Louis projects. I have not only talked to the gentleman from Massachusetts, who is a member of the Committee on Banking and Currency, but I have also talked to the chairman of the Committee on Banking and Currency, the gentleman from Alabama [Mr. STEAGALL], and other members of that committee, urging that something be done to correct such practices as the gentleman referred to. What was the answer that I got from the gentleman from Massachusetts? The answer he gave me was that he did not blame the Federal Housing Administration but he blamed the law. I said to him, "Then it is your duty and the duty of your committee to see that the law is so changed as to prevent a recurrence of what has happened in St. Louis."

I repeat what I said to the gentleman from Massachusetts and to other members of his committee, "If it is the law, the law should be changed," and it should be changed when this bill comes up tomorrow.

The gentleman suggests that we look at the hearings. The gentleman has full information with reference to what occurred in St. Louis. He has this from the lips of officials of the Federal Housing Administration, besides what he has received from newspapers and in letters, which I have likewise received. If it is the fault of the law, why are not suggestions made to improve the law? It is not too late to prepare an amendment.

Mr. Speaker, I want to say publicly, just as I have stated to the Federal Housing Administration, not once but many times, that I do not propose now, nor at any other time, to approve the manner in which the Federal Housing Administration permitted the promoters to cover the 20 percent which was necessary under the law to receive an allocation from the Federal Housing Administration. What has happened? I do not know whether the figures given by the gentleman from Massachusetts are absolutely correct, but they are approximately so. I think the promoters in one project claimed they put in in the land $44,000 rather than $35,000. I say this in fairness. The Federal Housing Administrator told me, as he told the gentleman from Massachusetts, that he was not interested in the price of raw land. I told him, in my opinion, he should be interested in the price of raw land, and I say so now. If the promoters after purchasing land had spent thousands and thousands of dollars in putting in water, gas, electricity, and other improvements, including streets, sidewalks, alleys, and roadways leading to the project, then they would have a perfect right to add to the purchase price of the land the amount that was spent in making these improvements. That would be perfectly proper. It is my understanding, however, that not a dollar of their own money was spent inside of the building line, or inside of what we might term the property line. The streets, sidewalks, and so forth, were taken care of out of money received after the F. H. A. guaranteed the mortgage. The money that the promoters spent or intend to spend, if it has not already been spent, was for the roads leading up to the property outside of the property line. How much that is, I do not know.

If we are going to have a set-up which provides that promoters shall advance 20 percent before the Government shall guarantee 80 percent of the mortgage, then I say we should have 20 percent of money, not of watered stock or inflated values of any kind. That is my viewpoint. I have already stated in plain language that I do not approve of the manner the 20 percent is accounted for as it was in the two projects discussed.

I tried to get a complete break-down on the projects. What the officials of the Federal Housing Administration insist is that the promoters, in making up their 20 percent, spent $50,000 of their own money on roads, and so forth, leading up to the Manhassett Village project, which has been completed, which, of course, was added to the cost of the land, and, I presume, they took the position in constructing the roads, and so forth, up to the land where the building was constructed they increased the value of the land much more than $50,000. This $50,000 was spent outside the property line. The other amounts in making up the 20 percent on Manhasset Village was, according to F. H. A., $125,000 in cash advanced by the promoters and claims for services amounting to $121,000. How they reached the amount for services I do not know.

I insist we still have a chance tomorrow to correct this law so this cannot recur, the gentleman from Massachusetts insisting it is the fault of the law. I do not know whether this has happened in any other place in the United States, but I believe we would be far better off if the Government bought the land and then went out and asked for bids and let all responsible contractors bid on projects where they found these projects to be necessary in order to house the people properly. You would get your projects constructed for far less than they are costing under the present set-up and you would still have it done by private contractors, and your insurance companies would still take the mortgages, and the watered stock would disappear. The F. H. A. says the promoters have nothing but common stock and they are not going to realize anything on that common stock at all until the bonds are paid off, and that might be 20, 25, or 30 years from now. They call their method a new financial set-up. They say, if there is any water in the stock, the promoter is

carrying the water rather than the general public, as in the old way.

Here is how Mr. McDonald explains that and other features of the project. I quote from a letter he wrote me:

Putting it tersely, this new type of financing, under which Manhassett Village is built, eliminates any watered stock in the venture, but if there should be any, it puts it in the pockets of the promoter instead of those of the bondholders and investors, and if his pockets are made of rubber and he can carry the water until the mortgage is paid off, he may be able to turn it into something useful—but not until then can he take a nickel out of the project without the F. H. A.'s approval.

So, if there is any bag to hold, instead of the public or the gullible investor holding it, it is the promoter this time.

Of course, the F. H. A. lets the promoter build the building, and if he can make a legitimate profit in doing so, or if the subcontractors can make a legitimate profit in doing so, or if the labor can get regular wages in doing so, the F. H. A. has no complaint; but we first estimate the cost of the building carefully and so do the mortgage companies making the loan. In this instance the New York Life Insurance Co. and the F. H. A. figured independently and their estimates were only $12,000 apart.

However, we do require the contractor to make a firm bid, and since the firm is a responsible one and, furthermore, has to put up a surety bond with a reliable surety company guaranteeing completion in accordance with plans and specifications and approval of F. H. A. inspectors, there is no way the fulfillment of the obligation can be avoided. We have two outstanding inspectors on these projects who will see the rigid specifications are carried out.

Building under a large contract is a very speculative venture. If the contractor is confronted by a rising market, labor troubles, bad weather, or if there should be jurisdictional disputes between various labor unions, or if he should run into bad foundation problems requiring more retaining walls or further-driven piling, and dozens of other ills and unknown hazards that contractors are beset with, then he might run into a very substantial loss on his contract, which he is obliged to carry out in accordance with his bond.

Furthermore, these buildings are of a new type of apartment-house construction in that they only occupy approximately 25 percent of the ground area, as against 75 to 80 percent of the ground area occupied by the old type of apartment houses.

Neither do they have any inside rooms, and, moreover, there is cross ventilation in every apartment, which is highly essential in summer in St. Louis.

This is one of the reasons why these apartment houses have proved so popular and have been fully rented almost immediately on completion in practically every city where they have been built.

How much a village of this type enhances the neighborhood is something that has not yet been fully determined. We do have here, for instance, in Arlington County, Va., near Washington, two of the most outstanding projects—Colonial Village and Buckingham. Colonial Village has just recently caused its mortgage to be paid off, insurance canceled, and reappraised on a valuation greatly in excess of what we gave it. Incidentally, the same life-insurance company took back a new mortgage at one-half of 1 percent less rate and with no insurance.

In the case of Buckingham the owners have just had to pay $70,000 for a little less than 5 acres, which they could have bought when they first started 2 or 3 years ago for around $1,500 an acre, showing how much this village has increased property values in that neighborhood.

It seems strange to us that we should be attacked at the same time by apartment-house owners because the rents on our projects are lower than what they want on their existing old properties, and, therefore, we are appraising too low, while others attack us because we are appraising too high.

Mr. Speaker, my constituents are not going to occupy these apartment houses. What I am interested in and they are interested in is low-cost housing. I represent people who need low-cost housing. When I am talking about low-cost housing I am not talking about $8,000, $10,000, $12,000, or $15,000 houses, either, I am talking about $3,000, $4,000, or $5,000 houses, something they can afford to live in.

My people are also interested in the Federal Housing program because I represent thousands of building mechanics who were hard hit by the depression. These constituents get work constructing the projects which enables them to support themselves and families. I supported the original law and amendments from time to time although I have tried hard to get more attention paid to the three, four, and five thousand dollar projects and also the interest reduced on the low cost housing projects. I recall offering an amendment to lower the interest rate on the last bill considered. I also supported title I, which I understand has not been popular with some, because the Government has lost money under that title.

Mr. ANDERSON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield to my colleague from Missouri in whose district the projects are located.

Mr. ANDERSON of Missouri. Does the gentleman know of any member of the St. Louis delegation who would approve of or condone any fraud in any department?

Mr. COCHRAN. I certainly do not. So far as I have been able to ascertain no St. Louis Member of Congress or any other Member had anything to do with the "hot potatoes," so called.

Mr. ANDERSON of Missouri. If this is any violation of law or any fraud, as the gentleman states, and if he has positive proof of it, does not the gentleman believe it is the gentleman's duty as a citizen to present the matter to the Federal grand jury?

Mr. COCHRAN. Nothing like that will occur, and I will tell you why. I am going to read just exactly what happened in the committee room of the Committee on Banking and Currency.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. I read from the hearings. Mr. McDonald, the Federal Housing Administrator, was on the stand, and Mr. GIFFORD, the gentleman who has just criticized the projects, said:

I want to congratulate you in this respect: That is, you were given the job to get this house building going in a hurry. It was a thing to pull the country up. You have been able to show $71,000,000 of insured mortgages already, and I want to congratulate you for doing your best. I ask you bluntly now, after your experience, is it not very difficult to protect yourself?

Mr. MCDONALD. It is the most difficult job I have ever had.

Mr. GIFFORD. I said a year ago, and I say it again now. My sympathy goes out for you, really. I do not claim I could do any better or anything like nearly as well. I do not claim that at all, but I do claim in looking this up it is about as we expected.

The gentleman from Massachusetts patted Mr. McDonald on the back after he got through criticizing him, and then he comes on the floor to criticize him. I am not saying the gentleman's criticism is not justified, but he is acting in a different way this time than he generally does.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield there, because the gentleman wants to be fair?

Mr. COCHRAN. I yield. Of course, I want to be fair to my good friend.

Mr. GIFFORD. I did not criticize them on the floor today. I said they were doing the very best they could under such a law and under such circumstances. Twice I said it. I have not criticized them up to this moment, and I am very grateful to the gentleman from Missouri for agreeing with me on everything I have said. The "hot potato" I got from your own own newspapers.

Mr. COCHRAN. I will accept the gentleman's explanation that his remarks were not critical of the F. H. A.

Mr. GIFFORD. I have not criticized them a particle today for what they have done. I have criticized the law.

Mr. COCHRAN. I will agree with the gentleman to save argument and conserve my time. I want to proceed. He criticizes the law; not the F. H. A. Now, the gentleman has said he has been in the real-estate business for over 30 years.

Mr. GIFFORD. Yes.

Mr. COCHRAN. The gentleman knows how the dealers operate.

Mr. GIFFORD. Pretty nearly.

Mr. COCHRAN. He is a very able legislator.

Mr. GIFFORD. I hope so.

Mr. COCHRAN. I know he is, as he and I have been on a committee for 12 years. The gentleman understands the Federal Housing Administration Act far better than I do. I admit that. Therefore, I hope that tomorrow when this bill is up for consideration the gentleman will use his ability and submit amendments we can tack onto this measure that will absolutely prevent what the gentleman has spoken of

and maintenance of a National Gallery of Art," approved March 24, 1937

He was a soldier, a statesman, a gentleman, and a scholar.

today, and I will support the gentleman not only with my voice but with my vote.

Mr. GIFFORD. I thank the gentleman, but I may say I can do nothing against the poundage over there.

Mr. COCHRAN. I will help the gentleman work on the poundage on this side. [Applause.] If the gentleman will only bring in amendments, I will guarantee to get him votes on this side of the House and if he can muster the full total on his own side, and I am sure the gentleman can get the support of his leader [Mr. MARTIN] from his own State to do that. We will get votes on this side, and we are liable to add the amendments. I promise every assistance I can render the gentleman if he will submit the proper amendments.

Mr. ANDERSON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Missouri.

Mr. ANDERSON of Missouri. Can the gentleman see one thing the three St. Louis Congressmen can do to stop this practice?

Mr. COCHRAN. I do not know of any way we can stop it, other than amending the law. The gentleman from Massachusetts says it is the law.

Mr. ANDERSON of Missouri. Unless the law is changed.

Mr. COCHRAN. That is correct. But I want the House and the people in my city to understand now that I do not condone any practices where land values are written up overnight, as they were written up in these two projects. I hope the gentleman from Massachusetts will realize now there is one St. Louis Representative—and I feel my colleagues take the same attitude—who is not afraid to handle the so-called "hot potato." [Applause.]

[Here the gavel fell.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SIROVICH, for 2 weeks, on account of illness.

To Mr. MAGNUSON, for April 11, on account of official business.

To Mr. LELAND M. FORD (at the request of Mr. ANDERSON of California), for 3 days, on account of illness.

EXTENSION OF REMARKS

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein certain letters from public officials of my State regarding the W. P. A.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. VOORHIS of California asked and was given permission to extend his own remarks in the RECORD.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including a statement as to keeping out of foreign wars.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, the American people are looking to the Congress of the United States for immediate relief for the railroad industry.

So that the people of my district may speak their word, I ask unanimous consent to insert in the RECORD as a part of these remarks an editorial taken from the DuBois Courier, of DuBois, Pa.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The matter referred to follows:

[From Du Bois (Pa.) Morning Courier of April 4, 1939]

ACTION—NOT ALIBIS

Informed quarters say that Congress will probably not get around to doing much about the railroad problem this session. The reason given is that the subject is extremely involved, and that there is sharp difference of opinion as to possible solutions.

If Congress really does attempt to alibi itself out of digging into this issue, it will do the Nation at large—to say nothing of the railroads, their investors, and their employees—a grave injustice. It takes no economist to see that our economic structure is dependent to a remarkable degree on what is happening to the railroads. A prosperous railroad industry means expansion and betterment and stimulation of all business. It means a tremendous amount of purchasing—everything from pins to locomotives—which is felt directly in every State, indirectly in every community, and which creates opportunity and productive employment.

So far as the question of differences of opinion over possible transportation legislation goes, it's hard to see how that is a real stumbling block—if Congress is willing to forget playing politics and examine the problem in a nonpartisan manner. A number of excellent, comprehensive solutions have been offered, of which the President's Committee of Six report is a recent and important example. These surveys all point to the fact that inequality of regulation, plus subsidies of some carriers, has been largely responsible for the railroad problem; that no industry can long continue to meet rising costs of wages, taxes, and materials if it is prevented by law from increasing the price of its own product, and that entire revision of our outmoded Transportation Act, in the light of current conditions, is vital.

It's squarely up to Congress. And that body faces no more important domestic problem. The country wants action, not alibis and evasion.

EXTENSION OF REMARKS

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks, and to include therein a brief article of Walter Winchell, appearing in the New York Daily Mirror on last Tuesday with reference to war.

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, I think that matter was put in the RECORD this morning by the gentleman from Michigan [Mr. WOODRUFF].

Mr. SCHAFER of Wisconsin. Mr. Speaker, I think this is a very important article, but since it has been put in the RECORD, I withdraw the request.

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a speech made by the gentleman from Kentucky [Mr. MAY] before the Military Order of the World War on Army Day.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. RAYBURN. Mr. Speaker, on last evening Mr. Jesse Jones, Chairman of the Reconstruction Finance Corporation, made a very informing statement over the radio and I ask unanimous consent to extend my remarks in the RECORD by printing that statement.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate had passed the following resolution:

Senate Resolution 118

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. JAMES HAMILTON LEWIS, late a Senator from the State of Illinois.

Resolved, That a committee of 16 Senators be appointed by the President of the Senate to take order for superintending the funeral of the deceased Senator.

Resolved, That the secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect to the memory of the deceased, the Senate do now adjourn.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 225. Joint resolution amending the joint resolution entitled "Joint resolution providing for the construction

help whenever you think help is needed." He said to me that in 1913 when the Senate was considering the confirma-

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Through Routes Subcom-

and maintenance of a National Gallery of Art," approved March 24, 1937.

The SPEAKER also announced his signature to enrolled bills of the Senate of the following titles:

S. 10. An act for the relief of the Fred Harvey Transportation Department;

S. 11. An act for the relief of Hubert H. Clark and Dr. W. C. Copeland;

S. 511. An act for the relief of Dolores P. de Williamson;

S. 545. An act for the relief of George H. Pierce and Evelyn Pierce; and

S. 745. An act for the relief of the Pacific Telephone & Telegraph Co.

THE LATE JAMES HAMILTON LEWIS

Mr. SABATH. Mr. Speaker, it is my sad duty to announce to the House of Representatives the death of the Honorable JAMES HAMILTON LEWIS, the senior Senator from the State of Illinois, which occurred last night here in the Capital City.

The passing of Senator LEWIS so suddenly and unexpectedly brings to a close a long and distinguished career in the public service, and comes as a great shock, not only to us, his colleagues from Illinois, but to the people of the city of Chicago, the State, and the Nation.

Senator LEWIS was in his third term in the Senate, acting in that body as Democratic whip, a position he was reluctant to accept when it was offered, yet one in which he demonstrated the same ability and understanding which characterized his whole career of statesmanship. No man has served in either branch of Congress who was a more popular, colorful, and effective representative of the people than JAMES HAMILTON LEWIS. From the time he first came to Washington as a Member of this House, throughout his public career, which has ended so suddenly, his wide knowledge, fine culture, his perfect courtesy, and high character endeared him to all with whom he came in contact and enabled him to serve his city, State, and Nation in an outstanding manner. He was a soldier in peace and war time, in early youth rising to the rank of colonel in the Spanish-American War. He was a fearless legislator and an accomplished orator. He was a keen and discerning student of public affairs at home and abroad, and he labored unceasingly in the last few years of his career to aid in the solution of the great problems facing the American people, giving unsparingly of his time and energy to help promote those humanitarian objectives that would make America a better place in which to live.

Mr. Speaker, no man, in my humble opinion, has rendered more unselfish, patriotic, and efficient service to our country than this outstanding citizen of Illinois. His passing came in the midst of his work, in the Capital City of the Nation he so honorably served as a Member of the greatest legislative body in the world.

He died as I am sure he would have wished to die had he the choice to select the manner and time of his going. The people of our State, and especially of Chicago, will mourn with us his untimely passing. The Nation has suffered a serious loss, Illinois has suffered an irreparable loss in the death of a most distinguished citizen.

At a later date, Mr. Speaker, I shall ask that a day be set aside when the membership may offer remarks more protracted and suitable to the occasion in honor to the memory of the respected and beloved senior Senator from Illinois.

Mr. Speaker, I have been requested by several gentlemen to yield to them for a few brief remarks.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to my colleague the gentleman from Illinois.

Mr. CHURCH. Mr. Speaker, the Nation has lost a truly great son. I rise to pay humble tribute to the late Senator JAMES HAMILTON LEWIS, who was summoned last night to the eternal beyond. Words are inadequate to express the sadness of this hour to me. I know no man who so completely exemplified the finest things of life. I know no man who was so dearly loved and respected by all.

He was a soldier, a statesman, a gentleman, and a scholar. Of few men may that be said. In the service of his country, in war and in peace, he distinguished himself.

During the Spanish-American War he was staff colonel, and during the World War he was designated by General Pershing as soldier aide in France to Gen. George Bell.

With the sword he ably and courageously served his country. But he was more than a soldier: he was a statesman, devoted to the cause of peace and justice. On many occasions he was sent on diplomatic missions to Europe. He was knighted for his service by Belgium and Greece and was made a member of the Knights of the Round Table at London.

On the library shelves throughout the country will be found his writings. Removal of Causes from State to United States Courts; Constitutions, Statutes, and Their Construction; Two Republics—Rome and the United States; are among the scholarly books that bear his name.

Mr. Speaker, Senator LEWIS, summoned yesterday at the Nation's Capital to eternal rest just as the Easter sun was setting, was a great American and a statesman of whom Illinois was justly proud. His courtesy and thoughtfulness was always extended without stint to all regardless of their political faith.

Mr. Speaker, his courtly manner bespoke the broad vision and purpose of the Senator. He lived each day to serve, and he has erected a monument of service that time cannot destroy. His life will be a lasting inspiration to us and to those who come after us.

Mr. SABATH. Mr. Speaker, I yield now to the gentleman from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. Mr. Speaker, 40 years ago the late JAMES HAMILTON LEWIS occupied the seat that I now occupy in this Congress. To my constituency in the city of Seattle JIM HAM LEWIS is a fond tradition. He went to school there. He taught in our university. He worked on our docks and practiced law in the city of Seattle, and represented that city in the Congress of the United States; and may I say to the gentleman from Illinois that the State of Washington mourns along with the State of Illinois and the Nation the passing of a great statesman.

Mr. SABATH. Mr. Speaker, I now yield to the gentleman from Illinois [Mr. MITCHELL].

Mr. MITCHELL. Mr. Speaker, I appear before you at this moment with a heavy heart, filled with sadness because of the great loss which this Nation and the world have sustained. I shall not speak of the late Senator LEWIS simply as a statesman. That has already been done by those preceding me. I shall not speak of him as a diplomat, for the reason a great deal has already been said along this line. During the brief moments allotted me I wish to speak of him as a friend to mankind—as a friend to helpless and downtrodden of all races and nationalities. I am in position to know real friends as many of you might not be. I have come in contact with men of all races and of all nations, in this country and in many foreign countries. Because of the color and hue of my skin and the race with which I am identified, I have an opportunity to see the bigness of men's hearts as a great many people cannot see it. I stand here to tell you that in the passing of Senator JAMES HAMILTON LEWIS this country has lost one of its most outstanding statesmen and diplomats. The world has lost one of its greatest scholars and most polished gentlemen. My race has lost a friend—true and tried. He was not only free from all race prejudice but he was more than that: his heart was filled with charity and sympathy toward suffering humanity wherever he found it, and his heart was filled with interest in those of our Nation, whether Jew or gentile, Protestant or Catholic, black or white. The color of the skin, the shape of the nose made no difference to him. He was truly a friend of mankind.

When I came as a Member to this House and looked around for friends on whose arms I could lean for help and support and when I looked in the direction of the Senate of the United States, it was none other than this great Chesterfieldian gentleman who said to me, "My office door stands wide open to you. Have no hesitancy in calling on me for

On Tuesday, April 25, 1939, at 10 a. m., the committee will

A bill (H. R. 5544) granting a pension to Emily Cecil;

help whenever you think help is needed." He said to me that in 1913 when the Senate was considering the confirmation of a Negro for judge here in the District of Columbia, "It was my vote and my work that made it possible for a member of your race to sit on the municipal bench in the District of Columbia." I have gone to this great statesman time and again for help and advice. He never refused or failed to help me. Just 2 weeks ago he called my office, an unusual thing, and said to me, "The first time you are on the Senate floor or the first time you have a moment to spare I want you to come over. I want to have a talk with you." I was then rushing to go down South to speak at Tuskegee, and I did not find the time to comply with his request. It is now one of the sad moments of my life to think of the opportunity I lost by not going when I was called by this true friend of my race and true friend of mankind.

As shadows cast by cloud and sun
Flit o'er the summer grass,
So, in thy sight, Almighty One,
Earth's generations pass;
And as the years, an endless host,
Come swiftly pressing on,
The brightest names that earth can boast
Just glisten and are gone.

Mr. SABATH. Mr. Speaker, I yield now to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Speaker, at the present time I rise only to announce that the gentlewoman from New York, Mrs. O'DAY, who knew JAMES HAMILTON LEWIS as a young man in his home town, is going to speak on that phase of his life. Following her in due course, I am going to speak on his entry into the politics of Illinois and his election to the United States Senate, in which I took considerable part. We are trying to go along the same line that the gentleman from Illinois [Mr. MITCHELL] has just started, to get a true understanding of the man from a statement of the facts in relation to him rather than in praise of him, because all will praise him, but we want to get the facts back of the praise.

For that reason the gentlewoman from New York [Mrs. O'DAY] will speak, and I am going to follow along, as I have suggested at the proper time, and I will ask to be permitted to put our remarks in the RECORD at this place when they are ready.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SABATH. Mr. Speaker, I offer the following resolution (H. Res. 157), which I send to the desk.

The Clerk read as follows:

House Resolution 157

Resolved, That the House has heard with profound sorrow of the death of Hon. JAMES HAMILTON LEWIS, a Senator of the United States from the State of Illinois.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased Senator.

Resolved, That a committee of 16 Members be appointed on the part of the House to join the committee appointed on the part of the Senate to attend the funeral.

The resolution was agreed to.

The SPEAKER. The Chair thinks it proper to state that, inasmuch as the funeral services of the late distinguished Senator will not be held until Wednesday, the Chair will appoint the funeral committee on tomorrow.

The Clerk will read the balance of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect to the memory of the deceased the House do now adjourn.

The resolution was agreed to.

Accordingly (at 2 o'clock and 52 minutes p. m.) the House adjourned until tomorrow, Tuesday, April 11, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue on Tuesday, April 11, 1939, at 10 a. m., on social-security legislation in the Ways and Means Committee in the New House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Through Routes Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m. Tuesday, April 18, 1939. Business to be considered: Hearing on H. R. 3400, through routes bill.

COMMITTEE ON THE CIVIL SERVICE

The Committee on the Civil Service will hold a hearing in room 246 of the House Office Building on civil-service extension (H. R. 960) on Tuesday, April 11, 1939, at 10 a. m.

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs, Tuesday, April 11, 1939, at 10 a. m., in the committee rooms, Capitol, to begin hearings on the following bills and resolutions pertaining to neutrality: House Resolution 100, to prohibit the transfer, loan, or sale of arms or munitions (by Mrs. ROGERS of Massachusetts); House Joint Resolution 3 to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. LUDLOW); House Joint Resolution 7, to implement the Kellogg-Briand Pact for World Peace (by Mr. GUYER of Kansas); House Joint Resolution 16, to prohibit the exportation of arms, ammunition, or implements or materials of war to any foreign country when the President finds a state of war to exist between or among two or more foreign states or between or among two or more opposing forces in the same foreign state (by Mr. KNUTSON); House Joint Resolution 42, providing for an embargo on scrap iron and pig iron under Public Resolution No. 27 of the Seventy-fifth Congress (by Mr. CRAWFORD); House Joint Resolution 44, to repeal the Neutrality Act (by Mr. FADDIS); House Joint Resolution 113, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. FISH); House Joint Resolution 226, to amend the Neutrality Act (by Mr. GEYER of California); House Joint Resolution 254, to keep the United States out of foreign wars, and to provide for the neutrality of the United States in the event of foreign wars (by Mr. FISH); House bill 79, to keep America out of war by repealing the so-called Neutrality Act of 1937 and by establishing and enforcing a policy of actual neutrality (by Mr. MAAS); House bill 163, to establish the neutrality of the United States (by Mr. LUDLOW); House bill 4232, to limit the traffic in war munitions, to promote peace, and for other purposes (by Mr. VOORHIS of California); House bill 5223, Peace Act of 1939 (by Mr. HENNINGS); House bill 5432, to prohibit the export of arms, ammunition, and implements and materials of war to Japan, to prohibit the transportation of arms, ammunition, implements, and materials of war by vessels of the United States for the use of Japan, to restrict travel by American citizens on Japanese ships, and otherwise to prevent private persons and corporations subject to the jurisdiction of the United States from rendering aid or support to the Japanese invasion of China (by Mr. COFFEE of Washington); House bill 5575, Peace Act of 1939 (by Mr. HENNINGS).

Hearings will continue from Wednesday, April 12 to April 26, beginning at 10 a. m. each day with the exception of Saturdays and Sundays.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

Tuesday, April 11, 1939:

H. R. 1783, inspection of hulls of sail vessels and barges (BLAND); H. R. 1785, motorboat bill (BLAND); H. R. 1795, motorboat bill (HENDRICKS); H. R. 1809, inspection of motorboats, 15 gross tons up (MAGNUSON); H. R. 2398, regarding pilots on yachts (ANGELL); H. R. 3837, inspection of motorboats, 15 gross tons up (CONNERY).

Thursday, April 13, 1939:

H. R. 4220, load-line bill for seagoing vessels (BLAND).

On Wednesday, April 19, 1939, at 10 a. m., the Committee on Merchant Marine and Fisheries will resume hearings on the bill (H. R. 5130) to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes.

By Mr. MERRITT:

United States to consider their Assembly Joint Resolution

On Tuesday, April 25, 1939, at 10 a. m., the committee will hold public hearings on the following bills: H. R. 2383, H. R. 2543, H. R. 2558, to increase further the efficiency of the Coast Guard by authorizing the retirement, under certain conditions, of enlisted personnel thereof with 20 or more years of service.

COMMITTEE ON THE JUDICIARY

There will be a public hearing before Subcommittee No. 3 of the Committee on the Judiciary at 10 a. m., Wednesday, April 12, 1939, on the bill (H. R. 5138) to make unlawful attempts to overthrow the Government of the United States, to require licensing of civilian military organizations, to make unlawful attempts to interfere with the discipline of the Army and Navy, to require registration and fingerprinting of aliens, to enlarge the jurisdiction of the United States Circuit Court of Appeals in certain cases, and for other purposes. The hearing will be held in the Judiciary Committee room, 346 House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

609. A letter from the Secretary of the American Chemical Society, transmitting the Annual Report of the American Chemical Society for the year 1938; to the Committee on the Judiciary.

610. A letter from the president, Board of Commissioners, District of Columbia, transmitting the draft of a proposed bill to amend the act of Congress entitled "An act to define, regulate, and license real-estate brokers, business-chance brokers, and real-estate salesmen"; to the Committee on the District of Columbia.

611. A letter from the Acting Secretary of the Interior, transmitting a report on the investigation of the safety of the building known as the Corcoran Courts Apartments; to the Committee on Public Buildings and Grounds.

612. A letter from the Chief of the Bureau of Insular Affairs, War Department, transmitting the copy of a resolution adopted on February 14, 1938, by the National Assembly, Commonwealth of the Philippines; to the Committee on Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SABATH: Committee on Rules. House Resolution 155. Resolution providing for the consideration of H. R. 5324, a bill to amend the National Housing Act, and for other purposes; without amendment (Rept. No. 391). Referred to the House Calendar.

Mr. LEA: Committee on Interstate and Foreign Commerce. H. R. 5619. A bill to provide for the training of civil aircraft pilots, and for other purposes; without amendment (Rept. No. 393). Referred to the Committee of the Whole House on the state of the Union.

Mr. IZAC: Committee on Foreign Affairs. House Joint Resolution 221. Joint resolution authorizing the President to invite other nations to participate in the Sacramento Golden Empire Centennial commemorating the one hundredth anniversary of the founding of Sacramento by Capt. John A. Sutter; without amendment (Rept. No. 394). Referred to the House Calendar.

Mr. MARTIN of Colorado: Committee on Interstate and Foreign Commerce. H. R. 5412. A bill to encourage travel in the United States, and for other purposes; with amendment (Rept. No. 395). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 5363) granting an increase of pension to Effie Washington; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 5544) granting a pension to Emily Cecil; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 5547) granting a pension to Mary E. Peterson; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 5550) granting a pension to Richard O'Hearn; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOBBS:

H. R. 5643. A bill to invest the Circuit Courts of Appeals of the United States with original and exclusive jurisdiction to review the order of detention of any alien ordered deported from the United States whose deportation or departure from the United States otherwise is not effectuated within 90 days after the date the warrant of deportation shall have become final; to authorize such detention orders in certain cases; to provide places for such detention; and for other purposes; to the Committee on the Judiciary.

By Mr. KRAMER:

H. R. 5644. A bill to amend section 907 (b) of the Social Security Act; to the Committee on Ways and Means.

H. R. 5645. A bill to amend sections 901 and 902 of the Social Security Act; to the Committee on Ways and Means.

By Mr. McCORMACK:

H. R. 5646. A bill to amend the Tariff Act of 1930, as amended, to provide for allowance in specific duties in the case of merchandise damaged on the voyage of importation; to the Committee on Ways and Means.

By Mr. NICHOLS:

H. R. 5647. A bill to provide revenue for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. RANKIN:

H. R. 5648. A bill to provide benefits to World War veterans, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. SCHAFER of Wisconsin:

H. R. 5649. A bill to repeal the authority to enter into trade agreements with foreign countries or their instrumentalities, and to terminate all such agreements heretofore made, in order to protect American agriculture and industry from unfair competition of cheaply produced foreign products and to reduce unemployment and tax burdens in the United States; to the Committee on Ways and Means.

By Mr. THORKELSON:

H. R. 5650. A bill to repeal the act entitled "An act to conserve and develop Indian lands and resources; to extend to Indians the right to form business and other organizations; to establish a credit system for Indians; to grant certain rights of home rule to Indians; to provide for vocational education for Indians; and for other purposes," approved June 18, 1934, and the act of June 15, 1935, supplementary thereto; to the Committee on Indian Affairs.

By Mr. BRADLEY of Michigan:

H. R. 5651. A bill to provide for the construction of a Coast Guard vessel designed for ice breaking and assistance work on Lake Huron, Lake Michigan, and Lake Superior; to the Committee on Merchant Marine and Fisheries.

H. R. 5652. A bill to amend the National Firearms Act; to the Committee on Ways and Means.

By Mr. DUNCAN:

H. R. 5653. A bill to amend the Revenue Act of 1938, by providing for the taxation of income received or accrued by individual taxpayers in any taxable year and derived from the rendition of personal services over a period of not less than 3 years, by adding a new section to be known and numbered as section 122, of supplement B, supplemental to subtitle B of part II of title I of the Revenue Act of 1938; to the Committee on Ways and Means.

By Mr. MERRITT:

H. R. 5654. A bill to enable certain alien veterans of peacetime service otherwise eligible, to again enlist in the Regular Army; to the Committee on Military Affairs.

By Mr. O'CONNOR:

H. R. 5655. A bill providing for the suspension of annual assessment work on mining claims held by location in the United States; to the Committee on Mines and Mining.

By Mr. SHEPPARD:

H. R. 5656. A bill authorizing an appropriation for the purpose of providing the necessary control of fire, control of erosion, and conservation of water, by the protection of the existing vegetative cover and improvement of said cover for the control of run-off on lands lying within the Angeles, San Bernardino, and Cleveland National Forests, and adjacent lands in Los Angeles, San Bernardino, and Riverside Counties, State of California; to the Committee on Agriculture.

H. R. 5657. A bill to extend the hospitalization privileges to all war, campaign, and expedition veterans, who are not dishonorably discharged; to the Committee on World War Veterans' Legislation.

By Mr. HANCOCK:

H. R. 5658. A bill to provide for appeals from orders in civil cases granting new trials; to the Committee on the Judiciary.

By Mr. NORRELL:

H. R. 5659. A bill to provide for the construction of a postoffice building in Sheridan, Ark.; to the Committee on Public Buildings and Grounds.

By Mr. KELLER:

H. R. 5660. A bill to include Lafayette Park within the provisions of the act entitled "An act to regulate the height, exterior design, and construction of private and semipublic buildings in certain areas of the National Capital," approved May 16, 1930; to the Committee on the District of Columbia.

By Mr. ANDREWS:

H. J. Res. 261. Joint resolution to change the name of the Department of War to the Department of the Army; to the Committee on Military Affairs.

By Mr. WHITE of Idaho:

H. J. Res. 262. Joint resolution to promote international trade and eliminate the inequalities of foreign exchange and provide for a sound currency and establish a stable medium of exchange between the countries of the Western Hemisphere and effectuate the declared policy of the United States as set forth in the act of November 1, 1893 (28 Stat. 4), and the act of March 3, 1897 (29 Stat. 624); to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their Assembly Joint Resolution No. 2, relative to defense of the California coast; to the Committee on Military Affairs.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to consider their House Concurrent Resolution No. 16, with reference to enact legislation permitting the Territory to tax the income of Federal officers and employees in the Territory on the same basis as other residents of the Territory; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Minnesota, memorializing the President and the Congress of the United States to consider their Concurrent Resolution No. 15, Senate File No. 1378, with reference to old-age assistance and the Social Security Act; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their Assembly Joint Resolution No. 4, relative to Pacific coast shipyards; to the Committee on Naval Affairs.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their Assembly Joint Resolution No. 30, relative to House bill 4102, to provide for the coinage of fractional minor coins; to the Committee on Coinage, Weights, and Measures.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRADLEY of Michigan:

H. R. 5661. A bill granting an increase of pension to Sarah A. Troutt; to the Committee on Invalid Pensions.

By Mr. BROWN of Ohio:

H. R. 5662. A bill granting an increase of pension to Lillie L. White; to the Committee on Invalid Pensions.

By Mr. CARLSON:

H. R. 5663. A bill granting a pension to Sue Tozier; to the Committee on Invalid Pensions.

By Mr. CLASON:

H. R. 5664. A bill for the relief of Mary Ryczek Chmura; to the Committee on Immigration and Naturalization.

By Mr. MAGNUSON:

H. R. 5665. A bill for the relief of Frank H. Wilson; to the Committee on Claims.

By Mr. MOTT:

H. R. 5666. A bill granting a pension to Lucy A. Rose; to the Committee on Invalid Pensions.

By Mr. SHAFER of Michigan:

H. R. 5667. A bill granting a pension to Ivah May Carpenter; to the Committee on Invalid Pensions.

By Mr. SPRINGER:

H. R. 5668. A bill granting an increase of pension to Roy Smith; to the Committee on Invalid Pensions.

By Mr. TIBBOTT:

H. R. 5669. A bill granting a pension to Cecilia Wank; to the Committee on Invalid Pensions.

By Mr. WELCH:

H. R. 5670. A bill for the relief of Herbert Rogers Cranton; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2378. By Mr. ANDREWS: Resolution adopted by the Western New York Branch of the National Women's Party, favoring the equal-rights amendment to the Constitution as carried in Senate Joint Resolution 7; to the Committee on the Judiciary.

2379. By Mr. ASHBROOK: Petition of George H. Hookway and 165 others of Mount Vernon, Ohio, against any change in the National Labor Relations Act; to the Committee on Labor.

2380. By Mr. BROOKS: Petition of the Louisiana State Federation of Labor endorsing Senate bill 1305, by Senator THOMAS of Utah and Senator HARRISON, which bill grants Federal financial aid to education; to the Committee on Interstate and Foreign Commerce.

2381. By Mr. CASE of South Dakota: Resolution of Belle Fourche irrigation district of Newell, S. Dak., urging early passage of House bill 5076; to the Committee on Irrigation and Reclamation.

2382. By Mr. FLAHERTY: Petition of the General Court of Massachusetts, urging Congress to consider and discuss the provisions of the Townsend national recovery plan, so-called, and the provisions of bills of similar import; to the Committee on Ways and Means.

2383. By Mr. LUTHER A. JOHNSON: House Concurrent Resolution of the house of representatives, Austin, Tex., urging that Congress appropriate a sufficient fund to make effective the subsidy and parity payments under the Agricultural Adjustment Act of 1938; to the Committee on Appropriations.

2384. By Mr. MARTIN J. KENNEDY: Petition of the Cinema Lodge, No. 1185, International Association of Machinists of Hollywood, Calif., urging passage of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2385. Also, petition of Tennessee Valley Authority Lodge, No. 1189, International Association of Machinists, Sheffield, Ala., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2386. Also, petition of Local No. 395, International Association of Machinists, Beaumont, Tex., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2387. Also, petition of Friends of the Public Schools of America, Chicago, Ill., opposing Senate bill 1305; to the Committee on Appropriations.

2388. Also, petition of Susquehanna Valley Lodge, No. 1423, Brotherhood of Maintenance of Way Employees, Oneonta, N. Y., urging passage of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2389. Also, petition of Rocky Mount Lodge, No. 270, International Association of Machinists, Rocky Mount, N. C., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2390. Also, petition of Terminal Lodge, No. 1154, International Association of Machinists, Jersey City, N. J., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2391. Also, petition of the Perseverence Lodge, No. 98, Brotherhood of Locomotive Firemen and Enginemen, Ogden, Utah, urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2392. By Mr. KEOGH: Petition of L. M. Layden, of Whitehall, N. Y., favoring the passage of House bill 5284, to authorize the erection of a United States Veterans' Administration general medical surgical hospital and domiciliary facility at Whitehall, N. Y.; to the Committee on World War Veterans' Legislation.

2393. Also, petition of James F. Doyle, Arkell Safety Bag Co., New York City, concerning Senate bill 69; to the Committee on Agriculture.

2394. Also, petition of the Chamber of Commerce of the State of New York, concerning Federal tax on old-age insurance; to the Committee on Ways and Means.

2395. Also, petition of the Knapp Engraving Co., Inc., concerning House bills 5281 and 5282; to the Committee on Ways and Means.

2396. Also, petition of the Shellmar Products Co., New York City, concerning certain House and Senate bills, with reference to interstate commerce rates; to the Committee on Interstate and Foreign Commerce.

2397. Also, petition of the C. D. Shafer Co., wholesale grocers, Athens, Ohio, concerning chain stores; to the Committee on Ways and Means.

2398. Also, petition of the Florida Federation of Labor, concerning the Patman bill; to the Committee on Ways and Means.

2399. Also, petition of the Southwest Bank of St. Louis, Mo., concerning the proposed revision and extension of title 1 of the Federal Housing Act; to the Committee on Banking and Currency.

2400. Also, petition of the Chamber of Commerce of the Borough of Queens, City of New York, concerning the Ludlow bill (H. R. 4) providing for the creation of a Federal Industrial Commission; to the Committee on Labor.

2401. Also, petition of the Escanaba High School, Escanaba, Mich., concerning Senate bill 1305, Federal aid to education; to the Committee on Education.

2402. Also, petition of the Scotia Public Library, Scotia, N. Y., concerning House bill 3517, Federal aid bill; to the Committee on Education.

2403. By Mr. LUCE: Memorial of the Massachusetts General Court, urging discussion and consideration of the Townsend plan; to the Committee on Ways and Means.

2404. By Mr. MERRITT: Resolution of the Freeport Council, No. 57, Junion Order United American Mechanics, Freeport, Long Island, considering that Congress insist that the provisions as set forth in section 3 of the Immigration Act of 1917 be stringently adhered to, regardless of department or persons; to the Committee on Immigration and Naturalization.

2405. Also, resolution of the Freeport Council, No. 57, Junior Order United American Mechanics, Freeport, Long Island, protesting and condemning the proposal of Senator WAGNER and Congresswoman ROGERS admitting, outside of existing quotas, 20,000 German refugee children under the age of 14 years, and considers it is becoming of our duty and of the Representatives of the people in Congress first to take care of our children and citizens before bestowing charity on children imported from abroad; to the Committee on Immigration and Naturalization.

2406. Also, resolution of the Freeport Council, No. 57, Junior Order United American Mechanics, Freeport, Long Island, urging the Congress to use every effort to prevent passage of Senate Joint Resolution 64 and House Joint Resolution 168, or any other legislation of like character; to the Committee on Immigration and Naturalization.

2407. By Mr. PFEIFER: Petition of Leon M. Layden, attorney, Whitehall, N. Y., urging consideration of House bill 5284, authorizing the erection of a United States Veterans' Administration facility at Whitehall, N. Y.; to the Committee on World War Veterans' Legislation.

2408. Also, petition of the Texas Corn Carnival Association, Granger, Tex., favoring the Jones bill (H. R. 3800); to the Committee on Agriculture.

2409. Also, petition of the International Molders' Union, Local No. 96, Brooklyn, N. Y., concerning Senate bill 281, to amend the Civil Service Retirement Act approved May 29, 1930; to the Committee on the Civil Service.

2410. Also, petition of KniTown Togs, Inc., New York City, urging the removal of home work from the jurisdiction of the wage and hour division; to the Committee on Labor.

2411. Also, petition of Lithgow Osborne, commissioner, conservation department, State of New York, Albany, urging inclusion of $375,000 for gipsy-moth control and $778,000 for Dutch elm disease control in the agricultural appropriation bill; to the Committee on Appropriations.

2412. Also, petition of the Knapp Engraving Co., Inc., New York City, urging support of House bills 5280, 5281, and 5282; to the Committee on Ways and Means.

2413. Also, petition of the Chamber of Commerce of the State of New York, New York City, favoring Federal tax for old-age insurance; to the Committee on Ways and Means.

2414. Also, petition of the Arkell Safety Bag Co., New York City, urging the passage of the Ellender sugar bill (S. 69); to the Committee on Agriculture.

2415. By Mr. SCHIFFLER: Petition of F. Z. Fouse and 300 other prominent citizens of Weirton, W. Va., urging that your committee strike from the rivers and harbors bill all provisions for the canalization of the Beaver River and its tributaries to Struthers, Ohio, or to Lake, believing that such a canal would seriously injure them and their families and the community in which they live as well as the taxpayers of the United States, believing also that it would benefit very few, while causing increased unemployment and suffering in their community as well as many other communities; to the Committee on Rivers and Harbors.

2416. By the SPEAKER: Petition of Muriel Jercich, of San Francisco, Calif., and others, petitioning consideration of their resolution with reference to Works Progress Administration deficiency appropriation; to the Committee on Appropriations.

2417. Also, petition of James R. Allen, of Wilmington, Del., petitioning consideration of their resolution with reference to Works Progress Administration; to the Committee on the Judiciary.

2418. Also, petition of the Detroit Federation of Post Office Clerks, Local No. 295, Detroit, Mich., petitioning consideration of their resolution with reference to the Civil Service Retirement Act; to the Committee on the Civil Service.

2419. Also, petition of the City Council of the City of Lorain, State of Ohio, petitioning consideration of their resolution with reference to the proposed construction, maintenance, and operation of the Pittsburgh-Ashtabula Canal; to the Committee on Rivers and Harbors.

SENATE

TUESDAY, APRIL 11, 1939

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God, who hast given Thine own self so wondrously that, when we seek, we find Thee everywhere: Speak to us out of Thy great world's throbbing heart concerning the things that belong to our peace, and reveal in the hush of this moment the sacramental gifts of life whereby strength is imparted for our great emprise; friendship, knitting heart to heart; joy, too wonderful for words; and sorrow, when Thou drawest nigh with love's immeasurable tenderness, for here on earth evil and tyranny, poverty and sin, retain their ancient power, and all man's learning seems to leave him still unsure.

At such a time as this let every man among us seek first the kingdom of God and His righteousness; then shall the light dawn and our eyes shall waken to reality; then, and not until then, shall we see the King coming in His beauty, arrayed in the garments of peace. So may Thy coming be, Lord Jesus. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, April 10, 1939, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, communicated to the Senate the resolutions of the House adopted as a tribute to the memory of Hon. James Hamilton Lewis, late a Senator from the State of Illinois.

The message announced that the House had passed without amendment the bill (S. 2021) to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3314. A bill to provide shorter hours of duty for members of the Fire Department of the District of Columbia, and for other purposes; and

H. R. 5482. A bill to increase the authorization for appropriations for the administration of State unemployment compensation laws.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 10. An act for the relief of the Fred Harvey Transportation Department;

S. 11. An act for the relief of Hubert H. Clark and Dr. W. C. Copeland;

S. 511. An act for the relief of Dolores P. de Williamson;

S. 545. An act for the relief of George H. Pierce and Evelyn Pierce;

S. 745. An act for the relief of the Pacific Telephone & Telegraph Co.;

H. R. 3790. An act relating to the taxation of the compensation of public officers and employees; and

H. J. Res. 225. Joint resolution amending the joint resolution entitled "Joint resolution providing for the construction and maintenance of a National Gallery of Art," approved March 24, 1937.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Johnson, Calif.	Radcliffe
Andrews	Davis	Johnson, Colo.	Reed
Ashurst	Donahey	King	Reynolds
Austin	Downey	La Follette	Russell
Bailey	Ellender	Lee	Schwartz
Bankhead	Frazier	Lodge	Schwellenbach
Barbour	George	Logan	Shipstead
Barkley	Gerry	Lucas	Smathers
Bilbo	Gibson	Lundeen	Smith
Bone	Gillette	McCarran	Stewart
Borah	Glass	McKellar	Taft
Bridges	Green	McNary	Thomas, Okla.
Brown	Guffey	Maloney	Thomas, Utah
Bulow	Gurney	Mead	Townsend
Burke	Harrison	Minton	Truman
Byrd	Hatch	Murray	Tydings
Byrnes	Hayden	Neely	Vandenberg
Capper	Herring	Norris	Wagner
Caraway	Hill	Nye	Walsh
Clark, Idaho	Holman	Overton	Wheeler
Clark, Mo.	Holt	Pepper	White
Connally	Hughes	Pittman	Wiley

Mr. MINTON. I announce that the Senator from Arkansas [Mr. MILLER] is absent from the Senate because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. SHEPPARD] are detained on important public business.

The Senator from Indiana [Mr. VAN NUYS] is unavoidably detained.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

INVITATIONS TO ATTEND FUNERAL OF SENATOR LEWIS

Mr. LUCAS. Mr. President, I submit a resolution and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The legislative clerk read the resolution (S. Res. 119), as follows:

Resolved, That the Secretary invite the Members of the House of Representatives to attend the funeral of Hon. James Hamilton Lewis in the Senate Chamber on Wednesday, April 12, 1939, at 2:30 o'clock p. m., and to appoint a committee to act with the committee of the Senate; and be it further

Resolved, That invitations be extended to the President of the United States and the members of the Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, the diplomatic corps (through the Secretary of State), the Chief of Staff of the Army, the Chief of Naval Operations of the Navy, the Major General Commandant of the Marine Corps, and the Commandant of the Coast Guard to attend the funeral in the Senate Chamber.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

The resolution was considered and unanimously agreed to.

JOHN B. DOW

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1253) for the relief of John B. Dow, which was, on page 1, line 12, to strike out all after "*Provided*," down to and including "$1,000", in line 12 of page 2, and insert "That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. McKELLAR. I move that the Senate concur in the House amendment.

The motion was agreed to.

J. G. MAYFIELD

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 754) for the relief of J. G. Mayfield, which was, in line 15, after "Department", to insert "*Provided*, That no benefits shall accrue prior to the approval of this act."

Mr. LUCAS. I move that the Senate concur in the House amendment.

The motion was agreed to.

SUPPLEMENTAL ESTIMATE—LEGISLATIVE ESTABLISHMENT (S. DOC. NO. 60)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation for the legislative establishment, Library of Congress, for the fiscal years 1939 and 1940, amounting to $37,500, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

ALLOCATION OF APPROPRIATION TO DEPARTMENT OF THE INTERIOR (S. DOC. NO. 61)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, draft of a proposed provision pertaining to an allocation from the Emergency Relief Appropriation, 1935, to the Department of the Interior, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

RETIREMENT IN THE COAST GUARD

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to increase further the efficiency of the Coast Guard by authorizing the retirement under certain conditions of enlisted personnel with 20 or more years of service, which, with the accompanying paper, was referred to the Committee on Commerce.

CHIEF DISBURSING OFFICER, TREASURY DEPARTMENT

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting a draft of proposed legislation for the relief of Guy F. Allen, chief disbursing officer, Division of Disbursement, Treasury Department, covering the purchase of tents and canvas by the General Land Office, which, with the accompanying paper, was referred to the Committee on Claims.

IRRIGATION CONSTRUCTION CHARGES

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting a draft of proposed legislation to approve the action of the Secretary of the Interior deferring the collection of certain irrigation construction charges against lands under the San Carlos and Flathead Indian irrigation projects, which, with the accompanying papers, was referred to the Committee on Indian Affairs.

PINE RIDGE, S. DAK., LOST ALLOTMENT CLAIMS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to provide for the correction of the list of approved Pine Ridge lost allotment claims, which, with the accompanying paper, was referred to the Committee on Indian Affairs.

LANDS IN CALIFORNIA AND NEVADA—FORT MOJAVE RESERVATION

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to reserve certain public-domain lands in California and Nevada for the use and benefit of the Indians of the Fort Mojave Reservation, which, with the accompanying papers, was referred to the Committee on Indian Affairs.

PURCHASE OF INDIAN PRODUCTS BY GOVERNMENT EMPLOYEES

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to modify sections 68 and 87, title 25, United States Code, so as to permit employees of the Government to purchase arts and crafts and other products manufactured, grown, owned, or controlled by Indians, which, with the accompanying paper, was referred to the Committee on Indian Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of Minnesota, which was referred to the Committee on Finance:

Concurrent Resolution 15

Concurrent resolution memorializing the Congress of the United States to revise the Social Security Act or to pass a new act, so that the Federal Government will assume one-half the burden of aid to dependent children

Whereas the Congress of the United States, acting in accordance with the demands of the President, did enact a law extending assistance to dependent children; and

Whereas the present Social Security Act provides that the several States pay two-thirds of the grants-in-aid for dependent children; and

Whereas the present Social Security Act provides for reimbursement to the States to the extent of one-half of the moneys expended for old-age assistance and assistance to the blind; and

Whereas this appears to be a discrimination against aid to dependent children, and not a fair apportionment: Now, therefore, be it

Resolved by the Senate of the State of Minnesota (the house of representatives concurring therein), That Congress at its present sitting be, and the same is hereby, urgently petitioned and requested to amend the Social Security Act or to pass other appropriate legislation whereby the Federal Government will assume one-half of the burden and payment of aid to dependent children; be it further

Resolved, That a duly authenticated copy of this resolution be presented to the President of the United States, the presiding officers of the Senate and House of Representatives of the Congress of the United States, and to each of the Senators and Representatives from the State of Minnesota.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of Hawaii, which was referred to the Committee on Finance:

Be it resolved by the House of Representatives of the Twentieth Legislature of the Territory of Hawaii (the senate concurring), That the Congress of the United States be, and it is hereby, respectfully requested to enact legislation permitting the Territory to tax the income of Federal officers and employees in the Territory on the same basis as other residents of the Territory; and be it further

Resolved, That copies of this resolution be forwarded to the President of the Senate of the Congress of the United States, to the Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the Interior, and to the Honorable SAMUEL WILDER KING, Delegate from Hawaii to the Congress of the United States.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of Nevada, which was referred to the Committee on Foreign Relations:

Senate Joint Resolution 13

Whereas the laws of Nature are the governing forces of the universe, including human civil relationships, and were so referred to in the Declaration of Independence as "the laws of Nature and of Nature's God";

Whereas the fundamental natural law controlling human relationships as they exist in communities, states, and nations, and as between nations, is the law of supply and demand;

Whereas an essential requisite of the law of supply and demand is a basic medium of exchange properly distributed;

Whereas gold and silver have been recognized as such medium of exchange throughout recorded history, and, as said by the distinguished statesman James G. Blaine, "The two metals have existed side by side in harmonious, honorable companionship as money ever since intelligent trade was known among men";

Whereas the framers of the National Constitution, among the limited restrictions placed upon the powers of State governments, included the provision, "No State shall make anything but gold and silver coin a tender in payment of debts";

Whereas the United States operated upon the bimetallic standard from the time of its organization until 1873, when, at the time of the revision of the statutes into a new code, without any public knowledge or the knowledge of the Members of the Congress generally, the silver dollar was omitted from the list of coins required to be minted;

Whereas the demonetization of silver by this Nation followed closely upon similar action taken by the British and German Empires, shortly following general world knowledge that this Nation was possessed of great silver mines, which would be a most material aid to it in solving the financial distress resultant of the War between the States;

Whereas history demonstrates that the action of England was prompted by a desire to continue to purchase the cotton crop of the Southern States without danger of an increase in the price therefor, and that of Germany because of the exaction of a payment by France of a billion dollars in gold upon the conclusion of the Franco-Prussian War;

Whereas the effect of the action of Germany was, as stated by Senator Blaine, "Thus by one move the German Government enhanced consequently the value of gold, and then got into position to draw gold from us at the moment of their need, which would also be the moment of our sorest distress"; and the action of England was, as stated by Senator Henry Cabot Lodge, "England is governed in her attitude toward silver solely by her own interest. * * * The rest of the world stands either ready or anxious to do something for silver";

Whereas the declared policy of the United States is "to continue the use of both gold and silver as standard money, such equality to be secured by international agreement," as evidenced by three several acts of Congress passed, respectively, in the years 1893, 1897, and 1900, all of which are now in force, one of which, 1897, authorizes the United States to call an international conference for such purpose, and making an appropriation therefor, and the act of 1900, fixing the gold dollar as "the standard unit of value," provides that such act is "not intended to preclude bimetallism by concurrent action of the leading commercial nations of the world" (31 U. S. C. A., secs. 311–314). That the issue in the Presidential campaign of 1896 was not the gold standard, but whether bimetallism should be accomplished by this Nation acting alone or by international agreement;

Whereas, as a result of conditions growing out of the World War, by 1930 the United States had acquired half the money gold of the world and France a fourth thereof, leaving the major portion of the world without sufficient basic money to carry on international trade;

Whereas the record of the production of gold and silver establishes the fact that the two metals exist in nature by weight at a ratio of almost exactly 15 to 1;

Whereas the known world supply of money gold is substantially 550,000,000 ounces, which, expressed in United States money at the coinage value of $20.67 per ounce, would represent, in round figures, $11,550,000,000, and at the present advanced value, $35 per ounce, about $20,000,000,000;

Whereas the world's population is approximately 2,000,000,000, and that of the so-called leading commercial nations 1,300,000,000, or 10 times the population of the United States, and if gold were apportioned at the former coinage value, would make a per capita circulation for all such nations of approximately $9, and, at the present advanced value, $15. At the beginning of the depression in this Nation, 1930, the per capita amount of gold by it held was about $40, and now is about double that amount;

Whereas international commerce requires that the balance of trade be accounted for in basic standard money, and the fact that the United States had acquired half the standard money of the world by 1930 made it impossible for the farming industry of this Nation to find a market for its surplus products, particularly wheat and corn, a large portion of which has been shipped to the Orient, until the exhaustion of the Orient's finances, which left ships at their docks in American ports and the surplus wheat and corn was thus made the occasion for the agricultural depression affecting all industry, with the consequent loss of employment to many millions of citizens;

Whereas, in determining the amount of basic money required by the leading commercial nations of the world to adequately transact national and international trade, other matters, such as national resources and wealth, should also be considered, upon a basis of population alone, a gold-money basis of $25 per capita, would require that gold be advanced to $60 per ounce, and if a return be made to bimetallism on the present gold value of $35 per ounce, silver would be advanced to $1.33 per ounce, the old European standard;

Whereas the world depression, causing wars and threats of war, with the terrible consequences resulting therefrom to all nations, including not only both vanquished and victors, but to peaceful nations as well, is the necessary result of the failure to recognize and provide for the normal operation of the natural law of supply and demand;

Whereas a basic standard of money is necessary, as is the yardstick for length and the pound for weight, in the normal operation of the law of supply and demand, and that such basic standard be relatively apportioned and distributed;

Whereas the United States is the greatest producer of silver, and the direct loss to this Nation by its demonetization, shortly following the discovery of great silver mines, was around a billion dollars and the earning power thereof for all time;

Whereas the production of silver like that of gold not only aids the immediate place of production but mainly the Nation at large, as witness the laying of the Pacific cable and the building of the postal telegraph from a portion of the product of the Comstock lode;

Whereas silver is usually found with other metals and the price thereof often makes possible the successful operation of deposits containing gold, copper, iron, lead, zinc, and other metals essential to industry;

Whereas the act of Congress of March 3, 1897, authorizes the calling by the United States of an international conference "with a view to securing by international agreement a fixity of relative value between gold and silver as money," provides for the appointment by the President of commissioners, and makes an appropriation for the expenses of such conference;

Whereas at this time, as said by the act of Congress of March 14, 1900, "Conditions * * * make it expedient and practicable to secure international bimetallism by current action of the leading commercial nations of the world and at a ratio which shall insure permanence of relative value between gold and silver": Therefore be it

Resolved, That the Congress of the United States be, and it hereby is, requested to make provision for the calling of such international conference and for the consideration of all other matters that may appropriately be involved, and that the President be, and he hereby is, requested to appoint commissioners to such international conference, as in said act provided, or as the same may be amended to more fully deal with situations now confronting this Nation and the world, to the end that wars may be averted and the world returned to conditions of permanent peace and universal prosperity through the normal operations of natural laws, and particularly that of supply and demand;

Resolved, That His Excellency the Governor of this State be, and he hereby is, requested to send a certified copy of this resolution to the President and the Congress of the United States and to the Governors of the several States.

The VICE PRESIDENT also laid before the Senate a letter in the nature of a memorial from the San Pedro (Calif.) Home Owners' Protective Association, by F. O. Adler, president, remonstrating against the operations of the United States Housing Authority, which was referred to the Committee on Education and Labor.

He also laid before the Senate resolutions of Buffalo (N. Y.) Typographical Union, No. 9; S. W. O. C. Local No. 1577, of Provo, Utah, and Los Angeles (Calif.) Auxiliary Council, I. L. W. U., protesting against amendment of the National Labor Relations Act, which were referred to the Committee on Education and Labor.

He also laid before the Senate petitions of sundry citizens of Denver, Colo.; Lincoln, Nebr.; Montgomery, Ala.; Richmond, Calif.; and New York City, N. Y., praying for the enactment of the so-called Wagner-Van Nuys-Capper antilynching bill, which were referred to the Committee on the Judiciary.

He also laid before the Senate telegrams in the nature of petitions from the executive committee of Local G–472, Workers' Alliance of America, and the Twentieth Assembly District Branch of the Communist Party, both of San Francisco, Calif., praying for an appropriation of $150,000,000 for the Works Progress Administration program, as recommended by the President, which were ordered to lie on the table.

He also laid before the Senate a resolution of the Parliament of Community Councils of New York City, N. Y., favoring the appropriation of $150,000,000 for the Works Progress Administration program, as recommended by the President, which was ordered to lie on the table.

Mr. BILBO. Mr. President, I present for appropriate reference and will read into the RECORD a petition from 147 delegates to a convention representing 65 colleges and universities of the South. The petition reads:

To the Congress of the United States:

We, the undersigned students from southern colleges and universities, believe that the United States should assist the nations desiring peace by sending them raw materials, munitions, and technical advisers, and should apply economic sanctions against the aggressors. With that end in view, we respectfully urge the adoption of the Thomas resolution (S. J. Res. 67).

The VICE PRESIDENT. The petition will be received and referred to the Committee on Foreign Relations.

Mr. DANAHER presented a resolution of the Padriac Pearse Council, American Association for the Recognition of the Irish Republic, of Hartford, Conn., expressing appreciation to the Senator from Massachusetts [Mr. LODGE], Representative MCCORMACK, and the Senator from Connecticut [Mr. DANAHER], and others, for valuable services extended to the movement to have the United States give formal recognition to the Irish Republic, which was referred to the Committee on Foreign Relations.

Mr. WALSH presented a resolution of the General Court of Massachusetts favoring the enactment of legislation to provide for the reimbursement by the Federal Government of cities and towns for the amount of welfare aid and relief granted by them to aliens, which was referred to the Committee on Claims.

(See resolution printed in full when laid before the Senate by the Vice President on March 31, 1939, p. 3598, CONGRESSIONAL RECORD.)

Mr. TYDINGS presented a petition of members of Cheverly Legion Post No. 108, American Legion, of Cheverly, Md., praying for the enactment of House bill 5, to amend the act approved June 28, 1934, to compensate widows and children of persons who died while receiving monetary benefits for disabilities directly incurred in or aggravated by active military or naval service in the World War, as amended, which was referred to the Committee on Finance.

Mr. LOGAN presented petitions of sundry citizens of the State of Kentucky, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. CAPPER presented a petition, numerously signed, of sundry citizens of Mitchell County, Kans., praying for the enactment of legislation exempting small independent telephone companies from the operation of the Labor Standards Act of 1938, which was referred to the Committee on Education and Labor.

He also presented resolutions of Locals Nos. 36 and 232 of the United Packing House Workers, of Kansas City, Kans., protesting against amendment of the National Labor Relations Act, which were referred to the Committee on Education and Labor.

He also presented a letter in the nature of a petition from the president and secretary of the Women's Home Missionary Society of the University of Methodist Episcopal Church, of Salina, Kans., praying for revision of the Neutrality Act (1) to extend the embargo to cover essential war materials as well as munitions and (2) to lift the embargo from the victim or victims of aggression, which was referred to the Committee on Foreign Relations.

He also presented a resolution of the Kansas Chapter, Daughters of the American Revolution, protesting against increase of the quotas for the admission of aliens to the United States, which was referred to the Committee on Immigration.

Mr. GREEN presented the following resolution of the General Assembly of Rhode Island, which was referred to the Committee on Education and Labor:

Resolution requesting the Senators and Representatives in Congress from Rhode Island to confer with the Federal Works Progress Administrator in order to secure for all persons on the Works Progress Administration rolls in each of the cities and towns of Rhode Island an equalizing of the rate of wage per hour as payment for services rendered

Whereas in the State of Rhode Island there is an evident and unjust inequality in the rate of wage per hour paid to employees on the Works Progress Administration rolls and in the maximum number of hours said employees may be permitted to work, which in the opinion of the General Assembly of Rhode Island should be adjusted as soon as possible: Now, therefore, be it

Resolved, That the General Assembly of the State of Rhode Island respectfully requests the Senators and Representatives in Congress from Rhode Island to confer with the Federal Works Progress Administrator in order to eliminate the inequality now existing in the rate of wage per hour paid to employees on the Works Progress Administration rolls and to secure for all said employees in each of the cities and towns of Rhode Island an equal rate of wage of 50 cents per hour and opportunity to work the maximum number of hours per week elsewhere permitted; and be it further

Resolved, That the secretary of state be, and he hereby is, directed to transmit duly certified copies of this resolution to the Senators and Representatives from Rhode Island in Congress and to the Federal Works Progress Administrator at Washington, D. C.

Mr. KING presented the following concurrent resolution of the Legislature of Hawaii, which was referred to the Committee on Territories and Insular Affairs:

Whereas the Congress and the national administration have repeatedly recognized the status of the Territory of Hawaii as an integral part of the United States and entitled to treatment by the Federal Government in all respects on equality with the several States; and

Whereas the said Territory has ever since its voluntary annexation in 1898 more than paid its way as said integral part of the United States, having contributed in the 1938 fiscal year to the Federal Treasury internal-revenue collections of over $14,000,000, or more than any one of 15 of the States; and

Whereas the control of the Works Progress Administration in Hawaii, after having been efficiently and honestly handled by civilian control, has been transferred to the United States Army, as has been done in no other State or Territory; and

Whereas said transfer is regarded by the civil population of Hawaii as not constituting treatment of the Territory on a basis of equality with the States, but as constituting discrimination against the Territory and its 400,000 civil population, and as a virtual repudiation of the heretofore recognized status of the Territory: Now, therefore, be it

Resolved by the House of Representatives of the Legislature of the Territory of Hawaii (the senate concurring), That a vigorous protest be entered on behalf of the people of Hawaii against said transfer of control of the Works Progress Administration in the Territory to the United States Army, and that the officials responsible for said transfer be, and they hereby are, respectfully requested to rescind said transfer order and return said Administration in Hawaii to civil control; and be it further

Resolved, That properly certified copies of this resolution be transmitted to the Honorable Franklin Delano Roosevelt, President of the United States of America; Hon. Harold L. Ickes, Secretary of the Interior of the United States; Col. F. C. Harrington, National Administrator of the Works Progress Administration; Hon. William H. King, Senator from Utah, chairman of the Joint Committee on Hawaii; Hon. Millard E. Tydings, Senator from Maryland, chairman of the Senate Committee on Territories and Insular Affairs; Hon. Lex Green, Congressman from Florida, chairman of the House Committee on the Territories; and to Hon. Samuel Wilder King, Delegate to Congress from Hawaii.

FLORIDA SHIP CANAL

Mr. KING presented a letter from the president of the Miami (Fla.) Chamber of Commerce, which was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

MIAMI CHAMBER OF COMMERCE,
March 15, 1939.

Hon. WILLIAM H. KING,
Senate Building, Washington, D. C.

DEAR SENATOR KING: Gov. Fred P. Cone has recently assured the Rivers and Harbors Committee that "Floridians are 'wholeheartedly' in favor of the proposed cross-State canal." South Florida will face irreparable loss through the completion of this canal, and Governor Cone's statement does not express the opinion of residents south of the canal.

South Florida's continued existence as a mecca for hundreds of thousands of tourists annually would be placed in jeopardy with the completion of this project. Thousands of citizens—farmers, citrus growers, and extensive property owners of this area—are protesting the Florida cross-State canal.

After careful investigation, we consistently maintain this project would not only endanger our agricultural advancement but also the water supply. We feel that this canal would be absolutely ruinous to this area, which includes two-thirds of Florida's population.

Among other important reasons for this opposition are:

(a) No demand for this project from shipping interests.

(b) Negotiations of canal during winter would be difficult because of fog and high cross winds.

(c) Operators of steamship lines say canal would not be used extensively.

(d) Tremendous waste of money.

We earnestly seek your assistance in defeating this measure and urge you to hear the voice of the people of south Florida.

Sincerely,

C. D. LEFFLER, *President.*

REPORTS OF COMMITTEES

Mr. DAVIS, from the Committee on Naval Affairs, to which was referred the bill (S. 1574) to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Pittsburgh, Pa., from August 27 to September 1, inclusive, 1939, reported it without amendment and submitted a report (No. 258) thereon.

Mr. SMITH, from the Committee on Naval Affairs, to which was referred the bill (H. R. 3946) to authorize the attendance of the Marine Band at the United Confederate Veterans' 1939 Reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939, and for other purposes, reported it without amendment and submitted a report (No. 259) thereon.

Mr. GLASS, from the Committee on Appropriations, to which was referred the bill (H. R. 4830) to amend the act approved April 27, 1937, entitled "An act to simplify accounting," reported it without amendment and submitted a report (No. 260) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

By Mr. ASHURST (for himself and Mr. HAYDEN):

lective bargaining rather than permit such local unions to live. The

Mr. ASHURST (for Mr. O'MAHONEY), from the Committee on the Judiciary, reported favorably the nomination of Norman M. Littell, of Washington, to be an Assistant Attorney General, vice Carl McFarland, resigned.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers and citizens for appointment, or promotion, in the Navy.

Mr. HILL, from the Committee on Commerce, reported favorably the nominations of several officers in the Coast Guard.

Mr. THOMAS of Utah, from the Committee on Foreign Relations, reported favorably, without amendment, Executive E, Seventy-third Congress, second session, being the International Convention of the Copyright Union as revised and signed at Rome on June 2, 1928, and submitted a report (Executive Report No. 2) thereon.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

TENNESSEE VALLEY AUTHORITY—PRINTING OF ADDITIONAL COPIES OF HEARINGS

Mr. HAYDEN. Mr. President, from the Committee on Printing I report back favorably, with an amendment, Senate Concurrent Resolution 7, and ask unanimous consent for its present consideration.

There being no objection, the Senate proceeded to consider the concurrent resolution (S. Con. Res. 7) submitted by Mr. DONAHEY on March 20, 1939.

The amendment was, in line 9, after the words "printing of", to strike out "2,000" and to insert "1,000", so as to make the resolution read:

Resolved by the Senate (the House of Representatives concurring), That, in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the special Joint Congressional Committee of the Congress appointed pursuant to Public Resolution No. 83, approved April 4, 1938, to make a full and complete investigation of the administration of the Tennessee Valley Authority Act of 1933, as amended, be, and is hereby, empowered to procure the printing of 1,000 additional copies of the hearings held before the said committee during its investigation.

The amendment was agreed to.

The resolution, as amended, was agreed to.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. ELLENDER introduced Senate bill 2123, which was referred to the Committee on Education and Labor and appears under a separate heading.)

By Mr. ELLENDER:

S. 2124. A bill to provide a right-of-way; and

S. 2125. A bill to provide a right-of-way; to the Committee on Commerce.

By Mr. LOGAN:

S. 2126. A bill authorizing the Comptroller General of the United States to adjust and settle the claim of E. Devlin, Inc.; to the Committee on Claims.

By Mr. CLARK of Missouri:

S. 2127. A bill to amend the Canal Zone Code; to the Committee on Interoceanic Canals.

By Mr. MEAD:

S. 2128. A bill for the relief of Thomas P. Hogan; to the Committee on Naval Affairs.

By Mr. McNARY:

S. 2129. A bill for the relief of A. V. Allen, individually, and as representative of the Columbia Boat & Barge System, Inc.; to the Committee on Claims.

S. 2130. A bill granting an increase of pension to Laura A. Hubbard; to the Committee on Pensions.

By Mr. JOHNSON of California:

S. 2131. A bill for the relief of John Chastain and Mollie Chastain, his wife; to the Committee on Claims.

By Mr. TRUMAN:

S. 2132. A bill for the relief of Katherine Scott, Mrs. J. H. Scott, Jettie Stewart, and Ruth Mincemeyer; to the Committee on Claims.

By Mr. McCARRAN:

S. 2133. A bill authorizing the conveyance of certain lands to the State of Nevada; to the Committee on Public Lands and Surveys.

By Mr. SCHWELLENBACH:

S. 2134. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act to extend the benefits of such act to boommen and raftmen employed in lumbering operations on navigable waters; to the Committee on the Judiciary.

By Mr. BILBO:

S. 2135. A bill to establish and promote the use of standard methods of grading cottonseed, to provide for the collection and dissemination of information on prices and grades of cottonseed and cottonseed products, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. TYDINGS:

S. 2136. A bill relating to the residence requirements for naturalization purposes of alien wives of members of the Diplomatic and Consular Service of the United States and wives of other employees of the United States Government stationed abroad; to the Committee on Immigration.

S. 2137. A bill granting a pension to Beulah E. Coleman; to the Committee on Pensions.

By Mr. CAPPER:

S. 2138. A bill to establish a Division of Cooperatives in the Department of Agriculture, and for other purposes; to the Committee on Agriculture and Forestry.

S. 2139. A bill to exempt from taxation certain property of the American Friends Service Committee, a nonprofit corporation organized under the laws of Pennsylvania for religious, educational, and social-service purposes; to the Committee on the District of Columbia.

By Mr. BONE:

S. 2140. A bill to allow certain credits against the income of individuals for income-tax purposes; to the Committee on Finance.

S. 2141. A bill to authorize acquisition of complete title to the Puyallup Indian Tribal School property at Tacoma, Wash., for Indian sanatorium purposes; to the Committee on Indian Affairs.

By Mr. BYRNES:

S. 2142. A bill authorizing Oswald E. Camp, Superintendent of the Kings Mountain National Military Park, to accept the decoration tendered him by the French Government; to the Committee on Foreign Relations.

By Mr. WALSH:

S. 2143. A bill for the relief of Michael M. Cohen; to the Committee on Claims.

S. 2144. A bill providing for the conveyance by the Secretary of the Navy of Lockwoods Basin, East Boston, Mass., to the Commonwealth of Massachusetts; to the Committee on Naval Affairs.

By Mr. BRIDGES:

S. 2145. A bill to record the lawful admission for permanent residence of Anton Keller; to the Committee on Immigration.

By Mr. KING:

S. 2146. A bill to amend section 1 of the act entitled "An act to authorize the Philadelphia, Baltimore & Washington Railroad Co. to extend its present track connection with the United States Navy Yard so as to provide adequate railroad facilities in connection with the development of Buzzards Point as an industrial area in the District of Columbia, and for other purposes," approved June 18, 1932 (Public, No. 187, 72d Cong.); and

S. 2147. A bill to amend the act of Congress entitled "An act to define, regulate, and license real-estate brokers, business chance brokers, and real-estate salesmen; to create a Real Estate Commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes," approved August 25, 1937; to the Committee on the District of Columbia.

S. 2148. A bill for the admission of Ruth Molimau Kenison to American citizenship; to the Committee on Immigration.

Apportionment of $10,000,000 for Senate bill S. 2151 (76th Cong., 1st

want to emphasize my thanks to you for allowing me to appear

By Mr. ASHURST (for himself and Mr. HAYDEN):

S. 2149. A bill to add certain lands to the Papago Indian Reservation in Arizona; to the Committee on Indian Affairs.

By Mr. GLASS:

S. 2150. A bill to amend section 8 of the act entitled "An act to supplement laws against unlawful restraints and monopolies, and for other purposes," particularly with reference to interlocking bank directorates, known as the Clayton Act; to the Committee on the Judiciary.

(Mr. LEE introduced Senate bill 2151, which was referred to the Committee on Education and Labor and appears under a separate heading.)

By Mr. HAYDEN:

S. 2152. A bill to protect scenic values along the Catalina Highway within the Coronado National Forest, Ariz.; to the Committee on Public Lands and Surveys.

AMENDMENT OF NATIONAL LABOR RELATIONS ACT

Mr. ELLENDER. I introduce a bill to amend the National Labor Relations Act, which I ask may be appropriately referred and printed in the RECORD, together with a statement relative to the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the bill and statement referred to will be printed in the RECORD.

The bill (S. 2123) to amend the National Labor Relations Act was read twice by its title, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That paragraph (c) of section 9 of the National Labor Relations Act is amended to read as follows:

"(c) Whenever a question affecting commerce arises concerning the representation of employees, the Board shall investigate such controversy and certify to the parties, in writing, the name or names of the representatives that have been selected. In any such investigation the Board may provide for an appropriate hearing upon due notice, and shall take a secret ballot of employees within 20 days after receipt of a petition for certification from 25 percent of the employees in an appropriate unit. Any such election which results in the selection of representatives shall foreclose further elections in the same unit for 1 year except upon petition of the majority of the employees in the appropriate unit. Certification shall be made or refused, based on the result of the secret ballot, within 10 days after the election. Failure of the Board to act as herein provided shall constitute a denial of certification."

SEC. 2. Section 9 of the National Labor Relations Act is amended by adding at the end thereof the following new paragraph:

"(e) No provision of this act shall be so construed or administered as to cause the disestablishment or destruction of a labor organization because it is not affiliated with any national or international organization; nor shall any such local labor organization be denied a place on an election ballot, be denied certification, or be otherwise discriminated against because of its nonaffiliation with an outside group."

SEC. 3. Section 10 of the National Labor Relations Act is amended by adding at the end thereof the following new paragraphs:

"(j) Any labor organization aggrieved by a certification for collective-bargaining purposes or an order of election or a denial of certification following an election by the Board under section 9 may obtain a review of such certification or order of election or denial of certification in any circuit court of appeals of the United States in the circuit wherein the labor organization thus aggrieved has its principal office or place of business, or in the Court of Appeals of the District of Columbia, by filing in such court a written petition praying that such certification or order of election of the Board be modified or set aside, or that the Board be ordered to make certification in accordance with the provisions of section 9.

"(k) Any labor organization aggrieved by the failure of the Board to act as provided for in section 9 (c) may petition any district court of the United States in any district wherein a question concerning representation has arisen to issue appropriate writs to compel the Board, or any agency or agent thereof, to perform its functions and duties under section 9 (c)."

The statement presented by Mr. ELLENDER is as follows:

The attitude of the National Labor Relations Board toward independent unions, that is, unions unaffiliated with national or international organizations, has been so uncompromisingly hostile that some protection by law must be given these local organizations. Although it has been pointed out by many persons that nothing in the National Labor Relations Act prohibits the existence of local unions, the law has been administered by the Board in such a manner that it is almost impossible for local unions to live. Collective bargaining, which the act was supposed to encourage, has thus been frustrated when the bargaining organization was one which the Board looked upon with disfavor. The Board elected to destroy collective bargaining rather than permit such local unions to live. The Board has not destroyed all local unions, but its record has been very bad. A local union comes before the Board with two strikes on it. The Board views them all with suspicion.

A simple declaration of policy should be enough to guide the Board. Such a declaration and guaranty I have attempted to incorporate in my proposed amendments. The guaranty seeks to eliminate certain frivolous pretexts the Board has used consistently as reasons to destroy local unions. But experience has shown that the Board knows how to interpret the law to its own ends and that it is disposed to do so. "Stalling" action on petitions to certify or petitions for elections by local unions, refusal to include them on the ballot, consolidating their cases with trumped-up complaint cases against the employer in order to delay action have been among their standard tactics. These tactics have been very effective, much too effective, in the absence of duties laid upon the Board to take action within a definite time limit upon representation petitions by unions or employees, and in the absence of any right of appeal to the courts for relief by employees or unions which have been imposed upon by the Board.

Hence the necessity for section 1 of my amendments, rewriting section 9 (c) of the act so as to lay definite duties upon the Board and a time limit in matters of elections and certifications.

Also the further necessity of providing a review by the courts of actions taken by the Board in such matters which a labor organization might consider unfair. This is done in section 3 of my amendments, while section 4 of my amendments furnishes the machinery for forcing the Board to act in accordance with the duties laid upon it in representation matters if it fails to act or tries to destroy or to discourage a union by "stalling."

These four proposed amendments are required to protect by law the rights of unions which the Board might be hostile to, regardless of the nature of the union. The present Board happens to be hostile to local or independent unions. Another Board might be hostile to national unions or those affiliated with national unions. My amendments protect all alike against an arbitrary administrative tribunal.

PROGRAMS OF ADULT CIVIC EDUCATION

Mr. LEE. I introduce a bill to assist the States and Territories in establishing and developing programs in adult civic education, and so forth. I ask that the bill be referred to the Committee on Education and Labor and that a tabular statement relating thereto be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and referred, as requested by the Senator from Oklahoma, and, without objection, the statement will be printed in the RECORD.

The bill (S. 2151) to promote the general welfare through the appropriation of funds to assist the States and Territories in establishing and developing programs in adult civic education providing for (a) removal of illiteracy, (b) naturalization education, and (c) public affairs forums during a 3-year period was read twice by its title and referred to the Committee on Education and Labor.

The statement presented by Mr. LEE is as follows:

Apportionment of $10,000,000 for Senate bill S. 2151 (76th Cong., 1st sess.)

[Bureau of Education]

States and Territories	Population, 21 years and over, 1930	Percent of total, 21 years of age and over, in States receiving more than $30,000 minimum	Apportionment
Alabama	1,348,401	1.85144257	$177,553.34
Arizona	244,115	.33518583	32,144.32
Arkansas	968,231	1.32944435	127,493.71
California	3,864,388	5.30605691	508,850.86
Colorado	673,523	.85613777	82,103.61
Connecticut	985,782	1.35354302	129,804.78
Delaware	(148,792		(30,000.00)
District of Columbia	341,465	.46885373	44,963.07
Florida	866,198	1.18934638	114,058.32
Georgia	1,498,567	2.05763029	197,326.75
Idaho	246,770	.33883131	32,493.92
Illinois	4,841,768	6.64805344	637,549.29
Indiana	2,003,019	2.75027580	263,751.45
Iowa	1,506,129	2.06801341	198,322.49
Kansas	1,130,224	1.55187131	148,824.46
Kentucky	1,422,434	1.95309471	187,301.78
Louisiana	1,134,852	1.55822586	149,433.86
Maine	487,125	.66885441	64,143.14
Maryland	996,928	1.36884720	131,272.45
Massachusetts	2,686,487	3.68872197	353,748.44
Michigan	2,939,409	4.03600038	387,052.44
Minnesota	1,537,983	2.11175103	202,516.92
Mississippi	1,031,547	1.41638135	135,830.97
Missouri	2,269,657	3.11638718	298,861.53
Montana	318,611	.43747370	41,953.73
Nebraska	812,450	1.11554087	106,980.95
Nevada	(60,794)		(30,000.00)
New Hampshire	294,055	.40375671	38,720.27

Apportionment of $10,000,000 for Senate bill S. 2151 (76th Cong., 1st sess.)—Continued

States and Territories	Population, 21 years and over, 1930	Percent of total, 21 years of age and over, in States receiving more than $30,000 minimum	Apportionment
New Jersey	2,512,112	3.44929372	$330,787.27
New Mexico	(216,956)		(30,000.00)
New York	8,142,851	11.18066583	1,072,225.85
North Carolina	1,542,125	2.11743826	203,062.33
North Dakota	358,182	.49180726	47,164.32
Ohio	4,132,251	5.67385029	544,122.24
Oklahoma	1,287,131	1.76731485	169,485.50
Oregon	621,375	.85318843	81,820.77
Pennsylvania	5,656,779	7.76712673	744,867.45
Rhode Island	421,197	.57833097	55,461.94
South Carolina	819,384	1.12506770	107,893.99
South Dakota	385,808	.52973956	50,802.02
Tennessee	1,418,144	1.94720426	186,736.89
Texas	3,220,880	4.42247843	424,115.68
Utah	264,498	.36317302	34,828.29
Vermont	(220,428)		(30,000.00)
Virginia	1,300,893	1.78621099	171,297.64
Washington	1,010,167	1.38702521	133,015.72
West Virginia	900,987	1.23711395	118,639.23
Wisconsin	1,768,818	2.42870255	232,912.58
Wyoming	(132,954)		(30,000.00)
United States, outlying possessions:			
Alaska	(36,074)		(30,000.00)
Hawaii	(192,802)		(30,000.00)
Puerto Rico	666,050	.91453012	87,703.44
Total	72,829,750	100.00000000	9,590,000.00
	(1,008,800)	(99.99999963)	(210,000.00)
Administration			200,000.00
Total			10,000,000.00

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 3314. An act to provide shorter hours of duty for members of the Fire Department of the District of Columbia, and for other purposes; to the Committee on the District of Columbia; and

H. R. 5482. An act to increase the authorization for appropriations for the administration of State unemployment compensation laws; to the Committee on Finance.

DEPARTMENT OF PUBLIC WORKS AND SOCIAL SECURITY SYSTEM—AMENDMENTS

Mr. MURRAY submitted amendments intended to be proposed by him to the bill (S. 1265) to establish a Department of Public Works, to amend certain sections of the Social Security Act, and for other purposes, which were referred to the Special Committee to Investigate Unemployment and Relief and ordered to be printed.

AMENDMENT TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. THOMAS of Oklahoma submitted an amendment intended to be proposed by him to House bill 5269, the Agricultural Department appropriation bill, 1940, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 63, line 6, after the words "roads" and comma, insert the following: "including the purchase of necessary materials to be used in conjunction with W. P. A. labor in improving roads in the Wichita Mountains Wildlife Refuge, not exceeding $30,000", and on the same page 63, in line 17, strike out the figures "$600,000" and insert in lieu thereof the figures "$680,000."

PROPOSED AMENDMENTS TO NATIONAL LABOR RELATIONS ACT

Mr. WAGNER. Mr. President, in view of the widespread interest in problems affecting the National Labor Relations Act, I ask unanimous consent to have printed in the body of the RECORD, as part of my remarks, the text of my statement today, with accompanying tables, before the Committee on Education and Labor.

There being no objection, the statement and the accompanying tables were ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. WAGNER ON PROPOSED AMENDMENTS TO THE NATIONAL LABOR RELATIONS ACT, BEFORE THE SENATE COMMITTEE ON EDUCATION AND LABOR, APRIL 11, 1939

Mr. Chairman and members of the committee: As I am not the sponsor of any of the bills now before you for consideration, I want to emphasize my thanks to you for allowing me to appear as the first witness in these momentous hearings, and to explain very clearly why I have asked for this opportunity to be heard.

I am not here in response to the pressure and propaganda that have been bearing down upon the National Labor Relations Act. If I had been inclined to yield to pressure, I would never have fought for 2 years for the enactment of this law, in the face of organized opposition and personal vituperation which make the present situation seem mild by comparison. If I had been affected by pressure, I would have made some commitment to propose to amend the National Labor Relations Act during my recent campaign in New York, when most of the powerful interests in the State and most of the press were urging me to take such action. I refrained from doing so, because I believed it important to restate to the American people the fundamental soundness and justice of the National Labor Relations Act, and not important to make the going easier for myself by endangering the act by hurried decisions. I did not respond to pressure under those circumstances, and I certainly do not propose to do so now.

Nor have I asked to appear as the spokesman of any particular group. I do not represent the views, nor have I consulted the wishes, of the National Labor Relations Board, the American Federation of Labor, the Congress of Industrial Organizations, or the National Association of Manufacturers.

I have scrupulously avoided any interference or appearance of interference with the Board administering the act or the parties involved, directly or indirectly, in cases before the Board.

Nor am I here as the spokesman for what may be called the administration's labor policy. I have no authority to speak for the administration. I have no desire to speak for any particular administration, or any particular political group, in discussing a matter that I have always regarded as nonpartisan, and as fundamental to the welfare of the country as a whole.

I come before you today only as the originator of the National Labor Relations Act, more profoundly convinced than ever of its essential wisdom, its essential justice, and its significant accomplishments. I speak as one who not only in heart and mind but in continuous practice has tried to be the friend of every man who works honestly for a living, regardless of what union he belongs to or whether he belongs to any union at all. I come before you as one who earnestly shares the desire of businessmen for industrial peace, who has had considerable experience in conducting agencies established for the maintenance of industrial peace, and who has gained in those agencies the one supreme lesson that the price of industrial peace must be industrial liberty. And I come before you finally as one who believes that the greatest issue confronting the country today is the preservation of political democracy, and that the price of political democracy in the modern world must be industrial freedom.

The tragic prostration of the democratic ideal in some countries in recent years cannot be studied without adding compelling weight to a statement I made for the New York Times on May 9, 1937. There I said:

"The struggle for a voice in industry through the processes of collective bargaining is at the heart of the struggle for the preservation of political as well as economic democracy in America. Let men become the servile pawns of their masters in the factories of the land and there will be destroyed the bone and sinew of resistance to political dictatorship.

"Fascism begins in industry, not in government. The seeds of communism are sown in industry, not in government. But let men know the dignity of freedom and self-expression in their daily lives, and they will never bow to tyranny in any quarter of their national life."

These words are even truer today than when they were written.

My appearance before this committee does not indicate the slightest departure from the position that I have maintained consistently since the statute was enacted in 1935. I have never subscribed to the belief that the volume of criticism or propaganda directed against any statute proves of itself that where there is a lot of smoke there must be some fire. My 30 years of experience with progressive social legislation have taught me that the more clearly and effectively a statute strikes against existing evils and inequalities in our social structure the more likely it is to produce violent opposition preceding its enactment and in the years immediately succeeding its enactment.

To this unvarying rule the Labor Act has been no exception. The barrage of highly organized opposition upon its introduction in Congress probably broke all records for selfish misrepresentation. Some of the charges circulated at that time by antilabor forces seem almost ludicrous today. For example, the Automobile Manufacturers Association said in a circular to the public that the act would "make the American Federation of Labor practically undisputed czar over industrial and clerical workers throughout the United States." Is that true today? The National Association of Manufacturers began a circular to the public by saying that the bill was "in total disregard of every fundamental concept of legal rights and remedies." Can this be true when the United States Supreme Court in 17 cases has never nullified a single line of the statute? The American Iron and Steel Institute said that "the bill is designed to control all labor matters by political rather than economic forces and to destroy the friendly relationship now existing between employers and employees." How does this square with the fact that in 1937 the United States Steel Corporation accepted the act, and that the 1938 report of the corporation said that "the year * * * reflected the continuance of satisfactory employer-employee relations"?

antagonistic to the realization of these rights. The discriminatory discharge, the "yellow dog" contract, and the company-dominated

percent in 1937 to 33 percent in 1938, a level far lower than the average for the past 10 years.

The simple truth, gentlemen, is that it takes not days or weeks or months, but years for fundamental reforms like the Labor Act to become generally accepted. Frequently the realization that they are becoming generally accepted increases the clamor and agitation of the unyielding opposition. Sometimes the opposition succeeds temporarily in biasing the public mind, and then it is the function of the statesman to separate the expediencies of the moment from the needs of the country. The volume of discussion about the National Labor Relations Act therefore does not in itself make out a case for or against changing the act. It merely proves that the act is a living, throbbing issue, affecting so largely the country as a whole that whatever action Congress takes upon it should be based upon the most careful deliberation and the most sensitive perception of our public responsibility.

For the same reasons I have never subscribed to the belief that the wide variety and multiplicity of amendments proposed to the National Labor Relations Act prove in themselves that the act should be changed. The very variety and conflicting character of these proposals at least make it seem likely that some of them must emanate from those who want to destroy the basic purposes of the act, and that none of them should be accepted without a very careful consideration of its consequences in terms of the broadest perspective.

In connection with proposals to change the act it is only proper to weigh heavily the desirability of stability in industrial relations. Every step that the Supreme Court has taken toward clarifying the meaning and defining the scope of the act has made it easier for workers and employers to deal successfully under its provisions. Every change in the act will involve new uncertainty, new litigation, new areas of disagreement and conflict. Of course, the desire for stability is no excuse for perpetuating a revealed wrong. If such wrongs are disclosed, they should be remedied. But it is equally true that light-hearted or experimental tampering with the act will only increase the perplexities of industry, labor, and the public. In short, it seems a wise rule to follow that in the interest of stability, those desirous of change should carry the burden of proof. And this is doubly true because the facts reveal that the basic principles of the act are sound and that it is promoting industrial peace.

At the same time, I have never maintained that the National Labor Relations Act was perfect nor sought to prevent its perfection. I have always maintained that the act could be and should be perfected in the light of sufficient experience, upon the proof of clearly revealed need for specific changes that would advance and not impair its sound objectives. I have always insisted that an appropriate place to weigh this experience and test these proposals was in the same legislative committee where the original act was judged. That is why I am here now, gentlemen, and that is why I heartily commend this inquiry.

In line with my consistent position, I do not propose prior to hearing the testimony now commencing to introduce any amendments to the National Labor Relations Act. When I have heard and studied the testimony to be submitted to this committee, I may desire to introduce some amendments if the need is revealed, and to ask your indulgence that you may consider them along with the other proposals now before you. I can assure you now that no amendments which may be introduced by me will be designed to secure the support of any group, labor or employer, whose interests are narrower than the preservation of industrial peace and the advancement of the legitimate aspirations of industry and labor. I hope that any such amendments as I may introduce, if the need is revealed, will appeal to all those to whom the original National Labor Relations Act appealed, to all those who believe in the simple basic principles of industrial democracy, to all those who want to establish an economic democracy more compatible with our political democracy.

But while I believe that a determination as to the desirability of specific additions to the law should await the outcome of these hearings, I think it would be a serious mistake to commence these hearings as though we were starting out upon an uncharted sea. Our Government has mapped the course of the labor problem for many, many years and gathered up a rich and unanswerable experience. The general direction of sound policy has already been set, and there are innumerable rocks and shoals that we know about and must at all costs avoid.

I shall attempt today to delineate the facts emerging from this experience. Are the fundamental premises of the National Labor Relations Act sound? Has the act contributed to industrial peace? Are its administrative provisions consistent with traditional principles of administrative law under our constitutional system? Is the act helping the worker to be a free man? Has the act been beneficial to the people as a whole? Is any additional governmental machinery or any change in the present law necessary to round out public action in labor relations and to promote still further the dual objective of industrial peace and economic justice?

A generation ago the traditional method of the Government in labor disputes was to appoint distinguished fact-finding commissions after the trouble was over. For example, there was a commission to investigate the Pullman strike in 1894, there was the United States Anthracite Coal Commission of 1902, and the commission to investigate the Colorado coal strike of 1912. While these commissions dealt with different industries, their conclusions were virtually identical. Again and again they found that the denial of labor's right to be heard in the councils of industry was the root cause of the industrial struggle. Again and again they found that the recognition of this right was the only sure basis for industrial peace and rational conduct of business affairs.

It soon became plain that instead of post mortems it was desirable to avert or modulate these bitter controversies by eliminating the practices which brought them about. This in substance was a recommendation of the United States Commission on Industrial Relations a quarter of a century ago. And when the United States entered the World War, President Wilson made sure not to destroy industrial peace by denying in American industry the fundamentals of democracy for which we fought on the battlefield. The war President appointed a National War Labor Board under the chairmanship of ex-President Taft. The cardinal principle of this Board was that the "right of workers to organize in trade-unions and to bargain collectively through chosen representatives is recognized and affirmed. This right shall not be denied, abridged, or interfered with by employers in any manner whatsoever."

By the application of this simple rule of industrial liberty the United States was able to reconcile the vigorous pursuit of the war with the vigorous maintenance of our peacetime liberties.

Exactly the same principle, written into the Railway Labor Act of 1926, successfully ended a 50-year search for economic accord on our great systems of interstate transportation. I know of no other major industrial country in the world where the main arteries of communication have been so free from interruption because of difficulties between those who run the trains and those who own the trains.

In 1933 Congress again resorted to the same principle when it passed the National Industrial Recovery Act. In August of the same year the President appointed the first National Labor Board, as an informal agency, and designated me as chairman. Over a span of 10 months this Board handled more than 4,000 cases involving over 2,000,000 workers. Our experience in this work afforded the fullest opportunity to study at first-hand the causes of industrial strife and to develop the appropriate remedies.

The major issue in over 70 percent of the cases which came before the old Board was that of employee representation and collective bargaining. Operating under a vague mandate, and with uncertain powers, the Board developed step by step every one of the substantive features now embodied in the National Labor Relations Act. The Board ruled that the employer was under a duty to bargain collectively with his workers; that majority rule should govern the choice of employee representatives; that workers discharged because of union activities should be reinstated; and that the company-dominated union was incompatible with the freedom of the worker to organize. In its very first case, involving a controversy over representation, the Board ruled that an election should be conducted by secret ballot. The Board thereafter utilized the election procedure in more than 130 instances, including the famous Captive Mines election where 14,000 workers voted in perfect order and quiet. In all, the Board was able to adjust over 80 percent of the cases coming before it, settling over 1,000 strikes and averting at least 500 more.

The principles evolved in detail by the old National Labor Board represented the united viewpoint of a membership composed of such outstanding labor leaders as William Green, John L. Lewis, and George Berry; such leading industrialists as Walter Teagle, Pierre du Pont, Gerard Swope, Louis Kirstein, Clay Williams, Ernest Draper, and Henry S. Dennison; and such respected representatives of the general public as Monsignor Francis J. Haas, Dr. Leo Wolman, and Dr. Leon C. Marshall. In all the cases which came before the Board there was only one important dissenting opinion. To my mind, the complete agreement by so varied a group of men proves something of vital significance. It proves that no matter what a man's background, once he stops obtaining his information from fragmentary reports or a dilettante interest, and wrestles intimately with the heavy problems of capital and labor, he is forced inescapably to accept the validity of principles enunciated so often by our Government and now embodied in the National Labor Relations Act.

But, despite the unanimity of the old National Labor Board, its effectiveness gradually broke down because of the violent opposition of a relatively few powerful organizations who would not accept the principles of industrial democracy. They would not bargain; they would not talk; they would not even sit in the same room with the representatives of their workers. Strife grew because there was no other way out.

To remedy these deficiencies, and to establish permanent machinery for dealing with the mounting industrial warfare, I introduced the first national labor relations bill in the spring of 1934. The bill was not rushed through Congress. Very extensive hearings were held before this committee over a period of 4 weeks, and more than 1,000 pages of testimony were taken. The bill did not pass that year, but instead the life of the old National Labor Board was prolonged, with some slight variations in its set-up. Again the authority of this Board was widely flouted, and in 1935, with the industrial front aflame with strikes and threats of strikes, I reintroduced an improved draft of the national labor-relations bill. Hearings were held for several weeks before this committee and the House Labor Committee. With the active cooperation of the American Federation of Labor throughout, the measure was finally approved by an overwhelming vote and signed by the President.

The present law as adopted by Congress was simple in outline and sound in conception. It did not propose to establish compulsory arbitration, to fix hours, wages, or working conditions. It did not displace the conciliation functions of the Department of Labor. It did not interfere with the normal exercise of the employer's rights to hire or fire, or to operate his business in his own way. All it did was to codify and clarify the age-old bill of industrial rights, and to prohibit the specific practices that were

antagonistic to the realization of these rights. The discriminatory discharge, the "yellow dog" contract, and the company-dominated union were proscribed. The law required the employer to bargain collectively with representatives chosen by a majority of the employees in the appropriate unit, and authorized the holding of elections to determine employee representation. By these means the act was designed to mitigate bitter industrial strife over employee organization and representation, and to encourage the voluntary settlement of controversies over wages, hours, and working conditions around the conference table. The administrative provisions of the law followed the Interstate Commerce Act, the Federal Trade Commission Act, and other accepted statutes. There was created a quasi-judicial agency known as the National Labor Relations Board to hold hearings, to certify representatives, and to issue orders subject to appropriate judicial review before they became effective.

Under the most favorable circumstances it would have been difficult in 1935 to launch the administration of a new law so widespread in its application and so far reaching in its purposes. But the ink was hardly dry upon the President's signature when the law's effectiveness was destroyed by a carefully guided attack, led by the same narrow interests that had misrepresented its provisions and fought its enactment.

Even before the Labor Board had issued its rules and regulations, the notorious Liberty League brief was issued by 58 lawyers of a self-constituted supreme court. This brief, copies of which were circulated by the thousands throughout the country, solemnly pronounced the law unconstitutional on almost every count. There was widespread noncompliance; and in the district courts throughout the land about 100 injunction suits were filed to resist even the holding of hearings. Behind this screen of injunction suits and widely publicized claims of unconstitutionality, a new trade flourished, thriving on industrial munitions, guards, and spies. I need not recall to this committee the result of the exhaustive and brilliant investigation made by your own subcommittee, which exposed widespread violation of the rights of labor and shocking denial of common civil liberties.

The purveyors of guns, bullets, and scabs were not concerned with improving the administration of the law. They had a golden interest in strikes and violence, and their motivation was expressed by one munition salesman when he wrote:

"I think someone should get out a restraining order on the President of the United States to prevent him from stopping all those strikes. It seems to me that his actions are absolutely in restraint of trade—that is, as far as we are concerned."

What was the outcome? Workers who had placed faith in the power of their Government to vindicate the law were victimized by the thousands. Only by brute economic force could they defend the rights which the law recognized but did not enforce. Their force was met with counterforce. Consequently there descended upon the country almost an unprecedented reign of industrial terror and terrorism.

At the peak of this development came the five Supreme Court decisions of April 12, 1937, upholding the Labor Act in full, and giving the Board the power to seek its enforcement through the Circuit Courts of Appeals. That marked the real birth of the National Labor Relations Act, the real date from which its functioning must be conscientiously appraised.

In order to show the driving force of the Labor Act in the direction of industrial peace, I have had prepared a number of charts, indicating in graphic detail the tremendous decline in strikes since the law has been in effective operation.

Chart No. 1 shows the number of strikes, the workers involved, and the working time lost throughout the country over a period of years. This chart shows that in 1938, the first full year of operation under the Supreme Court's mandate, there were only about half as many strikes, one-third as many workers involved, and less than one-third as much working time lost as in the year 1937.

Not only does 1938 show a tremendous improvement over 1937, but it represents the best record in recent years:

The steady upward trend in the number of strikes over a period of 8 successive years was definitely reversed.

Fewer workers were involved in strikes during 1938 than in any year since 1932.

Less aggregate working time was lost through strikes in 1938 than in any year since 1931.

The precipitate decline in industrial strife during 1938 cannot be explained away on the ground of diminished business activity in the early part of the year. The national income produced during 1938—the best index of general business activity—while lower than in 1936 and 1937, was higher than in 1932, 1933, 1934, and 1935; and yet less working time was lost through strikes in 1938 than in any of these years. Moreover, the rapid stepping-up of business activity in the second half of 1938 was not accompanied by a corresponding increase in labor strife, and no such increase is on the horizon at the present time.

There is ample evidence that this solid improvement in labor relations is due largely to the operation of the Labor Act. Let me demonstrate this first by reference to charts analyzing the data on industrial strife according to the major issues involved.

Chart No. 2 shows a drop during 1938 in the proportion of "organization" strikes—i. e., disputes involving the major issues, in whole or in part, of union recognition, discrimination, closed shop, or other organization matters. More significant still, the proportion of workers involved in such strikes declined from about 60 percent in 1937 to 33 percent in 1938, a level far lower than the average for the past 10 years.

Chart No. 3 shows that the proportion of working time lost through "organization" strikes declined from 76 percent in 1937 to 44 percent in 1938, a level lower than in any year since 1932.

And these are figures for all strikes in the United States, not simply those which occur in interstate industry or are involved in cases before the Labor Board.

The Labor Act was designed to eliminate the causes of "organization" strikes, and it is rapidly accomplishing that result. Chart No. 4 shows very clearly just how industrial strife is giving way to the orderly processes of law. For each month between the appointment of the Labor Board in October 1935, and the end of the last fiscal year, the chart indicates the number of new strikes and the number of new cases filed with the Board. Notice how significantly the trend is disclosed. In the first few months of the Board's operation there were more cases filed with the Board than strikes called. But as resistance to the law stiffened and injunction suits multiplied, this proportion shifted. All during 1936 and through March 1937 there were more strikes called than cases filed. The turning point came in April 1937 with the Supreme Court decisions upholding the law. Beginning in May 1937, and in every month since, the number of cases filed with the Board has averaged three and one-half times the number of strikes.

The contrast is even more significant when limited—as it should be—to "organization" strikes. Since May 1937 the number of new Board cases each month has ranged from 3½ to 10 times the number of "organization" strikes.

Substantially the same story is told by chart No. 5, comparing the number of workers involved in new Board cases with those involved in new strikes. Since May 1937 the number of workers involved in Board cases has ranged from 1½ to 18 times the number of workers involved in "organization" strikes.

I sincerely hope that the committee will keep these charts available throughout the hearing, to confront those who may be inclined to repeat the misstatements that the Labor Act has increased rather than diminished the incidence of labor strife.

Finally, let us look at the record on sit-down strikes. The Supreme Court put the final stamp of illegality on sit-down strikes in its very recent decision in the Fansteel case, which embodied views I have expressed from the beginning. But let it be noted that it was not the Fansteel case that stopped sit-downs. The sit-down flared in the early months of 1937 preceding the Supreme Court decisions upholding the Labor Act, and as promptly declined in the months following these decisions in 1937. This is demonstrated graphically by chart No. 6, showing the number of sit-down strikes and workers involved since January 1937. At the peak, in March 1937, there were 170 sit-downs involving 167,210 workers. The chart shows the very steep decline during the ensuing months, so that all through 1938 both the number of sit-down strikes and the number of workers involved hugged the zero base line.

In brief, once workers were afforded a peaceful, valid remedy for eliminating the grievances at the root of the sit-down strikes, the sit-downs virtually disappeared from the American scene.

I am personally gratified to see fulfilled a prediction which I ventured in the Senate at the height of the sit down strike wave early in 1937, just prior to the Supreme Court decisions upholding the act:

"The industrial warfare of today is the result of a long course of conduct in the history of American industrial enterprise. Two wrongs never make a right. But all wise government consists in determining which evil is the underlying cause and which the effect. Deal only with the effect, attempt to force the effect underground, and the underlying causes are fertilized and multiplied. Deal with the underlying causes, and the evil effects disappear. The National Labor Relations Act is directed against the proved causes of Nation-wide industrial conflict. Let the Federal Government have the power and the determination to enforce that law on a national scale, and the Nation-wide conflict will subside."

Two years ago this was a prediction. Today it is a fact.

Statistics of declining labor disputes are only a partial reflection of the better industrial order which is gradually emerging. This change cannot be traced through the comparatively few cases which are litigated in the courts. It is to be traced in the day-to-day life of industry which does not lend itself to spectacular newspaper headlines.

In the last 2 years alone several thousand new labor agreements have been signed. Almost entirely through the informal method of achieving compliance, the law has provided a peaceful forum for about 20,200 cases, involving more than 4,500,000 workers. Ninety-four percent of the cases under the act have been adjusted without issuing a complaint or holding a formal hearing. More than 227,000 workers have been restored to their jobs after strikes or lockouts and over 15,000 after discriminatory discharges.

It is especially gratifying to observe the effective operation of the machinery established to hold employee elections whenever a question concerning representation arises. Over 589,000 workers have participated in 1,863 elections conducted under the law, and over 2,000,000 workers have joined in petitions for elections or certifications of representatives. Here, as in other phases of the law, the go-ahead signal was given by the Supreme Court decisions in April 1937. In the 18 months preceding that date only 76 elections were held; in the 18 months following the decisions 1,448 elections were conducted. So widespread has been the resort to election machinery since the Supreme Court decisions that in the last fiscal year such cases involved a majority of the workers who invoked the machinery of the act. In other words, charges of violations of

the law are decreasing, and the law is being invoked more and more for the purpose of determining which labor organization is the choice of the employees for purposes of collective bargaining.

The National Labor Relations Act has thus played a notable constructive role in our national life. To millions of workers, it has brought a better understanding of their employer's problems, and the material and spiritual value of participating in a free organization of their fellows for mutual aid and protection. To most employers who have given the principles of the act a fair trial, it has brought labor peace and, beyond that, a more human relationship with workers based on the mutual respect and understanding that grows out of free bargaining between free men. These employers—and they now represent the overwhelming majority—are among the chief beneficiaries of the Labor Act.

This historical account supplies the frame of reference that is indispensable to any judicially minded deliberations upon the future of the Labor Act. In evaluating the various proposals now before this committee, we must start with the demonstrated proposition that the basic objectives and philosophy of the act have been so thoroughly justified that no responsible person now openly denies their validity. For this reason the ultimate test of whether any particular amendment is sound or unsound is whether it advances the main purposes of the act and conforms to its essential philosophy.

I believe that some of the amendments now proposed are demonstrably unsound on the basis of sufficient knowledge and experience already available. But in discussing some of them I do not mean to imply that my views are unalterably fixed, no matter what these hearings may reveal.

For example, the amendments proposed by Senator BURKE would have the effect, among other things, of placing restraints upon the right to strike. No such proposal can strengthen or improve the Labor Act because it is antagonistic to the whole spirit and purpose of the law. The spirit and purpose of the law is to create a free and dignified workingman who has the economic strength to bargain collectively with a free and dignified employer in accordance with the methods of democracy. The abolition or curtailment of the right to strike is a denial of the principles of democracy and a substitution of the methods of the authoritarian state. The design of the Labor Relations Act is to reduce the number of strikes by eliminating the main wrongs and injustices that cause strikes. The imposition of legal restrictions upon the right to strike, instead of removing these wrongs, would merely deprive the worker of his inalienable right to protest against them.

The various arguments for limiting the right to strike generally rest upon the claim that the English law has been successful in this direction. The British Trade Disputes Act of 1927 placed restrictions only upon sympathetic strikes which are outside the trade or industry originally affected and are designed to coerce the Government. But as a matter of policy in England, this prohibition has never been invoked, while strikes within this category are frequently illegal here. In addition, an infinite variety of strikes which are entirely permissible in Great Britain are unlawful in a majority of American jurisdictions. Many of our States prohibit strikes for the closed shop, in violation of contract, and to induce breach of contract. Our whole elaboration of the doctrine of conspiracies in restraint of interstate commerce under the antitrust laws, and the application of these laws to labor controversies, are outstanding examples of the far greater severity of American law.

The only thing that English and American experience proves, as the brilliant report of the committee sent by the President to Great Britain last year reveals, is that branding srikes as legal or illegal does nothing to decrease their frequency or intensity. England is free from industrial violence not because of English law but rather because British industrial life does not countenance the feudalistic practices which breed violence. When the fundamental right to organize and bargain collectively is as well recognized here as it is in England, there will still be some strikes here just as there are some strikes in that country. But they will be conducted peacefully in an atmosphere of mutual respect among free men. Every employer is free to refuse to sell his goods. I feel confident that this committee will reject as unwise and reactionary any proposal to limit the rights of free men to sell their labor on terms that are repugnant to their sense of justice.

Another class of amendments, also sponsored by Senator BURKE, would impose restraints of various kinds upon employees. These proposals, such as the now famous proposal to prevent interference "from any source," are put forward on the broad ground that the law as now written is "one-sided" and "unfair."

The frequently heard charge that the Labor Relations Act is "unfair" results from the device of looking at the act in an intellectual vacuum, instead of placing it in the context of our whole industrial life. In this intellectual vacuum, since the law confers direct protection upon employees alone, it is "one-sided" in the same sense that a workmen's compensation law is "one-sided" because it pays compensation to employees alone. It is "one-sided" to the same degree that the law of domestic relations imposes obligations upon the parent toward the child which it does not impose upon the child toward the parent. It is "one-sided" in the same way that the Reconstruction Finance Corporation law is "one-sided" in that it provides big loans to business and not small loans to laborers.

But when we take the Labor Relations Act out of this intellectual vacuum, and place it in the living context of our whole social system, the criticism that the act is "one-sided" or "unfair" is stripped of its improper setting and shown in its true light. For laws are not sterile propositions of logic, but instruments of human adjustment among the various individuals and groups in a real world. The test of whether a law is fair, is whether in conjunction with the other laws and facts of society, it establishes a fair relationship among the people and groups with which it deals. By this test, the labor act is eminently fair.

No just regard for the facts can possibly lead to the conclusion that the National Labor Relations Act creates an unfair relationship between the rights of the employer and the rights of the worker. Certainly the employer has the right to bargain collectively through the corporation and through Nation-wide trade associations. Certainly in dealing with labor and in all other business affairs, he has the privilege of selecting his own spokesman by majority rule. No working group has ever challenged the employer's right to use the collective-bargaining procedure in dealing with his employees, his competitors, and the general public. The simple truth of the matter is that all of the industrial rights which labor is accorded under the act have been enjoyed by industry for a century or more.

The Supreme Court of the United States has recognized that the act is not "one-sided." As Chief Justice Hughes in the Jones & Laughlin case said for the Court:

"In its present application the statute goes no further than to safeguard the right of employees to self-organization and to select representatives of their own choosing, for collective bargaining or other mutual protection without restraint or coercion by their employer. That is a fundamental right. Employees have as clear a right to organize and select their representatives for lawful purposes as the respondent has to organize its business and to select its own officers and agents."

At the present time there are about 6,000 State and local trade associations, 2,300 chambers of commerce, and about 2,000 interstate and national trade associations embracing every line of industry. The National Association of Manufacturers, when it came before Congress in opposition to the Labor Act, spoke for 50 trade associations, covering about 70,000 corporations employing over 2,000,000 workers. I do not need to go into the commonplace figures concerning aggregates of capital, interlocking directorates, superholding companies, and financial empires, to prove that the simple right to organize afforded labor under the labor act has been and is being enjoyed in greater measure by industry without challenge of any kind.

Nor is it true that the labor act affords legal remedies to the worker in the economic struggle that are "unfair" in comparison with the legal remedies afforded to the employer. So far as violence in industrial disputes is concerned, the laws of the States and municipalities affording protection against violence apply to the worker as well as to the employer, and the employer because of his superior economic strength and political position can invoke these laws much more easily in his behalf. The use of the injunction in labor disputes in many State courts is another powerful weapon which the employer has at his disposal in the labor struggle.

On April 3 of this year, in a Federal district court, the Apex Hosiery Co. of Philadelphia secured a judgment in treble damages of $711,000 under the antitrust laws against the American Federation of Hosiery Workers, as a result of a sit-down strike in 1937. I am unable to recall any final treble-damage judgment against any industry in recent years comparable to the Apex Hosiery judgment. In any event, it is an historic commonplace that the antitrust laws have been used more drastically against labor than against the monopolies they were designed to eliminate.

In addition to a legal system weighted heavily in his favor, the employer has at his disposal superior economic staying power, more money, better legal counsel, and better access to the instruments of public opinion. Against all this, the labor act gives the worker nothing but the right to institute a lengthy legal proceeding to protect his right to organize and bargain collectively, a right theoretically recognized by our law for a hundred years. To call this act "unfair" is to my mind to evince a case of economic astigmatism.

This charge that the Labor Act is "unfair" or "one-sided" is not new. It was considered carefully by this committee before the Labor Act was passed, and your report clearly revealed the animus behind all proposals based upon this claim. This committee recognized that the result of incorporating such proposals in the law "would be to overwhelm the Board in every case with countercharges and recriminations that would prevent it from doing the task that needs to be done." You further recognized that such proposals would nullify the sound purposes of the Norris-LaGuardia Act, and would reestablish all the abuses of the unfair labor injunction, abuses which it took 7 years to have removed from the Federal courts by congressional action.

Therefore, I say that the proposals to make the Labor Act less "one-sided," to "equalize" it, to prevent coercion from any source, are based upon the reactionary view that the worker should not have the right to organize, or upon the false view that today the worker has become a privileged character, receiving more than the just fruits of his labor. Such proposals are designed to destroy the equality of bargaining power that the Labor Act strives to make possible, and to restore the gross inequality of bargaining power that existed before the act was passed—the inequality that existed when the isolated worker stacked his pitiful weakness against the gigantic strength of consolidated capital. Such proposals are a threat not only to every worker in

America but to every person in America who believes that the legitimate organization of labor represents a sound democratic principle in a modern industrial state.

Fair-minded and far-sighted employers realize that while the Labor Act is limited in its scope, it is not "one-sided," since it confers benefits upon employers who are wise enough to appreciate its value. By way of illustration, let me contrast how three great corporations of industrial enterprise have met their labor problems since the passage of the National Labor Relations Act.

The Remington Rand Co. is one of the great manufacturing enterprises in the United States, with consolidated assets of almost $50,000,000. Its properties are distributed in seven States of the Nation and four foreign countries, and its sales offices span the globe. Soon after the enactment of the Labor Act, the A. F. of L. unions, representing a great majority of the workers in six of the company's plants in New York, Connecticut, and Ohio, attempted to negotiate with the management on several important questions. In May 1936, after 5 months of unsuccessful effort to reach Mr. Rand, the responsible head of the company, for the purpose of discussing their grievances, more than 5,000 workers went on strike. Thereafter the company again and again refused to confer with the union officials, and nullified the efforts at mediation by the New York State Department of Labor, the mayors of several cities, the Connecticut State Board of Mediation, and the Governor of Connecticut.

Instead, the company set about to undermine and destroy the union by discharging all its leaders and expending at least $85,000 for the services of notorious strikebreakers and provocateurs, including Pearl L. Bergoff, "king of strikebreakers." Hundreds of guards, strikebreakers, and spies, many with criminal records, were turned loose on defenseless communities to ferret out the union's activities, stir up dissension, provoke violence, and foster "back to work" movements among the employees. This noble work was invested with the grandiose title of the Mohawk Valley Formula.

It took almost 3 years to bring the company to book under the Labor Act. Charges were filed with the Board, and a complaint was issued in July 1936. Thereupon the company brought an injunction suit in the Federal courts, which postponed the hearings for some months. In March 1937, after taking more than 5,000 pages of testimony, the Board rendered a decision finding the company guilty of violating almost every provision of the act. About 1 year later the United States Circuit Court of Appeals substantially affirmed the Board's order, and directed the company to bargain collectively with the union, to reinstate 28 employees who had been discriminatorily discharged, to restore the strikers to their jobs, and to refrain from dominating or interfering with the organization of its employees. The order became final when in May of the same year the Supreme Court denied the petitions of certiorari filed by the company and the company unions involved.

Substantial compliance with the order has been obtained with great difficulty, and then only under a threat of contempt proceedings.

Now let us turn to the bitter controversy in certain sections of the steel industry during the same period of time. The full details of this story were disclosed in the hearings before the Civil Liberties Committee, on the so-called "little steel strike" of 1937. At a meeting of the directors of the Iron and Steel Institute in New York, certain of the "independent" companies virtually agreed not to sign any agreement with the union, regardless of its terms, and regardless of the representation of the union in their respective plants. The result was the never-to-be-forgotten strike of 1937, during which the companies refused even to sit around a table with the union representatives at the request of the Mediation Board appointed by the President of the United States.

In this strike, as the committee disclosed, there occurred a mobilization of men, money, and munitions, which had not been approached in the recent history of labor disputes in America. Incomplete data assembled by the committee shows that 7,000 men were directly employed as guards, patrolmen, and deputy sheriffs, National Guard men, and company police. The Republic Steel Corporation alone spent $50,000 for munitions, or almost five times the expenditure of the Ohio National Guard for the same purpose. The total cost of the strike to the Republic Steel Corporation was $1,950,000 and to the Youngstown Sheet & Tube Co., $1,593,000. The total cost to these two corporations alone exceeded $3,500,000.

In the course of the strike, riot and bloodshed were common occurrences over a front of industrial warfare covering three States. Vigilante terror flared in many communities. Ugly tales of browbeating and influencing public officials were spread upon the record. Over 300 persons, chiefly workers, were injured and 18 workers were killed.

Decisions under the Labor Act have been issued in the cases of several of these companies, finding sundry violations of law. These cases are pending in the courts. Compliance with the spirit and the policy of the Labor Act would have averted all this bloodshed, misery, and economic loss.

Let us contrast these two sordid stories with the happier results of a more enlightened policy. In 1937, even prior to the Supreme Court decisions upholding the Labor Act, the United States Steel Corporation voluntarily disbanded the employee representation plan which had been the subject of a complaint. For the first time since 1909 its subsidiary corporations entered into collective-bargaining agreements with representatives of their employees organized in trade-unions.

This action was rightly hailed as an outstanding demonstration of industrial statesmanship. A year later the chairman of the board of directors of United States Steel reported to the stockholders that—

"The union has scrupulously followed the terms of its agreement and, insofar as I know, has made no unfair effort to bring other employees into its ranks, while the corporation's subsidiaries, during a very difficult period, have been entirely free of labor disturbance of any kind. The cost of a strike—to the corporation, to the public, and to the men—would have been incalculable."

The next and most recent report of United States Steel carried the same encouraging tidings of felicitous labor relations.

In short, gentlemen, the Labor Act could only be termed "one-sided" in its application to those employers who resist its fundamentally fair principles. Those employers who are desirous of substituting the enlightened methods of collective bargaining for the primitive methods of industrial strife find the principles of the Labor Act a suitable vehicle for advancing their interests and improving their industrial relations.

Just as I warn against affirmative amendments placing dangerous new obstacles in the way of the worker's right to organize, so I do not favor negative amendments reducing the scope of the fair rights accorded to workers under the present act. Thus I oppose Senator BURKE'S amendment to destroy majority rule, a rule which simply applies to our economic life the honored principles of our political system. Likewise, while I appreciate the good spirit in which it is offered, I do not agree with the amendment of Senator WALSH removing the present provision that employers shall not "interfere" with the self-organization of their workers. This amendment would remove a form of protection afforded not only under the Labor Act but also recognized by the principles of the War Labor Board and section 7 (a) of the N. I. R. A., and which labor now enjoys also under the Railway Labor Act, the Bankruptcy Act, the act to create the Coordinator of Transportation, the Norris-LaGuardia Act, and the various State anti-injunction and labor relations laws.

The ban against "interference" has been of central importance in protecting the right to organize under all these statutes, since it embraces a multitude of activities which would not be reached by specific prohibitions written into law, and would not be included within the range of such narrower concepts as "restraint" or "coercion." The amendment removing the prohibition against "interference" would cast doubt on hundreds of decisions issued under the Labor Relations Act, many affecting A. F. of L. unions, and put in question many victories in the courts, under this act as well as under the Railway Labor Act. The amendment allowing "interference" would, therefore, have serious consequences not only under the National Labor Relations Act, but might well serve as a dangerous precedent for amendments to other statutes won by labor only after hard-fought battles in State and Nation.

I should now like to discuss some of the procedural amendments which seem to me to threaten the effective administration of the National Labor Relations Act.

The amendment of Senator HOLMAN would separate the investigatory from the fact-finding functions under the act, a novel suggestion for this type of agency. One of the proposals of Senator BURKE would authorize the reviewing courts to set aside findings of fact, if in their judgment they were unsupported by the weight of the evidence. This would enable a court in every instance to substitute completely its judgment as to the facts for that of the administrative body, another novel procedure. Another of Senator BURKE'S amendments would permit any employer to transfer his case to the district courts at the start, thus completely avoiding recourse to the administrative tribunal. One of Senator WALSH'S amendments would authorize the district courts to issue proper writs at any time to compel the Board to perform its functions and duties. This would enable a party to shuffle every point in a case back and forth continually between district court and Labor Board, to the eternal delay of the workers seeking to vindicate their rights.

All of the above-mentioned procedural amendments would result in abandoning or seriously impairing the principles of administrative law that have evolved gradually since the pioneer establishment of the Interstate Commerce Commission in 1887. The concept of the administrative agency, growing up in necessary response to the manifold complexities of modern government, has been championed by Charles Evans Hughes, and by countless other luminaries of bench and bar. In a very vital sense, these administrative agencies have come to be regarded as the people's instruments of government, created to effectuate a particular policy more expertly, more sympathetically, and more efficiently than was possible under the rigid formalism of court procedure. Above all, these agencies give the worker a fairer chance, because he cannot afford to plunge into the costly arena of Federal court litigation. For these reasons, the people of my State resented and overwhelmingly repudiated the attempt made last year by a majority of our Constitutional Convention to destroy the traditional balance between the administrative agencies and the courts.

The National Labor Relations Act was established in accordance with the well-established concepts of administrative procedure. The present arrangements under the National Labor Relations Act are the accepted ones, the arrangements tested by 50 years of American experience. It is, of course, possible that special factors involved in labor relations make this traditional method unsatisfactory and require the substitution of a new and untried procedure. If this is the case, the Supreme Court of the United States has given us no indication to that effect. Chief Justice Hughes, writing for the Court after the first five cases involving the Labor Act were heard, said:

"The act establishes standards to which the Board must conform. There must be complaint, notice, and hearing. The Board must

receive evidence and make findings. The findings as to the facts are to be conclusive, but only if supported by evidence. The order of the Board is subject to review by the designated court, and only when sustained by the court may the order be enforced. Upon that review all questions of the jurisdiction of the Board and the regularity of its proceedings, all questions of constitutional right or statutory authority, are open to examination by the court. We construe the procedural provisions as affording adequate opportunity to secure judicial protection against arbitrary action in accordance with the well-settled rules applicable to administrative agencies set up by Congress to aid in the enforcement of valid legislation."

The subsequent decisions of the Supreme Court in Labor Board cases have not only failed to modify this statement of the Chief Justice, but have demonstrated also that under the present act the Court can and will check what it regards to be any false step by the Labor Board.

While these proposals that I have been discussing are, in my opinion, detrimental to the objectives of the act, there are some others that merit the most careful study. Merely as an example, there is wide support for an amendment which would permit employers to petition for elections. As I have always said, there is nothing in the present act which denies this privilege to employers. The prohibition rests upon a ruling of the Labor Board. This ruling evolved before the current labor split, to meet the situation where an employer might attempt prematurely to "freeze" a situation produced by a long tradition of opposition to unionism. While there should still be safeguards against this situation, the labor split has introduced a novel situation where a well-intentioned employer is caught between the competition of rival groups. In such cases, under appropriate safeguards which these hearings should develop, I feel that the employer certainly should have the right to petition for an election. It would seem that the Board could accomplish this under its rule-making power. But if not, there should be legislation toward that end, unless these hearings develop compelling reasons, which I do not now see, why such a change would impair the objectives of the act.

I come finally to the portion of the amendments proposed by Senator WALSH which deal with the thorny questions of the appropriate bargaining unit and the validity of contracts.

The unfortunate division which now exists in the ranks of labor—a division which I profoundly hope will soon be ended—was not created by the Labor Act, but its repercussions have greatly complicated all problems of administration. The act itself did not put the stamp of approval or favor upon any particular type of union—outside or inside, craft or industrial. It only outlawed the dummy union set up by the company. Its only concern was to foster and protect the free choice of representation by the employees themselves. There is no claim to the contrary by any of those now sponsoring any amendments; but there is the claim that in its application to situations nonexistent when the act was written, certain inequities have grown up. It will be entirely possible and desirable during these hearings to develop a detailed examination of the facts and the issues in all the disputed cases, comparatively few in number, where this question is the critical one.

In conclusion, while I am, of course, entirely open-minded in regard to anything that these hearings may reveal, I submit that the following main truths, demonstrated by long experience, may guide the way to a wise and just solution of all the problems now confronting this committee:

First, the proof is overwhelming that the Labor Act, in its broad outlines, has proved an effective instrument for economic peace and industrial justice. It has vastly benefited workers, employers, and the public at large. No one challenges its objectives; no responsible party openly advocates its repeal. Any diminution of its effectiveness would be a national evil; its mutilation would be a national calamity.

Second, it is an established phenomenon of American economic life that a very small but amazingly compact and powerful minority has fought the main objectives of the Labor Act tooth and nail at every turn, in Congress and in courts, day and night. These groups are perfectly within their rights as free citizens in believing sincerely that the act is unsound and in trying consistently to destroy it. I respect their right to do so and do not question their motives. But the fact must be faced squarely that they are trying to destroy rather than to perfect the act; and those who want to preserve the act must of necessity deal with them accordingly.

Third, the amendments to the act proposed by labor groups and by labor's friends deserve the most careful consideration. At the same time, every worker in America should realize that while the friends of the Labor Act's main objectives are weakened by factional strife, the opponents of labor are strong and united. For this reason every worker who wants to remain free should look long and searchingly at each proposal designed to change the act that has helped so much to make him free.

Fourth, the amendments pretending to make the act "fair" by placing new restraints on labor would in true effect upset labor's new equality of bargaining power and resign labor to its earlier status of the economic underling.

Fifth, the amendments proposing drastically to change the administrative provisions of the act would, I believe, weaken the traditional type of informal tribunals where the average man has a better chance to be heard. Without having that intent, they would in my judgment tend to have the result of forcing labor to seek its rights through methods which are too expensive and time consuming for the poor man to afford.

Sixth, reckless tampering with the act will substitute uncertainty for certainty in the law, will start a long new train of test suits and interpretations, and will shake the stability and the surer blessings of industrial peace that thousands of employers enjoy under the present act as interpreted by the courts.

Seventh, within a comparatively narrow field there may be some changes in the act which the hearings before this committee will reveal to be sound in principle and practical in operation. If the need for these changes emerges as a product of this full and open-minded inquiry, I shall feel it my duty to introduce or support the substance of such amendments and to help enact them into law.

Before these hearings have proceeded far, it will become apparent that, while labor has some complaints to make against the Labor Act, and they may indeed be just ones, many of those who will gather here to indict the Labor Act can lay no claims to having ever been friends of labor. I therefore appeal to all those in America who *are* sympathetic to the just aspirations of the average man, who *do* believe in economic democracy, who *do* recognize that liberty and peace are inseparable, to rally to the defense of what the National Labor Relations Act stands for, to make sure that whatever may be done to the act is done in furtherance of its noble objectives.

In closing let me say that there is no short cut or alternative solution to that afforded by the principles of the National Labor Relations Act. In the words of the United States Commission on Industrial Relations, created by act of Congress 27 years ago:

"The struggle of labor for organization is not merely an attempt to secure an increased measure of the material comforts of life, but is a part of the age-long struggle for liberty; this struggle is sharpened by the pinch of hunger and the exhaustion of body and mind by long hours and improper working conditions; but even if men were well fed, they would still struggle to be free."

Strikes in the United States from 1927 to 1938, inclusive (to accompany chart 1)

Year	Number of strikes	Number of workers involved	Number of man-days idle
1927	707	329,939	26,218,628
1928	604	314,210	12,631,803
1929	921	288,572	5,351,540
1930	637	182,975	3,316,808
1931	810	341,817	6,893,244
1932	841	324,210	10,502,033
1933	1,695	1,168,272	16,872,128
1934	1,856	1,466,695	19,872,128
1935	2,014	1,117,213	15,456,337
1936	2,172	788,648	13,901,956
1937	4,740	1,860,621	28,424,857
1938	2,772	688,376	9,148,273

Bureau of Labor Statistics, Apr. 10, 1939.

Strikes in the United States by causes (percentages), 1927–38 (to accompany charts 2 and 3)

Major issues	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Percentage of total strikes ending in year:												
Wages and hours	41.0	35.8	40.4	43.6	56.1	65.7	55.4	39.5	37.9	35.1	29.9	28.0
Union organization	36.0	36.5	41.3	31.8	27.8	19.0	31.9	45.9	47.2	50.2	57.8	50.0
Miscellaneous	23.0	27.7	18.3	24.6	16.1	15.3	12.7	14.6	14.9	14.7	12.3	22.0
Percentage of total workers involved in strikes ending in year:												
Wages and hours	72.7	43.4	36.4	40.3	44.9	72.1	47.5	23.4	60.2	35.3	22.4	36.7
Union organization	13.9	29.5	35.5	41.7	33.6	22.4	40.7	51.5	26.1	51.4	59.8	32.6
Miscellaneous	13.4	27.1	28.1	18.0	21.5	5.5	11.8	25.1	13.7	13.3	17.8	30.7
Percentage of total man-days idle as a result of strikes ending in year:												
Wages and hours	93.6	82.1	43.6	42.1	44.6	81.6	38.1	24.3	42.9	32.2	18.7	34.8
Union organization	3.3	11.9	36.8	47.2	42.0	16.5	52.3	62.8	47.3	60.2	76.4	44.4
Miscellaneous	3.1	6.0	19.6	10.7	13.4	1.9	9.6	12.9	9.8	7.6	7.9	20.8

Bureau of Labor Statistics, Apr. 10, 1939.

Comparison of number of cases brought before the National Labor Relations Board and number of strikes, beginning in each month for all causes, and for organization, October 1935–June 1938 (to accompany chart 4)

Year and month	Number of cases brought before Board (1)	Number of strikes[1] For all causes (2)	Number of strikes[1] For organization (3)	Ratio of Board cases to strikes Percent for all causes [(1) over (2)]	Ratio of Board cases to strikes Percent for organization [(1) over (3)]
1935					
October	203	169	79	120	257
November	153	119	48	129	319
December	110	80	34	138	324
1936					
Total	1,301	1,951	971	67	134
January	110	138	62	80	177
February	66	132	69	50	96
March	90	168	82	54	110
April	142	158	73	90	195
May	108	188	89	57	121
June	86	168	87	51	99
July	74	144	65	51	114
August	112	211	120	53	93
September	150	209	95	72	158
October	147	175	90	84	163
November	88	131	72	67	122
December	128	129	67	99	191
1937					
Total	9,424	4,270	2,412	221	391
January	110	160	80	69	138
February	195	199	110	98	177
March	239	581	281	41	85
April	477	490	270	97	177
May	1,054	532	298	200	357
June	1,283	552	329	232	390
July	1,325	400	238	331	557
August	1,119	400	243	280	460
September	994	321	196	310	507
October	1,054	278	165	379	639
November	959	232	132	413	727
December	606	125	70	485	866
1938					
January	674	148	66	455	1,021
February	629	156	76	403	828
March	896	216	100	415	896
April	823	207	93	398	885
May	624	233	102	268	612
June	727	178	93	408	782

[1] Strike data are monthly figures released by the U. S. Department of Labor, Bureau of Labor Statistics, Division of Industrial Relations. Annual revised figures are not broken down by causes for each month.

Source: Third Annual Report of the National Labor Relations Board.

Comparison of number of workers involved in cases brought before the National Labor Relations Board and number of workers involved in strikes, beginning in each month, for all causes and for organization, October 1935–June 1938 (to accompany chart 5)

Year and month	Number of workers involved in cases brought before Board (1)	Number of workers involved in strikes[1] For all causes (2)	Number of workers involved in strikes[1] For organization (3)	Ratio of Board cases to strikes Percent for all causes [(1) over (2)]	Ratio of Board cases to strikes Percent for organization [(1) over (3)]
1935					
October	47,700	92,357	28,213	52	169
November	47,580	34,661	8,259	137	576
December	27,580	14,133	4,059	195	679
1936					
Total	523,138	763,783	419,538	68	125
January	20,346	30,001	7,225	68	282
February	5,424	62,259	35,898	9	15
March	19,300	74,475	13,811	26	140
April	11,646	62,551	45,465	19	23
May	26,460	71,625	45,388	37	58
June	34,739	61,243	29,250	57	119
July	31,936	36,115	11,893	88	239
August	8,565	64,510	46,252	13	19
September	9,214	60,555	29,730	15	31
October	27,335	96,608	66,898	28	41
November	309,187	70,515	33,795	438	915
December	18,986	73,326	53,933	26	35

[1] Strike data are monthly figures released by the U. S. Department of Labor, Bureau of Labor Statistics, Division of Industrial Relations. Annual revised figures are not broken down by causes for each month.

Comparison of number of workers involved in cases brought before the National Labor Relations Board and number of workers involved in strikes, beginning in each month, for all causes and for organization, October 1935–June 1938 (to accompany chart 5)—Continued

Year and month	Number of workers involved in cases brought before Board (1)	Number of workers involved in strikes For all causes (2)	Number of workers involved in strikes For organization (3)	Ratio of Board cases to strikes Percent for all causes [(1) over (2)]	Ratio of Board cases to strikes Percent for organization [(1) over (3)]
1937					
Total	2,339,631	1,816,847	1,051,528	129	222
January	24,744	106,076	73,202	23	34
February	74,870	105,910	40,949	70	183
March	49,187	281,887	186,049	17	26
April	159,051	214,760	114,965	74	138
May	315,470	321,022	229,936	98	137
June	369,737	278,783	131,574	133	281
July	305,049	139,975	72,173	218	423
August	304,267	134,078	91,125	227	334
September	180,261	84,032	50,387	215	358
October	175,951	61,395	25,928	287	679
November	225,410	66,168	20,286	341	1,111
December	155,634	21,760	14,954	715	1,041
1938					
January	121,113	32,357	13,312	374	910
February	106,172	50,935	5,719	208	1,856
March	154,868	53,914	20,395	287	759
April	176,414	75,840	20,390	233	865
May	92,917	86,792	15,810	107	588
June	102,813	49,602	23,368	207	440

Source: Third Annual Report of the National Labor Relations Board.

Sit-down strikes, 1936 to 1938, by months (to accompany chart 6)

Month	1936 Strikes	1936 Workers involved[2]	1937 Strikes	1937 Workers involved[2]	1938[1] Strikes	1938[1] Workers involved[2]
January	1	500	25	74,479		
February	2	2,250	47	31,236	10	6,367
March	1	266	170	167,210	8	1,603
April			52	33,339	7	2,464
May	1	7,000	72	25,250	4	2,936
June	2	12,146	29	18,804	1	27
July	1	1,238	20	4,721	5	1,800
August	4	1,416	23	6,020	3	332
September	9	11,522	13	3,163	4	2,096
October	4	4,050	10	8,747	4	2,953
November	5	7,988	12	24,791	2	6,892
December	18	39,441	4	357	4	1,334
Total	48	87,817	477	398,117	52	28,899

[1] Preliminary figures.

[2] Total workers involved in the strikes. In most cases all of the workers involved did not participate in the sit-down feature.

Bureau of Labor Statistics; March 17, 1939.

PRINTING OF REPORT ON INVESTIGATION OF TENNESSEE VALLEY AUTHORITY

Mr. DONAHEY submitted the following concurrent resolution (S. Con. Res. 9), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That there be printed 3,000 additional copies of Senate Document No. 56, current session, entitled "Report of the Joint Committee of Congress appointed to investigate the Tennessee Valley Authority," which was submitted to the Congress on March 31, 1939, of which 1,000 copies shall be for the use of the Senate document room and 2,000 copies for the use of the House document room.

Mr. HAYDEN, subsequently, from the Committee on Printing, to which the foregoing concurrent resolution was referred, reported it without amendment, and it was considered by unanimous consent and agreed to.

ADDRESSES BY SENATOR GREEN IN THE DOMINICAN REPUBLIC

[Mr. ASHURST asked and obtained leave to have printed in the RECORD an address delivered by Senator GREEN in the Cathedral of Cuidad Trujillo, Dominican Republic, on March 19, 1939, and also an address delivered by Senator GREEN before a special joint session of the Congress of the Dominican Republic on March 20, 1939, which appear in the Appendix.]

PREPARATION FOR INDUSTRY THROUGH EDUCATION—ADDRESS BY SENATOR DAVIS

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address on the subject of Preparation for Industry Through Education, delivered by Senator DAVIS at the summer meeting of the Seventeenth Annual Conference on Printing Education, held at Washington, D. C., in 1938, which appears in the Appendix.]

FEDERAL GRANTS IN AID TO THE STATES—ADDRESS BY SENATOR GERRY

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD a radio address on the subject of Federal grants in aid to the States, delivered by Senator GERRY on April 10, 1939, which appears in the Appendix.]

WAR AND PEACE—ADDRESS BY REPRESENTATIVE KNUTSON

[Mr. LUNDEEN asked and obtained leave to have printed in the RECORD a radio address on the subject Shall We Repeat 1916–17? delivered by Hon. HAROLD KNUTSON, a Representative from the State of Minnesota, on March 30, 1939, which appears in the Appendix]

DEFENSE POLICY—ARTICLE BY OSWALD GARRISON VILLARD

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an article by Oswald Garrison Villard entitled "Wanted: A Sane Defense Policy," published in Harper's magazine for April 1939, which appears in the Appendix.]

OPERATION OF NATIONAL LABOR RELATIONS ACT

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD an editorial from the Emporia Gazette and an article on the operation of the National Labor Relations Act as administered by the National Labor Relations Board, which was published in the October issue of the magazine Fortune, which appears in the Appendix.]

TRADE BARRIERS BETWEEN STATES

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article from the Benton County Tribune, of Fowler, Ind., entitled "National Union Endangered by Trade Barriers Between States," which apears in the Appendix.]

PROBLEMS OF THE SOUTH—STATEMENT BY ELLIOTT ROOSEVELT

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article from the Washington Post of April 11, 1939, under the heading "Son Doubts President's Aid for South," and an article on the same subject from the New York Herald Tribune of April 11, which appear in the Appendix.]

NEUTRALITY, PEACE, AND AGGRESSION

[Mr. PITTMAN asked and obtained leave to have printed in the RECORD four articles from the Washington Post of April 8, 1939, as follows: An article entitled "Yellow Light Policy," by Livingston Hartley; an article under the heading "Peace in Our Own Time," by Walter Lippmann; an article under the heading "Neutrality: Pro and Con," by Mark Sullivan; and an article entitled "The Latest Victim," by Barnett Nover, which appear in the Appendix.]

WORLD MISSION OF THE UNITED STATES

[Mr. BARBOUR asked and obtained leave to have printed in the RECORD, an editorial entitled "Uncle Sam's Real World Mission," published in the issue of April 10, 1939, of the Bergen Evening Record, of Hackensack, N. J., which appears in the Appendix.]

F. H. A. AND PROSPERITY—EDITORIAL FROM CHICAGO DAILY TIMES

[Mr. MEAD asked and obtained leave to have printed in the RECORD an editorial from the Chicago Daily Times of March 27, 1939, entitled "F. H. A. and Prosperity," which appears in the Appendix.]

ALIENS AND EMPLOYMENT

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an editorial headed "Aliens Seen Adding to Job Problem," published in the New York Times, Sunday, April 9, 1939, which appears in the Appendix.]

CALL OF CALENDAR DISPENSED WITH

The VICE PRESIDENT. The routine morning business is concluded. The consideration of bills on the calendar under rule VIII is in order.

Mr. BARKLEY. I ask unanimous consent that the call of the calendar be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had accepted the invitation of the Senate to attend the funeral services of Hon. James Hamilton Lewis, late a Senator from the State of Illinois, to be held in the Senate Chamber on Wednesday, the 12th instant, at 2:30 p. m., and that the Speaker had appointed a committee of 27 Representatives to attend the funeral of the deceased Senator and to act in conjunction with the committee of the Senate to make the necessary arrangements in connection therewith.

ADDITIONAL APPROPRIATION FOR WORK RELIEF AND RELIEF

Mr. ADAMS. Mr. President, I move that the Senate resume the consideration of House Joint Resolution 246.

The motion was agreed to; and the Senate resumed the consideration of the joint resolution (H. J. Res. 246) making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. PEPPER].

Mr. BARKLEY. Mr. President, when the Senate took a recess on Saturday a unanimous-consent agreement had been entered into to vote on the pending amendment, and all amendments thereto, not later than 2:30 o'clock p. m. on yesterday. Inasmuch as the Senate did not hold a session yesterday for the transaction of business, that agreement lapsed, and is not now in effect.

I wish to say, for the benefit of Senators, that I hope we can get a vote today on the amendment, but at this time I have no request to make to fix any hour for a vote on the amendment. I think, for the time being, the debate may run on for a while, and we shall see how matters look a little later in the day.

Mr. WILEY. Mr. President, for days I have listened to the arguments pro and con for this additional $50,000,000. I have listened to calm and reasoning statements, and I have listened to rabble-rousing statements. I have listened to a statement of heart throbs from the distinguished Senator from Nebraska [Mr. NORRIS]; and when he turns on the emotional valve one almost forgets that there are other equations in this picture. And yet we are the greatest deliberative body in the world!

Mr. President, I have heard the statement of many Members of the Senate that they would be glad to vote for one hundred or one hundred and fifty million dollars in addition to what we are going to vote for in the next day or two. I wonder if the Senators know that that is just what they are doing. Let me make this statement concretely. Do Senators know that besides the $725,000,000 the Government will also be paying out $100,000,000 or $150,000,000 in addition to the $100,000,000 or $150,000,000 we are talking about here today?

What do I mean by one hundred million or one hundred and fifty million dollars additional? It has not been discussed in the debates on the floor of the Senate; yet I heard a member of the Cabinet say, within the past few days, that anywhere from one hundred to one hundred and fifty million dollars of surplus commodities will be distributed free to the needy people of this country within the next 12 months. From July last to July of this year approximately $66,000,000 in surplus commodities will be distributed, in addition to what we vote here now.

The Senator from Nebraska [Mr. NORRIS] says we do not want people to starve. Of course, we do not want them to starve. We do not want anyone in this country to go hungry. No one will go hungry with surplus commodities being distributed as they are. Neither do we want this country to go on the rocks. Neither do we want it to keep on the way it has been going—down the highway toward financial

ruin. It is strange that in the discussion of this spending of the people's money—and I repeat the phrase "the people's money"—it is so easy for some persons to talk in terms of $50,000,000 and $100,000,000 as if it were nothing, yet, if the same persons were asked to donate $50 or $100 of their salaries toward this very problem, which is their problem and the problem of their children, we should find that they would "squawk," as we say in my part of the country, "like a stuck pig."

In the city of Washington we may keep on raising salaries, if we wish; and it would be an interesting thing to have an investigation to find out how much the salaries of the employees of the Government have been raised since we came to Washington on January 3. Nothing has been said to the people in the course of this debate to let them know that if we appropriate this $150,000,000, we shall spend virtually $1,000,000,000 for W. P. A., not for 1939 but just for the first 6 months of 1939. I wonder if, with that thought in mind, it would not be well to restate the position of some of us in this matter.

I say that advisedly because in this very Chamber it has been suggested, in good senatorial form, that we who do not see the advisability of reaching out and disposing of more and more money just have not a heart; that we are not considerate; that we are not thoughtful; so it may be well to restate the position of some of us in relation to this proposed appropriation. I say to you, Mr. President, that there is not a county or a municipality in this Nation which, if efficiently governed—and most of them are—if it received the amount of money that was spent on W. P. A. in that community for the same purpose, could not do a better job, a more efficient job, a job that would not be breaking down—and I say this with emphasis—the morale, not only of many of the W. P. A. workers but of others, who see how easy it is, if one is a "political pet," to get the "mazuma."

I say again that the big problem, Mr. President, is the question of maintaining the morale of these people.

Yesterday a letter came to me from a farmer saying that in my own State, because it is so easy for folks to obtain W. P. A. employment and get $50 or $60 a month—and the farmer is not making that much—the farmer cannot get the necessary help.

Mr. President, I repeat, there is one way, temporarily at least, of handling this situation so that we shall have some concrete evidence of whether or not W. P. A. are doing the job they claim to be doing. You and I know that instead of 3½ percent, as their figures show, for administration overhead, if we were to include in the 3½ percent the salary of every man who gets over $50 or $60, which is the amount the common workman gets, the average would go up to 20 or 25 percent for administration costs. The one way I am talking about is to limit the amount of pay that anyone, high or low, on W. P. A., shall receive from W. P. A. funds. There are loyal, honest, sincere, hard-working folks who would be glad to devote their time, services, and energy in every State in this Nation to take over the so-called administrative or executive jobs of W. P. A. for the same salary paid the average workman on W. P. A.

They would take over the jobs for one reason only; they are patriotic and unselfish, and they know that the disease which is afflicting this country is likely to have serious results. They would do it because they know the seriousness of the situation. Then the savings made would go to the needy. We would get results, and we would find that there was not the dissipation of money in the amount we know is spent in every State of the Union.

We are not unaware that in some of the large cities and other places the situation is critical, so far as the lack of work and jobs is concerned. We want the people's money to meet that situation, but we want the people's money to meet the situation head-on, so that both the money and the morale of the people will not be dissipated.

Mr. President, for days we have been talking about a cancer in our body politic, and all we have been talking about is feeding that cancer. We have not been talking about the real issue; that is, how to cure the cancer. How is it to be cured? There is the rub. I have an idea that if the Government would first follow the suggestions I have made heretofore, to wit, limit the expenditures to any one person who is in the employ of W. P. A. to the amount paid to the workman, and thus make a start, and, secondly, turn the relief problem back to the States and let the States or municipalities handle the money on the basis I have suggested. If the municipalities would handle the matter, there would not be a further dissipation of the most important thing in our national life, that is, the morale of our people.

Mr. President, I heard during the argument a few days ago a statement by a distinguished Senator to the effect that the Republicans wanted to turn the money back to the States for administration so they could build Republican machines. Is that not what is called in law a plea in confession and avoidance, an admission that those in control of spending have used the money for that purpose? Is it not also an admission by the distinguished Senators that they know that the people of this country are waking up to the significant fact that the job they were hired to do has not been done by the party in power?

Let me relate an incident that occurred in my own State in the recent campaign. After speaking in a certain community from my little loud speaker, a German, a man possibly 75 years of age, came up to me and said, "Mr. WILEY, that was a pretty good speech you made, but you took 20 minutes. I think I can make a better one in 20 seconds." I said, "All right, Brother," looking into those deep, serious eyes of this man, recognizing that he had something "on the ball," and realizing what my father had said many years ago, "Son, remember no matter whom you meet—the highest and the lowest, the richest and the poorest, the humblest—each has a pearl for you if you are smart enough to reach out and get it." So I said to this man, "If you have such a speech, give it to me, and I will deliver it every place I go in the State of Wisconsin." He gave me the speech, in broken English, he said: "Mr. WILEY, we Germans have a saying that you cannot dig yourself out of a hole by digging deeper."

Who was this man? A philosopher? No; he had been a hard-working farmer, one who came here in his youth, who dug his farm out of the land—a man who raised a family; one who had seen life and read its lessons; and he said me, "You can't dig yourself out of a hole by digging deeper."

That is correct. If you are deep in the clutches of sin you cannot dig yourself out of it by indulgence. If you are deep in the cups you cannot keep on drinking and drinking and get sober. If you are in a business that is continually losing money you cannot keep on losing money and eventually balance your budget. And if you are in a government which thinks entirely of spending, whose ideology—and I do not like that word any better than does the Senator from California [Mr. JOHNSON], because it is a misnamed word to fit the situation for which it is now used—if you are in a government which continually thinks of spending and never doing anything else to solve the problem, you will never get out of the hole either. In fact, you will dig yourself in deeper.

You cannot dig yourself out of a hole by digging deeper. I apply that concretely to the present situation, and, irrespective of all the emotionalism in the world, I say that we cannot keep on digging into the morale of the people and breaking their morale and expect the people to get themselves out. You cannot pull yourself out by your own bootstraps, either.

Mr. President, I remember another incident also along this line, to which I will refer a little later. Pretty soon, if you keep on digging yourself in, you will find that the hole will cave in after you. I know what some of my colleagues are saying. They are saying that we cannot crucify human life, that we cannot forget the needy and the suffering, the widows and the children.

No; and we will not forget them. Yet for many years now we have reared a generation of young people who have sensed, not the obligation of our fathers, that people have to depend on themselves, but rather we have inculcated in them the thought that there is something to lean on, and

we have begotten and created literally a Nation of "leaners" and chiselers, dependents. It is time we woke up to the real issue, the fact that you cannot keep on digging yourself in deeper and get out of the hole.

We will not forget those who have been suffering, we have not forgotten the poor and the needy and the unemployed, but if we spend the resources of this Nation—and I repeat, I am not merely talking in terms of money, I am talking in terms of character, in terms of morale—it will not be long before by spending and spending we will show that we have forgotten them, because we will be unable to do to them and for them what we should. The Nation will find itself in the throes of some such condition as that in which the great peoples of Italy and Germany find themselves. They are not in their present condition because, as some people say, they chose that way. They chose that way, if they did choose it, because it was the only alternative. The economic situation in both countries became so terrible that groups were crashing against groups, and every semblance of law and order was about to disappear, just as it did during the French Revolution. Then a strong man appeared. That has been and will be history. Pray God, it will not happen here.

Mr. President, I have seriously considered voting for this additional $50,000,000, not as a confession, as someone has said, that in the first instance we were wrong, but, as some of the Senators must have realized, we intended somehow to vote for it because those things which we had anticipated would come to pass did not come to pass. What do I mean by that? I mean the farmer getting into action. I had expected that this great Congress would get back of the farmer and get into action. But what have we done? We have neglected him. We have not done anything for him up to date.

We had expected that the large amount of money that was appropriated for preparedness would lend stimulus and courage to business so that it would reemploy workmen. We had also thought that other agencies would come into being which would take up the slack. We had thought that from the head of the Government would come courage and vision to industry, would come that something which would start this great economic machine out of the mud. But it has not come. So, as I have said, I had intended to vote for the increase, but when I found from government itself that, in addition to the amount we had appropriated or would appropriate, anywhere from a hundred to a hundred and fifty million dollars worth of surplus commodities would be thrown into the stream to take care of the needy, I said "no," and I felt that I was acting in accordance with the best judgment I could summon to my aid.

Where is the leadership in this Nation? Where are the brains that were always America's in times of great crises? Where are they? They are lost in an emotional jag. We have the men; we have the greatest industrial plants in the world. We have the money. We have in this country the greatest demand in the world. Why in heaven's name do we not go? Let me tell why we do not go. The people of Wisconsin recognized in the last election why we did not go; and they spoke with no unmistakable voice.

Let me relate another incident. When I was traveling in one of the little towns of my State I saw there a Scandinavian; and I am proud to say I stem from that race. This man was a small contractor. I said to him, "Hans, how are you voting this year?" "Well," he said, "I'm voting Republican." Two years before, when I had had the honor to run for Governor of the State, I had seen Hans, and he had said, "Oh, my, no! I'm voting Democratic." I said, "Why, Hans, are you now voting Republican?" "Well," he said, "I'll tell you, Alex. You know I'm a little contractor. If you were to give me $5,000 to build a house for you, and you were to give me the materials, and you were to go away, and then you were to come back after 2 months, and I'd been out on a hell of a jag and spent the money, and hadn't even dug the basement, what would you do to me?" I said, "Why, Hans, I'd fire you and get someone who could do it." "Well," he said, "that's just what we are going to do to these fellows who are making so many big promises. They are big on the promise, but they are short on the fulfillment."

What does that mean? It means that down among the common people they have recognized that the leadership that was called upon to do the job and has not done the job. I am not saying that some other leadership would have delivered. I am saying that the present leadership has not built the house they were hired to build. That is the situation we are facing today in connection with the pending measure. We are talking now in terms of not simply feeding the hungry, but of rebuilding the morale of the people, rebuilding a situation in this country so that business can take up the unemployed; so that the unemployed will get jobs.

I know that many of my friends of the opposition feel that they are going strong "on fulfillment" in voting some of this money. The people of America are not blind to that sort of political shenanigan. The people are thinking. They are thinking more seriously and clearly than they have thought for a good many years. They are saying now, "Are there no problems for the Senate of the United States except W. P. A.? They have been spending days on this subject. Why have they not taken care of the other issues? Why have they not looked after the farmers' interests? Why have they not undertaken to start the great, industrial, latent powers of this country? Where is the vision of leadership?"

Mr. President, Congress is not thinking constructively in terms of producing jobs. If it were, it would turn its ideas a little more toward encouraging business to take up the slack.

Instead of spending our time in this kind of a political maneuver, if we had 2 weeks ago caught the vision that was contained in the amendment offered by the Senator from Michigan [Mr. VANDENBERG] wherein he suggested that all the money, to wit, $725,000,000, should be made available for expenditure up to June 7—and which would give the Congress of the United States sufficient time to consider the question—if we had given consideration to that proposal, we would not have spent time in discussing increased appropriations for W. P. A. which we could possibly have used in considering other subjects. But, instead, we had to go on our way—talking, talking, and trying to spend more of the people's money.

Mr. President, is it not significant that some persons who are so solicitous about the unemployed could not give consideration to the suggestion that came from the Senator from Michigan? Is it possible that their filibuster of the last 3 days has made some Senators so blind that they think the people do not have the power to reason? Is it possible that Senators again have become creatures of the "cracked whip"? Talk about propaganda; talk about political manipulation! Mr. President, you know and I know it is going on. You and I know, from the telegrams which we receive from the mayors of our cities, men who are worried about the condition, men who have had it thrown at them that this money is being held up by obstructionists, that those men are fearful, they are mentally stampeded to a point where they say, "Vote money; vote money; vote money." They do not realize that the present Congress will have voted now practically $900,000,000 to $1,000,000,000 for the first 6 months of 1939 for W. P. A.

What about the next 6 months after that? Are there any Senators who believe in the philosophy, "After us the deluge"—after us the storm? We are acting as if we believed in that philosophy. We are not seeing the situation. Are we letting our emotions, or are we letting something which is worse, an attempt to influence the votes of the unemployed, direct our path? Are we even now the creatures of a concerted, psychological attack by master psychologists who, blindly or otherwise, have no real sense of whither they are going or whither they are taking our Government?

Mr. President, I have spoken seriously. I know that the easy way, the popular way, would be to vote for the additional $50,000,000. It is so easy, when you handle other people's money, just to let it slip through your fingers. But, Senators, I have been a small country lawyer, and I have

been taught that to handle other people's money, and especially the money of my Government, is a sacred trust, and as a trustee I must see that that money is handled and disbursed in accordance with the highest standard. I challenge any Senator, if he is so anxious to do what he thinks would be done by the proposed increase, to dig down into his own pocket and thus prove the steel that is supposed to be in him!

Mr. President, I heard a statement in the Senate the other day—I believe it was made by the distinguished junior Senator from California [Mr. DOWNEY]—which I cannot let go unchallenged. He inferred that the next President would meet an insolvable situation. To that I answer that the next incumbent will solve the problem. If—and I say to the Senate that this country is "rarin' to go"—the next President of these United States has the vision and has the dynamic quality that is necessary, the engine will start up and we will leave the economic detour and get back on the highways where we belong. I prophesy to the Senate that, under a change of leadership—a leadership that is progressive, a leadership that will not try to turn the hands of the clock back, a leadership that will not sell out this land to foreign lands, a leadership that will realize the farmer's rights and needs, the workman's rights and needs, and the rights and needs of business—we will "go to town." We need a leadership, Mr. President, that will have courage to admit that the present form of social security is not social security, that is only a term, that there is no such thing, that the money which the people have paid into it has been used up in Government overhead. We need an administration with the courage to say, "We have been out on a spree; we have got to pay for it. We must get under way. We have to consider again the ancient landmarks of honesty and integrity and morality in government. We must acknowledge that government itself costs too much; that we have builded a dangerous and top-heavy bureaucracy. We have to recognize that government is and should be the servant instead of the master. I repeat that last statement, Mr. President, because to me it is very significant, that we have to recognize that government is and should be the servant instead of the master. I repeat that statement because every psychologist in the land knows that one of the great brakes upon our recovery today is the fear of government in the hearts of the people, the fear of the Government and the fear of its servants. In addition thereto we have the uncertainty of governmental policies.

Mr. President, I have nearly concluded. I believe that I have strayed away from the subject of W. P. A. But have I strayed? When 10,000,000 people are unemployed in this country it is evidence of a serious disease.

Many of us are thinking merely of spending money as a solution. Many Senators, like many of the people back home, have gotten to depend upon the White House for direction.

I am grateful to find, however, that an awakening is going on, a realization that we in the Senate and those in the other House must refind the intiative that belongs to the legislature of the Nation. Senators, I repeat that when June 30 arrives we shall again have to face the problem of W. P. A. for another 6 months. W. P. A. is a result, even as our "licked business" is a result, and our "licked farmer" is a result, and as our exorbitant Government overhead is a result. A result or an effect of what? The answer must be the result of that philosophy which we have heard discussed here and the uncertainty that obtains—an uncertainty in the minds of the people who feel that they know not whither government is taking them.

I believe the people of this country are almost ready now to realize that sooner or later they must cease to depend on Washington for continual subsidies. I believe they are also awakening to the conclusion that because of fallacious policies they have become weakened in initiative, in dependence on self. I believe, also, the people are beginning to realize that in all the Government agencies which we have built we have grown also a fungus of self-perpetuating bureaucrats, each looking upon his particular activity almost with a fanatical regard as a saving agency of government, to the end that their jobs may be perpetuated and that the people will become more and more enmeshed in bureaucracy.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Florida [Mr. PEPPER].

Mr. PEPPER. Mr. President, in view of the fact that this matter now comes before the Senate upon the recommendation which came from the President first in his message of January 5, which was communicated to the Senate, at which time the President recommended an appropriation of $875,000,000 and stated that, as the result of his investigation carefully made, it was his conviction that that amount was absolutely necessary; in view of the fact that subsequent to that message of January 5 to the Congress the President, on February 7, 1939, again transmitted to the Congress his recommendation that there be a supplemental appropriation of $150,000,000 in addition to the $725,000,000 voted by the Congress, and in the message of February 7, 1939, he set out his finding that an emergency existed which required a supplemental appropriation of $150,000,000; in view of the additional fact that on March 14, 1939, the President again communicated to the Congress his very earnest recommendation that there be provided this supplemental appropriation of $150,000,000, setting out that April 1 was approaching and that within about 3 weeks the reduction of Works Progress Administration employment must begin, in order that the remainder of the appropriation might be apportioned over the months of April, May, and June; in view of the fact that the President emphasized the necessity for immediate action in the Congress to grant the $150,000,000 appropriation unless there were to be widespread dismissals from the W. P. A. rolls; and in view of the fact that this matter has only in the last few days come before the Senate for final determination, it was naturally a point of curiosity in the minds of many of us as to whether the President felt that the situation had changed in any way so as to obviate the necessity of the Congress complying with the recommendation he made to grant a supplemental appropriation of $150,000,000.

I have seen references in the press to certain communications from the President, as to the authenticity of which, of course, I have no personal knowledge. I have heard reference on the floor to a communication said to have been addressed to a third party by the President. Out of my sense of earnest inquiry as to whether or not the executive branch of the Government had come to the conclusion that the recommendations previously made were not now desirable or imperative, I took the liberty of making a call at the White House. In response to the inquiry I made as to whether or not the recommendations of the President had changed, whether or not the need had changed, and whether or not the imperative necessity of the $150,000,000 supplemental appropriation had disappeared, the President has addressed a communication to me. I ask, Mr. President, that the clerk read that communication, and that it be incorporated in my remarks.

The PRESIDING OFFICER (Mr. HILL in the chair). Without objection, the clerk will read the letter.

The legislative clerk read as follows:

THE WHITE HOUSE,
Washington, April 11, 1939.

Hon. CLAUDE PEPPER,
United States Senate, Washington, D. C.

MY DEAR SENATOR PEPPER: In reply to your inquiry, I think there is nothing for me to add or to subtract from what I have made so clear on so many occasions since last January.

The sole question of continuing relief to July 1 is one of arithmetic.

If $100,000,000 is voted, between three and four hundred thousand fewer people can be given work relief than if $150,000,000 is voted—and in addition practically none of the seven or eight hundred thousand people on the waiting list can be given employment.

It seems to me that that is the long and the short of it.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. MURRAY. Mr. President, I do not intend to consume the time of the Senate by a lengthy statement. However, I feel that I should say something in support of the Pepper amendment.

I have listened with much interest to the speech just made by the junior Senator from Wisconsin [Mr. WILEY], in which he seems to take the view that if we should discontinue making appropriations to support the W. P. A. program the country would soon right itself, and that unemployment conditions would soon be corrected. He says that business is "rarin' to go," and that all it needs is the encouragement of the Congress starting a program of balancing the Budget and discontinuing or reducing relief expenditures.

We heard similar arguments in 1936; and unfortunately we listened to them. At that time, feeling that we were making rapid progress in bringing the country back out of the distressful economic condition into which it had been plunged, we started a program of retrenchment. What was the result? Within a very short period, instead of business and industry taking hold of the situation and putting men back to work, we found the contrary to be true. In a very short period we found the country again in a downward trend.

I feel that we are in no better situation today. In fact, if anything, we are in a worse position today than we were at that time to undertake a program of balancing the Budget, or radical reduction in work-relief expenditures. Every day we read in the newspapers stories with reference to the effect which war conditions in Europe, rumors of wars, rumors of invasions, and so forth, are having upon the economic conditions of the entire world. The whole international economic system has broken down. The effect of this in our own country is very serious.

I happened to read in the New York Times yesterday a statement showing the effect of these conditions in our own country. In the financial section of the New York Times for Monday, April 10, under the head of The Financial Week, we find, in glaring headlines, the following statement:

American markets decline on Europe's political uncertainties and on Italy's attack upon Albania.

In another column of the same issue we find the following headlines: "Leveling off seen in steel industry. Depletion of backlogs and paucity of new business cuts mills' output. Auto lag adverse factor. General orders, too, that appear are small—production down to 54.5 percent."

The body of the article goes on to state:

Gradual depletion of steel backlogs and the failure of new business to make up the deficiency will result in all probability in a slow leveling off in the Nation's steel ingot operating rate in the coming weeks, according to the consensus of the trade.

Even though fresh orders in some cases are expanding mildly, it is thought that the completion of some rail, structural, and auto-body-sheet orders on the books will force curtailment of steel-making operations unless semifinished steel is placed in inventory.

In the same issue we notice the following statement with reference to the stock markets:

Stocks dropped to lowest levels since last June in heavy trading.

In every newspaper of the country we find statements showing that at this time the country is in no position to undertake a program of balancing the Budget, because it is obvious that if we attempted any such move we should soon find the country again in a tailspin such as overtook us in 1936.

In my own State of Montana I find that there has been a 10-percent curtailment in the production of copper, which is our chief industry. That means that thousands of miners are thrown out of employment in the city of Butte, where there is no other industry or business to which these men can turn for employment. As a result of the curtailment in copper production the operations of the smelters have slowed down and the railroads have laid off men. We also find distressful conditions in the agricultural areas. So, in my State, industrial and agricultural conditions are such that not only should we have the benefit of the full appropriation recommended by the President and by the Public Works Administration but, in fact, we should have an additional sum adequately to take care of the unusual situation which has developed. At any rate, we certainly should have the full amount which was estimated by the administration to be essential to carry out an adequate program. Therefore, it is my intention to vote for the Pepper amendment. I feel that it would be a great mistake for us at this time to attempt to retrench. As I say, the only effect of a retrenchment would be to bring about a situation in business in the country which might have serious results. That condition was brought about in 1936; and I am convinced that it would happen again.

Aside from the business effects of the curtailment, it seems to me that we owe it to the unemployed citizens of this country, who are suffering from no fault of their own, to afford them relief until business and industry are in a position to furnish them employment.

I do not think any argument can be advanced to justify such curtailment as is proposed by the committee.

I have just received a letter from the Silver Bow Trades and Labor Council, of Butte, Mont., which represents all the trade and labor organizations of Silver Bow County. The letter says:

If Congress does not grant the request of President Roosevelt and appropriate additional money for W. P. A. it will mean that some 1,500 of those who are fortunate enough to be working on W. P. A. at present, in this county, will be laid off. From official sources here I have learned that in this zone, comprising the 5 counties adjacent to Silver Bow, there are already 3,000 cases which are awaiting assignment to W. P. A. Since the recent session of the legislature, the relief officials here have announced that drastic cuts will be made in the meager allotments that have been given these people in the past. In plain language this means that these unfortunate people are being told to starve.

It is easy enough for those in authority to say that the fault lies with our legislature for not providing the money for relief, but that is not the fault of these unfortunate people who are the ones to suffer. If an additional appropriation can be secured for W. P. A., sufficient to take up some of the slack, then what relief funds the State has provided can possibly be stretched to take care of those unemployables whose sole hope of existence depends on the funds available for direct relief.

This morning I received a telegram from a distant point in my State, the coal section at Bear Creek. It reads as follows:

BEAR CREEK, MONT., *April 10, 1939.*

Senator JAMES E. MURRAY,
Washington, D. C.:

Unemployment committee of coal miners of Carbon County are asking you to support the President's plan for W. P. A. increase. There are 335 men working on projects sponsored and there are 315 men ready to be certified who have only worked from 19 to 50 days since 1 year ago last January. Something must be done to feed and clothe these men, their wives, and families.

JOHN BONE,
Chairman, Unemployment Committee.

I have received numerous letters and telegrams on this subject, but I do not wish to burden the Senate at this time by reading them, in corroboration of my statements. It seems to me that no legitimate excuse has been or can be made on the part of the Congress for failing to uphold the W. P. A. program. The amount asked for is the amount which has been agreed to and decided upon by the administration after a most careful and exhaustive study of the national unemployment situation. Curtailments have already been made, but we can go no further in denying men work. We have pared the appropriation down to such an extent that it is essential that we have the additional sum sought if we are to carry out a decent program, one which will accomplish a reasonable measure of relief for the unemployment conditions of the country.

Therefore, Mr. President, it is my intention to support the Pepper amendment.

Mr. SMATHERS. Mr. President, I have just returned from my State of New Jersey. I know from personal contact and observation that the lay-offs that have taken place there in the W. P. A. during the last 2 or 3 weeks and the lay-offs contemplated during the next month are disturbing the people of New Jersey from one end of the State to the other.

All the mayors of the large cities of the State of New Jersey, representing 80 percent of the population of that State, have telegraphed me and requested that I urge the Members of this body to vote the full amount recommended and requested by the W. P. A. to carry the relief burden until July.

Allentown: I secured this position because of my past experience. I recall after the November election there was a period into Dec-

Mr. President, only last week thousands of relief recipients in my State were laid off, separated from their jobs, separated from the opportunity of earning food and shelter. Where are they going? There is no expansion of employment in my State. If dismissals from the rolls shall continue, those who are deprived of work will be forced, perhaps, to steal in order to obtain food to keep themselves alive. I submit to the Members of the Senate that it is an unwise and unsound policy to attempt to economize on human misery and human welfare.

We have no sugar-beet problem in New Jersey; we have no cotton problem, no wheat problem, no corn problem, no flood problem; but, Members of the Senate, we do have a serious relief problem. I submit to the Members of this body that we are engaged in small business when we attempt to economize at the expense of the human misery that we will bring about if we continue to force the head of the W. P. A. organization to lay off thousands and tens of thousands and hundreds of thousands of men and women who today are existing solely because of W. P. A. projects; and there is no possibility now for them to go elsewhere and get a job.

So I say without hesitation, Mr. President, that I shall vote for the amendment to restore the full amount of money, and for any additional sums that may be necessary to carry the relief burden in this great country of ours.

Mr. DAVIS. Mr. President, I am thoroughly aware of the need for public work administered in a businesslike and nonpolitical manner. There is less excuse for work relief to be used as the cat's-paw of political partisanship than any other work of the Federal Government, and yet it has suffered more than any other in this way. W. P. A. would not now be under attack had it not been for the partisanship with which it has been administered.

Mr. President, this has been made very clear to me through a questionnaire I have recently submitted to 700 interviewers who conducted the investigation of W. P. A. in Pennsylvania in the last few weeks. In reply to four questions that I submitted to these interviewers I have received hundreds of replies, many of which show the pitiful inadequacy of the review of relief needs that has just been concluded. The interviewers, without being asked to do so, have in scores of instances called my attention to the hasty procedure that has been employed. Not one good word was said of the interviewing done by the interviewers themselves. The consensus of opinion, insofar as I have been able to discover, is that the interviewing was done without any actual investigation of the financial needs and conditions of the certified relief persons on W. P. A. This was quite contrary to the instructions given by Col. F. C. Harrington, who specifically stated:

> The review will consist of the filling out and signing by the worker of a statement concerning his or her family resources and a verification by the Works Progress Administration of the information contained in the worker's statement.

Mr. President, this verification was not made. The review was conducted so hastily as to be a travesty on justice. Thousands of persons have been separated from the W. P. A. rolls because of this review, but Congress has no reason to believe that those who remain on the rolls are any more worthy of public aid than those who were discharged. This must appear unfair to every unbiased observer; and the seeds of civil discord are thus sown through political and governmental failure.

Mr. President, I have never once asked for an investigation of the W. P. A. worker in the lower brackets. I take for granted that when a man wants work and is unemployed he is in need. I do not approve of the means test, and I do not expect to sanction it by asking for a continuation of the sort of interviewing that has been going on in W. P. A. in Pennsylvania during the last few weeks.

Consistently I have asked for an investigation of the administrative personnel of W. P. A. This has consistently been refused and denied. I am still asking for it. These are the people who should have been investigated the last few weeks in Pennsylvania. Their names, addresses, positions, and salaries should be made public as in the case of all other public employees. I am not asking that the names and salaries of the low-salaried workers should be publicized; indeed, I should be much opposed to it.

Mr. President, I hope that the investigation which has been voted by the House will be thoroughgoing and nonpartisan. It is time to get the attention of the public away from the man who needs a work-relief check in order to feed his family and to give the spotlight of public attention to the man who has been politically appointed to a fat salary that he does not need and does not deserve. I shall not think we have done our full duty by the American people until these facts are fully known. Self investigations and reviews of W. P. A. are not enough.

Mr. President, I should have voted for the full $150,000,000 requested by the President when this deficiency appropriation was first before the Senate if provision had been made for a thoroughgoing nonpartisan investigation of W. P. A., such as was set forth in my amendment. My vote for this appropriation has been throughout contingent on a congressional investigation. The House has now voted that such investigation shall be made. That is the only basis on which I would be willing to vote for this appropriation.

Mr. President, without any solicitation on my part, other than the 4 questions I submitted in a questionnaire to 700 interviewers who recently completed a review of eligibility on all projects in Pennsylvania, I have received from large numbers of them statements which I ask to be included in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, the statements referred to by the Senator from Pennsylvania will be printed in the RECORD.

The statements referred to are as follows:

COMMENTS OF INTERVIEWERS

To Whom It May Concern:

Lewisburg: In the field I made two observations that may be of value. (1) We interviewed only about 80 percent of the W. P. A. workers on the respective projects. (2) An interview without some investigation establishes questionable results.

Greensburg: Sorry I cannot give more definite information, but the whole thing was rather mysterious.

Shenandoah: Those persons receiving more than subsistence wage on W. P. A. were indicated as N. R. N. No review necessary. It seems to me the administrative personnel should receive a very thorough revamping because here we have so much that is unsavory, political, and inefficient.

Erie: Just a few facts about the survey or check-up of W. P. A. workers in area 12, Pennsylvania, and which was closed last Friday, March 31, as far as the field work was concerned. It was a whitewash if ever there was one. It covered only the laborers, straw bosses, and a few timekeepers. Did not include supervision or administration. Some of the field investigators through dumbness or design did not get full reports or answers to half the questions. Straw bosses receive $71.50 monthly; timekeepers, $85. They are the only ones receiving that salary who must come from the relief rolls. Hundreds of the reports (605's, I believe they are) were put back in the active files without being checked by the two office investigators appointed to that duty. I say that the W. P. A., if honestly purged, can fire 25,000 in Pennsylvania who have other sources of income and get along on their own. * * * Cut out the politics, cut the salaries to where they belong, lop off the drones and those who have some other source of income and the farmers who made a good living before there was any W. P. A., and every last one of the really needy reliefers can be taken care of for a lot less than the $725,000,000 voted a short time ago. Stick to your guns and stop the wild bulls in our china shop, the United States Treasury. Chase them out. I am an old-line Democrat, and, along with thousands of others of the same, I voted a straight Republican ticket for the first time last November.

Mount Oliver Boro: During the investigation of W. P. A. employees some interviewers completed as many as 150 to 200 interviews a day. This included the time elapsed in traveling to and from the projects. To thoroughly interview this number in 1 day was impossible. Foreign-born citizens were not required to present their citizenship papers to the notaries. This should have been compulsory. Some employees on the supervisory or administrative pay rolls had received leave of absence from State jobs.

Grove City: I suggest that a thorough investigation of the W. P. A. be made from top to bottom. We were asked to rush our interviews so as to complete 40 per day, which meant that most of the time of interview was consumed in getting the names and ages of the members of the family.

Beaver: The nonrelief persons on projects should by all means be interviewed in Beaver County. I have good reasons to believe favoritism is shown to nonrelief foremen who are not qualified and who do not have need for jobs they are holding. Poor management of projects in Beaver County have cost a lot of money and bad public opinion.

leader [Mr. McNary] the other day, in his anxiety to get an

Allentown: I secured this position because of my past experience with the department of public assistance, where I worked for a period of 3½ years. It is my opinion that more satisfactory results would have been obtained if the cases had been more thoroughly investigated, according to the department of public assistance policies.

New Enterprise: There is a lot of complaint on the salaries of the foremen and the labor in this district. The foremen in Bedford County receive $140 and up. That is too much difference in wage scale for all they do. The majority of the foremen have property, farms, or some other source of income and I think that men on relief could do their jobs just as well if not better than they do. On one project that I interviewed the men, the foreman had been a taxicab driver, another a hotel keeper, another a politician, others farmers with large farms, milk checks, etc., coming in. Every project had two or more subforemen who did the overseeing of the work while the foreman rode around or "shot the bull."

Aliquippa: My sincere belief is that the W. P. A. needs further investigation even down to the common labor. My reason for stating this is because I recommended further investigation of different persons employed on the W. P. A. and as yet no action has been taken.

North Catasauqua: I have been in relief work practically since its inception in 1933, under the county relief set-up, the S. E. R. B., S. E. R. A., and D. P. A. Surveys and investigations are frequently made of either the W. P. A. or the State relief system to gather information for the Federal or State Governments. Why such investigations give unsatisfactory results is readily understood by field experienced people, but they are never consulted or perhaps such investigations are merely a sham.

Ulysses: In connection with this work let me say I think that when such work is done there should be adequate money appropriated for the work and someone who knows something about the cost and handling same put in charge of arrangements, so that the result is obtainable through competent men, who know investigation work, and compensation is adequate. In this investigation I was paid for 3 weeks work exactly $80.50, and out of that I used my car 1,538 miles at 4 cents per mile, or $61.52 worth of mileage, leaving me $18.98 for my work, out of which I spent $1.90 for telephone calls, or a net of about 75 cents per day for work that should pay not less than $10 per day.

Swissvale: While working as an interviewer, we were asked to work overtime, including evenings, Saturdays, and Sundays. We were told that we would be paid for this time or else counted as being present where we had been laid off. After we completed our work our superiors told us that a ruling was changed in Harrisburg and we could not be paid for this time. I had about 32 hours of this, while some coworkers had as many as 80 hours overtime. All of which is very unfair to the worker, as we not only lost in time but also had extra expenses.

Johnstown: I wish to advise you that should the previous interviewing really been done for the purpose of determining the eligibility of W. P. A. workers, I must admit truthfully that such a procedure did not, cannot, and will not, produce and show the proper results. In my 5½ years of experience in civil, criminal, and commercial investigations, and upon being appointed and fulfilling my duties as an interviewer for the W. P. A., I have for the first time in my life found myself limited insofar as not being able to produce the proper results. Due to the fact that the 605 financial-status sheets were required to be filled in through the questioning of each individual W. P. A. worker, therefore giving such individuals all the opportunity in the world to withhold the true facts concerning their financial status, I dare say that such a procedure has been useless and a waste of time and money.

Eighteenth District, nineteenth ward, Pittsburgh: On February 24 some 60 men were instructed as to the duties we were to perform. It was suggested that each interviewer should be capable of completing 16 to 20 interviews per day. We were further advised that the work would last approximately until the 25th of March. We began work February 27 and completed on the average of 3,000 per day. On the 9th of March the majority of the people employed on the W. P. A. had been interviewed. The speed and haste that these interviews were made, sometimes in groups of 5 interviewers with 10 to 12 W. P. A. employees coralled in 1 office, made it impossible for the interviewers successfully to obtain any pertinent information for which the investigation was proposed.

Wilkinsburg: There were 2 distinct types of interviews of W. P. A. workers. The first interviews were made mostly on the projects where each interviewer was asked the questions of W. P. A. for No. 605. We were to make our recommendations and turn these forms over to our supervisors. Those who were not on the projects were sent letters to come into the office and be interviewed. No questions answered on these interviews were verified. When all of these forms were completed, 1,000 of these forms were pulled from the files according to W. P. A. district distribution. Of these 1,000 people we were required to make home visits and see documents, tax statements, rent receipts, former employment identification numbers, etc. Later we were to verify all information pertaining to expenses and employment. We either sent forms to former employers or visited the former employers of all members of the family to verify unemployment. We made our recommendations and turned our reports over to the supervisors. We were instructed not to interview people making $100 or over per month.

Hillsville: It was generally accepted that this investigation did not amount to very much for the following reasons: (1) You may recall after the November election there was a period into December when W. P. A. discharges totaled into the 40,000's per week. The W. P. A. house was pretty well cleaned by February 1939. (2) The greatest complaint is against the nonrelief worker on W. P. A., who makes the most money and usually has other income of considerable amount in his family group. This group was not interviewed. (3) The repeated investigations that W. P. A. workers have had to go through since first applying for assistance is not conducive to truthfulness. Their biggest job is to keep their story consistent. There is a tendency to value a dollar in the hand a great deal higher than truthfulness if a fabrication will get them more dollars.

Altoona: This investigation was a whitewash. Mr. ——— insinuated that we interviewers were not to poke into anyone's business, and even if we knew things were not true, we should accept the statements made in completing the W. P. A. form 605.

Bethlehem: I interviewed 2½ years in the Pennsylvania State Employment Service. Never in that time did I see or hear of anything so ridiculous. We defeated the purpose of this investigation.

Tyrone: I hope that you will pardon my expressing my views on the subject, but I feel the work I did was worthless and a waste of money and time. I feel that we did not get the true facts, because they were not desired. I protest that I was not given time to make a complete interview and that in many cases true facts were being withheld. We were told that "their statements as to resources are sufficient." Many men whom I interviewed have income other than W. P. A. earnings. A thorough check-up would have revealed some startling facts.

Bradford: This investigation was conducted so hastily and sketchily that I doubt if it has much value.

Glassport: I have been personally connected with the W. P. A. ever since its inception, working as general foreman, superintendent, and project supervising engineer. Beginning with the primary election last spring, politics became the dominating force of W. P. A. in Allegheny County, and between this time and the general election in November it was disgracefully deplorable. Every project pay roll was loaded up with more than three times the supervision actually needed. Pay-roll macing was terrible. My superior was dismissed, because he opposed this. I was dismissed also, because I did not take any active part in their dirty politics, administrative waste, or ticket selling to the workers. I am so opposed to the policies of the administration for the past year I am actually ashamed to admit I am a Democrat. I would suggest a thorough investigation of the financial resources, past experience, and qualifications of the administrative personnel and project supervisors making $100 and over per month. Politics is supposed to be out of W. P. A. now, and the officials back up this claim by forcing party chairmen, committeemen, etc., to give up these offices or resign from W. P. A. If they are sincere regarding politics, why not issue the same orders to persons elected to offices such as councilmen, commissioners, etc., who are working on W. P. A. and are the real politicians?

Sharon: I have checked over cases where the incomes, exclusive of W. P. A. wages, has been as high in some cases as $321 a month, $260 a month, and so on.

Butler: When I received the appointment to serve as an interviewer on W. P. A. employees I was very much pleased, as I had not had any work since September 1937, and as I had served in this same capacity during the early part of 1937 I was very familiar with the work. * * * The only fault I had then as recently was that very few of the so-called nonrelief workers were interviewed, and if the job was done properly there should not be this elimination of interviewing nonrelief, as there are as many, if not more, of them with other sources of income than among the relief workers.

Norristown: I found that the W. P. A. department was quite inefficient and that the employment division has been making no effort to verify the workers' financial status.

York: The entire survey was most unsatisfactory. I suggest a close reading of all records taken during interviewing.

Mr. GUFFEY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to his colleague?

Mr. DAVIS. I yield.

Mr. GUFFEY. Can the senior Senator from Pennsylvania tell us whether he offered an amendment for an investigation, and, if so, where it may be found, when the Senate had under discussion the relief appropriation measure? When the Senator voted to reduce the appropriation from $875,000,000 to $725,000,000 did he offer an amendment for an investigation at that time?

Mr. DAVIS. I did.

Mr. GUFFEY. Where in the RECORD is the amendment the Senator offered at that time?

Mr. DAVIS. If my colleague will look in the RECORD—I have forgotten the page, but it was some time last January—he will find the amendment there.

Mr. GUFFEY. It was not offered on the floor, was it?

Mr. DAVIS. I will locate the amendment in the RECORD, and ask unanimous consent now to have it placed in the RECORD.

Mr. GUFFEY. If the Senator offered an amendment, it should be in the RECORD.

Mr. DAVIS. In order that my colleague may be informed, I ask unanimous consent that the amendment be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection the amendment will be printed in the RECORD.

The amendment is as follows:

[From CONGRESSIONAL RECORD of Jan. 28, 1939, p. 945]

Mr. DAVIS. Mr. President, I send to the desk an amendment, which I ask to have stated.

* * * * * * *

The PRESIDING OFFICER. The amendment proposed by the Senator from Pennsylvania will be stated.

The LEGISLATIVE CLERK. At the end of the joint resolution it is proposed to insert the following new section:

"SEC. 8. That there is hereby appropriated to the Works Progress Administration, out of any money in the Treasury not otherwise appropriated, and in addition to any other sum appropriated in this joint resolution, the sum of $150,000,000, but such sum of $150,000,000 shall not be paid out of the Treasury unless and until there is filed with the Secretary of the Treasury, by the special committee hereinafter provided for, a certificate certifying that in the opinion of the committee (1) a full and complete investigation has been made, under the supervision of such committee, of the abuses which have occurred at any time in the administration of the Works Progress Administration; (2) there have been removed from the rolls of the Works Progress Administration the names of all persons who are not eligible for, and entitled to, employment by the Works Progress Administration; and (3) the expenditure of such additional sum is necessary in order to provide adequate work relief and relief: *Provided further*, That such investigation shall include, but shall not be limited to, an investigation of any alleged instances of (1) pernicious political activity by any person whose compensation or any part thereof has been paid from funds appropriated or allocated to the Works Progress Administration; (2) granting employment with such funds to persons who were not eligible for and entitled thereto; (3) refusal, because of any partisan political or any personal reasons, to grant employment with such funds to persons who were eligible for and entitled thereto; and (4) padding of the relief rolls with the names of relatives, personal friends, or political allies of any employee of the Works Progress Administration or any other person: *Provided further*, That the President is hereby authorized to appoint, with the advice and consent of the Senate, five persons (not more than three of whom shall be members of the same political party), who shall compose the membership of the special committee heretofore referred to and who shall serve without compensation, other than reimbursement for necessary traveling expenses incurred by them in the performance of their duties as members of such committee: *Provided further*, That for the purpose of conducting such investigation the special committee is authorized to expend not in excess of $250,000 of the sum of $725,000,000 appropriated by this joint resolution, and for the purpose of conducting such investigation may employ and fix the compensation of such persons as it may deem necessary, and may accept, from States and political subdivisions thereof and from private individuals, contributions of funds and uncompensated services: *Provided further*, That the investigation in each State shall be carried on under the supervision of a board to be composed of five nonpartisan residents of such State, and the investigation to be carried on in any political subdivision of such State which the committee may designate as a unit for the purposes of such investigation shall be carried on under the supervision of a board to be composed of five nonpartisan residents of such political subdivision: *Provided further*, That the members of any such board for any State or political subdivision thereof shall be appointed by the committee from two lists of 10 eligible persons, one of which shall be submitted to such committee by each of the Members of the Senate from such State, but not more than 3 persons shall be selected from the list submitted by any such Senator: *Provided further*, That no officer or employee of the United States, a State, or a political subdivision of a State shall be appointed to, or serve on, any such board: *Provided further*, That the members of such boards shall receive no compensation for their services other than reimbursement for traveling expenses incurred by them in the performance of their duties as members of such boards: *Provided further*, That the special committee shall make a report to Congress not later than January 1, 1940, with respect to the investigation herein provided for."

The vote rejecting this amendment appears on page 948 of the RECORD of January 28, 1939.

Mr. SCHWARTZ. Mr. President, I shall not at this late date take much of the Senate's time on the pending measure. I speak in behalf of the amendment offered by the Senator from Florida [Mr. PEPPER]. The distinguished minority leader [Mr. MCNARY] the other day, in his anxiety to get an early vote—which we all desire—said that everything had been said that could be said upon this subject. It reminded me of an observation made by a man by the name of Solomon some four or five thousand years ago that there was nothing new under the sun. So it may be that the few remarks I will make today will not add anything new, but it will at least afford me satisfaction—and I hope satisfaction to the people who sent me here—for me to give some reasons why I am supporting the amendment offered by the Senator from Florida. It happens that in the State of Wyoming, as I said the other day, we are more fortunate than are the people of some other States. We have a total of only about 4,500 persons on the W. P. A. rolls in that great State, and we have only about five or six thousand on the waiting list. Of course, we have a larger number of unemployed who, by reason of their unemployment, have not yet been reduced to the state of poverty which requires them to go on the relief rolls.

I want to say by way of preliminary, Mr. President, that under the Constitution it is the duty of the President of the United States to make recommendations, and under that instrument it is the duty of the Congress to pass upon the recommendations of the President. I take the position that in acting on this matter today each individual Senator is proceeding according to his best lights.

The President, in performing his function, and Colonel Harrington, who was particularly charged with ascertaining and knowing the facts that are material to the amendment offered by the Senator from Florida, have stated that $150,000,000 is necessary, and they have submitted the facts upon which that statement is predicated. The testimony of Colonel Harrington and the question itself came before the Committee on Appropriations, and they gave the matter earnest consideration, and up and down through the membership they came to different conclusions; so finally, as a sort of a balancing average, they said they would accept a certain amount, and they would recommend that amount to the Senate.

As to the testimony of Colonel Harrington and as to the position of the President, I desire to say that at least after mature consideration they are agreed upon what is necessary. On the other hand, apparently the Senate Committee on Appropriations was never able to agree what, in the judgment of individual Senators on the committee, was necessary. On the other hand, I further concede that they did the best they could. Some of them, though desiring not to do anything, agreed to an amount less than $150,000,000. Some of them who wished to appropriate $100,000,000 voted for $100,000,000. Some of them who thought $150,000,000 was necessary permitted their lances to trail in the dust and abandoned their position and, out of expediency, agreed to the smaller amount.

Another thing that we have been informed of is that one of the reasons which induced Members to support the smaller amount, although they believed that $150,000,000 was necessary, was that some "Caesar" over in the House had been feeding on the kind of meat which enabled him to say to the Senate of the United States, "If you do not accept $100,000,000 we will give you less, and if you put in the amount of $150,000,000, we will never agree to it." As one Senator, I should like to have $150,000,000 appropriated, first because it is necessary and for other reasons, and finally because I should like to see the joint resolution go back to the House carrying $150,000,000 under such circumstances—and that would be the case—that a roll call would be necessary; and I should like to see the persons smoked out who want to tell the Senate what to do, and let them declare whether or not they are going to vote for what they believe their constituents, who sent them here, think is necessary.

That is one of the reasons why I should like to see $150,000,000 appropriated.

We on each side of this question are in general agreement on some matters. We are in general agreement as to how many unemployed there are in the United States, namely,

from 10,000,000 to 12,000,000. We are in approximate agreement as to the number who are now on W. P. A., and we are in general agreement as to the number who are certified and eligible to go on relief. I think those of us who have given any thought to the question are in agreement on how many young people, the youth of America, will come out of the high schools and the colleges this year and look for jobs. They will come out of these institutions filled with high hopes because of what they have been told about this glorious country of ours, and about the Bill of Rights, and about the right to seek for happiness. Some of them will get jobs; some of them will not. We ought also to be in some measurable agreement on the number of unemployed who are not yet either on relief or on the eligible list.

This is not a political question. It does not depend upon what the Republicans did when they were in power, nor does it depend upon what we do now and what we have done since the Democrats came into power; but the list of unemployed is increasing. I can give you an example that I know about in my own city, a case in which in 1935 a man with a wife and two children had about $1,000 in the bank and $2,500 of life insurance and a substantial equity in a home. Little by little, in order to take care of the man's family, the $1,000 vanished; and then he was unable to pay the premiums on his life insurance, and that vanished; and then he lost his home. The final tragedy is that this man is 45 years of age and thereby barred from a new job.

The Washington Post the other day said that those who are unemployed should make more strenuous efforts to find jobs.

Mr. LUCAS. Mr. President——

Mr. SCHWARTZ. I yield to the Senator from Illinois.

Mr. LUCAS. I should like for just a moment to recur to a remark which was made by the distinguished Senator from Wyoming when he said that one of his compelling reasons for favoring an appropriation of $150,000,000 was to send the joint resolution back to the House for the purpose of "smoking out" the Members over there and compelling them to get "on the line" so far as a record vote is concerned. I should like to inquire of the able Senator if that is the primary reason why the Senator from Wyoming would like to see the amendment adopted?

Mr. SCHWARTZ. No; I want to get the Members of the other House "on the line," because then, and by that process, we shall get the $150,000,000 which is necessary.

Mr. LUCAS. I desire in conclusion to say that I have just graduated from the House of Representatives and am now serving my first term in the Senate.

Mr. SCHWARTZ. I appreciate how unwise it is to attack an organization to any member of that organization, because he must come to its defense.

Mr. LUCAS. And I cannot let the opportunity pass without saying to the Senator that I think the Members of the House are just as courageous as are the Members of the Senate.

Mr. SCHWARTZ. In time, when we have further exhibitions of the sort of thing that has recently taken place, I hope the Senator may change his mind. I am not criticizing the House. I am just taking the position that quite often men in Congress vote one way on a particular question, and if perchance it comes up again, and there is a roll call, they vote the other way.

Mr. LUCAS. I presume that is true; I have no doubt the Senator is correct; but I think human nature is just about the same whether an individual serves in the Senate or whether he serves in the House of Representatives. As a Member of the House of Representatives for two terms, I rise in defense of the House, and say that as a Member of that body I have met some of the most intelligent, some of the most courageous, and some of the most patriotic individuals who are serving in either body of the Congress at the present time.

Mr. SCHWARTZ. I agree with the Senator. Some of them are over there yet. Most of them have been sent over here. [Laughter.]

My position on this matter is not taken merely out of a desire to have the House have a roll call to find out what is really needed. I hope also that the Senate will have a roll call on this amendment, and thereby we shall find out what our respective Senators believe that our people want.

Mr. LUCAS. I appreciate the interest the Senator from Wyoming has in this particular problem, which is a vital one to the country; but since I have been a Member of the Senate I have observed that at times bills are gaveled through here without a roll call, including some important ones. I thing it unfair for a Member of the Senate to challenge or impugn the motives of the other legislative body.

Mr. SCHWARTZ. That is because of the perfection with which our committees do their work before the bills come to the Senate; and quite often there is no necessity for a roll call.

A moment ago, when I was interrupted, I was saying that the other day the Washington Post, than whom there is no "than-whomer" when it comes to being critical of this administration and of the W. P. A., said that it was the duty of members of the W. P. A. to be more diligent in seeking employment.

Mr. President, in the first place the law provides that if employment is available and is offered to a W. P. A. worker, and he does not accept it, he thereby goes off the W. P. A. rolls. Furthermore, there are ten or twelve million people out of employment; and it will not do any good for anyone to point a finger of scorn at them, because they are the ordinary, everyday brand of American citizens. They have their ambitions. They have their families. Some of them did have some little property. They are really seeking work. If anybody thinks those employed on the W. P. A. are shirking, and he has ten or twelve million jobs in his pocket, I should be glad to have him come forward, and I assure him that I will see that he will get ten or twelve million men to go and take those particular jobs. We are up against a condition and not a theory, and it takes two persons to create a job. There has to be one who wants to hire someone else, and one who wants to work.

A moment ago I said that one of the reasons why I was talking now was because I wanted to let my people know why I shall vote for this additional appropriation; and that is peculiarly appropriate to me, because in my State there is not the pressing need for W. P. A. employment that there is nationally. On that basis I say now that, in my opinion, this is a national problem. Our labor today, largely for great corporations and other industries, even our agriculture, is Nation-wide. It has no relation to State lines, and it is well and meet, to my mind, that the National Government, to the extent that is necessary, supply the funds to carry on relief work for the unemployed.

I have noticed, not in the Senate but in the newspapers and in other places, that there are a great many people who give much lip service to the unemployed and to W. P. A., but they always have a "but"; and some of them are largely "but."

Mr. President, one of the things that is said is that the administration of relief is very expensive. No one has come forward with any proof except with the bare assertion, unsupported by any testimony, that the administrative expenses of this great relief program amount to more than 3½ percent of the appropriation. If there is any other organization in the United States which approximates an efficient method of cooperation comparable with the relief-work organization, which can show less than 3½ percent of expenditures in carrying on its work, I should like to have it pointed out to me.

We also hear much about politics in relief, and some Senators whose States were unfortunate enough to elect Republican Governors in 1938 have suddenly found a new enthusiasm to have the work turned over to State administrations, the Government, of course, supplying most of the money. I think that anyone who has had any relationship with politics or knows anything about politics is aware of the fact that if we want to get politics into W. P. A. we should turn it over to the States, and if we want to get more politics in W. P. A. we should turn it over to the counties, to the

county commissioners, to an organization where every man knows every other man, and where the politicians in the county know who is who and who has the votes. At least under the national organization there is not that personal contact down the line. So I wish to repudiate and deny the statement that politics is more prevalent in the W. P. A. than it is in any other of our political or economic organizations.

There are many men in the W. P. A., there are thousands in the administrative part of it, and I venture to say that not as many W. P. A. men, in proportion, have been indicted, much less convicted—with one or two exceptions of men charged with minor offenses—not as many in proportion as the number of Federal judges in the United States, or of any other class of citizens in the United States indicted or convicted of fraud or other crime. So I have little sympathy for men who try to justify their opposition to W. P. A. upon the ground that there is a great deal of politics or corruption in that organization.

Of course, we must have economy, we all agree as to that; but it is not economy, in my opinion, to cut down an appropriation and to increase the number of those on the rolls of the unemployed and the uncared for.

Some newspapers say that we must of necessity reduce the number on relief. We must thereby increase the number of those unemployed throughout the United States. I am not at all deceived by the attitude of at least some of the great dailies. Apparently they want to see the number of unemployed increased at this time, because if a sufficient number of them are put on the rolls of the idle, if a sufficient number are allowed to go hungry, if a sufficient number of them and their wives and children are ill-clothed, ill-housed, and ill-fed, it will be possible to break down the wage scale in the United States, and there are many economists and near economists who hope that that will happen, because they think that the way to recovery is to cut down the wage scale of the United States. That is one of the things I hope will not happen, and that is one of the reasons why I should like to see the $150,000,000 amendment agreed to.

Mr. President, I had intended to quote a letter I read a few days ago—and I think possibly every other Member of the Senate has read it—but I will not quote it in full. It was written by a man by the name of Matthew, and it came to my mind in view of the fact that just 2 days ago we were commemorating throughout the United States the risen Christ. This man Matthew, in his letter—and it will be found in the twenty-fifth chapter of his letters, beginning with verse 31—quotes verbatim that which he heard from the lips of the Master. That was at a time when all the nations of the earth had been gathered together in the final judgment, and the King in His glory separated them, some on the right and some on the left, and to those on the right He said:

> I was an hungered, and ye gave Me meat: I was thirsty and ye gave Me drink: I was a stranger, and ye took Me in: Naked, and ye clothed Me: I was sick, and ye visited Me: I was in prison, and ye came unto Me.
>
> Then shall the righteous answer him, saying, Lord, when saw we Thee an hungered, and fed Thee? or thirsty, and gave Thee drink? When saw we Thee a stranger, and took Thee in? or naked, and clothed Thee? Or when saw we Thee sick, or in prison, and came unto Thee? And the King shall answer and say unto them, Verily I say unto you, Inasmuch as ye have done it unto one of the least of these My brethren, you have done it unto me.

Then He passed judgment on those on the left, but I will pass that. Unto them He said:

> I was an hungered and ye gave Me no meat: I was thirsty and ye gave Me no drink: I was a stranger, and ye took Me not in: naked, and ye clothed Me not: sick, and in prison, and ye visited Me not. Then shall they also answer Him, saying, Lord, when saw we Thee an hungered, or athirst, or a stranger, or naked, or sick, or in prison, and did not minister unto Thee? Then shall He answer them, saying, Verily I say unto you, Inasmuch as ye did it not to one of the least of these, ye did it not to Me.

So He passed judgment on them. Although we listen daily to prayers, and though we bow our heads in our faith, and though we go to our respective churches and listen to fine sermons, where the light comes in through colored glass, and all is peace and quiet, and there is the peal of the organ, I dare say I will not be out of order in reminding my colleagues of what Matthew tells us he heard the Lord Himself say.

On that basis, finally, I say, let us feed the hungry, clothe the naked, take care of those who are sick.

Mr. President, I desire to present a few telegrams for the RECORD. One is from the vice president of Labor's Non-Partisan League. One is from the secretary of the Congress of Industrial Organizations. One is from the Board of County Commissioners of Natrona County, Wyo., which happens to be the largest county in my State. One is from the Organized Laborers Central Legislative Committee of Central Wyoming, by Verne Mason, secretary, which organization comprises members of both the C. I. O. and the American Federation of Labor. One is from the local union of the American Federation of Musicians of Casper, Wyo., which organization is an affiliate of the American Federation of Labor. One is from another similar organization. All these are in favor of the pending amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming that the telegrams to which he has referred be printed in the RECORD?

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *April 6, 1939.*

Senator HARRY H. SCHWARTZ,
Senate Office Building, Washington, D. C.:

Proposal to reduce President's recommendation to W. P. A. to $100,000,000 must cause tragic increases in sufferings to American unemployed. This question is far above partisan politics or factional deals. Entire amount requested by President will at best be inadequate. Labor's Nonpartisan League urges that you support movement to authorize $150,000,000 appropriation.

ELI L. OLIVER,
Executive Vice President, Labor's Nonpartisan League.

CONGRESS OF INDUSTRIAL ORGANIZATIONS,
1196 CONNECTICUT AVENUE NW.,
Washington, D. C., March 20, 1939.

DEAR SIR: As chairman of the committee on unemployment of the Congress of Industrial Organizations, I would like to convey to you the C. I. O.'s conviction that it is of great importance to the Nation that at least $150,000,000 additional be appropriated for the W. P. A. for the current fiscal year.

It is hard to conceive of the cutting of such an amount from any other of the nonadministrative Federal expenditures which would wreak so much havoc on the country. No other cut in such expenditures, we believe, would damage so many people, adversely affect so many businesses, and cause such a blow to the morale of our people.

Sincerely yours,

JAMES B. CAREY,
Secretary, Congress of Industrial Organizations.

Resolution

Whereas because of the unprecedented unemployment existing in the United States and the absolute necessity of the Government to make some suitable provision to adequately take care of the unemployed: Now, therefore, be it

Resolved by the Board of the County Commissioners of Natrona County, Wyo., That the Congress of the United States appropriate a sufficient sum of money to continue the operation of W. P. A. until June 30, 1939; and be it further

Resolved, That a copy of this resolution be forwarded to the Wyoming congressional delegation and to the Governor of the State of Wyoming.

Dated at Casper, Natrona County, Wyo., this 3d day of January 1939.

CASPER, WYO., *January 20, 1939.*

Hon. HARRY H. SCHWARTZ,
Senate Building, Washington, D. C:

Our committee in regular session unanimously approve and urge the passage of the President's W. P. A. program of $875,000,000. This committee represents approximately 5,000 organized workers, central Wyoming.

ORGANIZED LABORERS CENTRAL LEGISLATIVE
COMMITTEE OF CENTRAL WYOMING,
VERNE MASON, *Secretary.*

CASPER, WYO., *January 11, 1939.*

Senator H. H. SCHWARTZ,
Washington, D. C.:

Inasmuch as the musical profession has been greatly crippled by mechanization, and musicians, by nature of their profession,

have great difficulty in finding work in other fields, this local urges you to vote against a reduction in the appropriations for the unemployed. Our members over the United States have been greatly benefited by W. P. A., and we hope this means of relief will not be denied them.

MILO A. BRIGGS,
President, Local No. 381, American Federation of Musicians.

ROCK SPRINGS, WYO., *January 18, 1939.*

Hon. HARRY H. SCHWARTZ,
United States Senate Building:

At regular meeting of Local Union No. 2174, United Mine Workers of America, a membership of 300, urging you to support relief bill asked by President Roosevelt.

ROY SATHER, *President.*
MARTIN J. STRUMAN, *Secretary, 1305 Lowell Street.*

The PRESIDING OFFICER. The queston is on agreeing to the amendment offered by the Senator from Florida [Mr. PEPPER].

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Johnson, Calif.	Radcliffe
Andrews	Davis	Johnson, Colo.	Reed
Ashurst	Donahey	King	Reynolds
Austin	Downey	La Follette	Russell
Bailey	Ellender	Lee	Schwartz
Bankhead	Frazier	Lodge	Schwellenbach
Barbour	George	Logan	Shipstead
Barkley	Gerry	Lucas	Smathers
Bilbo	Gibson	Lundeen	Smith
Bone	Gillette	McCarran	Stewart
Borah	Glass	McKellar	Taft
Bridges	Green	McNary	Thomas, Okla.
Brown	Guffey	Maloney	Thomas, Utah
Bulow	Gurney	Mead	Townsend
Burke	Harrison	Minton	Truman
Byrd	Hatch	Murray	Tydings
Byrnes	Hayden	Neely	Vandenberg
Capper	Herring	Norris	Wagner
Caraway	Hill	Nye	Walsh
Clark, Idaho	Holman	Overton	Wheeler
Clark, Mo.	Holt	Pepper	White
Connally	Hughes	Pittman	Wiley

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

The question is on the amendment of the Senator from Florida [Mr. PEPPER].

Mr. ADAMS. Mr. President, this subject suggests first to me the question of the Senate's support and the Senate's approval of the unanimous report of its Committee on Appropriations. The Committee on Appropriations of the Senate, made up of men from both parties, containing men of differing views, has studied the problem submitted to it with care, the committee has had the benefit of the hearings in the House, of the decision in the House, and the committee came to a conclusion which it thinks is for the welfare and the benefit of the country.

The members of the committee are criticized because their differing views have not been held to stubbornly, and because we did not bring in 24 separate reports, as no 2 men agree absolutely; but men interested in relief, interested in their country, after conference, after discussion, differing as they do, have agreed upon this matter, and it seems to me that that agreement is entitled to more than consideration—I think it is entitled to the support of the Senate.

Senators upon the Appropriations Committee are criticized by some directly and by others indirectly for lack of sympathy for the unfortunate, for lack of consideration for the needy. I say to those who make such criticism or infer it that the members of the Committee on Appropriations are no less interested in the unfortunate of this land than are those who criticize them. As a matter of fact, in my judgment, the action of the Committee on Appropriations has its impulse more closely to the heartbeats of citizens interested in the unfortunate than is the case, perhaps, of some others who criticize. I am not going to argue that point.

I ask, Mr. President, that the report of the committee be placed in the RECORD as part of my remarks at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report (No. 250) is as follows:

The Committee on Appropriations, to whom was referred the joint resolution (H. J. Res. 246) entitled "Joint resolution making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939," report the measure with a favorable recommendation for its early consideration and passage by the Senate.

This resolution grows out of the President's message of March 4, 1939 (H. Doc. 205), wherein he urges the appropriation of the sum of $150,000,000 in addition to the sum of $725,000,000 appropriated by House Joint Resolution 83 of February 4, 1939, in order to provide the sum of $875,000,000 in the aggregate in addition to the sum appropriated in the preceding Congress.

The original recommendation contemplated providing work relief for the 5-month period February 1 to June 30, 1939, by months, as follows:

February	$3,000,000
March	3,000,000
April	2,875,000
May	2,775,000
June	2,700,000

The committee recommends an additional appropriation of $100,000,000, instead of $150,000,000, and believes that such lesser additional amount will be adequate to provide work relief for the numbers embraced by the original recommendation except as they have been reduced since such original recommendation was made in consequence of law.

Public Resolution No. 1, approved February 4, 1939, contains among others, the following two provisions:

(a) That the Administrator shall immediately cause to be made an investigation of the rolls of relief employees on work projects and eliminate from such rolls those not in actual need.

(b) No alien shall be given employment or continued in employment on any project prosecuted under the appropriations contained in the Emergency Relief Appropriation Act of 1938 or this joint resolution.

Under the first of those two provisions, the investigation ordered to be made was launched upon on February 10, 1939, and was scheduled for completion on March 25, 1939. As it has progressed, persons on the rolls found not to be in actual need have been removed.

Under subdivision (a) there have been already removed from the rolls 36,840 names and it is estimated that the aggregate number to be removed under this provision will not be less than 60,000.

Under subdivision (b) there have been removed from the rolls aliens to the number of 45,259.

The total already removed under these two provisions is, therefore, 82,099.

The original recommendation of the President for an appropriation of $875,000,000 did not contemplate these removals.

The number already removed from the rolls represents a saving at an average per capita cost of each W. P. A. worker of $61 per month of $5,007,939 per month, or a total from April 1 to June 30, 1939, of $15,023,817.

When the full number of 60,000 are dropped from the rolls as not in actual need, the monthly saving will be $6,420,799.

The following is a tabulation of the number proposed to be on the relief rolls and the cost in accordance with figures given the House Committee on Appropriations and computed at the monthly cost of $61 per person.

	Average employment	Cost
April	2,875,000	$175,375,000
May	2,775,000	169,275,000
June	2,700,000	164,700,000
Apr. 1 to June 30, 1939, total cost		509,350,000
Mar. 20 to Apr. 1	3,000,000	61,000,000
Total cost		570,350,000

The last above figure represents the total amount necessary to carry all expenses of the W. P. A. administration from March 20 to April 1. Colonel Harrington testified before the Senate committee that on March 20 the unexpended balance of the W. P. A. was approximately $588,000,000. He further testified that on March 20 the unobligated balance of the W. P. A. was $476,344,724. This leaves obligated an amount of $111,655,276. It is estimated by Colonel Harrington that at least one-half of this obligated amount will be applied to the payment of wages, materials, and overhead to be earned or consumed subsequent to March 20. Adding one-half of this obligated amount to the unobligated balance leaves available for the payment of W. P. A. costs, from March 20 to June 30, 1939, $532,172,412. This would leave the amount of the additional appropriation necessary to carry the total W. P. A. cost up to June 30, 1939, as $38,177,588.

The figures of the Treasury Department show the unexpended balance of W. P. A. funds on March 20, 1939, to be $572,795,186.65. But if the figures for obligated and unobligated funds as given by Colonel Harrington are not changed the amount required to be appropriated to carry forth the program originally

outlined under the $875,000,000 appropriation would not be altered by this change in the estimate of unexpended balance.

Colonel Harrington has stated that his estimates for the necessity of the $875,000,000 included an allowance of approximately $45,000,000 for the purpose of paying for services rendered, material consumed, and overhead after the end of the fiscal year on June 30, 1939; he insists that such a provision is necessary to insure orderly continuity of the W. P. A. program. While the committee does not concede this a necessity, in view of the fact that relief appropriations for the next fiscal year will be made before June 30, 1939, nevertheless acquiesced in this desire. The committee, therefore, is not only providing the amount necessary to pay for all work and materials to be rendered and consumed prior to June 30, 1939, according to the program submitted with the original request for $875,000,000 but is adding thereto the sum of approximately $55,000,000, which it is intended and expected will not be spent until the beginning of the next fiscal year and then only for materials consumed and labor rendered during such fiscal year.

The report of the Appropriations Committee of the House contains information and computations which are interesting and which support the position taken in the report.

Mr. ADAMS. The report gives a summarized statement of facts.

I have spoken so far briefly as a representative of the Committee on Appropriations. I now wish to say a few words on my own responsibility. The Committee on Appropriations is not responsible for what I am about to say. I will state that a very great majority of the members of the committee agree with what I am about to say, but the things I have to say are said on my own account. I think no Senator has given more time and more thought to the relief problems than have I. My conclusions may be wrong, my reasoning may have been wrong, but I am bringing to the Senate, as I have in the past, an honest, genuine judgment, uninfluenced by personal consequences.

It was my judgment when the relief measure was before the Senate in February that the $725,000,000 then appropriated would be adequate to meet the deserved needs of the country. The Senate by a narrow margin and the House by a larger margin concurred. I thought that, with efficient administration, with administration cooperative with the Congress, $725,000,000 would have been adequate. I now think that by reason of an administration not cooperative with the Congress it is advisable to appropriate more money.

Colonel Harrington, the Administrator, is a gentleman; he is a good soldier. I am inclined to think that he has added to the old maxim that "All is fair in love and war" the word "relief." But Colonel Harrington has a rather poor opinion of Congress. I have a better opinion, perhaps, of Colonel Harrington than he has of the Congress. The Congress when it appropriated the $725,000,000 said that it believed economy should be practiced so far as is consistent with due consideration for the unfortunate and the needy.

We were told that if only the $725,000,000 was appropriated we would have tragically drastic cuts in the rolls. In the wintertime we were asked to look out of the windows and see the snow; picture thousands and hundreds of thousands thrown out into the snow. The Senate guarded against that by saying, "You shall not reduce the rolls more than 5 percent during the wintertime." We did anticipate that normal reductions from voluntary withdrawals would continue. We had reason to expect that there would be some reductions in the rolls. Politely, but definitely, the good colonel has defied Congress. The colonel knows the purpose of the Congress, but he has declined to follow the will of Congress expressed in its appropriation measure.

I do not mean to say that there is anything unusual in the head of a department having a poor opinion of Congress. Most Senators know that it is a bureaucratic tendency when a bureau has been created and money has been appropriated to operate the bureau, that the Congress no longer is regarded with any particular esteem by the man at the head of the bureau. One of the finest Senators who ever sat in this body, who departed the world some years ago, said to me: "I have been here many years. I am just learning when I get down to the sixteenth assistant secretary of some department to take off my shoes and kowtow at the entrance and ask if I may not submit to him something on behalf of my constituents." So I am not surprised at Colonel Harrington having a poor regard for Congress, and I do not criticize him for it. It is the custom of the place.

What are the facts with respect to the situation? In order to assure that there would be a reduction in the rolls to protect the country, its taxpayers, and those who bear the burdens, we put in the bill that all aliens should be taken off of the rolls by the 5th of March. There was nothing new in that. The bill we passed the previous year and last June all provided for an order of preference. In order to get on the relief rolls the ex-service men had the first preference, next citizens of the United States, and, third, aliens lawfully in the United States who had first papers in good standing.

We are told that there has always been a waiting list of some 750,000, largely composed of citizens. Therefore, there has never been a day when the Works Progress Administration was justified in putting a single alien on the rolls. Under the provision to which I have referred 45,500 aliens have been dropped from the rolls. They had been on the rolls for Lord knows how long. In addition, we provided that there should be an investigation of the eligibility of those on the rolls, and that those not in actual need should be dropped. That was nothing new. The W. P. A. has no right to use money appropriated for relief for those not in need; and the statutes have so declared; but the Senate put those amendments in so as to make clear the policy of Congress. Under the provision referred to 36,840 were taken off the rolls at the time of our hearings, because they were on the rolls without any right or eligibility to be there, upon the ground of need. Colonel Harrington said to us that at least 60,000, in the aggregate, would be dropped because they were not in need.

In other words, aliens and those not in need to the number of 105,000 have been on the rolls for a long time. What has that situation cost the taxpayers? What has it taken from the relief funds? It has taken more than $6,000,000 a month, or more than $78,000,000 a year. We have been spending more than $78,000,000 a year for two classes who had no right to be on the rolls. So I say that a more efficient and more cooperative administration would have conducted the affairs of the W. P. A. in such a way that smaller appropriations would have been required.

Mr. SMITH. Mr. President——

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from Colorado yield to the Senator from South Carolina?

Mr. ADAMS. I yield.

Mr. SMITH. In spite of the fact that 100,000 aliens and those not qualified to be on the rolls have been dropped, has the Senator any proof that the work along that line has been completed? Does he have assurance that those now on the rolls are entitled to be there?

Mr. ADAMS. I accept the statements of the W. P. A. as accurate. The argument I am seeking to make is based upon the testimony of Colonel Harrington. I am not going beyond that. Accepting his own facts, I reach a different conclusion. I do not myself accept him as an authority. I am accepting him as a premise for my argument. When we passed the $725,000,000 appropriation, there were fewer than 3,000,000 on the rolls. We passed the bill on the 4th of February, and it was approved by the President. On that date there were on the rolls 2,965,000 individuals. In view of the apprehension expressed some of us thought that if we did not vote the larger sum we had every reason to expect that at least voluntary withdrawals would stand without replacement, and the rolls would gradually go down.

What happened? Between the 11th of February and the 25th of February, a period of just 2 weeks, the rolls were increased by 78,000. In my judgment that is not evidence of a cooperative administration. Mind you, there had been taken off the rolls 82,000, consisting of aliens and those not in need; and in spite of taking off 82,000, the rolls were increased 78,000 above where they were on the 11th of February.

Mr. LUCAS and Mr. MINTON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Colorado yield; and if so, to whom?

Mr. ADAMS. I yield to the Senator from Illinois.

Mr. LUCAS. Mr. President, I should like to know whether or not there was an increase in the W. P. A. rolls during that time in the State of Illinois.

Mr. ADAMS. I cannot answer that question. I have only the figures which were given to us by Colonel Harrington, which are the national figures. I do not have the figures as to the States, broken down by periods.

Mr. LUCAS. I am very much interested in the total number placed on the rolls. I presume that the increase was general throughout the country.

Will the Senator yield for another question, or an observation?

Mr. ADAMS. Certainly.

Mr. LUCAS. In line with what the Senator was discussing a few moments ago, with respect to aliens, I should like to call to the attention of the Senate an article in the Chicago Daily Times, printed about March 6, in which, among other things, we find the following:

Charles E. Miner, State W. P. A. administrator, today announced he had dropped 3,755 from the W. P. A. rolls in Chicago because of expenditure restrictions by Congress.

That article appeared in the Chicago Daily Times and was distributed, of course, throughout the State of Illinois and the surrounding States where that newspaper has circulation. It is my understanding that in the State of Illinois during that time the rolls were increased rather than decreased. Mr. President, when my attention was directed to the article in the Chicago Times I took it upon myself to communicate with Mr. Miner concerning this very important question, because I did not believe the article stated the facts. In reply to the letter I wrote to Mr. Miner he had this to say:

The newspaper item which quoted me in reference to the elimination of aliens did not give an accurate statement.

It will be noted that the original article, which was circulated throughout that section of the United States, had nothing to say about aliens. The article specifically referred to the fact that certain persons had been released from W. P. A. because of the legislation which had been passed, without giving any reference to the fact that aliens were involved.

Mr. Miner continues:

I have checked clippings from many of our newspapers and find that in nearly every instance the facts were given without the distortion which was indicated by the item to which you referred in your inquiry.

Mr. Miner sent me the press release. I want to read that press release into the RECORD, with the permission of the Senator from Colorado:

CHICAGO, March 6.—Mandatory at midnight the last of the 6,115 aliens on W. P. A. in Illinois will be severed from the rolls under the provision by Congress that "no alien shall be given employment or continued in employment on any project prosecuted under the appropriations contained in the Emergency Relief Appropriation Act of 1938," Charles E. Miner, State administrator, said today.

"In Chicago 3,755 aliens were affected and 2,360 in the rest of the State," Mr. Miner said.

This part of the article standing alone is in accord with legislative action. Had Mr. Miner stopped at this juncture no one could utter a word of criticism, but I seriously object and charge the administrator without any right or authority to qualify or add to what the Congress has decreed to be the law. I direct particular attention to the wording of the remainder of the press release:

"These foreign born on W. P. A.," Mr. Miner continues, "were all in the process of becoming citizens. This does not mean that they had merely filed a declaration of intention, but means that they had valid first papers as required under the previous act of Congress. Many of them have sons and daughters who are citizens and some indication of the interest the foreign-born parents were taking to obtain full citizenship is contained in the report of citizenship classes of the adult education program of the Women's and Professional Division of the Works Progress Administration.

During the 15-month period ending November 30, 1938, 18,157 aliens had enrolled for the citizenship courses throughout the State.

What has this to do, I humbly ask, with the law we passed? Quoting further:

Of this number, 4,376 during the period became eligible for, and took the examination, with 3,959 being admitted, while approximately 10 percent failed.

Mr. President, what I criticize and condemn is the making of this unnecessary statement as the director of the Illinois W. P. A. I ask what right has he under such legislation to defend the alien. That was not necessary at all in my opinion. In other words, Mr. Miner, who is delegated to administer the affairs of the W. P. A. in the State of Illinois, and who is paid by the Federal Government alone, as I see it, felt it necessary to interpret the action of Congress to the newspapers as cruel and heartless, because of taking aliens off the W. P. A. rolls. God knows, I have the utmost sympathy for those people, and I know personally of circumstances where grave injustices have been committed, but if Congress determines that aliens should not be kept on W. P. A. rolls while American citizens and war veterans in the State of Illinois are now being discriminated against—and I know whereof I speak—I insist that an interpretation of this action does not properly come within the functions of one appointed solely to administer the act.

When he gave out that press release he went beyond the authority given to him as administrator or as an executive officer administering W. P. A. in the State of Illinois.

This is just one instance of what has been done with respect to what the Senator from Colorado has been discussing. The Congress says that aliens must be discharged from W. P. A. rolls.

Mr. Miner, through his press release, says by implication that Congress made a great mistake and tells the aliens that as administrator he is for them.

Mr. ADAMS. Mr. President, to follow what the Senator from Illinois has said, I will make merely one suggestion as to something which has recently happened in my State and in the State of Wyoming. Word went out officially as to the number to be dropped from the relief rolls in each of those States and subsequently notice was issued reducing the number by one-half. In the State of Wyoming notification was given that something over 600 were to go off the rolls, while the last notice is that some 300 or so would go off. In Colorado it was stated that 5,000 must go off, even though Congress passed the $100,000,000 appropriation, when the tabulation furnished us by Colonel Harrington shows that only 2,400 are going off the relief rolls. The country has been flooded, Senators, with misleading statements as to the disaster that would come from the administration of this act under the appropriations we made. There has been a deliberate, determined effort to build up a false impression in the country as to what was being done in Congress so as to put pressure upon Senators and Members of the House.

Mr. MINTON. Mr. President——

Mr. ADAMS. I yield to the Senator from Indiana.

Mr. MINTON. I should like to ask the Senator from Colorado if the 76,000 or 78,000 who were put on the rolls in a few weeks during February were, to his knowledge, unworthy or ineligible for relief?

Mr. ADAMS. I am glad the Senator has asked that question because it has been stated at times that those of us who favored the lesser appropriation took the position that some on relief were unworthy. I have yet to hear a statement made by anybody on that ground. I have yet to say that. Of course, they were not unworthy, and I take it for granted that the administrators putting them on were not putting unworthy people on the rolls. I have no more personal information than has the Senator from Indiana.

Mr. MINTON. Then I should like to ask the Senator if that is not evidence of further need for greater appropriations than for a reduction in the appropriations?

Mr. ADAMS. Not necessarily, and I will tell the Senator why. The men who were laid off as aliens and as not in need were largely replaced by people who were being taken care of by the cities and counties. They simply unloaded the burden onto the Federal Government which prior to that time was being cared for by the localities.

Mr. MINTON. I was referring to the 78,000 who were put on the rolls.

Mr. ADAMS. I am talking about aliens and those who were not in need. Instead of reducing the rolls, as we asked, they really when they took one off put two on.

Mr. MINTON. As I understood the Senator's statement, the 78,000 did not have anything to do with the aliens who went off the rolls or the unworthy ones who went off the rolls, but there was a 78,000 increase.

Mr. ADAMS. That is correct.

Mr. MINTON. And the Senator says they were worthy and were eligible?

Mr. ADAMS. I have made no classification of them.

Mr. MINTON. The Senator has no reason to believe that they were unworthy or ineligible, and, therefore, it seems to me, if the administration found it necessary to put on the rolls, in a few days in February, 78,000 who were worthy and eligible in every respect, that is evidence that we need more money instead of less.

Mr. ADAMS. I call the Senator's attention to certain chronological facts. We passed the bill appropriating $725,000,000 on the 4th of February. Looking into the future, not knowing what might happen, we put into the bill a provision that if an emergency should arise the President could recommend an additional appropriation. On the 7th of February, 3 days after the bill was signed, a message came from the President insisting on an additional appropriation of $150,000,000. Then on the 11th of February, 1 week after the bill passed, an increase in the number of persons on the rolls commenced, in spite of the fact that 82,000 had gone off or were going off the rolls because of being aliens and not in need. There was a variation from the practice going back to October, November, December, and January. Most of the time there had been a decrease in the rolls. I have no way of challenging the eligibility of any of these men. I merely say to the Senator it suggests that this action was being taken in order to put pressure upon the Congress.

I want to make clear that I think the President has acted in absolute good faith in his messages. I think he believes the larger appropriation is necessary, but, to be perfectly frank, the President has relied upon the facts and statements of Colonel Harrington, and I do not think that Colonel Harrington's facts are to be relied upon to that extent.

Mr. GLASS and Mr. MINTON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Colorado yield; and, if so, to whom?

Mr. ADAMS. I yield to the Senator from Virginia who has been standing for some time.

Mr. GLASS. Mr. President, if there were 105,000 people on the rolls who ought not to have been on the rolls and were not properly eligible to be on the rolls, what special reason have we to believe that the 78,000 that Colonel Harrington put on the rolls deserved to be put on the rolls?

Mr. ADAMS. I do not know of any special reason, I will say to the Senator from Virginia. I merely decline to classify them at all. I have merely recited the facts as they appear from Colonel Harrington's testimony.

Mr. GLASS. The outstanding fact is that 105,000 people were on the rolls who ought not to have been there, and God knows how long they had been on the rolls. That being so, what confidence can we place in the fact that the 78,000 who were put on the rolls between the 11th and 24th of February were eligible to be placed there? They were put on the rolls simply to influence the appropriation by Congress.

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Florida?

Mr. ADAMS. I yield.

Mr. PEPPER. I wonder if the Senator, when he makes that statement, had in mind the testimony of Colonel Harrington which was given before the House Appropriations Committee at a hearing upon the resolution that is now before the Senate. On page 2, Colonel Harrington testified as follows:

> The Department of Labor report as to the number of people who lost their jobs between December 15 and January 15 showed 886,000 nonagricultural workers as having lost their jobs during that period, which is not remarkable, because the stores lay off many workers at the end of the Christmas season, and there is a slackening in outdoor operations during that period.
>
> It is estimated that in addition to the 886,000 nonagricultural workers, approximately 500,000 in agriculture lost their employment during that same period.
>
> Mr. CANNON. How many?
>
> Colonel HARRINGTON. Approximately half a million. The effect of this, which was predicted, and seasonal, on the number of persons certified to the W. P. A. as in need and awaiting assignment, was to increase the number to approximately 850,000.

So I wondered if the Senator from Colorado had in mind that it was just barely possible that Colonel Harrington was trying to be an honest and an efficient administrator and that the putting of additional people on the rolls to which he has referred is attributable to the fact that 886,000 people lost their jobs in nonagricultural enterprises and another half million lost their jobs in agricultural enterprises and increased the number of certified eligible workers who were pressing at the gates of W. P. A. to 886,000 workers?

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. ADAMS. I will yield in a second, after I have given some consideration to what has been said by the Senator from Florida.

The fact should be taken into consideration that there appears on page 4 of the same hearing a statement as to the number of accessions to and separations from the W. P. A. rolls at that time.

It appears that in July 163,000 persons were separated from the rolls and 311,000 were put on. I am giving the thousands and leaving out the hundreds.

In August 191,000 persons were separated and 308,000 were put on.

In September there were separations of 227,000 and accessions of 276,000.

In October there were 212,000 separations and 327,000 accessions.

In November the tide changed, and there were 237,000 separations and 164,000 accessions.

In December there were 294,000 separations and 97,000 accessions.

In January there were 214,000 separations and 109,000 accessions.

Mind you, in January, before the joint resolution passed, 214,000 persons were separated from the rolls and only 109,000 were put on.

In February, after the joint resolution had passed, 176,000 were separated from the rolls and 238,000 were put on.

That is, there is no substantial difference between January and February, both winter months; but the policy apparently changed contemporaneously with the passage of the relief measure in a form not entirely acceptable to the administration.

I now yield to the Senator from New Jersey.

Mr. SMATHERS. Mr. President, the Senator has stated that several thousand aliens and several thousand ineligibles were removed from the rolls. For my information and for the benefit of the RECORD, will the Senator tell me what is an ineligible? Why were those to whom he refers as ineligibles removed from the rolls?

Mr. ADAMS. They were removed, I assume, in accordance with the provisions of the statute passed by the Congress, which simply provided that there should be taken off the rolls those who were not in actual need. I think that is the phrasing of the measure.

Mr. SMATHERS. Does the Senator know whether that included single men without dependents?

Mr. ADAMS. I assume that if a single man was not in actual need, he should go off the rolls just the same as a married man. If there is to be any discrimination, I should think it would be the other way about. The term "actual need" was to be determined by the W. P. A. Administrator. That is, the very persons who put the man on the rolls were the persons who put him off, under our direction. We were told that there was a waiting list of persons who wanted to get on the

rolls, and the places of persons in need should not be taken by those who were not in need. The Senator certainly does not disagree with that statement.

Mr. SMATHERS. But I desire to know from the Senator if the number he says have been laid off as ineligibles comprise single men without dependents.

Mr. ADAMS. I assume that if a single man without dependents was not in need, he should be laid off.

Mr. SMATHERS. The reason why I ask the Senator that question is that quite a number of men were laid off in my home city of Atlantic City last week because they were single and had no dependents. Are they a part of the list of those to whom the Senator has referred as ineligibles?

Mr. ADAMS. I will say to the Senator from New Jersey that last week there were more persons on the rolls than on the day when the $725,000,000 measure passed. There has been no requirement other than the laying-off of aliens, and so forth, because the rolls had increased in number. There were 3,007,000 or 3,009,000 persons on the rolls last week, whereas there were 2,965,000 persons on the rolls on the 11th of February.

Mr. PEPPER. Mr. President——

Mr. ADAMS. I yield to the Senator from Florida.

Mr. PEPPER. I desire to be sure that I understand the position of the Senator from Colorado. I understand him to intimate, if not to say, that the administration has been responsible for adding new persons to the rolls in an effort to coerce the Congress into making a larger supplemental appropriation. I desire to ask the Senator——

Mr. ADAMS. Let me interrupt by saying that, of course, I do not know what was in the mind of the Administrator. I say that these are the facts, and I can see that a wayfaring man might draw that inference, in view of the controversy.

Mr. PEPPER. I desire to ask a question about the facts. Let me call the Senator's attention to the President's message of January 5, and ask the Senator if that message was delivered prior to the action of the Senate in passing the $725,000,000 appropriation measure.

Mr. ADAMS. Yes. We passed the joint resolution on the last of January, and the President signed it on the 4th of February.

Mr. PEPPER. So the message of the President to the Congress was prior to the passage of the $725,000,000 appropriation measure.

Mr. ADAMS. Yes; and his next message was 3 days afterward.

Mr. PEPPER. I want the Senator to remember that the message of the President on January 5 was prior to the passage by the Congress of the joint resolution providing the $725,000,000 appropriation.

I wonder if the Senator recalls that on page 2 of House Document 87, carrying the W. P. A. message of the President of January 5, the President said as follows:

> It is believed that sufficient funds should now be appropriated to the Works Progress Administration for the balance of the current fiscal year to employ an average of 3,000,000 workers in February and March, and a diminishing number beginning in April which would reach a figure of 2,700,000 in June.

I wonder if the Senator also recalls that the President sent to the Congress on the 7th of February another message; and in that message, subsequent to the January 5 message, and subsequent to the appropriation of $725,000,000, the President said, as shown on the first page of House Document No. 152:

> In my message to the Congress on January 5, 1939, I recommended a supplementary appropriation of $875,000,000. This was based on a program to give employment to 3,000,000 workers during February and March and to reduce this employment to an average of 2,700,000 workers in June.

Then I wonder if the Senator has had access to a letter dated April 7, from Administrator Harrington to the Senator from New York [Mr. MEAD], which reads as follows:

> So far as the matter of reducing the rolls after April 1, 1939, is concerned, the original program based upon the President's recommendation for an appropriation of $875,000,000, was to maintain an average employment of 3,000,000 persons during February and March, 2,900,000 in April, 2,800,000 in May, and 2,700,000 in June. The contemplated average of 3,000,000 persons was maintained through February and March.

Mr. President, if on the 5th of January the President said, in substance, "I have outlined a program that contemplates an average of 3,000,000 workers on the rolls in February and March," and if then the appropriation is made, and the President comes back on February 7 and says, "On January 5 I recommended a program which would carry 3,000,000 workers through February and March," and then if in April the Administrator comes back and says, "The contemplated average of 3,000,000 persons was maintained through February and March," I ask if the President's course has not been consistent, and if there has not been an absence of coercion of the Congress by putting additional persons on the rolls during the interim.

Mr. ADAMS. I will say to the Senator that maintaining the rolls has two interpretations. He did not go below that number, but he went well above it. He went up to 3,043,000 under an appropriation which he said would not be adequate for the other number.

Mr. PEPPER. He did not exceed it on the average, though; did he?

Mr. ADAMS. I cannot answer that question. I have not attempted to average the figures. I have taken the figures which Colonel Harrington gives us. He ran up on the 25th of February to 3,043,000; and he is now carrying, or he was carrying when we discussed the matter, over 3,000,000.

Here is the situation, however: The committee report is based upon the President's desire. We have not challenged the fact of his maintaining 3,000,000 persons on the rolls. The figures submitted by the committee contain a provision that the average of 3,000,000 shall be maintained, which the Senator states was maintained during those months, and that the reduction shall be in accordance with Colonel Harrington's figures. Our judgment is that $100,000,000, added to what is now available, will be more than adequate to continue employment at the President's figures, at Colonel Harrington's figures, and leave $55,000,000 over for expenditure after the end of the fiscal year, for labor and materials to be furnished and consumed after the 30th of June.

Mr. President, I have rather felt that there are certain principles on which we should be able to agree. First, that no American citizen, without fault on his own part, shall starve. I stand by that principle just as firmly as do those who ask for the larger amount. It is, as has been stated, a matter of arithmetic. That is what we are dealing with. The question is whether or not we wish to appropriate more than is needed or appropriate what is needed, whether we want to increase the power in the hands of those who obviously, visibly, have abused it, or whether we want to give them all they need to see that no man shall starve.

Second. I think we should provide—and we all ought to agree on this point—what is needed, and no more. I am sure Senators do not want to provide more than is needed.

Third. That there shall not be extravagance or waste. I think we all agree on that.

Fourth. That the absorption into private industry of the idle ten or eleven million is the primary problem of the United States.

Fifth. That business and industry should be stimulated and encouraged in order that this may be done.

Sixth. That, as stated by a gentleman who has recently moved to the State of Iowa, a former resident, we should now seek recovery rather than reform.

Mr. President, those are simple, categorical statements, with which I think there will be no disagreement, with the exception of the last.

The question, then, is, What amount is necessary to care for the deserving needy of this country?

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). Does the Senator from Colorado yield to the Senator from Florida?

Mr. ADAMS. Certainly.

Mr. PEPPER. Does the Senator construe the diminution of this appropriation as in the direction of recovery?

Mr. ADAMS. I do. As I have stated, the most vital thing is the stimulation of industry in order that the unemployed may be absorbed by private industry, that they may be put to work in their regular vocations, producing things for consumption by other men also employed in their regular vocations; and industry is not going to absorb the unemployed if every time it looks to Congress it is discouraged and disappointed.

If we pursue the course we have pursued, with deficits of $4,000,000,000 a year, with the Federal debt over $40,000,000,000, with the distance between income and outgo increasing, we are discouraging industry. Men with capital which they have or which they can borrow will not invest; they will not go into manufacture; they will not go into industry until Congress gives the signal that investment in this land may be safe and may be profitable if intelligently conducted.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. ADAMS. Certainly.

Mr. PEPPER. Let us suppose that a businessman had to view a horizon and decide which condition of affairs was the more conducive to his entering into business or expanding his business. Suppose he had on the one hand a budget no more out of balance than our Government's, and a national debt no larger than ours in relation to our national worth and income; and suppose he had on the other hand unemployment of ten or eleven million people, without any public effort being made to diminish the number of these unemployed. If the supposed businessman had to make a choice between a diminution of the debt and a diminution in the number of unemployed, which does the Senator think would be the more attractive to him?

Mr. ADAMS. That situation could not be presented, because, as a matter of fact, what I am interested in is public action by the Congress which will stimulate employment, not public action which will discourage employment; and I think increase of the debt, and increase and continuation of the deficit, is a definite discouragement to industry and to business.

I know what is said in the cloakrooms of this body as to the future, and as to what may happen; I know what is said upon the streets of this land. I know that apprehension and fear have gripped our people because of the apparently unrestrained expenditures of which we are guilty. What I am interested in is giving business a signal.

The Senator and other Senators have said that there is more involved in this matter than $50,000,000. There is indeed more involved in it. The question is whether or not we are going to stop in our present course toward national bankruptcy, and make a turn toward stability and soundness.

Mr. PEPPER. Mr. President, let me ask the Senator what he had in mind as an alternative or substitute for the aid to employment that is given by the Works Progress Administration, which will help general business conditions.

Mr. ADAMS. It is not a simple situation. The Senator having asked me, I will say to him that, of course, the first thing is to give evidence of consideration for industry. We have not given a sign of that. We have not given encouragement. We have sat by with a shotgun across our knees, and any time a man showed up with a profit, we wanted to shoot him and take it. That is, we have refused to stimulate. We have regarded building up a profitable industry as in some way a crime.

We have spent regardless, as I have said, on the W. P. A. Go through the land, gather up the opinions as to whether or not W. P. A. has been economicaly and efficiently administered. I have my own judgment as to the soundness of the plan, but I am not now arguing that question. I do not want to argue it here. That is not the issue. We are assuming the W. P. A. plan to exist. In other words, I am not going back into the philosophy of these things.

I have on my desk at home a volume some 70 years old entitled "Extraordinary Popular Delusions." I think that in the last 10 years we have furnished material for some new chapters.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. MINTON. The Senator stated that we had been sitting around with a shotgun across our knees.

Mr. ADAMS. It may have been a rifle.

Mr. MINTON. It may have been a rifle; it may have been a bludgeon of some kind or other; and that whenever anyone showed up with a profit, we immediately shot him, or applied the bludgeon, or whatever the weapon was, and took his profit away from him. Is it not a fact that in 1936 and 1937 business in this country enjoyed better profits than they had received in any year, except in 1929, in all the history of the country?

Mr. ADAMS. And what did we do?

Mr. MINTON. And we had spent a great deal of money helping to bring that condition about.

Mr. ADAMS. We put on the law books an undistributed-profits tax, and we said to the man who made a profit, "If you use your profits to pay your debts, if you use your profits to build a factory and employ more men, if you use your profits to replace a burned or destroyed factory, the Government will penalize you for doing so." And business went back into its shell. We did that.

Mr. PEPPER. Mr. President, I do not want to interrupt the Senator's statement——

Mr. ADAMS. I am glad to yield to the Senator.

Mr. PEPPER. Was the Senator one of those who thought that if we should merely remove from business the burden of the undistributed profits it would blossom like a rose, and that there would come beautiful prosperity to the country; and have those ideas been justified?

Mr. ADAMS. I hope the Senator does not really think I am quite as simple as that. I thought that the undistributed-profits tax was an impediment, that it tended to thwart business, to interfere with its progress, that something else than that was necessary to make it go.

While I appreciate the Senator's facetiousness——

Mr. PEPPER. Mr. President, the Senator from Florida certainly did not intend to be facetious, even if he looked that way. What I meant to ask the Senator was whether or not this is another one of those instances in which, by the alleviation of some burden business is supposed to bear, it may be expected that it will spring up like a rubber ball, as it were, when relieved from pressure, and be buoyant again, and I wondered whether the Senator had found that there had been the business improvement following in the wake of the partial elimination of the undistributed-profits tax which he and others anticipated there would be.

Mr. ADAMS. I think my views on that I have stated.

We were discussing Colonel Harrington. I wish to read a few quotations from the statement of Colonel Harrington before our committee to show the attitude the colonel takes toward the Congress and toward the problem now before us.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BORAH. It may be that the Senator is now about to take up the subject which I have in mind; but the Senator stated a few moments ago that the sole question really was as to how much money is necessary in order to keep the unemployed from suffering.

Mr. ADAMS. I think that is perhaps a strong statement. I think it should go somewhat beyond that; but that is the primary question.

Mr. BORAH. That is the primary question.

Mr. ADAMS. Yes.

Mr. BORAH. Is the Senator about to give us the facts and figures upon which the committee reached the conclusion that the appropriation asked for is sufficient?

Mr. ADAMS. I shall do that as best I can. The Senator will have to bear with me, because when someone suggests a sidetrack for me to follow, I cannot resist.

Mr. BORAH. I will bear with the Senator, because what he is about to state is what I want to know.

Mr. ADAMS. I asked this question of Colonel Harrington:

Senator ADAMS. Then we have this situation—that approximately 45,500 were taken off the rolls because they were aliens?
Colonel HARRINGTON. Yes, sir.
Senator ADAMS. And 36,840 have already been taken off because they were not in need—not qualified to be on the rolls?
Colonel HARRINGTON. Yes, sir.
Senator ADAMS. In other words, 82,000 have gone off the rolls under these two categories?
But you have maintained the total rolls not only up to where they were, but I gathered from the House figures that between February 4 and February 25 the rolls increased 78,000.

I am sorry that this is a duplication, but I want to put in the RECORD the words of Colonel Harrington. I continue to read:

Senator ADAMS. Then take the figures for February 11. You had 2,965,000.
Colonel HARRINGTON. Yes, sir.
Senator ADAMS. So that between February 11 and February 25 you had an increase of 78,000 in your rolls?
Colonel HARRINGTON. Yes, sir.
Senator ADAMS. That in the face of the fact that Congress had indicated that it felt that the expenditures should be at a reduced rate?

Then later in the hearings Senator BYRNES asked:

Senator BYRNES. You construed Congress meant there would be no reduction?
Colonel HARRINGTON. No, Senator; I construed that Congress meant that it should not exceed 5 percent.
Senator BYRNES. Instead of reducing it 5 percent, you increased it?
Colonel HARRINGTON. Well, we held it at 3,000,000.
Senator BYRNES. Did you ever reduce it 1 percent?
Colonel HARRINGTON. No, sir.
Senator BYRNES. You did not reduce it 1 percent, much less 5 percent.
Colonel HARRINGTON. That is right.
Senator BYRNES. Colonel Harrington, when the President approved the bill a statement was issued and a message sent to the Congress asking for $150,000,000. That was not appropriated. That is correct?
Colonel HARRINGTON. Yes, sir.
Senator BYRNES. That was 3 days afterward.
Colonel HARRINGTON. On the 7th of February; yes, sir.
Senator BYRNES. And the bill was signed on the 4th?
Colonel HARRINGTON. That is right.
Senator BYRNES. And from that time, instead of reducing it even 5 percent, you increased it?
Colonel HARRINGTON. We held it at 3,000,000.
Senator BYRNES. Well, you did not make any deductions. I am looking at the dates. You had on January 28, about the time the bill was being considered, 2,985,000, and you go up to 3,043,000; 3,032,000; you have not reduced it 1 percent in that time.
Colonel HARRINGTON. That is right.
Senator BYRNES. Did you make any effort to reduce the rolls?
Colonel HARRINGTON. No, sir.
Senator BYRNES. You did not care what the Congress said?
Colonel HARRINGTON. We cared very much what the Congress said; but we made no effort.
Senator BYRNES. Well, you cared about it, but you were not going to do anything to reduce the rolls.
Colonel HARRINGTON. We did not reduce the rolls.

Then at a later period in the hearings:

Senator BYRNES. * * * the record shows on a table at the bottom of page 4, if I may call your attention to it, that you separated from the service during the month of January this year 214,492.
Colonel HARRINGTON. Yes, sir.
Senator BYRNES. And took on only 109,000, or only one-half. Therefore, you reduced by 100,000 during the month of January?
Colonel HARRINGTON. Yes, sir.
Senator BYRNES. After the bill was passed and signed on February 4?
Colonel HARRINGTON. Yes, sir.
Senator BYRNES. How many were separated from the service and how many accessions were there?
Colonel HARRINGTON. The last month that I have is February; total separations were 176,735. The total accessions were 238,707.
Senator BYRNES. So that while in the month of January, before Congress sought to try to reduce the appropriation, you separated 214,000 and only took on 100,000, or one-half as many?
Colonel HARRINGTON. Yes, sir.
Senator BYRNES. But after the appropriation was passed you took on 238,000 as against 176,000 who were separated?
Colonel HARRINGTON. That is correct; yes, sir.
Senator BYRNES. You decided that the evident intent of Congress in refusing to give you $150,000,000 was that instead of taking off any, you would take on 50,000 more than were separated?
Colonel HARRINGTON. Yes, sir.

Mr. PEPPER. Mr. President, the Senator is not——
Mr. ADAMS. May I proceed? I am not declining to yield——

Mr. PEPPER. I will just ask one question, Mr. President. Some of the Senators were not on the floor when attention was called to this matter. The Senator is not ignoring the statement of Colonel Harrington in his letter of April 7 to the Senator from New York [Mr. MEAD], a copy of which I have before me, in which he states that an average of 3,000,000 persons were maintained during the months of February and March, and that the average was not exceeded. And also the statement of Colonel Harrington that was referred to before the House Appropriations Committee pointing out that during the time between December 15 and January 15, 886,000 workers lost their jobs in nonagricultural occupations, and during the same time 500,000 workers lost their jobs in agricultural activities. So that the need that Congress was always trying to fill had become greater than before that time.

Mr. ADAMS. That is a repetition of what the Senator has said.

Mr. President, every month voluntary separations from the W. P. A. average about 150,000. The separations have run as high as 172,000. So that any program involves replacement of those retiring if there is sufficient money. In connection with the W. P. A.—and we have the tabulations here—there is the voluntary retirement and enforced retirement.

We are told that 750,000 or 850,000 persons have been certified. In the first place, these persons are not certified by the W. P. A. They have never been certified by the W. P. A. They are applicants to get on W. P. A. who have passed the scrutiny of the rather lenient and liberal local boards of one kind or another. But of those 750,000 or 850,000 there has been a continual shift since the original bill, the $725,000,000 bill, was passed. Over 360,000 were taken onto the W. P. A. rolls. In other words, it is not a standing army that is waiting. Persons get on and go off the list. A man gets a job. He goes off the list and another man comes on the list. So that practically on the list about which we hear so much today are only those who have been on it a short time.

As I have said to the Senate, the changes from voluntary withdrawals average 150,000 a month. So there is not an army of people starting out on the sidewalk. There is a continual shifting. Those 750,000 persons are the latest recruits into the army of the needy—that is, those who most recently lost their employment. They are continually going on that list and getting into employment.

Now to come back to the figures on this situation.

Mr. BORAH. May I ask a question there?

Mr. ADAMS. Yes, sir.

Mr. BORAH. The Senator says that Colonel Harrington put on 350,000 persons coming from those eight-hundred-odd-thousand persons which had been certified by the States, and so forth.

Mr. ADAMS. Yes; Mr. President. It depends on how far back you go. There is an average of better than 150,000 getting off this list every month.

Mr. BORAH. Is there any question raised about the justification of Colonel Harrington's putting these 350,000 on the rolls? Did they not need the work? Was the need justified in putting them on the rolls?

Mr. ADAMS. I cannot answer for any individual case, I will say to the Senator. I have merely pointed out the unusual circumstance that in a particular time the normal trend was departed from. There had been an increase in the departures as compared with the accessions. Then when the bill was passed on the 4th of February there was a change in the trend.

Colonel Harrington put on more than he took off. Between October and January he had taken off 350,000 more than he put on. Then the trend started the other way. I am not in a position to say that every one of the cases may not have been justified. I merely argue that it looks to me as if there were a lack of cooperation, and it is open

to the interpretation that when they take persons off the rolls and replace them with persons who were then being taken care of by the city of New York, or some other community, and they were not then actually in need, that pressure is sought to be put on Congress.

Mr. BORAH. If these men were in need, if Colonel Harrington was justified in putting them on, the mere fact that it occurred after the passage of the bill in the Senate would not be any justification for criticizing Colonel Harrington, would it?

Mr. ADAMS. In one sense, no; that is, assuming that it was done in the utmost good faith, and because of their need, and not that he had proceeded in an undertaking to coerce the Congress. I will say to the Senator that Colonel Harrington, or those acting for him, put out over the land statements of the number of dismissals that must follow the action of Congress. Those figures cannot be justified. They have not been carried out. They will not be carried out. In other words, that is not the only instance, the only evidence of the effort to coerce Congress and to defy Congress.

Mr. BORAH. In the play of coercing Congress or not coercing Congress, the real question was whether there were hungry men who ought to be taken care of.

Mr. ADAMS. I will say to the Senator that I think all of the hungry men entitled to be taken care of were taken care of. Adequate funds have been provided for them. And if the $100,000,000 be provided, that will continue to be the case down until the 30th of June.

Mr. GLASS. Let me repeat my inquiry to the Senator. If there were 45,000 aliens on the rolls who ought not to have been there, and if, according to Colonel Harrington's own figures, 61,000 persons were on the rolls who ought not to have been there because they were not in need, what evidence have we that they would not have stayed on the rolls indefinitely if Congress had not directed that they be taken off?

Mr. BORAH. What I am trying to find is evidence on the question of the good faith of Colonel Harrington.

Mr. GLASS. That is what I am trying to find. The 45,000 aliens ought not to have been on the rolls. They were on the rolls in direct contravention of the action of Congress. Apparently there had never been any investigation of the need of the 61,000 who were on the rolls who were not in need, who were not hungry, and who could have provided their own food and clothing. So why should we have such great confidence in the suggestion that the 78,000 who have been put on the rolls since the passage of the bill ought to be on the rolls?

Mr. BORAH. I give Colonel Harrington no more than I give to any public officer, and that is the presumption that he acted in good faith and discharged his duties accordingly, as he understood the law. What I think we need is some evidence that he did not act in good faith.

Mr. GLASS. We have no evidence which may be relied on as to the number of unemployed in this country.

Mr. BORAH. I know that.

Mr. GLASS. There has been no effort to find out. There is no desire to find out. The desire is to obtain all the money possible out of the Treasury.

Mr. BORAH. I venture to say that every Senator knows of numerous instances in which persons who have not been put on the rolls are suffering. The question is, Have those on the rolls been taken care of by Colonel Harrington in good faith and in the belief that they were in need?

Mr. ADAMS. The argument which comes from me and from most of the committee at this time concedes that every person on the rolls was put there through the good-faith action of Colonel Harrington. According to his own figures he intended to keep 3,000,000 on the rolls in February and March; 2,875,000 in April, 2,775,000 in May, and an average of 2,700,000 in June. Those were the figures which he said would be adequate to meet the situation. Conceding the correctness of Colonel Harrington's figures, the appropriation recommended by the committee will accommodate and adequately care for the entire number at the rate now being paid, and leave over between $45,000,000 and $55,000,000 to pay men employed and to pay for materials consumed after the 1st of July.

Colonel Harrington tells us that on the 20th of March the unexpended balance available for relief purposes was $588,000,000. At the same time the Treasury Department said the unexpended balance was $572,795,000. That does not include the $28,000,000 set aside to take care of W. P. A. workers assigned to Federal projects. So, adding that, the Federal figures for the unexpended balance would be $600,795,000.

Colonel Harrington told us on the 20th of March that the unobligated balance was $476,344,000; and that there had been obligated $111,695,000, at least half of which would go to pay for services rendered and material consumed after the 20th of March. In other words, there was $532,172,000 to take care of the group which the colonel says he wants to take care of.

The cost of taking care of the group is set out in the committee report. For taking care of 2,875,000 in April, the cost will be $175,375,000; for taking care of 2,775,000 in May, the cost will be $169,275,000; for taking care of 2,700,000 in June, the cost will be $164,700,000, or a total cost of $509,350,000. Then we add $61,000,000 to care for those between the 20th of March and the 1st of April, or a total cost of $570,000,000.

So, taking Colonel Harrington's figures to carry him to the 1st of July, he needs $38,177,000. That is what is needed, under his figures, to carry the program until that time. We have added to that $45,000,000, which he said he needed and should have to maintain the continuity of his program and to pay for materials consumed and labor furnished the first week of the fiscal year; and we have added, as a leeway, $17,000,000 above that figure.

In other words, in the honest judgment of the committee, the sums which have been appropriated, on the figures which the committee considered, and which were before us, are adequate to meet the situation without excluding any man who was intended to be included in the original program of Colonel Harrington.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BYRNES. Would not the Senator say that the amount appropriated for this fiscal year, after the $100,000,000 is made available, will be greatly in excess of the amount made available in any previous year for a W. P. A. program?

Mr. ADAMS. I will say to the Senator that, as he knows, the expenditures for the fiscal year, with the $100,000,000, will be nearly two and a half billion dollars. In other words, we will have spent more than one-half the total income of the United States Government for the W. P. A.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. LUNDEEN. As I understand from the W. P. A. figures, there are certified 600,000, or thereabouts, who never got on the rolls. With respect to unemployment figures I have before me the latest figures on unemployment for February 1939, from the American Federation of Labor. Those figures show 11,470,000 unemployed. The Alexander Hamilton Institute of New York gives a figure of 12,882,000. Our own census, the Biggers census, gave a figure of nearly 11,000,000.

Mr. ADAMS. I am obliged to the Senator for calling my attention to that information and also for reminding me of a tabulation which the Senator put in the RECORD within the last day or two, with regard to unemployment in the world. The Senator put into the RECORD a tabulation of unemployment in all the important countries in the world. That tabulation showed that in the United States the percentage of unemployment is far greater than in any other land on this shining globe.

Mr. PEPPER. Mr. President——

Mr. ADAMS. That is the thing which bothers some of us. We have spent $11,000,000,000 on relief. We have spent other billions on a recovery program. We wonder whether

or not we may be in error somewhere along the line. I am concerned, as the Senator is. I want to put men back to work, whether the number be 10,000,000, 11,000,000, 12,000,000, or more. If we are on the wrong track, the Senator and I both want to get on the right track. All I am asking of the Senator or anyone else is that we sit down and discard our preconceived notions and try to work out a sound judgment for the benefit of our country. [Manifestations of applause from the galleries.]

Mr. PEPPER. Mr. President——

Mr. ADAMS. I yield.

Mr. PEPPER. I want to congratulate the Senator on the fervor he has aroused in the galleries.

Does the Senator think that the effort which the Government has made in the past 6 years to improve conditions in this country and the improvement which actually has been experienced are responsible for the present large number of unemployed.

Mr. ADAMS. I will say to the Senator that I do not intend to discuss my judgment as to the efficacy of the program. I hope the Senator will not ask me to do that. He and I sit on the same side of the Chamber. Generally speaking, we have been supporting the same measures. This is not the time to discuss my judgment of the efficacy of the program. I might say that one measure was good and another was bad. I think the Senator would probably agree with me that some things have worked well and some have not. I hope the Senator will spare me from going into a discussion as to my judgment about those things, because my judgment is fallible. However, I have the feeling that something is wrong. I am interested in trying to work out a solution. It seems to me that we ought to do a better job than we have done. Does not the Senator think so?

Mr. PEPPER. I am glad the Senator asked me that question. The other day I stated that one of the principal reasons which impelled me to offer the amendment and insist upon its consideration was the fact that I hoped it would provoke fundamental discussion on the floor of the Senate, where I thought fundamental discussion should be carried on, and where proposals which may lead us out of the wilderness in which we find ourselves wandering can be made by men of intelligence and integrity.

The difference between the point of view of my friend, the eminent Senator from Colorado, and that of myself and others who have the same view, is that I do not see the Senator from Colorado and the Appropriations Committee offering any alternative. All they offer is a reduction in what we are doing. However, I have not heard any affirmative suggestion. I am of the opinion that the Senator would do his country a vast service if he could find some way to solve the problem by some method entirely dissociated from the present method. But meanwhile I think that this method has accomplished good. I think it has given us the progress that we have been able to enjoy, and I am not willing to discard it. I am not even willing to hamstring it with limitations that should not be imposed until the Senator from Colorado and other men of ability and experience and perhaps genius have been able to offer an alternative that would provide a solution or at least a betterment of the situation.

Mr. ADAMS. The Senator knows that the Appropriations Committee is not a legislative committee; it is not a committee that formulates policies. I will say that, in my minor way, I have tried to put the brakes on what I thought were unjustified expenditures which were advocated and urged by men just as earnest as I, and I have felt that the floor of the Senate and the committee was the place to discuss these matters.

My judgment is sincerely that the extent of our expenditures is one of the things that are responsible for the great army of unemployed. I sincerely believe that if we will reduce Government expenditures we will increase private employment. I think that we are overlooking the 43,000,000 men and women employed in gainful occupations upon whose backs fall the expenditures which we make. We are thinking too much at times of our generosity and our liberality, and we are not thinking of those from whom we must take the money with which to pay the bill.

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Florida?

Mr. ADAMS. I yield.

Mr. PEPPER. The Senator made a statement that is capable of being construed in another way. Did the spending program which the present administration is now carrying on give us the 6,000,000 unemployed in 1932?

Mr. ADAMS. The Senator does not expect me, does he, to say that the Roosevelt administration is responsible for what was done under the Hoover administration? That is his question.

Mr. PEPPER. I understood the Senator to say that the spending program was responsible for that large number of unemployed.

Mr. ADAMS. I said it was a contributing factor. I do not like to go back and quote anybody but one of the most distinguished men in this country early in 1933 made a declaration which I think was absolutely sound on that question. The gentleman to whom I refer said:

> Upon the unimpaired credit of the United States Government rests the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It, therefore, becomes our first concern to make secure the foundation. National recovery depends upon it.
>
> Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger.

The gentleman who said that may have changed his views, but the statement he made then is eternally true.

Mr. PEPPER. Mr. President, I will ask the Senator if he thinks the credit of the United States or of the banks of the United States or of the insurance companies of the United States is in any worse condition now than it was in 1932?

Mr. ADAMS. I will say to the Senator that great credit will be written upon the pages of history for the present administration for what it did in weeding out unsound banking institutions and bringing sound banking conditions. There could not be a restoration of prosperity without sound banks; the present administration did that; and it is a great credit mark upon its record. So there is no question as to what I think about the efforts of the present administration in doing that.

Mr. PEPPER. Now, Mr. President, a last question. I wonder if in disparaging the achievements of the administration——

Mr. ADAMS. Wait a moment; I have not disparaged the achievements of the administration.

Mr. PEPPER. Let me complete the sentence.

Mr. ADAMS. Not with that premise.

Mr. PEPPER. Well, I withdraw that. I wonder if the Senator from Colorado, in thinking that the efforts of the present administration have not been successful in solving and eliminating the problem of unemployment, has given proper consideration to the fact that the statisticians tell us that about 600,000 new workers come every year into the worker's field in excess of the number that are retired from it; in addition to that, that approximately 500,000 workers are thrown into a state of unemployment every year because of technological improvements, and therefore during the last 6 years six times 1,100,000 people have come into and added their own weight to the number of unemployed in this country? So, if we have not diminished the number that we found in 1932, it cannot fairly be said that we have not made a tremendous contribution toward the alleviation of the problem.

Mr. ADAMS. The Senator overlooks a very obvious thing. It is true that 600,000 new workers come into the field every year, but there are three times that many new consumers every year; every new worker is a consumer, and then there are others who are not workers who are consumers. In

other words, there is not merely an accumulation of idle people but there is an accumulation of work for them to do; mouths to feed, bodies to clothe, houses to build. I have no doubt that in this great, rich land, if we somehow can use our minds intelligently, we will solve the problem so that no longer on the streets of America will the barefooted boy walk alongside the idle shoemaker.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Idaho?

Mr. ADAMS. I yield.

Mr. BORAH. Pardon me for saying it, but I think we are talking over the heads of those whom we are here to serve; that is, those who are out of jobs would be delighted to have this question solved so that they could have jobs instead of living on charity. However, the question which confronts us here is, Is this money necessary to take care of the people who are without jobs and who will be hungry and unclothed if they do not have help? That is all there is to it.

It is probable that Mr. Hoover's administration made mistakes, because when the Roosevelt administration came into power a large degree of unemployment was upon us, and it is probable that the present administration has made mistakes; but the man who is now out of a job was not the man who authorized those mistakes to be made; he had no opportunity to offer anything in their place. These systems were adopted, these schemes were put forward and carried out, and here he is in need. We may talk about the basis of security, security for the banks and of our republican system, but the basis of that security is the citizen, and, if we do not take care of him, then we may have little hope for the other things about which we have talked.

Mr. ADAMS. The Senator is entirely correct in saying that the basis is the citizen. When we, without warrant, increase our expenditures, increase our taxes, increase our debts, and increase our deficits, we are damaging the citizen. The Hoover administration appropriated no money for direct relief; it appropriated a relatively small sum to go to the States. We are now, on the first of this month, taking care of 3,009,000 citizens who each represents three or four other individuals. We are being liberal beyond anything in the history of any country that has ever existed.

My judgment, after studying it, concurs with that of the other House. I grant to every other Member of the Senate and of the House an equal desire to further the ends which animate the question and the statement of the Senator from Idaho, that a man should not be penalized for things which are not his own fault. If he is hungry, without his own fault, we have taken on and should take on the obligation to see that he should not starve.

The Appropriations Committee of the House of Representatives studied this matter. They decided, after extensive hearings, that $100,000,000 was more than adequate, and the House of Representatives, after consideration, confirmed that judgment. The Appropriations Committee of the Senate agreed with the House. It is not their purpose that any man should be hungry or cold or lack shelter but that adequate funds should be provided, yet that there should not be, so far as they could prevent it, unnecessary appropriations, unnecessary debt, unnecessary deficits, waste, or extravagance

Mr. BORAH. We all agree with that. However, we come back to the question, the sole, simple question, of whether or not $100,000,000 would take care of those who are in need.

Mr. ADAMS. In my judgment, that amount is entirely adequate.

Mr. BORAH. Very well; I have profound respect for the judgment of the Senator from Colorado and for that of the committee; but, for what it is worth, in my opinion hundreds of thousands of people are hungry and will go hungry until the 1st of July; it does not make any difference if we do appropriate the $100,000,000.

Mr. ADAMS. If people shall go hungry, it will be the fault of the administration of the fund.

Mr. BORAH. That may be; it may be that it is being administered crookedly.

Mr. ADAMS. No; I did not say that.

Mr. BORAH. I do not know what the Senator calls it, but I call it "crooked," because if a man willfully wastes public funds which are intended for those who are in need he is guilty of about the lowest crime of which a public servant can be guilty. However, I have not seen as yet any evidence that Colonel Harrington has wasted any money.

Mr. ADAMS. If the Senator pins me down to the point, I will have to say to him that in the House hearings there is shown considerable liberality. The Works Progress Administration spent in 1 year $1,800,000 for communications, consisting of telegrams and telephone calls; they spent $6,000,000 for travel. In other words, they must have had the whole Administration on the rolls. I did not want to discuss such things.

Mr. BORAH. I want the Senator to do so.

Mr. ADAMS. But I think there has been a disregard of economy. They have had so many excess employees that they loaned 96 salaried employees to another Government organization.

These things are in Colonel Harrington's testimony. They are not figments of anybody's imagination. The W. P. A. has built at the New York Fair a building to cost $250,000 or $300,000 in which to exhibit their wares at a time when the Senator says men are hungry. I am sorry the Senator asked me that question. I did not want to say those things; but when the Senator said there was no evidence of waste, while I do not say that it is waste, the Senator knows that in the matter of communications they have the privilege of the frank, and yet $1,800,000 in a year was required to pay for their long-distance telephone and telegraph messages and communications and $6,000,000 for travel expense.

Mr. BORAH. Was there any investigation as to the necessity for these things?

Mr. ADAMS. When we asked Colonel Harrington about the matter of communications, he said, "My face is very red about that."

Mr. BORAH. And the committee stopped at that?

Mr. ADAMS. I thought that was enough. I should add that Colonel Harrington said:

> We are setting about the adoption of machinery in order that that shall not be continued.

Mr. SCHWELLENBACH. Mr. President——

Mr. ADAMS. I yield to the Senator from Washington.

Mr. SCHWELLENBACH. The Senator will remember that before various interruptions occurred, he was giving an analysis of the effect of the appropriation of $100,000,000. The Senator also will remember that one day last week, as a result of a colloquy between the Senator from Colorado and the Senator from Florida [Mr. PEPPER], I construed the remarks of the Senator from Colorado to mean that under the $100,000,000 appropriation there would be a sufficient amount so that we might be assured that every person now on the rolls who is in need, and who cannot secure work in private employment, will stay on the rolls during the remainder of this fiscal year; and I then read to the Senator two little amendments.

After our remarks, I concluded that I had misconstrued the remarks of the Senator. Listening to the Senator again this afternoon, I came back to the former conclusion that the Senator does contend that $100,000,000 is sufficient——

Mr. ADAMS. I do.

Mr. SCHWELLENBACH. And that no one in need will be taken off the rolls. If I have correctly construed the Senator's remarks——

Mr. ADAMS. The Senator has.

Mr. SCHWELLENBACH. In view of that fact, why would there be any objection to putting into the joint resolution a provision that no person in need who cannot secure work in private employment will be removed from the rolls between now and the end of the fiscal year—the amendment which I read the other day?

Mr. ADAMS. I have not studied the Senator's amendment; but, in the first place, the Senator will concede that if I am correct, the amendment is not necessary. In the next place, some of us have been eager to get this money out. We have been anxious to have the joint resolution passed and not have to go to conference, so that the $100,000,000 will be immediately available. Any amendment involves going to conference and involves delay.

Mr. SCHWELLENBACH. But if the Senator's conclusion in reference to the figures is correct, the inclusion of this amendment, which the Senator says is unnecessary, would give to the persons who are on the rolls a feeling that they are not going to be kicked off next week or next month. I think one of the most serious mistakes of the W. P. A.—and I am just as critical of W. P. A. as anybody is—is this business of laying off persons and then taking on a great number of others. I think we owe to the persons who are entitled to the assistance of the W. P. A. at least 2 or 3 months of feeling that if they cannot get work in private employment, they will get this small amount of money from W. P. A. for their work. I see a real value in that.

Mr. ADAMS. The Senator realizes that the passage of the joint resolution in the form he suggests will not increase the amount of money available.

Mr. SCHWELLENBACH. I realize that.

Mr. ADAMS. The result is that if we assume that the Administration is going to do the best it can, the Senator will not add anything to the measure by adding the amendment. He will not appropriate any additional amount of money.

Mr. SCHWELLENBACH. But it would be an assurance to those who are on the rolls, and who cannot secure work in private employment, that they will not be removed from the rolls between now and the end of the fiscal year.

Mr. ADAMS. I do not know about that. We found 105,000 persons who were on the rolls contrary to law, and who had been on the rolls contrary to law for we do not know how long.

Mr. SCHWELLENBACH. This amendment does not include anyone who is illegally or improperly on the rolls.

Mr. ADAMS. I am talking about administration.

Mr. SCHWELLENBACH. But, to get back, may I now assume that the Senator is not quite sure that the figures Colonel Harrington has presented, and upon which the Senator is basing his argument, are correct?

Mr. ADAMS. Not at all. I think the figures will do just what the Senator says they will do. Any amendment merely involves delay, and merely adds to the problem without helping its solution.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. ADAMS. I yield to the Senator from South Carolina.

Mr. BYRNES. I suggest to the Senator that on page 4 of the hearings in the House, Colonel Harrington inserted a table which I think will give to the Senator from Washington the assurance which he desires.

In this table Colonel Harrington shows that there were separated from the service by voluntary separations and discharges in the month of January 214,000 persons; in December 294,000; in November 237,000. If we may assume that there will be the same number of separations in April, May, and June that have occurred in every month as far back as this table goes, there will be approximately 700,000 separations between now and June 30. Of those separations Colonel Harrington showed that voluntary separations during the past 3 months amounted to three hundred and fifty-some thousands. It is said that 400,000 will be removed. The answer to that statement is that if no more are put on, the voluntary separations during the past 3 months amounted to more than 350,000, and the discharges amounted also to more than 300,000. That does not mean administrative discharges, but men were discharged for various reasons—misconduct on the part of some individuals, incompetency, or many other reasons. But if no more eligibles are certified to the rolls, judging from the record of the past 6 months, there will be a reduction of more than 600,000 between now and June 30.

The difficulty in our following this subject always is that we do not take into consideration the number who are certified to take the places of others. It depends entirely upon that, because without it we now have a prospective reduction of more than 600,000.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield further?

Mr. ADAMS. If the Senator will pardon me, I have just one more word to say. As I said before, in corroboration, I have taken more time than I should. I know that figures are dull. We cannot expect those who have not lived with these matters to have the same grasp of the figures as those who have lived with them. We cannot put in their minds the tabulations we have studied over. I simply want the Senate to know how earnest and how sincere the Appropriations Committee were; that their report represents a desire on their part to let petty differences go, to abandon politics, to be good citizens, to be safe Senators, and not to count the cost to themselves. Anyone who is interested just in votes, or in popularity, may well be warned to avoid efforts to reduce expenditures. That is not the way to votes or to popularity. I repeat just one statement: More is involved in this problem than $50,000,000.

Mr. LUNDEEN. Mr. President, I ask permission to insert in the RECORD some figures on unemployment furnished by the American Federation of Labor and another organization, and part of a letter on the same subject.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[From the Washington (D. C.) Times-Herald of April 11, 1939]

$150,000,000 IS ESSENTIAL, SENATE TOLD—PRESIDENT SENDS LETTER TO PEPPER AS VOTE NEARS ON $100,000,000 COMPROMISE

President Roosevelt today asserted that Senate failure to vote $150,000,000 for relief during the remaining 2½ months of the fiscal year would cause the dismissal of approximately 400,000 W. P. A. workers.

The Senate was expected to vote during the afternoon on a proposal to raise the pending $100,000,000 to $150,000,000.

QUESTION OF ARITHMETIC

In a letter to Senator CLAUDE PEPPER (Democrat, Florida), who took up the fight for $150,000,000 after administration Senate leaders agreed to compromise on the lower figure, Mr. Roosevelt said the question "is one of arithmetic."

"In reply to your inquiry," the President wrote, "I think there is nothing for me to add or subtract from what I have made so clear on so many occasions since last January.

"The sole question of continuing relief to July 1 is one of arithmetic.

WORK FOR FEWER PEOPLE

"If $100,000,000 is voted, between 300,000 and 400,000 fewer people can be given work relief than if $150,000,000 is voted—and in addition practically none of the 700,000 or 800,000 people on the waiting list can be given employment.

"It seems to me," the President concluded, "that that is the long and short of it."

WORKERS' ALLIANCE OF AMERICA,
April 11, 1939.

DEAR MR. SENATOR: We are appealing to you in these last hours before the vote on the W. P. A. deficiency appropriation, to do everything in your power to avert the discharge of 760,000 W. P. A. workers. This tremendous number of layoffs is scheduled for April, May, and June if only $100,000,000 is voted by the Congress.

We believe that every Member of the Senate has the responsibility to see that these three-quarters of a million families do not suffer as a result of your vote.

We are aware that many Senators feel themselves committed to vote for only $100,000,000. If you are one of those, and you vote for merely this amount, you are giving your sanction and approval to depriving 760,000 wage earners and their families of their daily bread.

It is our conviction that the amendment of Senator PEPPER for $150,000,000 should be supported by you.

If this amendment fails, we believe you have the responsibility to vote for the Schwellenbach amendment, which would give the Works Progress Administrator the power to so adjust the employment and the disposition of funds that no needy employable worker who cannot find employment in private industry shall be discharged, except for cause.

This would mean that the funds would be exhausted on June 20 instead of June 30. Congress could then, in the 1940 appropriation bill, include sufficient funds to carry on the program during the final 10 days.

Will you, for the sake of this 10-day period, make 760,000 of your needy fellow citizens jobless? The proposal of Senator SCHWELLENBACH is such that it should be acceptable should the $150,000,000 amendment fail, to Senators of all parties and all

economic beliefs. May we count upon you to cast your vote to keep these needy employable people at work?

Sincerely yours,

DAVID LASSER, *National President.*

American Federation of Labor total unemployed estimates

1930:	
January	3,216,000
February	3,565,000
March	3,543,000
April	3,188,000
May	3,090,000
June	3,250,000
July	3,714,000
August	4,101,000
September	4,150,000
October	4,639,000
November	5,364,000
December	5,541,000
1931:	
January	7,160,000
February	7,345,000
March	7,098,000
April	6,739,000
May	6,750,000
June	6,841,000
July	7,198,000
August	7,357,000
September	7,303,000
October	7,778,000
November	8,699,000
December	8,908,000
1932:	
January	10,197,000
February	10,486,000
March	10,739,000
April	10,990,000
May	11,470,000
June	11,853,000
July	12,300,000
August	12,344,000
September	11,767,000
October	11,586,000
November	12,008,000
December	12,124,000
1933:	
January	13,100,000
February	13,294,000
March	13,689,000
April	13,256,000
May	12,896,000
June	12,204,000
July	11,793,000
August	10,960,000
September	10,108,000
October	10,122,000
November	10,651,000
December	10,769,000
1934:	
January	11,755,000
February	11,443,000
March	10,849,000
April	10,551,000
May	10,248,000
June	10,310,000
July	10,793,000
August	10,821,000
September	10,950,000
October	10,706,000
November	11,102,000
December	11,018,000
1935:	
January	11,695,200
February	11,419,393
March	11,233,026
April	10,876,134
May	10,819,936
June	10,758,179
July	10,758,989
August	10,492,224
September	10,030,667
October	9,774,869
November	9,960,775
December	10,007,418
1936:	
January	10,952,121
February	10,861,772
March	10,482,496
April	9,818,975
May	9,555,797
June	9,419,336
July	9,381,353
August	9,027,383
September	8,498,401
October	8,176,360
November	8,286,686
December	8,273,962

American Federation of Labor total unemployed estimates—Con.

1937:	
January	9,240,877
February	8,960,023
March	8,603,894
April	8,312,828
May	7,909,381
June	7,823,512
July	7,782,486
August	7,745,883
September	7,513,054
October	7,706,206
November	8,478,623
December	9,355,205
1938:	
January	10,926,000
February	11,123,000
March	11,226,000
April	11,065,000
May	11,404,000
June	11,400,000
July	11,274,000
August	11,087,000
September	10,465,000
October	10,371,000
November	10,515,000
December	10,335,000
1939:	
January	11,590,000
February (preliminary)	11,470,000

Total unemployment calculation

[Alexander Hamilton Institute, New York City]

1929:	
January	5,223,000
February	5,050,000
March	4,514,000
April	3,947,000
May	3,476,000
June	3,089,000
July	2,942,000
August	2,624,000
September	2,539,000
October	2,485,000
November	3,319,000
December	4,034,000
1930:	
January	5,450,000
February	5,689,000
March	5,803,000
April	5,552,000
May	5,719,000
June	6,197,000
July	6,848,000
August	7,430,000
September	7,507,000
October	7,730,000
November	8,474,000
December	8,982,000
1931:	
January	10,273,000
February	10,387,000
March	10,318,000
April	9,992,000
May	10,083,000
June	10,314,000
July	10,902,000
August	11,286,000
September	11,323,000
October	11,657,000
November	12,254,000
December	12,519,000
1932:	
January	13,760,000
February	13,879,000
March	14,053,000
April	14,314,000
May	14,734,000
June	15,137,000
July	15,663,000
August	15,650,000
September	15,047,000
October	14,879,000
November	15,294,000
December	15,423,000
1933:	
January	16,358,000
February	16,393,000
March	16,814,000
April	16,391,000
May	16,037,000
June	15,291,000
July	14,727,000
August	13,707,000
September	12,913,000
October	12,810,000
November	13,235,000
December	13,352,000

Total unemployment calculation—Continued

1934:	
January	14,154,000
February	13,621,000
March	13,044,000
April	12,668,000
May	12,398,000
June	12,469,000
July	13,161,000
August	13,281,000
September	13,506,000
October	13,244,000
November	13,430,000
December	13,012,000
1935:	
January	13,720,000
February	13,335,000
March	13,108,000
April	12,768,000
May	12,838,000
June	12,939,000
July	13,240,000
August	13,005,000
September	12,537,000
October	11,639,000
November	12,414,000
December	12,032,000
1936:	
January	12,286,000
February	12,220,000
March	12,714,000
April	12,263,000
May	12,116,000
June	12,053,000
July	11,718,000
August	11,427,000
September	10,306,000
October	10,020,000
November	9,985,000
December	9,313,000
1937:	
January	10,348,000
February	10,084,000
March	9,609,000
April	9,391,000
May	9,102,000
June	9,083,000
July	9,133,000
August	9,014,000
September	8,981,000
October	9,203,000
November	10,111,000
December	10,901,000
1938:	
January	12,791,000
February	13,222,000
March	13,327,000
April	13,287,000
May	13,785,000
June	13,928,000
July	13,955,000
August	13,478,000
September	12,876,000
October	12,619,000
November	12,441,000
December	11,735,000
1939: January	12,882,000

Mr. PITTMAN. Mr. President, I never have been able to see how borrowing money by our Government, and its expenditure for work-relief labor, could ever raise commodity prices in this country to the level of 1926, which we seek. In fact, it has not done so. I think the time should very quickly come when this policy should cease; but I do not believe it ever will cease unless some action is taken by Congress to restore the price level of commodities in this country.

If one cannot make a profit on his business, there will be no income from it. We cannot increase income without increasing profits, or at least assuring some profits to the producers of commodities and to those engaged in industry.

Again, we find that a certain amount of national income is essential to prosperity. We now face, on our national income, the maximum amount that we can afford to pay in the form of taxation. What disturbs me is that we are constantly arguing about these enormous expenditures of borrowed money, and the only intimation we give out that our action is going to affect commodity prices is that if we stop the spending, private industry will spend. I do not think that naturally follows by any means. Private capital will not invest, no matter what the taxes are, during deflation or threat of deflation. It always invests during inflation. I can understand, of course, that the five or six billion dollars we might spend of the Government's borrowed money would be only a drop in the bucket if private industry did not join in with its capital and its money; but I do not know what Congress has done or is doing to retard deflation and to increase commodity prices.

We certainly have some control over our monetary agents in this country. It would seem that we should have some control over the Federal Reserve Board, and some control over the Treasury Department. If we have not, we should have. It is perfectly evident that the Federal Reserve Board, in connection with the Secretary of the Treasury, in the latter part of 1936 and the early part of 1937 caused the recession of 1938, as it is called, and did it deliberately.

In the latter part of 1936 and the early part of 1937 commodity prices in this country had reached nearly the parity of 1926. As a matter of fact, farm commodity prices had reached 96, as compared with 100, which meant that the purchasing power of the dollar was down to 101.

Within a few months after that commodity prices were driven down 24 percent, and they are down at that point now. The general prices of agricultural products were driven down more than 24 percent, and they are there now.

We have tried every kind of scheme to save agriculture. We have paid the farmers to reduce their production; we have paid them bonuses in the form of loans. Yet it has not affected their commodity prices at all, and unless something is done to affect commodity prices, the present condition is bound to last forever.

Let us look at what Mr. Eccles, the great genius in charge of the Federal Reserve Board, said in his report at the end of 1936. This is a splendid report. In 1936 it looked as though we were not going to have any unemployment in 1937 and 1938; it looked as though the prices of all commodities would reach 100.

I want Senators to listen to this report for just a moment. On page 3 of the Annual Report of the Board of Governors of the Federal Reserve Board for 1936 we find the following:

> Progress in industry and trade was substantial in 1936. Production of durable goods increased considerably, and output of nondurable products also showed growth, particularly in the latter half of the year.

I am reading from a great monetary and economic genius, and I hope to conclude in a moment:

> The increase in durable-goods production reflected purchases of equipment both by industry and by individuals, as well as further expansion in construction. There was a general rise in employment, and income in both urban and rural areas was considerably larger than in other recent years. Capital values increased during the year, and in the latter part of the year there was a general advance in commodity prices. Total national income rose to $63,800,000,000 for the year, as compared with $55,000,000,000 in 1935 and a low of $39,500,000,000 in 1932.

That was a splendid showing. On page 2 of the report we find the following:

> During 1936, however, business drew upon the banks and upon investors' funds to a considerably larger extent. Commercial loans to bank customers, after 3 years of little change, increased by $1,000,000,000, and securities issued by corporations to obtain new capital (as distinct from refunding issues) amounted to $1,200,000,000 or more than the aggregate for the previous 4 years combined.

The same story of prosperity proceeds. On page 1 of the report for the year 1937 we find the following:

> At the opening of 1937 economic activity was increasing rapidly. The output of mines and factories, after a steady rise for 2 years, had reached the average level of 1929. Increased activity was manifested both in the industries producing goods for immediate consumption and in those producing durable goods. Capital expenditures by manufacturing industries were increasing rapidly, in line with output and profits. There was some revival in residential construction, which had dwindled to a very low level during the depression and was still far from normal. Employment was expanding and wage payments were rising even more rapidly as the result both of reduction in part-time employment and of increases in hourly wage rates. Increased farm income, a large volume of dividend disbursements, and larger wage payments resulted in an increase in retail and wholesale distributions. Prices of securities were at the highest level since the early part of the depression; yields on bonds, both Government and corporate, had reached exceptionally low levels, and capital issues of corporations were in the largest volume of the recovery years. Many commodity prices were

rising rapidly. Advances were particularly pronounced in agricultural and other raw materials; prices of finished goods were also rising. Increased domestic demand, together with a considerable volume of foreign demand, contributed to the advance. A wave of buying was in progress. * * *

Relative to bank loans and the expansion of deposit currency, the Board reports as follows from page 2: "The total volume of bank deposits and currency continued to grow and at the beginning of 1937 was at the highest level in the country's history. Bank loans to trade and industry had increased considerably and were growing. New York City banks were reducing their holdings of Government securities, but total investments of banks had changed little in the last half of 1936. Idle funds in the hands of institutions and individual investors continued large, and long-term money rates were exceptionally low."

On page 3 of the 1937 report we find the following assertion:

Currency outside of banks had increased by about $2,000,000,000 between 1930 and 1937.

That is where currency must be to have any effect.

Now comes the report of the destruction of that prosperity, an admission on the part of Mr. Eccles that the Board deliberately destroyed that prosperity.

Yet I have never heard anything said in Congress against it. I have heard of no effort in Congress to control a situation of that kind. We are concerning ourselves with a feared waste of $50,000,000, when the act of the Federal Reserve Board struck down billions of dollars worth of capital in this country with one blow. We are talking now about saving the taxpayers' money, and in my opinion, there is not a thing that we are talking about which has anything whatever to do with the restoration of the price level.

This is what the Federal Reserve Board did in conspiracy with the Treasury Department. On page 2 of the 1937 report we find the following:

The rate of advance in business activity was, in fact, so fast that there were evidences of unsound developments.

There is the whole secret. There were evidences of unsound development. Prosperity was moving forward too rapidly to suit them, and there was threat of a boom. Yet there were 8,000,000 unemployed in this country at the time of that so-called threat of a boom. I read further:

There was a large increase in forward orders in anticipation of further price and wage increases, together with uncertainties regarding deliveries, partly due to labor disputes, and shortages were developing in plant and equipment and in some classes of skilled labor. Notwithstanding the fact that recovery was far from complete and that there was still a large amount of unemployment, boom conditions were developing in particular industries and boom psychology began to be manifested.

Then what happened? On page 1 of the report of 1936 we find that the Board took action to check the upswing. This is what it reported:

In July 1936 and again in January 1937 the Board of Governors took action to increase reserve requirements and thereby to eliminate a large part of the excess reserves that had accumulated. The combined effect of these two actions of the Board was to double the reserve requirements of member banks. Thus the power conferred upon the Board by the Banking Act of 1935 to increase reserve requirements for the purpose of preventing injurious credit expansion was fully utilized.

In December 1936 the United States Treasury inaugurated a policy of setting aside in an inactive stock all gold purchased subsequent to December 23, 1936, and thereby preventing the further acquisition of gold from increasing bank reserves. The Treasury and Federal Reserve measures taken together largely eliminated the basis of a potential credit expansion arising from the large movement of gold to this country which had begun in 1934 and had greatly expanded the credit base of the country.

Again, on page 2 of the 1937 report the Board reported that the Treasury Department joined in the program which had the effect of curtailing and checking the return of prosperity. I read:

In December the United States Treasury, after consultation with the Board, adopted a policy of placing new gold acquisitions in an inactive account, thus preventing further gold imports from adding to the reserves of member banks.

On page 3 of the 1937 report we find the following:

In August 1936 the Board of Governors had raised reserve requirements for member banks by 50 percent in order to absorb a part of the $3,000,000,000 of reserves in excess of requirements held by member banks. Under the law the Board has the responsibility of changing reserve requirements in order to prevent injurious credit expansion or contraction, and the Board had acted to eliminate from the credit base a part of the redundant reserves accumulated through a large volume of gold imports. The Board's action was in the nature of a precautionary measure to prevent an uncontrollable expansion of credit in the future. The policy of maintaining easy money and credit conditions pursued by the System since the beginning of the depression continued to be in effect.

On page 3 of the 1936 report we find the following:

The Board, therefore, in January and March 1936, took action to increase the margin requirements applicable to security loans made by brokers and dealers in securities and in March also made these requirements, as increased, applicable to loans made by banks on stocks for the purpose of purchasing or carrying stocks registered on national securities exchanges. By these measures the Board undertook to check the growing use of borrowed funds for speculation in securities, without limiting the supply or raising the cost of credit available for commercial, industrial, or agricultural purposes.

Senators, watch the development and see what happens. See what happens with this control of our monetary system. I continue to read from the 1937 report, page 8:

About the middle of March prices of stocks and of lower-grade corporate bonds began to decline from the high levels to which they had risen. Advance buying by industry and trade slackened, and early in April prices of commodities traded on organized exchanges began to decline. During the summer increases in crop production contributed to the declines in prices of cotton and grains, while livestock prices advanced. Industrial output continued large, however, reflecting to a considerable extent the filling of orders previously received. In the spring months there was a decline in offerings of securities for refunding purposes which had been in record volume in the early part of 1936 when business organizations, particularly the public utilities, were taking advantage of the prevailing low level of money rates to reduce the cost of their indebtedness.

Here is the end of the story on page 10 of the 1937 report:

As a consequence of these developments industrial production declined at an exceptionally rapid rate, and the Board's index, which had averaged 116 in the first 8 months of the year, fell to 84 in December. There were also sharp declines in factory employment and pay rolls. Movement of goods over the railroads was reduced and, with costs at a higher level, the earning prospects and financial positions of many railroads were impaired. In the commodity markets prices of raw materials and semifinished products showed widespread rapid declines, and prices of finished goods, which had risen somewhat further during the summer, also decreased. In December prices of some raw materials continued to decline but others, including steel scrap and cotton, advanced. Reductions in incomes were reflected toward the end of the year in reduced consumer buying of automobiles, furniture, and other durable goods. Residential building, which earlier in the year had decreased as a consequence primarily of higher building costs, declined further in the autumn, as uncertainties arose regarding income prospects. At this time there were some reduction in building costs, but with business activity declining people were reluctant to build new houses or buy old ones.

There is the history of the rise in 1936 and 1937, and there is the history of the decline down to the present time.

The Federal Reserve Board, which has extraordinary control over the monetary affairs of the United States, conceived in 1936, at a time when there were 8,000,000 unemployed persons in this country, at a time when the price levels had not yet reached those of 1926, that there was a boom, and that conditions were unsound, and the Board took every step in its power to stop the boom, and it did stop the boom, and put conditions where they are now, and since the conditions were brought to that point the Board has taken no action to overcome the wrong and the destruction it did. Instead of that, we have Mr. Eccles, in a very confused and pitiful way, writing a letter to the Committee on Banking and Currency, saying there have been very many disagreements on both sides, and that they would be very happy to have the Committee on Banking and Currency suggest to the Board what they should do.

Mr. President, there is no question what they should do. They cannot control the credit of this country, because a depositor in a bank will not use his money to buy anything so long as he thinks there is a deflationary movement under way and prices are going down. A bank for the same reason will not lend money so long as it believes there is a deflationary movement and prices are going down. Let the depositor think that prices are going up and he will buy, and the bank will join him in lending. The Board has no control over the bank's credit. It has control over the currency in

this country. Every time the suggestion is made that the Government use its function in issuing currency, business and banking institutions have been taught to be afraid and they are afraid that something will happen to our currency similar to what happened to the German mark. Therefore, the Board does not know what to do. It will say that there is just as much currency in this country now as there was in 1929. That is true. But where is it? In 1929 it was in the hands of the people. At the present time it is hoarded by the banks on one hand and hoarded by the depositors on the other.

Mr. Eccles tells us that in 1936 not only were deposits moving freely but currency in circulation out of the banks increased. I say "in circulation." I do not mean in circulation as the Treasury considers it to be when it is merely outside of the Treasury. I mean in circulation out of the Treasury and outside the banks.

The deposits at the present time are hoarded. It would make no difference if there were $20,000,000,000 in currency registered in the Treasury reports as being in circulation, which would simply mean that it was outside the Treasury, if all of it were hoarded in banks, both by the banks and the depositors. But there is no doubt that when the Thomas amendment to the agricultural bill was agreed to, authorizing the United States Treasury to issue and spend $3,000,000,000 in Treasury notes, it had an inflationary effect. Why? Because, as Jimmie Warburg said, there had never before been such an inflationary movement in this country as that. In addition, it provided another $3,000,000,000 which the Government might use to take up its current accounts. That made a total of $6,000,000,000. It was Jimmie Warburg who suggested that if such a bill were passed everyone who had a deposit would run out and buy something solid—buy commodities and real estate—and there would be the greatest inflation in commodity values that the United States ever saw. That was exactly what we wanted to the point of reflation.

But, Mr. President, none of that power was ever utilized by the President of the United States. He did not utilize the $3,000,000,000. And to make matters worse, as the inflationary period was coming, and the course of prosperity and commodity prices moved up, to July 1933, the Treasury Department again became frightened of boom, and deliberately issued a statement that there would be no inflation, and then prices dropped.

We have six-billion-and-some-odd dollars in currency in this country. Three-fourths of it at this time is hoarded. We have the privilege, if we want to do so, of issuing $750,000,000 of gold currency. Unfortunately, that is all the gold of the fifteen billion that is unallocated. We have the power today to issue $3,000,000,000 in silver currency. That total would not make the five billion minimum we should have. There would be no power of currency inflation based on metallic reserves. The Federal Reserve Board can retire Federal Reserve notes. So the Federal Reserve Board has absolute control over currency inflation and deflation. There can be no danger of currency inflation. Why not reflate?

I quote from the recent hearing before the special committee of the Senate upon the silver investigation:

The CHAIRMAN. What do you call "currency inflation"? Describe "currency inflation." I have heard the expression used quite a lot. I would like to know distinctly what it is.

Mr. ECCLES. To me it would mean where the supply of money, bank deposits and currency, in the hands of those that spend that money, is greater than a country's ability to produce the goods for the market. It would be a condition of overemployment, a condition of inability to produce the goods, so that the supply of money in the hands of those who spend it is in excess of a country's ability to supply the demands.

The CHAIRMAN. What would be the effect, then?

Mr. ECCLES. The effect would be the rapidly rising price level. It would be a diminution of the purchasing power of the dollar.

The CHAIRMAN. Has not the Government been striving apparently for 6 years to lower the purchasing power of the dollar and to raise the price level of commodities? That has certainly been the effort of our Government for 6 years.

Mr. ECCLES. Of course you speak of "the Government." It is difficult for me to say. There are different views with reference to it. There are some people in the Government, and I think practically everybody, felt that the prices should go up, it would be desirable to have higher prices certainly than they were in 1932, that the prices should bear certainly some relationship to fixed charges and debt structure. If it is possible to create that condition, I would think that was desirable.

The CHAIRMAN. As I understand you now, and I hope I do, the effect of currency inflation would be to raise rapidly price levels, isn't that true?

Mr. ECCLES. That is right.

The CHAIRMAN. Then by "currency inflation" you could bring the price levels up to what the Department of Labor fixes as parity. That is true, isn't it?

Mr. ECCLES. You may get a great variation in prices. You may have some prices very low, and you may have other prices higher. Taking an average price level, I think that is true.

Yet we should always have $5,000,000,000; a nonreducible minimum of nonretirable circulating currency. The trouble is that the authorities are so frightened of inflation such as took place in Germany that they will not overcome a deflation. They are not concerned with deflation. It is just as though one lacked 5 pounds of pressure in an automobile tire which required 29 pounds, and was afraid to have the 5 pounds put in for fear the man at the station would put in 100 pounds and blow it up. If 5 pounds were put in the tire, it would be reflation, but if 100 pounds were pumped in the tire, it would be inflation.

There is no question that the agents of the Government controlling our monetary system could do what Governor Strong did when he was Governor of the Federal Reserve Bank in New York, when he held the 1926 levels on an average, all the time he was there. When the purchasing power of the dollar went above the line and the commodity price went below the line, he was not afraid to add to the currency to bring the dollar to the proper level; and he did it constantly.

In charge of our finances today we have men who know how to create a deflation, but apparently they have not the slightest idea about creating reflation. They can start a conflagration but they cannot put out the fire. Yet they were granted the power to do both.

I think money has been uselessly spent. It will always be so. However, until our Government takes some steps to cheapen the purchasing power of the dollar, which means raising the selling price of commodities, there will never be profits from industry in this country; and if there are no profits from industry in this country, there will be no income. If there be no income there will be no return from taxes. Yet we stand and fight intensely over $50,000,000, while the acts of the Federal Reserve Board and the Treasury Department cause losses of billions to industry and to the people of the country. The fight seems absurd.

To demonstrate the economy of the thing, in 1937 the Government was taking only 40 percent of the silver produced by the miners. That was thought to be too little. That really meant, in effect, a price of 77.57 cents an ounce to the miner. Just before 1938 the President threatened to cut the price from 77.57 cents to 64.64 cents. The Governors of every Western State, every mine operators' association, and every miners' association, wrote and wired to the President of the United States that owing to the lower price of lead, zinc, and copper, with which silver is associated in the ore, if he cut the price 13 cents an ounce, from 77.57 cents to 64.64 cents, many mines would have to close down, many others would have to come down to mere maintenance operation, and great unemployment in the mining section of the country would result.

However, the President was advised otherwise by someone else. What happened? The Director of the Bureau of Mines testified before our committee the other day, and he submitted tables to show that, by reason of the reduction, the production of silver in 1938 had dropped off 15 percent, and that labor in the mines had dropped off 25 percent. He testified that counting the number of outside employees, based upon every mine worker—and he is a Director of the Bureau of Mines, whose business it is to know—200,000 persons had been thrown on the relief rolls. What did that cost the Government? It cost the Government $900 per man, or a total of $180,000,000.

What did the Government win? It won $2,215,143. We can see the actual loss from throwing men out of employment. The Government did what it did to increase its seigniorage $2,000,000.

That is not all. A producing mine—lead, silver, copper, or zinc—pays a bullion tax in most of the States. That source of revenue is one of the biggest incomes to the State in Utah, Nevada, and many Western States. Every producing mine pays a corporation income tax to the Federal Government. The Government not only has charged itself $180,000,000 for these 200,000 men, but it has lost the taxes, all to win a measly $2,000,000 in seigniorage. That is the situation today.

So when we stand here and talk about $50,000,000, I am not so deeply interested. I wish to say that while I do not think spending by means of Government borrowing will ever accomplish a return to prosperity, and while I think much money may be wasted, I am wholly unwilling to take a chance on human suffering. I am unwilling to take a chance when there is dispute as to the facts and the effects of throwing men and women out of work in this country by reason of something with which they had nothing to do. In my opinion the administrators of a powerful monetary system in our own Government are wholly responsible for most of the unemployment of 1939.

Mr. President, I ask to have printed at this point in my remarks certain extracts from the testimony before the Senate Special Silver Committee.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

MARCH 27, 1939.

Hon. MARRINER S. ECCLES,
Chairman, Board of Governors of the Federal Reserve System, Washington, D. C.

MY DEAR MR. CHAIRMAN: In your letter to Hon. ROBERT F. WAGNER, chairman of the Banking and Currency Committee of the Senate of March 9, 1939, opposing Senate bill 31, introduced by Hon. M. M. LOGAN, of Kentucky, proposing a legislative mandate to restore the predepression price level and maintain it, you enclosed a memorandum which on March 13 was given to the public press. This memorandum, in effect, denies the quantitative theory of money and denies that Congress, or the Board of Governors and the Federal Reserve banks as the agency of Congress, could regulate the value of money by regulating its volume.

A number of Congressmen invited my views on this memorandum. I enclose for your inspection my comments, not in the hope of a reply but in the hope that the memorandum might possibly be of service to your administration, or to the public. I request you to bring it to the attention of the Board of Governors. If there be any errors of fact in it, I ask that you point them out so that I may correct them before the matter goes further. If my inferences and conclusions seem erroneous to you, I should be glad to have you explain why, as my first desire is to be on the side of right and truth. My wish is to be of service in perfecting the management and development of the Federal Reserve System.

Yours respectfully,

ROBERT L. OWEN.

The CHAIRMAN. Now, you have this memorandum here.

Mr. OWEN. Yes.

The CHAIRMAN. Suppose we place that in the record at this point following your letter.

Mr. OWEN. All right, sir.

"MEMORANDUM ON STATEMENT OF THE BOARD OF GOVERNORS ON PROPOSALS TO MAINTAIN PRICES AT FIXED LEVELS, MARCH 13

"On January 10, 1939, Hon. ROBERT F. WAGNER, chairman of the Senate Committee on Banking and Currency, sent to the Board of Governors of the Federal Reserve System a bill introduced by Hon. M. M. LOGAN, of Kentucky (S. 31), proposing to use the powers of the Federal Reserve System to restore the predepression price level, or purchasing power of the dollar, and maintain it at a fixed level.

"On March 9, 1939, 2 months later, Chairman Eccles replied:

"'* * * you are advised that the Board of Governors of the Federal Reserve System does not favor the enactment of Senate bill No. 31, a bill to amend the Federal Reserve Act, to restore and maintain a stable price level, and for other purposes, or any other legislation of this general character.

"'A statement of the reasons for this view is contained in the enclosed memorandum.'

"The Board of Governors in the memorandum opposes any bill which proposes a stable price level on the ground—

"'* * * that prices do not depend primarily on the volume or the cost of money; that the Board's control over the volume of money is not and cannot be made complete; and that steady average prices, even if obtainable by official action, would not assure lasting prosperity' (p. 1).

"'The Board declares that those who propose a stable price level do so under the impression—

"'* * * that prices can be raised by increasing the supply of money, that prices can be lowered by reducing the supply of money, and that prices can be kept fairly steady by changing the supply of money in the right direction at the right time' (p. 1).

"In other words, the Board, in a public statement, denies the quantitative theory of money; and denies that it is possible to either establish or to maintain a dollar of uniform, permanent, debt-paying, purchasing power.

"The Board also denies what has already been accomplished by other leading nations and substantially contradicts the testimony of the Chairman of the Board heretofore given by him on various occasions.

"Let us consider what he said on February 24, 1933, before the Committee on Finance of the Senate, under Chairman Reed Smoot, of Utah:

"'* * * it must be recognized that the break-down of our present economic system is due to the failure of our political and financial leadership to intelligently deal with the money problem. In the real world there is no cause nor reason for the unemployment with its resultant destitution and suffering of fully one-third of our entire population. We have all and more of the material wealth which we had at the peak of our prosperity in the year 1929. Our people need and want everything which our abundant facilities and resources are able to provide for them. The problem of production has been solved, and we need no further capital accumulation for the present, which could only be utilized in further increasing our productive facilities or extending further foreign credits. We have a complete economic plant able to supply a superabundance of not only all of the necessities of our people, but the comforts and luxuries as well. Our problem, then, becomes one purely of distribution. This can only be brought about by providing purchasing power sufficiently adequate to enable the people to obtain the consumption of goods which we, as a nation, are able to produce. The economic system can serve no other purpose and expect to survive.

"'If our problem is, then, the result of the failure of our money system to properly function, which today is generally recognized, we then must turn to the consideration of the necessary corrective measures to be brought about in that field' (p. 705).

"'The Government controls the gold reserve, the power to issue money and credit, thus largely regulating the price structure' (p. 707).

"Certainly Mr. Eccles was correct in this statement, but it is substantially in contradiction of the present position of the Board. He says now that it cannot be done; that relief cannot be given by the Government, nor by the Federal Reserve System as an agency of the Government. He has conceded many times that the Government can expand and contract money and that no other power has the legal authority under the Constitution. He said as much in his appearance before the Banking and Currency Committee of the House when the Banking Act of 1935 was under consideration. He said:

"'Open-market operations are the most important single instrument of control over the volume and the cost of credit in this country. When I say "credit" in this connection I mean money, because by far the largest part of money in use by the people of this country is in the form of bank credit, or bank deposits. When the Federal Reserve banks buy bills or securities in the open market, they increase the volume of the people's money and lower its cost; and when they sell in the open market, they decrease the volume of money and increase its cost. Authority over these operations, which affect the welfare of the people as a whole, must be vested in a body representing the national interest' (p. 181).

"The Federal Reserve Board was given the power over open-market operations through which it could expand or contract the money supply, it if chose to do so.

"It did choose to do this even when its powers were less than under the Banking Act of 1935. On May 18, 1920, in a secret meeting with the class A directors, representing exclusively the banks, and ignoring class B directors, representing industry, commerce, and agriculture, and class C directors, representing the Government, the Board agreed upon a drastic contraction of credit and currency and used its powers over the member banks to put this policy into effect. It declared various important articles of industry nonessential and undeserving of credit, such as, for instance, automobiles. As the result of such drastic action by the Board, the price level fell from 167 in May 1920 to 93 in June 1921. The purchasing power of money rose from 60 to 107.

"By the exercise of its powers to extend credit, and to permit credit to be expanded, in the security exchanges, the price of securities rose necessarily beyond the power of the securities to pay dividends on the purchase price. The result of this mismanagement was a violent reaction beginning October 23, 1929, which caused the average of preferred and common stocks listed on the New York Stock Exchange to fall from $81.73 a share to $11.89 a share. This caused universal bankruptcy and caused the dollar to rise from an index of 105 in 1929 to 167 by February 1933.

"The powers through which it accomplished this are abundantly set forth in the letter of the Federal Reserve Board of May 25, 1920. An abstract of these powers was made by the Committee on Agriculture of the Senate as follows:

"'1. Discount rates should be raised.

"'2. Member banks should call loans on agricultural products, thus forcing the sale of such products.

"'3. Member-bank credits should be restricted.

"'4. Existing loans should be liquidated.

"'5. Expansion of loans should be checked.

"'6. That member banks should use their power to limit the volume and character of loans.

"'7. The Federal Reserve banks should establish normal discount or credit lines for each member bank and should impose graduated discount rates on loans in excess of the normal line.

"'8. Served notice that the Federal Reserve banks have power to refuse to discount any form or class of paper.

"'9. Suggested notice to the public that the Federal Reserve banks have the power to control and regulate credit.

"'10. Served notice to the public that they must economize, must limit demands for banking credit, and must begin to pay existing debts.

"'11. Suggested that the member banks educate and impress the country with notice of the Federal Reserve's announced policy' (S. Rept. 1328, 75th Cong., 3d sess.).

"Chairman Eccles himself recognizes the powers of the Federal Reserve System, for he said in his memorandum to the Committee on Agriculture and Forestry of the Senate when considering S. 1990, Seventy-fifth Congress, first session: 'The Federal Reserve System can regulate within limits the supply of money * * *' (p. 12).

"But he insisted that there were other factors that might influence prices, which of course has a minor element of truth in it. But the Federal Reserve System is not responsible for the remedies for these conditions. The effect of unfair practices in commerce and the effect of monopolies must be left to regulation through other branches of the Government for which the Federal Reserve System is not responsible.

"There can be no reasonable doubt whatever that the Federal Reserve System can do exactly what the honorable chairman himself has testified to in the hearings on the Banking Act of 1935, when he said:

"'Mr. HANCOCK. In effect, Governor, does not this bill undertake to bring back home the sovereign power vested in the Congress to coin money and to regulate the value of it?

"'Mr. ECCLES. Well, it brings to the Federal Reserve Board the power, and, of course——

"'Mr. HANCOCK. And through that Board back to Congress?

"'Mr. ECCLES. That is right * * *' (p. 207).

"'Mr. CROSS. Governor, you agree with the proposition that it is the duty of Congress to regulate the value of money, don't you; that is, Congress, acting through its agency which it sets up, shall do it? Of course, Congress itself does not do it.

"'Governor ECCLES. I think that is a sovereign power given to Congress.

"'Mr. CROSS. In the Constitution.

"'Governor ECCLES. In the Constitution' (p. 233).

"But now when bills are pending in the Senate and House proposing to exercise the constitutional power, we find the Board of Governors, under the leadership of the chairman, attempting to defeat, through this release to the public press, the reasonable efforts of Senators and Members of Congress to regulate the value of money.

"It is perfectly obvious to students of monetary science where the trouble lies with Chairman Eccles. He has made several serious errors: (1) That the banks are full of money. (2) That the price level is not controlled by the volume of money; which is a denial of the quantitative theory. (3) That stability of prices is not so important as economic stability in industry, commerce, and agriculture. Let us examine these statements.

"THE BANKS ARE FULL OF MONEY

"The argument submitted by the Board is that in 1929 there were $23,000,000,000 of demand bank deposits and the price level was 95, while in 1938 the demand bank deposits were $26,000,000,000 and the price level only 77, and therefore the volume of the demand deposits did not regulate or greatly influence the price level.

"Let us correct the figures. On June 30, 1929, the demand deposits were 22.4 billion dollars for corporations and individuals, excluding interbank deposits and governmental deposits.

"On June 30, 1929, they were 22.8 billion dollars, excluding governmental deposits and interbank deposits, the governmental deposits amounting to over 3.2 billion dollars.

"In 1929 the amount of demand deposits not in circulation was comparatively small, inactive accounts being represented by about $10,000,000,000 of time deposits, of which the Federal Reserve Board has taken no notice. During this year the actual use of these 22.4 billion dollars of demand deposits was $1,227,000,000,000. But in 1938, over half of the demand deposits were hoarded and not in circulation. The total amount of checks drawn against the demand deposits which were in circulation amounted to $530,000,000,000, less than half of the money employed in 1929, although we had had an increase in population of approximately 10,000,000 people.

"The fatal defect in the argument of the Board is that it failed to perceive that demand deposits in hoarding, which are unemployed and not used to pay wages and salaries and carry inventories, but held for future investment cannot be classified as money in circulation. Such demand deposits have no more effect upon the transaction of business, upon the employment of labor, and the production of goods than if they were gold bars hoarded in the vaults of the United States Government, where we have $15,000,000,000 of idle gold unemployed.

"Let it be remembered that money is 'anything employed in conventional use as a medium of exchange and measure of value.' When currency or demand deposits are not employed as medium of exchange, but are buried by the miser in the ground or hoarded by those who merchandise in money, it is not money and does not qualify when considering the quantitative theory of money.

"It is for this reason that Mr. Eccles denies the quantitative theory of money. It is because his mind has not grasped the true meaning of money as employed in the quantitative theory. The quantitative theory deals with money in circulation, not with money hoarded, locked up in vaults and unemployed. Such hoards may be converted into money but they do not comprise money in the quantitative theory.

"Therefore, to say that the banks are full of money is grossly misleading.

"No one knows the substantial facts of the concentration of our money supply in the financial centers better than does the chairman, because in his testimony of February 24, 1933, before the Senate Committee on Finance, he said:

"'I repeat there is plenty of money today to bring about a restoration of prices, but the chief trouble is that it is in the wrong place; it is concentrated in the larger financial centers of the country, the creditor sections, leaving a great portion of the back country, or the debtor sections, drained dry and making it appear that there is a great shortage of money and that it is, therefore, necessary for the Government to print more (p. 711).

"'The maladjustment referred to must be corrected before there can be the necessary velocity of money. I see no way of correcting this situation except through Government action' (p. 712).

"The chairman knows that the concentration of unemployed money in the cities gives the Government an extremely low rate of interest on its bonds; but what he does not appear to know is that the scarcity of money throughout the country can be easily corrected by the powers of the Government without adding to the debt of the United States. He has forgotten the method employed by the Bank of England for over 90 years, to wit, the immediate expansion of the money supply by the purchase of sound bankable assets, thus converting nonliquid securities into liquid money and correcting the effects of hoarding and correcting the fear which induces hoarding, and inviting those who hoard to invest their money by creating a rising market through the expansion of the money supply.

"The Bank of England did this in 1847, 1857, 1866, and 1890.

"At present, and for 6 years, the banks of Great Britain, under the direction in policy of the British Government through the Chancelor of the Exchequer, have created the money supply required to restore employment. Under this management the businessmen of Great Britain have for 6 years enjoyed an unbroken interest rate of 2 percent and a comparatively stable price level.

"THE PRICE LEVEL IS NOT CONTROLLED BY THE VOLUME OF MONEY

"This blunder resulted in a most serious injury to the American people in 1937, because, when a monopoly raised the price of copper from 9 cents to 17 cents a pound and other monopoly prices were engineered, an attempt was made by the Federal Reserve System to control monopoly prices by contracting the money supply upon which the country had been led to depend through deficit spending and the issuance of bonds. The Federal Reserve System proposed to balance the Budget, stop expenditures, and prevent monopoly prices without the alternative of expanding the money supply through the creative powers of the Government and the open-market operations. Certainly they stopped monopoly prices. Copper fell promptly to the bottom. Prices of all kinds were reduced with the result of ruin to the country through a third depression in 16 years created by the mismanagement of the Federal Reserve System. What took place demonstrates that the price level was controlled by the volume of money. Let us remember, however, that by volume of money Mr. Eccles erroneously means demand deposits not in circulation as well as demand deposits in circulation. He blends together demand deposits having zero velocity and demand deposits having a turn-over of 50 times per annum. When the demand deposits in circulation are kept clearly in sight and the volume of checks drawn against such demand deposits is compared one year with another, it will be found that the so-called price level follows the contraction of the check money of the country based upon demand deposits in circulation.

"It is quite clear that the management of the Federal Reserve System does not understand that the all-commodity index, frequently called the price level, is merely a mathematical basis upon which to determine the index of the purchasing power of money, comparing one year with another. In 1926, when President Coolidge established the standard of 100 for the index of the purchasing power of money, it was done in the following manner: First, quantities of 784 commodities were taken as a basis, each quantity being established on the mean average of the years 1923–25 for each commodity. This fixed quantity of each commodity was then multiplied by the average weekly wholesale primary market price of each commodity. The result in dollars was set down, and the total value of the 784 commodities was added up. It made a total of $54,700,000,000. This was set down as the average purchasing power of money in terms of fixed quantities of 784 commodities for the year 1926. The dollar index was, therefore, put at 100 and the all-commodity index was put at 100.

"In 1938, when the same mathematical calculations were made, the total price paid for the 784 commodities amounted to 77 percent of the 54.7 billion dollars. And the dollar index, being in inverse ratio to the all-commodity index, was 130. In other words, the index of the purchasing power of the dollar had increased in the wholesale commodity markets in terms of the necessities of life 30 percent in value, thus forcing the debtors to actually pay the creditors 30 percent more in value than they had agreed to pay in principal and interest.

"When the Board speaks about the price level, it is in effect necessarily speaking of the dollar index, or the purchasing power of money and the debt-paying power of money. Certainly this important fact has escaped its attention. In its release of March 13, 1939, it said:

"'* * * (1) prices cannot be controlled by changes in the amount and cost of money; (2) the Board's control of the amount of money is not complete and cannot be made complete' (p. 1).

"'The Board believes that an order by Congress to the Board or to any other agency of Congress to bring about and maintain a given average of prices would not assist but would hinder efforts to stabilize business conditions' (p. 9).

"The Board thus asserts that a stable dollar of uniform, debt-paying, purchasing power would do more harm than good. This attitude is taken because the Board does not understand that a stable price level is a stable dollar, upon which necessarily the stability of the entire economic system depends.

"The point is that the Board does not realize that to restore the so-called price level to 100 would be restoring the dollar index to 100 from 130. It treats the price level as if it were something quite different from the dollar index, of which it is the mathematical base. It does not treat the price level as a unit. It treats it as a conglomerate and talks about the disequilibrium of prices and about some prices going up rapidly and others going down rapidly, which, while true, is entirely misleading because we are speaking of a price level which means a unit of 54.7 billion dollars for a fixed volume of commodities.

"STABILITY OF PRICES IS NOT SO IMPORTANT AS ECONOMIC STABILITY IN INDUSTRY, COMMERCE, AND AGRICULTURE

"The argument that the stability of prices is not so important as the stability of economic conditions is a final evidence of the misconception of the Board of what the price level is.

"The price level is the basis upon which the purchasing, debt-paying power of the dollar is founded; and, therefore, it should be perfectly obvious that it is impossible to have a stable economic condition in any field when the dollar has its debt-paying, purchasing power violently changed by the contraction of its supply through fear or hope of profit.

"Finally, it might be pointed out that this public release of the Board of Governors ignores established principles of modern monetary science demonstrated by nearly all the countries of the world, including our own. It ignores the party declarations of the Democratic, Republican, Progressive, and Farmer-Labor Parties.

"It ignores the act of the House of Representatives of May 2, 1932, when that body passed the Goldsborough bill to restore the purchasing power of the dollar to the predepression level and maintain it.

"The Board ignores the action of Congress in the Thomas amendment which authorized an expansion of $6,000,000,000 for the purpose of correcting the contraction which had taken place. It has defeated the execution of that authority and is now justifying it in a release to the public press.

"The Board ignores also the opinions expressed by the leaders of the organized farm groups of the United States (the National Grange, the National Farmers Union, the National Cooperative Council, and the American Farm Bureau Federation) and the testimony they have given.

"It ignores the opinions of a great number of professors of political economy who have studied modern monetary science and expressed the opinion that the Congress of the United States should regulate the value of money and exclusively create it through governmental action.

"It ignores the famous cable of President Roosevelt to the London Economic Conference.

"Let it be remembered that when President Roosevelt came in 6 years ago the outstanding currency on March 15, 1933, was 7.2 billion dollars; then it was contracted by the Federal Reserve System and only expanded by the purchase of silver certificates so as to now reach a maximum of 6.7 billion dollars. During the first year of Roosevelt's administration the Federal Reserve banks contracted the currency nearly $2,000,000,000. The outstanding credits of the Federal Reserve banks on March 15, 1933, were 3.5 billion dollars, which were contracted the first year following by about a billion dollars. At present they are $1,000,000,000 less than they were when Roosevelt came in.

"Under the influence and direction of the Federal Reserve System, 16,000 banks have failed in 16 years through mismanagement of the system. The loss in production in the last 10 years has reached nearly $200,000,000,000 in products and services which might have been enjoyed under a wiser management, leaving the country free from debt or relief charges. These facts appear in the records of the Board of Governors.

"The Federal Reserve System with its enormous power, with its large bureau of research, with every opportunity in the world to know the facts, and with every opportunity to digest the facts, up to this time has not given the country relief nor has it pointed out to Congress any means by which it can be affirmatively done. The Board seems to be content with setting itself firmly as an obstacle to the regulation of the value of money by Congress.

"It seems necessary, therefore, that Congress must exercise its power, through a legislative mandate, to instruct the Board and the Federal Reserve banks and to give any additional powers necessary to achieve the restoration of maximum production and employment through monetary means. If there be obstacles in the way, Congress should remove them at once.

"In stating the importance of a legislative mandate I do not concede that the Board and the Reserve banks have not the power immediately to end this depression. It could be done by the Board instructing the Reserve banks to buy bonds and notes of the United States on account of the United States at the rate of $50,000,000 a day until such nonliquid securities converted into liquid money should correct the deficit of liquid money produced by the hoarding of demand deposits, and until those who are hoarding demand deposits for fear or for profit or for security would either restore such money to circulation or until the new money thus created should make the hoarding harmless to the general public, now suffering from pernicious monetary anemia.

"It should be conceded that the Federal Reserve System cannot in itself be held responsible for punitive or obstructive taxes, or for the executive management of money appropriated in public relief and agricultural relief, or for the policies of the Departments of the Treasury, Commerce, and Agriculture. The insistence of the Board of Governors that the proper management of these Departments is a necessary part of the correct management of our economic system is conceded, but the Federal Reserve System is not held responsible for any other department except its own and should confine itself to perfecting its own opportunities of giving the country relief.

"Students of monetary science know that nearly all of our economic dislocations, the distress of agriculture, of home owners, of the railroads, and of the small-business man, is due directly and immediately to the unwise management of the Federal Reserve System. When Congress reassumes its powers of directing the powers of the Federal Reserve System through a legislative mandate, the stability of our economic conditions will be restored in so great a measure that the complaints of the Board of Governors as to other departments of the Government will be comparatively easy to correct.

"The manner in which the stability of our economic life has been impaired by the mismanagement of the Federal Reserve System and the remedies therefor, with the statistical evidence upon which they are based, has been clearly set forth in Senate Document 23 of the Seventy-sixth Congress, first session. In this document will be found a discussion of the principles of modern monetary science in relation to our national economy and banking structure. The statistics are furnished by the Board of Governors.

"The members of the Board of Governors should not be bankers. This does not reflect in any way on the patriotism or intelligence of bankers. An Irish jury favors home rule, and a banker by his lifelong training favors the control of the expansion and contraction of money by the banks. In their subconscious mind they have firmly set an unconquerable aversion to the idea of a political body like Congress exercising the power to control, create, and regulate the value of money. For many years they have filled the public press with the danger of Congress wrecking the country by unwise tinkering with the currency. Nearly all bankers agree that Congress should not be allowed to tinker with the currency. The bankers have frequently defeated a Member of Congress who favored governmental control by the power of the bankers' local influence. The bankers frequently have intimidated Congress through their powerful influence.

"Mr. Eccles, in his testimony of February 24, 1933, said:

"'I happen to be * * * president of First Security Corporation, owning and operating 26 banks and 1 trust company * * * Total resources of approximately $50,000,000' (p. 704).

"And said:

"'I am a capitalist'" (p. 730).

"He truly described himself as a generous, intelligent capitalist who did not believe in refusing deficit spending to prevent starvation or distress to one-third of our Nation. He was so generous in his attitude toward the distressed parts of the country that he became recognized as a New Dealer in the matter of relief.

"When we were improving our conditions by the processes of time in early 1937, he collaborated with Mr. Morgenthau in advocating contraction through the immediate balancing of the Budget and the cessation of deficit financing without offering any other alternative whatever to present reaction.

"Let us concede his sincerity, but let us also remember that by his training and habit of thought and fixed convictions that he is not qualified to be a safe monetary guide for the Roosevelt administration, or for the ending of unemployment, or for the termination of the distress which compels deficit spending because of humane considerations.

"A wise management of the Federal Reserve System would restore employment to a maximum, would end any need for deficit spending, and would not raise the issue of a $45,000,000,000 maximum debt, but would immediately begin to cut the debt down and justify an immediate lowering of the tax rates by increasing the income of corporations and individuals who pay taxes.

"When the leaders lack vision the people perish."

Mr. SCHWELLENBACH. Mr. President, I wish to speak briefly with reference to the amendment of the Senator from Florida [Mr. PEPPER]. When we consider the presentation of the Senator from Colorado [Mr. ADAMS], in which he very carefully attempted to analyze the figures and the results which would be obtained by the appropriation of $100,000,000 or the appropriation of $150,000,000, I think we must conclude that there is a very serious question in everybody's mind as to the exact result which will be attained.

not qualify when considering the quantitative theory of money.

agreed to pay in principal and interest.

We know that more than 800,000 persons are certified as being eligible for W. P. A., and in need of W. P. A. Even if $150,000,000 were appropriated, a very large number of them would not have an opportunity to obtain W. P. A. employment. So, regardless of the figure, we find a situation in which a large number of persons will not have an opportunity to work on W. P. A.

I do not think anyone on the other side will seriously argue that the addition of $50,000,000 to the appropriation would seriously affect the credit of the United States. I do not think anyone will seriously argue that $50,000,000 in itself is of very great importance so far as the total financial program of the Government is concerned. We know that a certain number of persons—I do not try to estimate the number—will receive employment if the $50,000,000 is added and will not receive it if we appropriate only $100,000,000. A certain number of thousands of persons in this country have been declared by the regularly constituted agencies to be eligible for relief, to be eligible for W. P. A.; and they will obtain employment if we appropriate $150,000,000. They will not obtain employment if we appropriate only $100,000,000.

What, then, is the argument behind the reduction of $50,000,000 under the amount recommended by the President? I know that many Members of this body and many persons in this country have had the feeling that if the Government would stop spending money and balance the Budget, or that if we could do this, or do that, then private industry would take up all the slack of unemployment and our problems would be solved. We were told that in 1937, and we tried to make severe reductions in expenditures. After that we went into a tailspin to a greater degree than we have done at any time. The actual decline in business activities in the fall of 1937 and the spring of 1938 was even more rapid than it was in the fall of 1929.

We were told that if the undistributed-profits tax could be repealed, business would receive a stimulus. We practically repealed the undistributed-profits tax, but business did not obtain any stimulus from that action.

We were told that if Mr. Harry Hopkins would make a speech in Iowa somewhere and let business know that the administration wanted to be friendly with industry, that would help. Still business indices have gone down, and there has been no improvement.

It will be remembered that when the question came up in the month of January, there was a very decided feeling upon the part of many Members of this body, and the argument was made, that if a demonstration could be made to business that Congress had once again taken control of Federal funds, there would be a rapid increase in business, and that business would rapidly recover.

I do not contend, as the Senator from New Mexico seemed to infer that I contended the other day, that the fact that the $150,000,000 was deducted from the $875,000,000, caused business not to increase, as was anticipated in January. At that time I argued rather at length, and I am sure very dully, because I attempted to present the question purely from the standpoint of the economic studies which had been made, that we could not expect during this spring the increase in business which was predicted by those who advocated the reduction of $150,000,000. We have not had such an increase. Business has not increased.

I wish to read very briefly from a statement in yesterday morning's newspaper by a man who certainly cannot be accused of being an ardent advocate of the administration, a man who has some reputation as an economist. I refer to Roger Babson. He says:

> Does the failure of business to rise since January mean that the encouraging predictions I made for the entire year should be revised downward? Definitely not. The improvement has simply been postponed by one war scare after another. Three out of every four investors, bankers, businessmen, and merchants whom I see say, "I'm not doing anything until I see what Hitler does next." Those who seem least worried of all are Mr. and Mrs. John Q. Consumer. They keep right on with their retail shopping despite war hysteria. They are showing more sense than most "businessmen."
>
> RETAIL TRADE BETTER
>
> We should be thankful that they are. By continuing to buy they force stores to reorder merchandise, force manufacturers to buy raw materials, and force workers to keep employed. If they were as chicken-hearted as those who are scared stiff by sensational radio and news dispatches, trade would be as low as a year ago. As it is, retail sales are relatively good. Prices are well below last Easter season, yet profit margins in many lines are better than they were even in 1937. Those businesses that are lagging are being held back by fear, and fear alone.

It is not fear of government; and the fact that the Government itself made available through appropriations provided by Congress the money which was used by Mr. and Mrs. John Q. Consumer has made it possible for our retail business to sustain itself during this year.

I am not one who agrees with the theory that we can permanently spend ourselves into prosperity. I know that the junior Senator from Virginia [Mr. BYRD] will probably be surprised when I say that I am not one who adopts the views of the gentleman with whom the Senator from Virginia argues so frequently, Mr. Eccles, on the question of spending ourselves into prosperity. However, we are confronted with a situation——

Mr. PEPPER. Mr. President, before the Senator passes from the subject of fear, I wonder if he has seen any figures as to the diminution in the value of securities on the stock exchange growing out of the fear of war in Europe in the last few days?

Mr. SCHWELLENBACH. I have seen the figures. There was a very sharp decline, as I remember, from two to six dollars last week, although yesterday there was a rise of from one to four dollars, as I remember reading the figures.

Mr. PEPPER. The total loss was several billion dollars in the last few days.

Mr. HUGHES. There was a fall in the price of shares of stock of from two to three dollars a day.

Mr. SCHWELLENBACH. Mr. President, we are faced with a situation now, and we must recognize that within the next few months we are probably going to see the most serious and dangerous condition, so far as business is concerned, that we have seen in this country for many years.

I wish to present the basis of that statement. It is an argument made not by any New Dealer, not by anybody who supports the administration, but in the United States News by Mr. David Lawrence. I wish to read very briefly from a statement in the last issue of the United States News.

> "All that business needs to recover is a chance."
>
> "If only Government will get out of the way business will recover."
>
> "Recovery has followed every other depression; it will follow this one if the Government will stop interfering."
>
> "If the Government will balance its Budget and will stop pampering workers and will let commodity markets go free, there will be recovery."
>
> Those ideas, the highest officials in Washington readily admit, are strongly held today by businessmen and by a growing proportion of the people of the Nation.
>
> That raises the question:
>
> Has anything happened in the world to make today's recovery problem different than the recovery problem of past periods? In a word: Has anything fundamental happened to interfere with the once automatic controls of laissez-faire capitalism?

This is written not in any Daily Worker, but in the United States News, the editor of which is Mr. David Lawrence.

> Vital importance attaches to this question right now when it appears that one more incipient recovery movement is at a critical stage.
>
> Search for an answer to the question calls for an understanding of the controls of the economic system. All economists are agreed that the operation of a free market, where forces of supply and demand determine price, is the controlling feature of the capitalistic system. Stable money is a vital factor in the operation of that system. Its effective functioning took place under a world gold standard, with Great Britain as a banker, with the banker permitting free trade in his market and with backward nations of the world accepting surplus capital and surplus goods for development.
>
> At this stage, the Government's appraisers of the economy as it functions at home and abroad are pointing to break-downs readily apparent in the system of controls that formerly operated to produce recovery after past depressions.
>
> And what do they show?

Then he proceeds to set forth what they show. I am not going to take the time to read anything except the headlines of some of the various factors which he points out.

A look abroad.
Market break-down: The entire, once-controlling, world-market system of exchange is in a state of collapse.

* * * * * * *

Monetary system of world in collapse.
Currency break-down: The money system that in the past permitted the operation of the free world market now is gone.

* * * * * * *

War requirements now control trade.
Trade break-down: War requirements, not price—or quality or ability to produce—more and more is controlling world trade.

* * * * * * *

Surpluses of capital find no investment.
Investment contraction: Always in the past, surplus capital has found an outlet for investment in the upbuilding of backward nations or in the financing of industrial expansion in nations that lack sufficient capital.

* * * * * * *

"Controls" extinguish free world markets.
War: In the world today, war, and the threat of war, is dominating trade.

* * * * * * *

A survey at home.
Slowing population growth: The recovery that came from the depression of 1920–21 came with the greatest population increase in the Nation's history. This increase amounted to 16,000,000 in a decade. The decade of the 1930's has seen that increase slow by 50 percent, with barely 8,000,000 being added.

I point out just a few of the number of things which David Lawrence, or his newspaper, says are causing the conditions which exist in this country today.

In January when we had a relief appropriation bill before us the President asked for $875,000,000. The Appropriations Committee and the Congress decided to reduce that by $150,000,000. They extended to the President an invitation—we extended it in the language of the act which we passed—if he thought an emergency existed to come back and ask for more. Criticism is made of him that he came back too soon; he came back in 5 days or a week or whatever the period was, but the President at that time foresaw precisely what was going to happen during the period of a few months and appreciated the fact that it was necessary, if we were to have the use of W. P. A. funds to hold up—I do not say stimulate, but "to hold up"—business in this country that work upon the appropriation bill be started as quickly as possible.

We have appropriated much money this year for armaments. I am not critical about that at all; I am not in position to be critical, for I have voted for them and I have voted for them without opposition. There have been many here who have an entirely different attitude toward the question of appropriating billions of dollars for armaments, to build battleships, and things of that kind; and the question of appropriating money in order to provide employment for those of our country who need work, and who, because of an economic condition which they did not create, cannot find work. We are told that the reason for the difference of attitude upon the two questions is that in the one case it is a question of a local situation while in the other it is a question of defense. I think that adequate relief is a question of defense. It is a question of defense of our American system of government, a question of whether or not our Government shall recognize and carry forward its responsibility to the people of this country and not force them into such a situation that they may be willing to accept the teachings and the doctrines of those who believe that we should embrace communism or fascism or nazi-ism.

Last Sunday, when he made his first really important utterance, there was delivered from Rome, by the Pope, a speech upon the question of peace. From the context of his entire discussion there can be no doubt that he had in mind the situation which has existed and is existing in the countries of the world with reference to the danger of propaganda from those who would destroy democratic institutions and substitute dictatorial institutions. He said:

Who can fail to see that in this way enormous masses are being formed whom impoverishment and misery—so much more exasperating because in strident contrast with the luxury and excessive comforts of those privileged ones who do not feel the duty of helping suffering—render easy prey to deceptive mirages insidiously proposed by shrewd propagandists of fatal theories?

That statement by the Pope in Rome on last Sunday directly describes the situation in this country. The Members of this body who will say, with an air of complete indifference, "I am perfectly willing to vote $100,000,000 or $200,000,000 for a battleship; I am willing to vote billions for a program of national defense, because that is national defense," and who are not willing to vote for appropriations of this kind, do not appreciate where the real possibilities of attack upon our American Government lie.

For that reason, since there can be no question that the general problem of our fiscal situation cannot be affected by appropriating the additional $50,000,000, and since there can be no question that several thousand persons who need employment will receive employment if that amount is appropriated, I intend to vote for the amendment of the Senator from Florida.

Mr. AUSTIN obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator from Vermont yield to me?

Mr. AUSTIN. I yield to the Senator from Kentucky.

Mr. BARKLEY. When the Senate adjourned on Saturday we had an understanding that we would vote at 2:30 o'clock on yesterday on the amendment of the Senator from Florida, and all amendments thereto. That agreement lapsed; and when we met today I did not desire to renew it, because I felt that the whole day might be devoted to the discussion.

I am very anxious that we shall conclude the consideration of this measure today. We cannot hold a legislative session tomorrow; and if the consideration of the joint resolution is not concluded today it will have to go over until Thursday. It is very important that the measure pass at the earliest possible moment, because much depends upon it. Therefore, I ask unanimous consent that at not later than 5 o'clock today the Senate proceed to vote on the pending amendment and all amendments thereto.

Mr. BILBO. I object.

Mr. BARKLEY. I ask unanimous consent that at an hour not later than 5:30 o'clock today the Senate proceed to vote on the pending amendment and all amendments thereto.

The PRESIDING OFFICER. Is there objection?

Mr. PEPPER. Mr. President, will the Senator withhold that request for a moment?

Mr. BARKLEY. I will say to the Senator from Florida that I think if we can conclude the consideration of the joint resolution today, we can afford to remain a little later than our usual adjourning time in order not to carry the measure over until Thursday. I have no desire to cut off anybody from debate; but if we had met yesterday under normal conditions there would have been only two hours and a half of debate to be equally divided, and we have had pretty liberal debate today, all of which during the whole discussion, with the exception of one speech today by the Senator from Colorado [Mr. ADAMS], has been by the proponents of the amendment. Certainly nobody can contend that the proponents of the amendment have in any way been unfairly dealt with as to the time of debate. I have no desire now to cut them off; but I am sure the Senator will appreciate the desirability of having this matter disposed of. I have no objection to withholding the request for a brief period; but if we withhold it much longer it will be 5 o'clock, and then it will be practically impossible to get an agreement to vote today.

Mr. PEPPER. Mr. President, the reason why I asked the Senator to withhold his request at this time was because all of us have a desire to vote today on this measure. There is no disposition on the part of the proponents of the amendment to carry the vote over beyond today. I do not know how long the Senator from Vermont proposes to address the Senate.

Mr. BARKLEY. The Senator from Vermont, as I understand, is not going to speak on the joint resolution or the amendment, but is going to call attention to the fact that

this is the seventy-seventh anniversary of the birth of the Chief Justice of the United States, and that, I suppose, will not take much time. So far as I am concerned, I am willing to stay here until 6 o'clock, and I myself think it would be better for us to do it rather than to put the joint resolution over to next Thursday, and come back under similar conditions and take all day Thursday, as we have taken all day today, in discussing the measure.

Mr. PEPPER. I am in hearty accord with the Senator. I wish to say, however, that the Senator from West Virginia [Mr. NEELY] proposes to make some remarks, and the Senator from Mississippi [Mr. BILBO] wishes to make some brief remarks, as does the Senator from Pennsylvania [Mr. GUFFEY]. All of us are looking forward to the completion of consideration of the joint resolution today.

Mr. BARKLEY. Will the Senator agree now to conclude the consideration of the pending amendment, and all amendments thereto, at an hour not later than 6 o'clock?

Mr. PEPPER. I will.

Mr. BARKLEY. Mr. President, I modify my request, that at an hour not later than 6 o'clock today the Senate proceed to vote on the pending amendment and all amendments thereto.

The PRESIDING OFFICER. Is there objection?

Mr. VANDENBERG. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. I yield.

Mr. VANDENBERG. I suggest to the Senator from Kentucky that in connection with his plan he bear in mind the fact that I have had a substitute pending for several days, and that after the consideration of the Pepper amendment is concluded it will be necessary to give at least a reasonable hearing to the substitute. If the consideration of the pending amendment is not concluded until 6 o'clock, I am wondering if the Senator thinks he could still hold the Senate to conclude the matter afterward, or whether he would not better accommodate the Senate and his own program if we had an early agreement to vote on Thursday upon the pending amendment, so that the matter then could take its regular course.

Mr. BARKLEY. Of course, if the joint resolution has to go over until Thursday, it does not matter whether we vote at 2 o'clock or at 5 o'clock. If it has to go over until Thursday, I see no virtue in trying to vote early on that day. What I am hoping to do is to conclude the consideration of the joint resolution today. I am sure the Senator from Michigan could present his substitute amendment today and I can guarantee him that it will receive reasonable consideration, though I hope it will be brief consideration.

Mr. VANDENBERG. I am simply notifying the Senator of what lies ahead.

Mr. BARKLEY. I am willing to stay beyond 6 o'clock if we can conclude the consideration of the joint resolution today.

Mr. ASHURST. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. I yield to the Senator from Arizona.

Mr. BARKLEY. I have propounded a unanimous-consent request.

Mr. ASHURST. Mr. President, my desire is to be helpful in securing a vote; but I believe the Senator from Kentucky at this juncture would make no progress in attempting to set a particular hour for a vote. In view of the substitute, let me suggest that the Senator ask unanimous consent that all speeches from this time on be limited, say, to 15 or 20 minutes, and that no Senator shall speak more than once, and that the Senate shall remain in session until a vote is taken.

I can well understand that if we set the time to vote at 6 o'clock, it might shut off any argument on the substitute, and I do not even know what the substitute is. Many Senators object to setting a time to vote who would not object to a limit of time on speeches; and I know that when Senators wish to do so they easily compress into 15 minutes all that may be said on any subject. Senators rarely use that power, but I am proud to say that it is within the literary qualifications of every Senator here to say in 15 minutes all that he wishes to say upon any subject. [Laughter.]

Mr. BARKLEY. Mr. President, I am not going to dispute the profound asseveration of the able and distinguished and always courteous, if not always consistent, Senator from Arizona. I will say frankly that I should have no objection to a limitation of debate, but I should not be frank if I did not also say that I hope to make a few remarks on the amendment before the vote is taken.

Mr. ASHURST. I think it is the Senator's duty to do so.

Mr. BARKLEY. I think I am entitled to do so, because I am going to vote against the amendment, and I think I ought to be allowed to express not only my view but the view of those who think as I do on the subject. I do not know whether or not I can do that in 10 or 15 minutes. Probably I could if I would; but I may not have the power of intellectual and linguistic concentration which is so ably possessed by my colleague and friend from Arizona.

Mr. ASHURST. Mr. President, will the Senator from Vermont yield to me for a moment?

Mr. AUSTIN. I yield to the Senator from Arizona.

Mr. ASHURST. I was reserving my judgment on the amendment until I could hear the Senator from Kentucky. The Senator says he desires to speak on the amendment. I go further, and say that, in my opinion, it is his duty to speak on the amendment.

Mr. BARKLEY. Of course, the Senator's remarks now make it obligatory upon me to speak upon the subject. If the Senate is willing to stay here until we can vote, without fixing a time for a vote, I am perfectly willing to stay here tonight until we can vote; but I have no way of taking a census of the Senate on the subject.

I withdraw the request for the moment, because the Senator from Vermont desires to speak on another subject.

SEVENTY-SEVENTH ANNIVERSARY OF BIRTH OF CHIEF JUSTICE HUGHES

Mr. GILLETTE. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. I yield to the Senator from Iowa.

Mr. GILLETTE. I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Vermont yield for that purpose?

Mr. AUSTIN. Mr. President, I suggest to the Senator from Iowa that I appreciate the mark of respect to the Chief Justice which is implied in the suggestion of the absence of a quorum, to which I assented a short time ago when the Senator from Iowa and I were conversing; but I suggest to him that since that time many Senators have entered the Chamber, and we now have a pretty full attendance. In the interest of expedition, is not the Senator willing to withdraw his suggestion of the absence of a quorum?

Mr. GILLETTE. Mr. President, in view of the statement of the Senator from Vermont, I gladly withdraw the suggestion of the absence of a quorum.

Mr. AUSTIN. Mr. President, Charles Evans Hughes, Chief Justice of the United States, enjoys the felicitations and good wishes of the American people on this his seventy-seventh birthday.

His remarkably constructive service to humanity is permanently established in international law and American jurisprudence, by him expounded and applied during his distinguished term as Secretary of State and as the eleventh Chief Justice.

The height and depth and wide horizons of his sentiments and his thoughts have comprehended the significance of the venerable voice of history and the meaning of the present changing scene.

The variety and scope of his experience as college professor, practicing lawyer, prosecutor, special ambassador to many international conferences, author, Governor of New York, candidate for President, Secretary of State, and Chief Justice have made him a powerful champion of that constitutionalism which, to use his own eloquent words, keeps

"democratic government from destroying itself by the excesses of its own power."

Great as is the dignity of the Chief Justice, the simplicity, affability, and friendliness of Charles Evans Hughes the man impress all who meet him.

Long life, service, and happiness to Charles Evans Hughes, our beloved Chief Justice!

ADDITIONAL APPROPRIATION FOR WORK RELIEF AND RELIEF

The Senate resumed the consideration of the joint resolution (H. J. Res. 246) making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939.

Mr. MEAD. Mr. President, I wish to take merely a moment to read into the RECORD several letters which I have received recently bearing upon the W. P. A. appropriation. First is a letter from Millard W. Rice, legislative representative of the Veterans of Foreign Wars, as follows:

I have just received a telegram from Mr. Edward Dunne, commander, Brooklyn Council, Kings County, of the Veterans of Foreign Wars of the United States, Brooklyn, N. Y., dated April 6, 1939, stating as follows:

"We vigorously protest the dismissal of veterans from W. P. A. employment. This we understand is due to lack of appropriation for W. P. A. continuance. Request Administrator Harrington and our Federal legislators be notified of this condition through you. Independent veteran groups springing up rapidly to take similar action."

It would appear that the provisions of Public Resolution No. 122, approved June 21, 1938, and of Public Resolution No. 1, approved February 4, 1939, specifically providing that preference of W. P. A. employment shall be extended to war, campaign, and expedition veterans who are in need thereof, are being violated, if it is true that veterans are being discontinued from W. P. A. employment, allegedly because of lack of appropriations to permit the W. P. A. to furnish employment to all war veterans and American citizens in need thereof.

Moreover, if any such policy is actually going into effect in New York City and elsewhere, then it would appear that the policy enunciated in your letter to me under date of March 9, 1939, is not adhered to. In such letter you stated as follows:

"In accordance with the provisions of section 11 of the Emergency Relief Appropriation Act of 1938, as amended, preference in employment on projects of this Administration is extended to veterans who are in need, as evidenced by certification from the certifying agency, provided the veterans are American citizens and are qualified to perform the duties required.

"In effecting reductions in employment, this Administration takes into consideration the statutory provisions of the Emergency Relief Appropriation Act of 1938, as amended, providing that from among those certified as in need of relief, preference in continuation of employment on the Works Program shall be given to veterans of the World War and veterans of the Spanish-American War who are citizens of the United States."

May I be advised as to whether or not there has been any change in policy as to the preference to be extended to war, campaign, and expedition veterans in need for W. P. A. employment, and for preferred retention in W. P. A. employment, as provided for by law, and as repeatedly enunciated in policies expressed by you?

Very sincerely yours,

MILLARD W. RICE,
Legislative Representative.

The next letter is from John J. Crim, chairman of the national legislative committee of the Army and Navy Union. It is as follows:

The Senate has the opportunity of proving to the millions of underprivileged citizens that the program set forth by the administration in the giving of work relief will continue and the necessary funds of $150,000,000 will be appropriated to carry out this great work.

As great numbers of our members would be laid off under a curtailed appropriation, we are asking the opportunity of expressing, through you, our views to the Members of the Senate, and will appreciate their support in adding the $50,000,000 that was cut by the House of Representatives from the President's request.

Thanking you and the other Members for their cooperation, I remain,

Sincerely yours,

JOHN J. CRIM, *Chairman.*

In connection with what is stated in the letter last read, I have just received a message that 800 W. P. A. workers were laid off in Buffalo, N. Y., and that comparative numbers have been laid off in every community in the United States.

A few days ago, in order to keep the record straight, I directed a communication to Colonel Harrington as to the effect of the amendment now pending, and he wrote me as follows:

WORKS PROGRESS ADMINISTRATION,
Washington, D. C., April 7, 1939.

The Hon. JAMES M. MEAD,
United States Senate.

MY DEAR SENATOR MEAD: The following is in response to your inquiries as to the effect of a supplemental appropriation of $100,000,000 upon the Works Progress Administration program for the balance of the current fiscal year.

So far as the matter of reducing the rolls after April 1, 1939, is concerned, the original program based upon the President's recommendation for an appropriation of $875,000,000 was to maintain an average employment of 3,000,000 persons through February and March, 2,900,000 in April, 2,800,000 in May, and 2,700,000 in June.

The contemplated average of 3,000,000 persons was maintained through February and March. The situation which faced me in April 1, was that the Congress had taken no action upon the President's request for an additional $150,000,000 to bring the appropriation for the Works Progress Administration to the amount originally recommended. I therefore ordered a reduction of the rolls to 2,800,000 to be completed in the week ending tomorrow. There certainly can be no question as to the actuality of this reduction. Furthermore, these persons will not be replaced if an additional $100,000,000 is appropriated.

Pending action on House Joint Resolution No. 246, I have not made a final decision as to the course to pursue in the months of May and June. I can, however, definitely state that further reductions will be necessary, as the funds at my disposal, if $100,000,000 is appropriated, will permit an average employment of only 2,366,000 persons in those 2 months.

In the matter of the number of certified people who are not now employed on the Works Progress Administration program, this number as of the end of February was 869,000, which has now undoubtedly been increased due to the lay-off which is being made this week.

Your second inquiry concerned the amount of the supplemental appropriation which I recommended to the Appropriations Committees. I wish to state that my recommendation to both the Senate and House committees was for the sum of $150,000,000. So far as the House committee is concerned, this is definitely shown on pages 2 and 79 of the printed record of the hearings.

Sincerely yours,

F. C. HARRINGTON,
Administrator.

Mr. President, the letter from Colonel Harrington and the messages from the President, without exception, are marked by their persistent consistency, and that consistency is woefully lacking in the ever-changing attitude of the subcommittee of the Committee on Appropriations. Only a few weeks ago they told us that $725,000,000 was sufficient. Today they assure us that $100,000,000 additional will just about be sufficient. Insofar as I am concerned, I am going to vote for sufficient appropriations to keep the veterans at work; I am going to vote for sufficient funds to make opportunity for our own workers to find employment, rather than take my stand with a committee which makes one report one week and changes it by $100,000,000 the following week.

Mr. NEELY. Mr. President, if the Senator will yield, in his time I wish to read into the RECORD the leading editorial in the Fairmont Times, of Fairmont, W. Va., for April 8, a short editorial, which refers to the very matter the Senator has been discussing in his statement. The editorial is entitled "Economy Comes Home," and is as follows:

[From the Fairmont Times of April 8, 1939]

"ECONOMY" COMES HOME

Effective today, 958 W. P. A. workers must be cut off the pay roll in the Second District, headquarters for which are in Fairmont.

So far as is known, none of those 958 have any possibilities of finding new work or new sources of income, unless they turn to the West Virginia department of public assistance for direct relief. It is possible that many of them will qualify for direct relief.

That's how the anti-New Dealers in Congress are "economizing"—by throwing men out of gainful employment and leaving them on the hands of State relief administrations that will have to give them food and shelter without receiving anything in return.

Mr. BILBO obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. BARKLEY. I have tried to canvass the situation in the Senate, and it is obvious that we cannot conclude the consideration of the pending joint resolution today without remaining in session longer than most Senators desire to stay. I ask unanimous consent that at not later than 2 o'clock on Thursday the Senate proceed to vote on the amendment now pending and all amendments thereto, and

that thereafter, until the conclusion of the consideration of the joint resolution, no Senator shall speak more than once nor longer than 10 minutes on the joint resolution or any amendment thereto.

Mr. McNARY. Mr. President, I think the Senator will have to amend the request. I am sure the Senator from Kentucky and I are in accord. What he desires is a limitation of debate after 2 o'clock on Thursday.

Mr. BARKLEY. That is correct.

Mr. McNARY. And that the limitation of debate shall follow the disposal of the pending amendment.

Mr. BARKLEY. That is correct.

Mr. McNARY. The able Senator from Michigan [Mr. VANDENBERG] has an amendment in the nature of a substitute, which must be considered after 2 o'clock.

Mr. BARKLEY. That is true, and I understood from the Senator from Michigan that he would be willing to abide by a limitation of 10 minutes.

Mr. McNARY. Exactly; but from the Senator's statement it would not be inferred that he would have an opportunity to present his amendment, because the Senator refers to the pending amendment and all amendments thereto.

Mr. BARKLEY. That is not an amendment to the pending amendment.

Mr. McNARY. It would be an amendment in the nature of a substitute.

Mr. BARKLEY. I amend the request, then, and ask that after 2 o'clock on Thursday no Senator shall speak more than once nor longer than 10 minutes on the joint resolution or any amendment thereto or any substitute for the joint resolution.

Mr. McNARY. That is all right.

The PRESIDING OFFICER. Will not the Senator from Kentucky state his request?

Mr. BARKLEY. The request is that at not later than 2 o'clock on Thursday the Senate vote on the pending amendment and all amendments thereto, and that thereafter no Senator shall speak more than once nor longer than 10 minutes on the joint resolution, or on any amendment thereto or substitute therefor.

The PRESIDING OFFICER. Is there objection?

Mr. NEELY. Mr. President, will not the Senator from Kentucky amend his request by providing that half the time on Thursday may be controlled by the proponents of the amendment and half by the opponents? Otherwise, one Senator may take the floor and consume the entire 2 hours, and cut off debate.

Mr. BARKLEY. I do not wish to be unfair, but practically all the time so far has been consumed by proponents of the amendment. Nine-tenths of the time has been consumed by the proponents. I do not know of anyone who could possibly talk for 2 hours, or who would desire to talk for even an hour.

Mr. SMITH. I thought the Senator limited the time to 10 minutes.

Mr. BARKLEY. Not before 2 o'clock.

Mr. SMITH. After 2 o'clock the limitation would be 10 minutes.

Mr. BARKLEY. Yes; but the pending amendment will be disposed of by that time. I do not have any objection to a division of time on Thursday, but to make it a condition to agreeing to the unanimous-consent request puts the debate upon the status that the time up to now has been equally divided, whereas everyone knows that it has been almost entirely consumed by the proponents of the amendment, and if they did not have any time at all on Thursday they still would be far ahead in the consumption of time in the debate.

I assure the Senator that, so far as I am concerned, I will do my best to see that no one Senator gets the floor and keeps it during the 2 hours.

Mr. NEELY. Mr. President, unless the proponents of the amendment are assured of at least 1 hour of time on Thursday, I shall object.

Mr. BARKLEY. We will proceed, then, without any further request on my part to get an agreement to vote on Thursday.

Mr. BONE. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. BONE. I wish to introduce into the RECORD a telegram I received from Charles F. Ernest, head of the welfare operations in my State, which points out that—

> Total certified and awaiting W. P. A. assignment as of latest available date, March 15, 13,258. In addition 3,508 have applied and their certifications are pending.

This telegram was sent from Olympia, Wash., on April 3, 1939.

> These two groups with their dependents represent 46,944 persons. The need for continuing a substantial work quota is further intensified by the fact that revenue-producing conditions in the State are such that it has become impossible to continue direct relief to able-bodied as of April 1.

The telegram goes on to point out that—

> The number to whom direct relief was being given as of March 15 was 15,159 family heads who together with their dependents number 42,445 human beings.

And Mr. Ernest winds up his appeal in his telegram with the statement:

> Any satisfactory degree of care for able-bodied persons in need will require continuation of present W. P. A. quota.

Mr. President, there was one other little matter to which I desire to direct the attention of my brethren. This is both an interesting and a pathetic showing, and very challenging as well.

The National Emergency Council representative in my State made some studies of illness frequency by relief status or annual family income in the great State of Washington.

The figures show that out of 1,000 persons—families on relief—234 were ill, and 71 out of the 234 had chronic illnesses.

In the nonrelief status, with incomes from zero up to $999 per family per year, there were 174 persons ill, and 54 of them were chronic.

In families with incomes ranging from $1,000 to $1,999 there were 155 person ill, and of these 39 cases were chronic.

In cases of incomes of $2,000 to $2,999 per family there were 150 persons ill, and 37 of those cases were chronic.

In cases of families with incomes over $3,000 there were 149 persons ill, and 39 of those persons had chronic illness.

That, Mr. President, indicates that as the family income increases illness decreases. Disease has become a tragic and inevitable concomitant of poverty. Thus illness goes hand in hand with poverty, and the health of America is being slowly but inexorably dragged down under the impact of the conditions of poverty in which so many people are compelled to live.

Mr. WAGNER. Is any medical care given to these unfortunate impoverished families?

Mr. BONE. They have to wrestle with the problem of illness as best they can. The scanty family income is given over wholly to the purchase of bare necessities. So the impact of this thing has dreadful possibilities.

Mr. REYNOLDS. Mr. President, will the Senator from Mississippi yield to me?

Mr. BILBO. I yield to the Senator from North Carolina to correct a mistake made in the RECORD.

Mr. REYNOLDS. Mr. President, on April 6, 1939, I took occasion to bring to the attention of the Senator from Florida an article from the Washington Times-Herald, and I want to read that into the RECORD in order that I shall not do injustice to the young lady who addressed a communication to me with respect to that article. It has to do with the W. P. A. I see the Senator from Florida on the floor of the Senate now. He was very courteous to allow me to bring it to the attention of the Senate the other day when I directed an inquiry to him in regard to it. The article I clipped from the Washington Times-Herald reads as follows:

NEW Y. W. C. A. COURSE TELLS HOW TO TRAVEL IN EUROPE—W. P. A. RESEARCH AIDE WHO COVERED 25,000 MILES LAST YEAR WILL GIVE CLASS HER SECRETS ON GETTING BY ON ONE LANGUAGE

How to travel in Europe without languages, money, time, or war scares will be taught at the Y. W. C. A. in a 6 weeks' course opening Tuesday.

The professor in charge will be Frances Fox, Works Progress Administration research assistant, who last year did just what she will impart to her class. She traveled 25,000 miles, speaking only English.

Her course will include tips on what souvenirs to bring home and what to do if seasick, homesick, lovesick, or just sick.

Central and southern European travel will be stressed, along with the British Isles and Scandinavia and Finland.

Subjects will be the titles to a book Miss Fox is planning on "Travel and How To Do It." Some of them are: "Are You an Unadulterated Patriot?" "Guides and How To Prevent Them," "A Word to Wives on Packing for Men," "Mercenary in Money Matters," "Customs Is a Custom," "Tips on Tips, and Also on Gyps," and "Enigmatic Menus."

Mr. President, after I had read that clipping from the Washington Times-Herald into the RECORD, I received a letter from Miss Fox, which occasions my requesting permission at this time to make the statement I am making. I asked the Senator from Mississippi to yield to me for that purpose. The letter is as follows:

Washington, D. C., April 7, 1939.

The Honorable ROBERT R. REYNOLDS,
United States Senate.

MY DEAR SENATOR REYNOLDS: Several statements made by you yesterday on the floor of the Senate, and quoted subsequently by at least two radio commentators, were completely untrue, and I wish to inform you of the facts in the hope you will be compelled, as a matter of simple justice, to correct the RECORD.

During my travels abroad I had no connection with the Works Progress Administration. These travels were concluded over a year ago and I did not begin work for the W. P. A. until about 8 months ago. My present series of talks likewise has no connection with the W. P. A. They are delivered in the evening, under the sponsorship of the Y. W. C. A. Moreover, there was nothing in the newspaper clipping you read to your colleagues to justify your assumptions that either the travels or the lectures were in any way connected with or financed by the W. P. A.

In view of your own extended travels, I wonder if you could have any objection of any kind to one traveling where and when she chose, so long as it was on her own savings and her own time. And I am definitely eager to know whether you are sufficiently interested in truth and justice, regardless of your immunity, to get up and withdraw your false statements in the same manner that you made them.

Very truly,

FRANCES FOX.

Mr. President, immediately upon receiving Miss Fox's letter I addressed to her a communication—the date after her letter was written. It is as follows:

APRIL 8, 1939.

MY DEAR MISS FOX: Thank you sincerely for your letter of April 7, which I found on my desk this afternoon when I came from the Senate. I have noted the contents of your letter very carefully.

In view of your statement I shall be very happy indeed to insert your letter in the RECORD next Monday if the opportunity is provided, together with the newspaper clipping which I utilized on the floor of the Senate in making reference to the W. P. A. matter now under discussion in the Chamber of the Senate.

I am asking Miss Basinger, who takes this letter, to secure for me the RECORD carrying the newspaper clipping mentioned, so that your letter may follow that clipping. I would not have anyone think that I would do you an injustice, or anybody else for that matter, including the W. P. A.

With assurances of my highest respect, I beg to be,

Very sincerely yours,

ROBERT R. REYNOLDS.

I thank the Senator from Mississippi for permitting me the opportunity to make this correction in the RECORD. I want to assure the President of the Senate and my colleagues that I have never attempted to or shall I ever misquote anyone for that matter, and whenever I make a mistake I shall be very happy if I may be provided the opportunity to correct it.

Mr. BILBO. Mr. President, I believe in governmental economy, but I do not belong to the so-called economic bloc which is attempting to cut to the bone every appropriation which has a tendency to relieve suffering humanity and contribute to the social uplift of the people of our Nation.

I know that many persons have been disturbed over the fact that our national debt has reached the neighborhood of $40,000,000,000. However, we are in much better condition financially than is the great British Empire. I am told by those who are in a position to know that if the Government should continue assuming obligations until we reached the present status of the British Government, we could go to $129,000,000,000 instead of $40,000,000,000. So after all we are not in such bad shape when we compare our condition with that of some of the other great nations of the world.

We boast of the fact that we have the greatest nation on earth, the most powerful nation on earth, the wealthiest nation on earth, and that our resources are unlimited, very few of them having been thoroughly developed. So this is no time to get economic hysteria and defeat an appropriation which is very essential to the welfare of 700,000 or 800,000 American citizens. I understand they are bona fide citizens, since we have eliminated the aliens who have been on our rolls.

I should be untrue to my duty and my responsibility to my constituents if I did not favor the $50,000,000 increase. This morning I obtained from the records in the W. P. A. office the fact that from the 1st of April to the 15th of April 3,840 of my constituents who had been certified as being in need of a job, in need of relief from the Government, will be discharged from the rolls.

I was further informed that if only $100,000,000 were appropriated today, 4,000 would be dismissed from the rolls each month in my State. That means that if the $50,000,000 should not be added to the appropriation, about 12,000 of the good people of my State would be thrown out into the cold without a job, on starvation, in need, in poverty.

That situation does not take into consideration the thousands in my State who have been certified as eligible for relief, and who have not yet been put on the rolls. Some of them have been waiting for 2 or 3 years, certified by the authorities of the Government upon examination. They have no work, they have no means of support, and they are fit subjects for relief. They have not been on the rolls.

For these reasons, speaking strictly as a representative of my State, I am compelled to support the amendment offered by the Senator from Florida [Mr. PEPPER].

I appreciate the rule that some of my colleagues are following, to vote with the committee recommendation. Since I have been in the Senate, and in recent months, I have read much in the press, and I have heard talk on the floor of the Senate, especially by our friends on the other side of the Chamber, to the effect that this is a "rubber stamp" Congress. I agree with our friends. To a very large extent this is a "rubber stamp" Congress. It is not a "rubber stamp" Congress in the sense in which that term is used by our friends on the opposite side of the Chamber, but it is a "rubber stamp" Congress for this reason: I care not what kind of a bill may be introduced; the minute the bill reaches the committee, the secretary instantly sends it down to one of the bureaus or departments for investigation and report. When the bill reaches the Department of Agriculture, the Department of State, the Department of Commerce, or the Treasury, as Senators know, it is not passed upon by the head of the department or bureau. It is passed on down to some "small fry" in the Department, some specialist, some so-called expert, some pseudo "brain truster"; and he, in his private office, decides what the policy of the Government shall be, and what the law shall be. Then the bill is sent on up to the head of the department, and in a perfunctory way in many cases the recommendation of the subordinate is accepted, the head of the department signs the letter, and it is sent to the committee.

When the committee assembles to consider an important piece of legislation which is vital to a particular State or to a great section of the country, the minute the clerk says to the committee that the report from the department or bureau or commission is adverse, every one folds his arms and the bill is dead; the legislation is neglected. So the Congress has surrendered to the departments and bureaus of the Government its right to pass upon legislation which the country needs. When the commiteee reports adversely, the great

majority of my colleagues say, "The committee is against it, so I will follow the committee."

I think every Senator has his own responsibility. He has his duty to his constituents. While I am always happy to follow the lead of the committee, I cannot give my consent always to follow the committee, because a small majority in the committee could be just as mistaken as a majority on the floor of the Senate in the passage of legislation. So I think we should give careful consideration to all these questions, regardless of the action of the committee.

The thing I do not like about the report from the Appropriations Committee is the fact that the chairman stated on the floor that the testimony and the figures given by Colonel Harrington were such that the committee took issue with him, and reached the conclusion that the W. P. A. did not need the money, and that it could go on until July without the additional appropriation; whereas Colonel Harrington, with all his earnestness and his great desire to make a good job of the W. P. A., insisted that his figures justified the appropriation of the full $150,000,000.

I am certain that since January the President has insisted that the $150,000,000 is needed. Even since the committee of the Senate made its report he has insisted that it is needed, and he is still insisting that the Senate should vote the $150,000,000.

I am not disturbed about the House. Members of the House have their own responsibilities and duties to their constituents to discharge. We should do our duty, and then put the matter up to the House. If the House cannot, or will not agree, then the question will go to conference. That is the proper way to fight out the question.

Some one says, "We cannot get the amendment through the House." I do not know. Many times I have seen the House surrender to the will of the majority of the Senate; and it may be that in this important question, involving the welfare of 700,000 or 800,000 persons, the House will bow to the will of the Senate.

If the newspapers tomorrow morning should publish a story to the effect that a great cyclone or hurricane had stricken one part of the Nation, and had thrown out of employment and put on charity 700,000 or 800,000 of its citizens, the entire Congress would be ready to send money to the stricken area in order to give the people relief. In this case we are being called upon to send relief to 700,000 or 800,000—almost a million—who are in just as distressful a condition as any one would be after a storm or a hurricane, because these people have been certified by the proper authorities. The authorities have said by their certification that those certified are in need. They are without jobs. They are faced with starvation. They must have clothes and food; and yet we hesitate to do our duty.

The underlying force behind the campaign against the appropriation is the voice of big business, which is speaking in its silent, forceful way on the banks of the Potomac. We are contending with an invisible government whose influence is largely directing the economy campaign. The cry has been, "If we will only appease big business, we shall have a new era of prosperity in this country." The attempts to appease big business with tax relaxations, and the relaxation of rules and regulations governing monopolies, will be just about as successful in bringing about prosperity as Mr. Chamberlain's Munich agreement was in bringing peace to the people of Europe.

The Senator from Washington a while ago read the words of Mr. Babson, and said that the reason why the moneyed power of this country would not release the funds necessary to start the wheels of progress of the country was because they are waiting to see what Hitler is going to do. No; it is not Hitler they are watching and waiting for. They have been watching and waiting to see what Franklin D. Roosevelt and this administration will do toward releasing the bans and regulations on the monopolistic control of the affairs and economic life of the country. They have been waiting to see what the Senate Finance Committee and the House Ways and Means Committee will do toward relieving them of taxes that they do not want to pay. That is what they are waiting to see about. They do not give a hurrah for Hitler.

Let us appropriate this $150,000,000. Let us say to big business, "When you get ready to play ball and unloose the multiplied billions that are now in the banks of the country, that are now in hiding in the richest nation on earth, with boundless resources to be developed, with numberless opportunities to be furnished, we will give you a square deal; but if you do not turn loose these billions and play ball, we have the power and we are going to feed and clothe the American people at the expense of the big taxpayers of the country until you do so." That is all those engaged in big business have been waiting for; and right now they are waiting until 1940, in the hope that they can put at the other end of Pennsylvania Avenue a Republican President who will carry out their wish and will, with a House of Representatives that will cooperate.

It strikes me that the people sometimes are easily fooled. We saw big business trying to run this Government for 12 years under Harding, Coolidge, and Hoover, and we remember the hell of a fix it was in when the Democrats took charge in 1932. That was an example of big business trying to operate the Government, because God knows they had charge of it for 12 years; and yet we find a great many good people who want to turn around and try them again. If so, in the end we shall get the same dose that we got before.

I make reference to my own section of the country. We need this relief in Mississippi. All the Southern States need this relief. We are poor and yet we are wealthy. The South, along with the West, has the majority of the resources of this country today. They are not developed; but the South is rich in the great resources of the Nation. I just want to give you some figures.

Take oil, that great, essential material in our present-day civilization. The South and West produce 95.79 percent of all the oil of the United States.

Take lumber. The South and the West produce 90.18 percent of all the lumber that is used in building the houses of this country.

Take the 64 leading farm crops. Sixty-three and sixty-seven one hundredths percent of them are produced by those great sections which are in need today, the South and the West.

All the gold that is mined in this country comes from the West, thirty-five to forty million dollars' worth a year.

All the silver that is mined in this country comes from the South and the West, twenty-five or thirty million dollars' worth a year.

Notwithstanding these facts, however, we are today poor because we have been mistreated by the moneyed powers of the financial centers of the Nation; and I am ready to prove that statement.

One of the greatest industries of the country today is the paper industry. Did you know that 70 percent of all the paper and wood pulp made and used by the American people comes from Canada and from England? At the same time, one-tenth of the acreage of the South today would grow enough pine to produce enough pulp for all time to come, not only for the United States but for the entire world; just one-tenth of it. Recently, those of the South who had a vision of its development, and the utilization of its great wealth in natural resources in order to develop our own country, went to the bankers of New York, of Wall Street, and asked them to put money into building a paper mill in the South to develop this great industry. The bankers turned thumbs down on it, and instead invested $400,000,000 in Canada and in Europe, in the paper mills of those countries, to supply the United States with paper.

Mr. LUNDEEN. Mr. President, will the Senator yield at that point?

Mr. BILBO. Yes.

Mr. LUNDEEN. International finance knows no flag, no country, no loyalty, and worships but one god, and that is the god of gold.

Mr. BILBO. And not much conscience, and no scruples at all. In other words, if the New York bankers and the other bankers of this country in whose vaults all these billions are hoarded would spend just $500,000,000 in the development of the paper industry in the South, erecting 100 mills and taking the products from 200,000,000 acres of the Southland, producing paper for the United States and for the world, it would give labor to 1,000,000 American citizens in the South today who are on the relief rolls. If the bankers do not want to pay the bill for taking care of the unfortunate idle of this country, let them open up their vaults and turn loose the money; and if they will spend $500,000,000 in the development of the paper industry of the South alone, we will take 1,000,000 persons off the relief rolls of the South.

Take the question of old-age pensions. I want to discuss that question at length when the measure comes before the Senate. What has happened? This silent, invisible government here on the banks of the Potomac, in the passage of the present social-security old-age-assistance law, passed a law in the interest of the rich States of the Union to the discrimination of the poor Commonwealths which make up this Republic. As a result, today the State of Mississippi—the State I have the honor in part to represent here—is paying on the average to her old people $4.79 per month, when in the richer States, in the concentrated-wealth sections of the country, the old people are receiving $30 a month. Practically all of the Southern States, although they are just teeming with undeveloped resources—and I make the prophecy that some day they will constitute the richest section of the United States—are not able today to pay over $4, $5, $8, or $10 per month to their old people.

I want to make another prophecy, and then I shall be through.

Mr. LUNDEEN. Mr. President, will the Senator yield at that point, before he goes into the next subject?

Mr. BILBO. Yes.

Mr. LUNDEEN. I wonder if it would not be a good idea to prevent the export of this capital that goes by the billions into foreign countries. This capital was produced by American farmers, workingmen, and businessmen. Why permit its export? We should keep it here in the United States. There are nations which forbid the export of capital and so far as we can see they seem in that way to conserve their resources for their own people. I can see no sense in allowing our own capital to build factories in foreign countries with our own money just because they can employ cheap labor there. These products then come back here to the United States to plague us. We need an American policy.

Mr. BILBO. Yes; and the Senator's suggestion is a very happy one; but unfortunately the nations which pursue the course to which he has referred are the very nations which are now giving the rest of the world a great deal of trouble.

I wish to make a prophecy. The Democrats are in control at the other end of Pennsylvania Avenue, the White House, they are in control of the House of Representatives and of the Senate; we are on the job, and unless we give some response to the rising tide of the old people of this country, who demand a fair, and decent, and equitable, and just, and righteous compensation in their old age—unless we do that, we might just as well pack up our grips and get ready to move out of Washington, because the Republicans will outpromise the devil in their next national convention. Our promises may be greater, but they will not be believed, because we are on the job now and we can take action, and if we are on the job and will not give the assistance needed, the people will have no right to believe that we would do it if given another chance.

I hope there will be a sufficient number of Senators who have the humanity and a regard for the interests of the people of this country to lead them to vote this $150,000,000. I should be glad to speak 10 hours, but my time has been cut short, and I will finish at some other time.

Mr. NEELY. Mr. President, the inquiring student of government will search in vain from the beginning of Adam Smith's Wealth of Nations, through all the related dreary dissertations which followed it, to the end of the Fabian essays by George Bernard Shaw for a more fantastic political philosophy, or a less appealing economic fallacy, than the opponents of the Pepper amendment have enunciated in attempting to justify their opposition to this important measure.

Regardless of the language of the argumentation against the amendment, it may all be reduced to the unequivocal contention that the Congress can, by the simple expedient of adding approximately a half a million needy men and women to our vast army of unemployed, initiate a movement that will eventually balance the Budget, increase the prosperity of the taxpayers, and promote the general welfare of the country.

The naked, unblushing, manifest truth of the matter is that the remedy proposed by the opposition is as inappropriate for the healing of our economic afflictions as gasoline is for the extinguishment of a forest fire. Many Members of the Senate not only find it impossible to have a scintilla of faith in the efficacy of this extraordinary formula, but are impelled to the conclusion that its translation into reality would reduce consumption, diminish distribution, impoverish business, delay recovery, and increase the suffering of untold thousands of the unfortunate whom the Works Progress Administration has so far saved from starvation.

For the last 10 years the Government's paramount problem has been that of unemployment and the evils which flow directly from it. The insufficiency of jobs for the industrious, sober, and deserving manual laborers of the United States since the beginning of the Hoover panic in 1929 has made millions homeless; it has made millions ragged; it has made millions beg their bread; it has started innumerable throngs of discouraged men, destitute women, and famished little children over the hill to the poorhouse to eke out their existence in humiliation, die in agony, and sleep in the potter's field until the resurrection.

That a great increase in national prosperity is earnestly desired no one will venture to doubt or dare to deny. Only the means of obtaining it are involved in the debate.

The opponents of the amendment believe that prosperity can be achieved in the realm of increased unemployment. Those who are wholeheartedly supporting the amendment believe that employment and prosperity habitually go hand in hand. Throughout our history they have risen to the heights together. In the descent to the valley they have been as inseparable as the Siamese twins. The constant interdependence of these two vital factors in the great equation of national economic life is so self-evident and irresistible that legislators seldom ignore it and never intentionally do violence to it.

If every able-bodied, willing worker in the Nation should be lucratively employed at once, the toilers, with their wages, would promptly launch a buying campaign which, before the adjournment of this session of the Congress, would tax to capacity every facility of production and distribution in the land. And millions who have long been insufficiently housed and clothed and fed would soon create a profitable market for everything the farmers produce, for every commodity the railroads carry, for everything the coal operators, the manufacturers, and the merchants have to sell, and the people long to buy.

According to the latest reliable statistics, there are more than 11,000,000 jobless men and women in the United States. Just as long as this deplorable situation continues it will constitute an impassable barrier between the people and the promised land of prosperity into which they yearn to go. Unfortunately, the opponents of the Pepper amendment will, if their present efforts succeed, aggravate the chronic unemployment affliction and postpone complete recovery to a more distant day by robbing a half a million works-progress employees of their jobs and depriving them of the meager wages with which they are saving the Government the expense of supporting them in idleness and the burden of burying them if they should starve to death.

The action of the Congress in slashing $150,000,000 from the appropriation which the President originally requested

for the Works Progress Administration has already deprived more than 205,000 toilers of their jobs.

Those who are intensely solicitous about financial affairs, only mildly interested in human values, and not visibly distressed by widespread misery are courteously urged to consider the fact that every time a works-progress employee is stricken from the roll, the loss of his wages injuriously affects everyone in his community who has supplied him the necessaries of life. And a little later the farmers who raise wheat in the north, cotton in the South, and hogs and cattle on the western plains suffer in some degree because of the annihilation of the purchasing power which the former job holder enjoyed.

If the Senate fails to grant the additional $50,000,000 which the supporters of the amendment seek to obtain, approximately 500,000 additional works-progress employees will be eliminated from the pay roll between now and the 30th day of June. Such a disheartening increase in unemployment might conceivably start a general business recession as great as that which plagued the country during the latter part of 1937 and the first half of 1938.

Let no one be deceived by the insinuations that the credit of the Nation is in danger and that if relief spending is not drastically reduced the Government will be face to face with insolvency or repudiation. The financial structure of the United States is the soundest on earth. Our credit is today better than that of any other nation that has ever existed in the entire history of the world.

And let us not be unduly alarmed by anything that may be heard from the wailing walls of the reactionaries concerning the amount of the national debt. A few weeks ago the eminent majority leader, Mr. BARKLEY, said in the course of an able address which he delivered in Ocala, Fla., that the sum total of the National, State, county, municipal, and private debts of the United States is now approximately $5,000,000,000 less than it was on the day of President Franklin D. Roosevelt's first inauguration.

Although the Government's own debt has increased, the money which has been spent for the employment of the idle on public works of permanent value has been used to liquidate local and private obligations to such an extent that our total indebtedness is now less than it was before the New Deal employment policy was established.

The industrial and economic problems with which this country is confronted were not caused by our having spent too much for the employment of the 15,000,000 destitute who were inherited from the Hoover administration, but because we have not spent enough for this praiseworthy purpose.

The opponents of the amendment say that the Government cannot afford to spend $50,000,000 to prevent a half a million deserving, needy men and women from being robbed of their jobs. They forget that this is still the richest country in the world. The American people constitute only 7 percent of the world's population but own 32 percent of its railroads, 33 percent of its radio broadcasting stations, 36 percent of its developed water power, 44 percent of its radio receiving sets, 58 percent of its telephone and telegraph facilities, and 76 percent of its automobiles. Because of the high standard of living among the fortunate, the United States consumes a third of the world's coal, half of its coffee, half of its rubber, half of its sugar, two-thirds of its petroleum, and three-fourths of its satin and silk.

During the past week we have learned that just one of our hundred thirty million people—a director of a prominent moving-picture concern—last year received salaries aggregating more than a million two hundred ninety-five thousand dollars—much more than the salaries of all the Members of the United States Senate combined. Multitudes of officials of American corporations are known to have received salaries last year that averaged more than a thousand dollars a day.

In the circumstances, we cannot justify the sacrifice of a half a million employees to the curse of enforced idleness on the ground that the Government cannot afford to lend them its aid.

Three choices are available to us concerning those whom the amendment is designed to save. First, if we are sufficiently heartless, we can let them starve. But it would cost the Government more to bury them than it would cost to employ them until the 1st of July. Second, we can provide them works-progress employment, in return for which they will give us construction of highways, bridges, schoolhouses, airplane landing fields, swimming pools, and many other public improvements of permanent utility and lasting value. Third, we can provide them a dole and thereby make them the unwilling and unhappy victims of enforced idleness and uselessness, and the Government will receive nothing in return. The supporters of the amendment believe that conscience decrees, prudence dictates and justice demands that we choose the works-progress employment which the requested additional appropriation of $50,000,000 would provide.

It may be difficult for those who were born with silver spoons in their mouths, or for those who since their earliest recollection have been clothed in purple and fine linen and have fared sumptuously every day to visualize the distress of a poor man who is charged with the responsibility of supporting a wife and four or five dependent children, and who has nothing in the world but $52.50 a month in wages from the Works Progress Administration between himself, his wife, and his children on the one hand, and immediate inescapable grinding want for food and shelter and clothing on the other.

But honorable and distinguished statesmen, with $10,000-a-year salaries with which to supply the wants of your families, will you not endeavor this afternoon to put yourselves in the places of the W. P. A. employees who are about to lose their jobs, who are about to become destitute, who are about to become homeless and hungry and cold?

The defeat of the amendment would cause many tragedies as agonizing as that described in the following story:

A workingman, a widower with five children, the oldest of whom was a girl 14 years of age, lived with his family in a rented cabin. The father was accidentally killed while unloading a truck. The little girl, in an effort to provide for a younger sister and her three little brothers, sought and found work—scrubbing neighbors' floors and washing their windows. But her compensation was so scant that she was compelled to work long hours in order to save the little family from dissolution. As a result of her overexertion she suffered an attack of influenza, which rapidly developed into pneumonia. The generous-hearted Christian doctor who had volunteered to treat her without pay, at last told her that she had only a few more hours to live, but he endeavored to encourage her by describing the joy she would experience in knowing Jesus in the better land. The doctor was called from the sickroom for a few minutes, and in his absence a neighbor girl came to see her dying friend. The little martyr with her hands as rough as sandpaper meekly folded across her breast, stated that she expected to see Jesus in a little while, but lamented: "I am so poor and so ignorant that when I meet Him I won't know what to say." Her little friend instantly replied: "You won't need to know—just show Him your hands."

Senators, when we finally stand trial before the only one who ever gave His absolute all, including His life on the cross, to the service of the poor, the needy, and the sick, let us at least be sure when we show the Saviour our hands that they will be free from the blood of the poverty-stricken and distressed, and let us hope that the Master will say to all of us concerning our vote today, "Well done, thou good and faithful servants."

Countless transgressions may be charged against me, but it will not be charged that I ever cast a vote in the Senate or elsewhere, the obvious, inevitable result of which was to augment the destitution, increase the suffering, and intensify the humiliation of those of whom Edwin Markham said:

Out of the roads they have gathered a hundred thousand men,
To ask for a hold on life as sure as the wolf in his den.
Their need lies close to the quick of life as the earth lies close
to the stone,
It is as meat to the slender rib, as marrow to the bone.
They ask but leave to labor for a taste of life's delight,
For a little salt to savor their bread, for houses watertight.

They ask but the right to labor and to live by the strength of their hands,
They who have bodies like knotted oaks and patience like the sea sands.
And the right of a man to labor, and his right to labor in joy,
Not all your laws can strangle that right nor the gates of hell destroy,
For it came with the making of man and was kneaded into his bones,
And it will stand at the last of things on the dust of crumbled thrones.

Mr. GUFFEY. Mr. President, I favor the adoption of the Pepper amendment, and hope it will prevail.

When the original relief-appropriation measure was before the Senate in January last I voted for the full amount recommended by the President. Everyone in my State knows whose vote decided the cut from $875,000,000 to $725,000,000 by a vote of 47 to 46.

Recently, my colleague and I had the privilege of addressing a joint meeting of the Pennsylvania Legislature, which privilege was extended to us by a resolution of the lower house. At that meeting my colleague stated that he would vote to restore the full amount of $150,000,000, provided a committee were appointed to investigate the W. P. A. I now wish to remind him that since that date the House of Representatives has appointed a committee for that purpose.

Once more, I desire to say that I hope the Pepper amendment will prevail.

Mr. BARKLEY. Mr. President, at this hour I would not detain the Senate on this amendment or any other amendment unless I thought it my duty to do so. I shall try to be brief.

I am not concerned with the politics of this situation. During the discussion of the $875,000,000 proposition two months ago, charges were made that politics had been injected into relief; and one of the political parties in this Chamber injected politics in relief by caucusing as a political organization on how it would vote on it.

I am not going to take time to discuss the philosophy of spending or of economizing as it applies to this particular amendment. I think my record during the past 6 years shows that I have not been averse to spending for relief, and I am not now averse to such spending; and I am not at all frightened over the size of the public debt of the United States.

If I had it within my power by the issue of a word to decide whether this emergency relief appropriation measure would carry $100,000,000 or $150,000,000, I would order it to carry the $150,000,000 recommended by the President. I voted for $875,000,000 2 months ago; and with my colleagues here, the Senator from Tennessee [Mr. McKELLAR], the Senator from Louisiana [Mr. OVERTON], the Senator from Arizona [Mr. HAYDEN], the Senators from New Mexico [Mr. HATCH and Mr. CHAVEZ], and other Senators on the Appropriation Committee and on this floor, we lost by one vote. That is past history. It could be charged that any individual Senator here who voted against $875,000,000 at that time was responsible for its defeat, because the change of one vote would have carried the amendment.

But, Mr. President, we are confronted here with a condition and not a theory, as Grover Cleveland once said on another occasion, in dealing with another subject. The President, in his message to Congress at the beginning of this session, asked for $875,000,000. The House of Representatives passed a joint resolution providing for $725,000,000. We fought out the matter here on the floor and in committee. If we had obtained the $875,000,000 appropriation in the Senate, and the joint resolution had gone back to the House with a difference of $150,000,000 between the House and the Senate, and the joint resolution had gone to conference, as it would have gone, we could not well have hoped to get out of that conference with more than $100,000,000 of the $150,000,000 representing the difference between the two Houses. If we had carried the $875,000,000 then, and the matter had gone to conference, and the conferees had brought back $825,000,000, which is about what they would have brought back, we should have been then just where we are now, and this joint resolution would not be here today.

When the President requested the additional $150,000,000, and the matter was under consideration in the House, it soon became obvious that the House would not pass a bill carrying more than $100,000,000 in addition to previous appropriations. That is what the House passed. However much I or other Senators may regret the reduction, however unsatisfactory it may be and is to the President of the United States and to us, there are 531 Members of the Congress of the United States, and 530 of them besides myself have a right to pass on this question.

I have no control over a single one of those 530 Members in the House and in the Senate. Further, I desire to say that so far as this amendment is concerned I have not attempted to exercise any control over or to influence the vote of a single Senator. I thought it unwise to precipitate this fight here, and I still think so, because if the Pepper amendment should be adopted, and we should pass the joint resolution with $150,000,000, it would go back to the House of Representatives and go to conference, and they would be wrangling over the difference between $100,000,000 and $150,000,000 for the next 10 days or two weeks, and at the end of that time they would come back here with $100,000,000, just what is carried in the joint resolution today.

Mr. CONNALLY. Mr. President, will the Senator yield at that point?

Mr. BARKLEY. I yield to the Senator from Texas.

Mr. CONNALLY. Is it not true that if we should adopt the $100,000,000, Congress will likely be in session continuously from now until July 1, and if any really critical situation should arise it could be corrected at that time?

Mr. BARKLEY. I am going to discuss that question in a moment. I thank the Senator from Texas for reminding me of it.

A great deal has been said inside the Chamber and outside—more outside than inside—to the effect that some sort of nefarious and obnoxious agreement was entered into by which the votes of Members here are bound on this amendment.

Mr. President, I am speaking today not only as an individual Senator from Kentucky, but I am going to assume the responsibility of speaking as the majority leader of the United States Senate. If I have not the common sense and the frankness and the courage to take my share of responsibility on an issue of this sort, the Democratic conference ought to meet day after tomorrow and select somebody who has the courage to do it.

When I became advised of the situation in the Committee on Appropriations with respect to this measure, I think it was my duty to consider the circumstances which prevailed in the committee and in this Chamber.

It is well known that some of the members of the Appropriations Committee were opposed to any additional appropriation whatever and any member of the committee will confirm that statement. Just how many there were I do not undertake to say but there were several.

There were other members of the committee who were willing to appropriate $50,000,000 additional and others $75,000,000 additional, and the amount ranged all the way up to $150,000,000, which is the subject of the present controversy.

I think I am not divulging any secret when I say that if in the Committee on Appropriations each individual member had voted his own individual sentiments on the subject we would not have a joint resolution before us providing $100,000,000, but we would have one providing a maximum of not more than $83,000,000 and it might have been $75,000,000; and if that had occurred we would now be fighting here to restore the amount to $100,000,000 instead of trying to obtain $150,000,000, which is the subject of the amendment pending.

When I was advised by members of the committee of that situation and it came to me in my capacity here, I said to them what I am saying now that while I, myself, would like

to see the appropriation made $150,000,000, while I favored $150,000,000, I think common sense dictates to us that we act here in the light of the conditions which prevail and not as we might like them to be.

When Senators like the Senator from Tennessee [Mr. McKELLAR], who led the fight on this floor and in the committee 2 months ago to get the entire amount asked for by the President; when a Senator like the Senator from Louisiana [Mr. OVERTON], for whose sincerity and whose ability and frankness and integrity I have the highest regard, as we all do; when the Senator from Arizona [Mr. HAYDEN], who 2 months ago helped to make the fight to get the entire amount; and other Senators on the committee, regardless of their views as to the size of the appropriation, came to me and advised me of the situation, I did what I think any man of common sense and frankness would have done. I recommended to them that they do the best they could, and it was my opinion then as it is now that in the light of these circumstances if they could obtain a unanimous report for $100,000,000 as the joint resolution was passed by the House the wise course to pursue was to accept that and bring the joint resolution out on the floor and pass it without amendment and get it to the President so that he might sign it without delay.

I was not willing, however, to take the responsibility alone of pursuing that course. Late one afternoon I called into conference 15 or 20 Senators, those who were on the floor and as many as I could get in touch with at that hour, to advise about the situation. Among those were the three members of the Committee on Appropriations to whom I have referred. After discussing the situation for nearly 2 hours, it was the almost unanimous judgment of those present, every one of whom had voted for the $875,000,000 2 months ago, that the wisest course to pursue was the course which has been pursued by the Committee on Appropriations and which I am recommending now.

No one has been bound as to his vote on the amendment. No effort has been made to bind anyone and I have not myself talked around among my friends and colleagues on this side of the Chamber and electioneered with them or buttonholed them as to how they would vote on the amendment when it is voted on; and I do not propose to do that. Although I disagree with him as to the wisdom of offering his amendment, I did not ask the Senator from Florida not to offer it; and the Senator will say so in the presence of the Senate.

So, Mr. President, if the course I have pursued and the vote I am going to cast here today subjects me to criticism I accept it without flinching, from whatever source it may come, inside or outside this Chamber.

If I have made an error in judgment in trying to be frank with my colleagues and with the country, because I am not willing to kid the people of the United States, or my colleagues here in the Senate by holding out a hope for them that they can get something which I know they cannot get, however desirable it may be in their estimation, the responsibility is mine.

Mr. President, what is the situation? I will recount the amounts appropriated for this purpose during the past 3 or 4 years, because I think we are entitled to compare them in order to assess the real importance of the particular $50,000,000 in dispute in relation to the amount which has been appropriated by the Congress for previous years and for this year.

In the act of 1935, for the Emergency Relief Administration, Congress appropriated $1,357,000,000. The Relief Administration appropriation for fiscal year 1937 was $1,817,000,000. For the fiscal year 1938 it was $1,476,000,000. For the fiscal year 1939 we have appropriated to date for Works Progress Administration a total of $2,063,000,000.

If the $150,000,000 asked for by the President were added to this, the total amount would be $2,213,000,000. With the hundred million dollars carried in the joint resolution the total appropriation for this year will be $2,163,000,000.

I am authorized by the President to say that while he wants the $150,000,000, while he thinks it is necessary, while the $100,000,000 is not satisfactory, he will sign the bill for $100,000,000 if and when it comes to him.

I am authorized further to say that within the next few days the President will send to the Congress a message asking for an appropriation of $1,500,000,000 for the Works Progress Administration for the fiscal year beginning July 1, 1939.

I have conferred with some of the members of the Committee on Appropriations about the wisdom and propriety of an appropriation of a billion and a half dollars for next year, and it is my sincere hope that we may enact that appropriation without a serious contest in either House of the Congress. But when we have reduced the appropriation for W. P. A. next year, according to the request of the President, when it comes in within a few days, we will have reduced the amount available for W. P. A. from $2,163,000,000 for 1939 to $1,500,000,000 for 1940, which will be a reduction of $613,000,000 in the W. P. A. appropriation for next year below the amount appropriated for this year.

When you compare the $2,163,000,000 for this year, with $1,500,000,000 for next year to begin on the first day of July, representing a reduction of $613,000,000, I contend in all sincerity, that in view of the situation existing in the House of Representatives and in the Senate, $50,000,000, after all, is not such a stupendous amount as to justify all the delay and controversy involved in this amendment.

Mr. President, we will have an appropriation bill for 1940, with the recommendation of the President for $1,500,000,000—we will have it here in the Senate sometime during June. There is no way to predict how much of a contest may arise over that amount. But, Mr. President, it has been my view and is my view now that in view of the approach of June, when we have to fight out this entire question of relief, and the amount, that it was unwise to have a fight here over the amount involved in this amendment, within 2 months of the time when we have to consider and determine the entire question of how much money we will have available for 1940.

I have some Irish blood in my veins, and I like to fight as much as anyone whenever something is accomplished by it. But my daily prayer is not "Lord, show me a fight in order that I may get into it." And my daily prayer is not "Lord, show me a spot in order that I may put some Democrat on it, or Republican either." I am not in the business of trying to put Members on the spot. I go on the assumption that men who occupy responsible positions in the Senate of the United States will vote on a roll call as they will vote in any other way in the United States Senate. And if there is any Senator here on the Republican or Democratic side, or with any other political affiliation, who would be afraid to vote on a roll call in any way he would not vote in secret, to use the language of my friend from South Carolina, we ought to search our consciences and our hearts to see whether we are frank with ourselves and with our constituents.

Mr. President, I have conferred and I think I am guilty of no impropriety in making this statement—I have conferred with responsible leaders of the House of Representatives upon this situation as it exists, and I think I know as certainly as I know anything, that $100,000,000 is all we are going to get out of this appropriation, and knowing that as I think I do, and feeling that way about it, I am unwilling to delay for 10 days or for 5 days the final adoption of this joint resolution, because when we come to consider the appropriation for 1940, as it will be presented to us within a few days by the President of the United States, and as we must in order to make it available by the first day of July, if the situation that then exists requires any additional appropriation to be made available for the remainder of 1939 we can add it onto that bill and make it available for expenditure prior to the first day of July—the end of this fiscal year.

These facts, Mr. President, constitutes one of the reasons why I feel that this amendment and the controversy around it is a futile gesture. I say that not in criticism of any

Senator. I say it not in criticism of my dear friend from Florida, who is the author of this amendment. I say it not in criticism of any Senator who will vote for the amendment, but I say it because I desire to be frank with the Senate and frank with the country—most of all to be frank with the unfortunate men and women of this Nation who rely on this sort of employment for their daily bread.

I do not deem that there is any fundamental principle involved in the difference between $100,000,000 and $150,000,000 for if we owe any obligation as a matter of principle we owe it to all the unemployed, and not a few of them or only a portion of them. We have to deal with these problems as they arise here. We have to exercise our own conscience and our own better judgment in the light of facts that we know exist.

In the light of those facts, for the reasons I have assigned, I shall vote against the amendment offered by the Senator from Florida, and I trust that the joint resolution will be adopted without amendment of any sort, so that we may send it to the President for his signature and make this money available without further delay in order that the situation to which our attention has been called repeatedly may not grow worse.

I appreciate the President's attitude. I would not have wanted him to change it, Mr. President, and if he had indicated to me himself a willingness to have retreated from the figure which he originally sent us, I would have advised him not to do so.

The President has his responsibility. No man has ever borne his responsibilities more nobly or more faithfully than has Franklin D. Roosevelt. I have my responsibility likewise, and so have other Senators.

Acting upon my responsibility, in the light of the situation which I believe to exist, regretting as I do that I cannot vote for the amendment, I feel that it is my duty to vote against the amendment. Other Senators will be governed by their own sense of duty; but it is my settled conviction that the joint resolution should be agreed to without amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Florida.

Mr. McNARY. On that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PEPPER. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Johnson, Colo.	Radcliffe
Andrews	Davis	King	Reed
Ashurst	Downey	La Follette	Reynolds
Austin	Ellender	Lee	Russell
Bailey	George	Lodge	Schwartz
Bankhead	Gerry	Lucas	Schwellenbach
Barbour	Gibson	Lundeen	Shipstead
Barkley	Gillette	McCarran	Smathers
Bilbo	Green	McKellar	Smith
Bone	Guffey	McNary	Stewart
Bridges	Gurney	Maloney	Taft
Brown	Harrison	Mead	Thomas, Okla.
Bulow	Hatch	Minton	Thomas, Utah
Burke	Hayden	Murray	Townsend
Byrd	Herring	Neely	Truman
Byrnes	Hill	Norris	Vandenberg
Capper	Holman	Nye	Wagner
Clark, Idaho	Holt	Overton	Walsh
Clark, Mo.	Hughes	Pepper	Wheeler
Connally	Johnson, Calif.	Pittman	White

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Florida [Mr. PEPPER]. On that question the yeas and nays have been demanded and ordered. The clerk will call the roll. Those in favor of the Pepper amendment will answer "yea"; those opposed "nay."

The Chief Clerk proceeded to call the roll.

Mr. BILBO (when his name was called). On this question I have a pair with the Senator from Wisconsin [Mr. WILEY], who has been called out of the city. If he were present, he would vote "nay." If I were at liberty to vote, I should vote "yea." I withhold my vote.

Mr. ELLENDER (when his name was called). On this question I have a pair with the senior Senator from Maryland [Mr. TYDINGS]. If he were present, he would vote "nay." If I were at liberty to vote, I should vote "yea." I withhold my vote.

Mr. WHITE (when Mr. HALE's name was called). On this question my colleague [Mr. HALE] has a pair with the Senator from North Dakota [Mr. FRAZIER]. If my colleague were present he would vote "nay." I am informed that if the Senator from North Dakota were present he would vote "yea."

Mr. HILL (when his name was called). On this question I have a pair with the senior Senator from Indiana [Mr. VAN NUYS], and withhold my vote. If the Senator from Indiana were present, he would vote "nay." If I were at liberty to vote, I should vote "yea."

Mr. BARKLEY (when Mr. LOGAN's name was called). My colleague [Mr. LOGAN] is unavoidably detained. If he were present, he would vote "nay."

The roll call was concluded.

Mr. HATCH. My colleague [Mr. CHAVEZ] is unavoidably detained from the Senate on very important business. I am not authorized to state how he would vote if he were present.

Mr. SHIPSTEAD (after having voted in the negative). I have a pair with the senior Senator from Virginia [Mr. GLASS]. I am informed that if he were present and voting he would vote as I have voted, so I allow my vote to stand.

Mr. DAVIS (after having voted in the negative). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I understand that if he were present he would vote as I have voted. Therefore, I allow my vote to stand.

Mr. BRIDGES. My colleague [Mr. TOBEY] is necessarily absent from the Senate, due to illness. I understand that he has a general pair with the Senator from Ohio [Mr. DONAHEY]. If my colleague were present and at liberty to vote, he would vote "nay." I understand that the Senator from Ohio [Mr. DONAHEY], if present, would vote "yea."

Mr. CONNALLY. The senior Senator from Texas [Mr. SHEPPARD] is unavoidably detained from the Senate. I am not authorized to state how he would vote if present.

Mr. MINTON. I announce that the Senator from Arkansas [Mr. MILLER] is detained from the Senate because of illness in his family.

The Senator from Indiana [Mr. VAN NUYS] is unavoidably detained.

The Senator from Arkansas [Mrs. CARAWAY], the Senator from Virginia [Mr. GLASS], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Ohio [Mr. DONAHEY], and the Senator from Maryland [Mr. TYDINGS] are absent on important public business.

The result was announced—yeas 28, nays 49, as follows:

YEAS—28

Andrews	Hughes	Minton	Schwellenbach
Bone	Johnson, Colo.	Murray	Smathers
Clark, Idaho	La Follette	Neely	Thomas, Okla.
Danaher	Lee	Norris	Thomas, Utah
Downey	Lundeen	Pepper	Wagner
Green	Maloney	Pittman	Walsh
Guffey	Mead	Schwartz	Wheeler

NAYS—49

Adams	Capper	Holman	Reynolds
Ashurst	Clark, Mo.	Holt	Russell
Austin	Connally	Johnson, Calif.	Shipstead
Bailey	Davis	King	Smith
Bankhead	George	Lodge	Stewart
Barbour	Gerry	Lucas	Taft
Barkley	Gibson	McCarran	Townsend
Bridges	Gillette	McKellar	Truman
Brown	Gurney	McNary	Vandenberg
Bulow	Harrison	Nye	White
Burke	Hatch	Overton	
Byrd	Hayden	Radcliffe	
Byrnes	Herring	Reed	

NOT VOTING—18

Bilbo	Ellender	Logan	Tydings
Borah	Frazier	Miller	Van Nuys
Caraway	Glass	O'Mahoney	Wiley
Chavez	Hale	Sheppard	
Donahey	Hill	Tobey	

So Mr. PEPPER's amendment was rejected.

Mr. SCHWELLENBACH. Mr. President, I offer the following amendment, to be inserted at the conclusion of the joint resolution:

Provided, That the Works Progress Administration shall so administer the funds allotted to it for the balance of the fiscal year, and so regulate the employment, that no project worker who is in need and employable, and who cannot find employment in private industry at wages not less than the prevailing rate of wages, for work for which he or she is reasonably fitted by training and experience, shall be discharged from the Works Progress Administration rolls, except for cause.

The VICE PRESIDENT. The amendment offered by the Senator from Washington will be stated.

The LEGISLATIVE CLERK. At the end of the joint resolution it is proposed to insert the following proviso:

Provided, That the Works Progress Administration shall so administer the funds allotted to it for the balance of the fiscal year, and so regulate the employment, that no project worker who is in need and employable, and who cannot find employment in private industry at wages not less than the prevailing rate of wages, for work for which he or she is reasonably fitted by training and experience, shall be discharged from the Works Progress Administration rolls, except for cause.

Mr. SCHWELLENBACH. Mr. President, very briefly I desire to state that we have discussed this matter here two or three times. If the position of the committee is correct that no one will be discharged, then certainly the committee cannot with consistency object to the amendment. It simply gives assurance to those who are on the rolls that there will be some continuity of employment between now and the first of July.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield to the Senator from Arizona.

Mr. HAYDEN. I desire to make a suggestion. If any amendment is adopted to the joint resolution, it will have to go back to the House and to conference. We cannot tell how long that will take. To my mind, it is very important that the appropriation be made and become available immediately. The effect of the Senator's proposal, therefore, would be to delay the matter.

Mr. BILBO. Mr. President, will the Senator yield to me?

Mr. SCHWELLENBACH. I yield to the Senator from Mississippi.

Mr. BILBO. Will the Senator from Washington agree to an amendment to his amendment, striking from it the word "discharged" and inserting in lieu thereof the word "refused", so as to read "no project worker * * * shall be refused employment"?

Mr. SCHWELLENBACH. That would completely change the meaning of the amendment. The amendment is intended only to protect those who are now employed on the rolls, and to provide for them some degree of security in their employment between now and July 1.

Mr. BILBO. My contention is that the seven or eight hundred thousand persons who are certified as now off relief have not heretofore been enjoying any of the compensation of the program, and that if they meet the requirements set up by the amendment offered by the Senator from Washington that class of persons should not be refused employment. I am trying to take care of those who are on the outside as well as those who have been enjoying the fruits of this program.

Mr. SCHWELLENBACH. I will say to the Senator that I tried for 2 years to get that sort of a measure adopted; and I am satisfied that if such an amendment were accepted, the joint resolution never would get through conference. For that reason I am not willing to accept the amendment.

Mr. OVERTON. Mr. President, will the Senator yield for a question?

Mr. SCHWELLENBACH. I yield to the Senator from Louisiana.

Mr. OVERTON. If I correctly understand the Senator's amendment, if it is adopted there will be no limitation upon the W. P. A. Administrator insofar as an appropriation is concerned. He may continue to employ persons regardless of the limitations contained in the appropriation.

Mr. SCHWELLENBACH. No; I do not think so. I think all the amendment does is to give to those who are now on the rolls some assurance of continuity of employment until the end of the fiscal year. I do not think the amendment affects the joint resolution in any other way. If the analysis made by the Senator from Colorado [Mr. ADAMS] is correct, the amendment will not make any difference; but I think these persons are entitled to that assurance, and I think it would be a very desirable thing from the point of view of the general purposes of the joint resolution to have the amendment adopted.

Mr. OVERTON. Suppose the appropriation were not sufficient to carry out the purposes of the amendment, what would happen?

Mr. SCHWELLENBACH. If the figures which have been accepted by the committee are so far off as to result in that, it would mean a necessity for a further appropriation; but I honestly assure the Senator and the Senate that I do not present the amendment from the point of view of inviting a deficiency appropriation. I present it from the point of view of giving to these persons an assurance that they are going to remain on the rolls unless they are discharged for cause.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. SCHWELLENBACH].

The amendment was rejected.

Mr. VANDENBERG. Mr. President, I send to the desk an amendment in the nature of a substitute which I offer. I move that all after the enacting clause of the joint resolution be stricken out, and that the matter I send to the desk be inserted in lieu thereof.

The VICE PRESIDENT. The amendment, in the nature of a substitute, offered by the Senator from Michigan, will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause of the joint resolution and in lieu thereof to insert the following:

That the first section of the joint resolution entitled "Joint resolution making an additional appropriation for work relief and relief for the fiscal year ending June 30, 1939," approved February 4, 1939, is amended by striking out "June 30, 1939" wherever it appears in such section and inserting in lieu thereof "June 7, 1939."

Mr. VANDENBERG. Mr. President, if I may have the attention of the Senate for just 3 or 4 minutes, I shall very briefly explain the theory of the substitute, and content myself with a vote upon it.

It seems to me there is a far more rational and realistic approach to this problem than the pending one, as represented either in the committee's recommendation or in the amendment submitted by the Senator from Florida [Mr. PEPPER]. Instead of guessing whether $50,000,000 or $100,000,000 or $150,000,000 of additional relief money is necessary next June, I again suggest that we wait until next June to settle next June's problem. In the meantime we can devote 2 months to a study of concrete and specific relief economies, and to the creation, perhaps, of a substitute for the entire existing relief formula, instead of now rushing to another pell-mell decision under the whip and spur of one more emergency which once more invites us to hasty and inconclusive decision.

Mr. President, if you will follow me, the W. P. A. already has $725,000,000 to spend to next June 30. The President and his relief administrator say this is $150,000,000 short of the necessities for their program; but under their program they do not need one penny of the additional $150,000,000 until June 8. Therefore, their program can be fully financed in their way by the simple recourse of amending the original authorization to permit them to spend the $725,000,000 up to June 8 instead of June 30. This eliminates the necessity for any additional appropriation at the present time. It postpones until June the necessity for any additional appropriation under their own theory and their own demands. It gives Congress 2 more months in which to investigate the W. P. A. and in which to identify some of the economies which Con-

gress believes to be possible without any impairment of legitimate relief necessities.

The President cannot complain; he gets what he wants to June 7. W. P. A. cannot complain; it gets its own program to June 7. Then, prior to June 7, in the light of further studies and disclosures and recommendations, Congress can deal with the last 3 weeks of this fiscal year on the same realistic basis with which it deals with the whole 12 months of the next fiscal year.

Mr. President, that, in a nutshell, is the theory of the substitute, and I submit that it meets every relief necessity for 2 more months, yet relieves us of the necessity of guessing at the moment what ultimately may be required.

Mr. NORRIS. Mr. President, I desire to say a word about the amendment. It presents a new theory of government, a remarkable theory. What is the use of appropriating $100,000,000? Why not appropriate enough for the time between now and next Sunday, and cut the appropriation away down? If in the meantime there were any demand to go further with the program, we could make another appropriation. We could deal the money out in handfuls.

Mr. President, I understand the amendment to mean that until the 7th of June they can run on at the same rate with the money which the $100,000,000 appropriation will provide, and if Congress does not do anything then, they discharge everybody. That is economy. Why not make it the 1st of May; why not the 15th of April; why not the 15th of May?

We have been all wrong in appropriating in time past for fiscal years. We might just as well shut down and go a week at a time, and get the same program, get everything anyone wants, except that the money would not last very long.

Mr. President, it seems to me that is the ultimate meaning of the amendment, and if we wish to economize we might just as well cut the $100,000,000 down to $25,000,000, and proceed with that so far as it will go, and in the meantime we study this question, a question which we never heard of before, a new question. When we had the matter before us early in the present session there was a difference in understanding as to whether we should have $725,000,000 or $875,000,000, so we said we would cut it down $150,000,000, and would let it run on, and if any more were needed we could appropriate it afterward.

We tried that, and we found, and everyone admits, that we need $100,000,000 more to carry out the program. Why not run along with that $100,000,000 at the same rate until the program is carried out, and then let Congress study the question a little more, and hear from the suffering people, who, after the 7th of June, if we stop appropriating, are going to be dying of starvation?

The committee can bring in a report which will fix that. They can bring it in on the 6th of June and say, "Pass this measure without amendment. Let it go this way. You have only 1 day's time in which to do it. You must not debate it. Let it go through without amendment." And Senators, with great, big bleeding hearts for the suffering poor, will say, "That is the only way to save them. Let us do this much now and follow the recommendations of the committee," as we are doing now.

Everyone knows that it will be necessary to provide more than a hundred and fifty million dollars if we are to do the job in the right way. We cannot do it for one hundred and fifty million, in my opinion.

The theory advanced is that we have to have a hundred and fifty million, but we cannot give it to the suffering people now. Let us hold them up, in expectancy, tie them up in the air by a thread, and say, "We will see on the 7th of June whether you can live any longer or get along." And the day before that time comes the committee will come in and say, "Well, it will take twenty-five million to do this. Do not raise it to fifty million, because we have not time. If you debate it and it goes back to the House it will get in conference, and you will not have any time to go on, and therefore these people will starve. Do it now, do it just as the committee says, or do not do it at all."

Mr. President, it looks to me as if this amendment would have us jumping out of the frying pan into the fire.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BRIDGES. Does the Senator from Nebraska mean that the relief program in this country does not need more study?

Mr. NORRIS. No; and I did not say anything of the kind. However, the Senator can study it from now until he is a hundred years old and he will not know anything about it. [Laughter.]

Mr. BRIDGES. Let me tell the Senator something. I probably know as much about this problem as does the Senator from Nebraska.

Mr. NORRIS. Of course the Senator does. He knows more than anybody else. God cannot compare with the Senator when it comes to information.

Mr. BRIDGES. I want to tell the Senator something.

Mr. NORRIS. The Senator has already told me something.

Mr. BRIDGES. I think I am as fully informed on this subject as is the Senator. I do not reverse myself quite so often as the Senator does, speaking generally.

Mr. NORRIS. That does not make the Senator a god, because I am a fool. The Senator can study this problem until he is as old as Methuselah and he will not know anything about it, unless some party leader tells him what to do. That is the only thing he will know about it. [Laughter.]

Mr. BRIDGES. I never take orders from any party leader. I vote my convictions. It might be wise if someone would tell the Senator what to do. He might be a little more consistent, and perhaps more often correct.

Mr. NORRIS. Suppose it is wise to tell me what to do; the Senator cannot tell me.

Mr. BRIDGES. No; I would not want to.

Mr. NORRIS. No; the Senator would not get to first base. [Laughter.] But if I am ignorant, if I do not know anything about it, if I cannot realize what it is to see suffering humanity down in the ditch and in the dirt, that is not any excuse for the Senator being as ignorant as I am.

Mr. BRIDGES. Mr. President, will the Senator yield further?

Mr. NORRIS. Of course.

Mr. BRIDGES. Does the Senator claim to have a corner on relieving suffering humanity?

Mr. NORRIS. No; I do not have the sole right and I do not claim it. No one would impute that to me except the Senator from New Hampshire. He would impute anything to anyone at any time to suit his own convenience.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. VANDENBERG] in the nature of a substitute for the joint resolution.

The amendment in the nature of a substitute was rejected.

The VICE PRESIDENT. The question is on the third reading of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

FEDERAL COMMUNICATIONS COMMISSION

Mr. HILL. Mr. President, on Saturday last the Senate confirmed the nomination of Mr. Frederick I. Thompson to be a member of the Federal Communications Commission. As in executive session, I ask unanimous consent that the President may be advised forthwith of that confirmation.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified.

ORDER FOR ADJOURNMENT

Mr. BARKLEY. Mr. President, I ask unanimous consent that when the Senate concludes its business today it adjourn until 2:15 o'clock p. m. tomorrow, and that at the conclusion of the funeral services of the late Senator Lewis tomorrow the Senate as a further mark of respect to his memory do stand adjourned.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

AUTHORIZATION FOR SIGNING OF BILLS, RESOLUTIONS, ETC.

Mr. BARKLEY. Mr. President, I ask unanimous consent that during the intervening time between now and Thursday the Vice President may sign bills and resolutions ready for his signature; that the Secretary of the Senate may receive messages from the House of Representatives, and that all committees may be authorized to make reports on bills, resolutions, and nominations.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ADJOURNMENT

Mr. BARKLEY. I move that the Senate adjourn, under the order just made.

The motion was agreed to; and (at 6 o'clock and 40 minutes p. m.) the Senate adjourned, the adjournment being under the order previously entered, until tomorrow, Wednesday, April 12, 1939, at 2:15 o'clock p. m.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 11, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, hallowed be Thy name; behold us with Thine eyes, whose power is in their love, and enable our innermost selves to triumph over weak and sinful tendencies. In these times of pressure and disturbance, we pray for the manifestation of the sons of God, for men who have no wasted energies and no contagion of weariness but who are endued with the affirmation of a great faith, for men who walketh not in the counsel of the ungodly but whose delight is in the law of the Lord. They shall be like trees planted by the rivers of water that bringeth forth their fruit in their season. O God, we beseech Thee to enrich our lives by the flowing streams of the River of Life. In the blessed name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. JONES of Texas. Mr. Speaker, I ask unanimous consent to have printed in the RECORD an address delivered by my colleague the gentleman from Missouri [Mr. CANNON] over the N. B. C. network on the subject of parity payments. The gentleman from Missouri is chairman of the agricultural subcommittee of the Committee an Appropriations.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FADDIS. Mr. Speaker, I ask unanimous consent that on Thursday next, after the reading of the Journal, the disposition of business on the Speaker's table, and the completion of the legislative business for the day, I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE ON INDIAN AFFAIRS

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent that a subcommittee of the Committee on Indian Affairs may sit during the session of the House today.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXTENSION OF REMARKS

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD by including therein a brief discussion by the vice president of the General Motors Export Corporation on Industry's Stake in an Export Market for American Farm Products.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

FOREIGN TRADE

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Speaker, the announcement in this morning's press that the administration was about to negotiate barter arrangements with certain foreign countries as a means of exchanging surplus cotton and grains for rubber and tin indicates that at last the administration is about to take a practical and realistic view of foreign trade, such as the Republican minority has long advocated.

In criticizing the present trade-treaty program under which our tariffs on competitive foreign products have been drastically reduced without guaranteeing compensating foreign markets for American surpluses I have contended that the only real justification for foreign trade was to exchange our surpluses for the things we need but do not produce ourselves. Only in this way can foreign trade be carried on to mutual advantage and without injury to domestic agriculture, industry, or labor.

We normally offer a free market for two-thirds of our imports, which are made up largely of noncompetitive products. It is proper that we should require other countries to take our surpluses in exchange for the products we need to buy of them, and which we allow to enter our market duty free.

It has been apparent for some time that the idealistic and economically disadvantageous trade-treaty program was breaking down. Now it is being sabotaged by the administration itself. American farmers have become the most vehement critics of the program, having been "sold down the river" through sharp tariff reductions on foreign farm products without any increased foreign market for American agricultural products being gained. Opposition to the program in Congress is no longer confined to the Republican minority.

The first evidence that the administration realized the failure of the treaty program was when the proposals for export subsidies on cotton and wheat were advanced, which are the very antithesis of the Hull reciprocity program. Next was the imposition of countervailing duties on subsidized German exports, which, while mandatory under provisions of the Republican Tariff Act of 1930, was, nevertheless, inconsistent with the administration's previous policy of leading the way in the reduction of trade barriers. And now comes the last straw—barter—which, like the export subsidy proposal, is directly contrary to the principles of the present reciprocity program and more in line with the bilateral treaty policy which the administration has heretofore strenuously opposed—yes, even condemned.

While the new barter proposal is limited only to the exchange of certain items needed for national defense, the fact is that if it is sound for that limited purpose it is sound as regards our entire foreign trade. The present trade treaties, which involve only mutual tariff reductions, guarantee us no increased foreign markets. Foreign countries are neither obligated to buy our goods or pay us their war debts in return for our surrender to them of our rich home market. Only by barter are definite export markets assured for American surpluses. In my remarks of February 16, 1939, dealing with the trade-treaty program, I called the attention of the House to the fact that despite Secretary Hull's attempts to convert the world to his trade-treaty policy, involving most-favored-nation treatment, most countries were proceeding along the lines of bilateral trading, which the administration has now been forced to accept.

It is of interest to note that if the proposed barter agreements are entered into they will be subject to Senate ratifi-

cation, as in the case of ordinary treaties. The fact that the present reciprocal trade treaties are not subject to ratification or approval by either branch of Congress has been one of the chief criticisms of the Hull reciprocity program.

The reversal of its foreign-trade policy is just another instance of where the administration has been obliged to retreat from and scuttle a major part of its program because of failure or public repudiation. [Applause.]

EXTENSION OF REMARKS

Mr. TAYLOR of Tennessee. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a statement by former President Hoover on the subject of President Roosevelt's foreign policy.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. REED of New York asked and was given permission to extend his own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on Wednesday of next week after the disposition of the legislative business of the day the gentleman from Ohio [Mr. JENKINS] may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including therein a brief article written by Paul Mallon.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address by the Honorable Graves Williams.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THE NATIONAL LABOR RELATIONS BOARD

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ANDERSON of Missouri. Mr. Speaker, during the last 2 years I have frequently pointed out numerous examples of high-handed and unjustifiable conduct on the part of the National Labor Relations Board. The conduct of this Board has been such as to stir up Nation-wide interest in discovering, if possible, just what ends the Board is serving and what influences are responsible for its decisions. Some time ago I offered a resolution calling for a committee of this House to make a full and thorough investigation of the Labor Board and its officials. As another reason why that resolution should be adopted I want to remind you that—

ABUSE OF THE SMALL-BUSINESS MAN BY THE NATIONAL LABOR RELATIONS BOARD

Several days ago I called attention to what I believed to be a miserable failure on the part of the National Labor Relations Board in the conduct of a case against the Oil Well Manufacturing Co., of Los Angeles, Calif.

At that time I explained that this was a very small company, having only 12 production employees, and that the filing of a complaint by the Board in the case of one George Falardeau, which was subsequently dismissed because no investigation had been made by the Board, had cost this little company many hundreds of dollars in needless expense.

In that same complaint the company was charged by the Labor Board with also firing Ethan E. Harris because of labor activities.

Here is a summary of what happened: In June 1937 the workers of the plant organized what was known as the Employees Mutual Benefit Association, and as a group held a meeting with a Mr. Clarence White, the president, in his office. They asked an increase of 5 cents per hour for 3 months until the men reached a minimum of a dollar an hour and time and a half for all time over 40 hours per week.

Mr. White told the men that he could not pay the dollar per hour, and the men then left his office. A few minutes later he joined the employees in back of the plant and told them he would grant a 5-cent-an-hour increase, but that it was for them to decide whether they wanted time and a half for over 40 hours or time and a third as they were then getting. He explained that it would be impossible to work the men overtime at a time-and-a-half rate. He thereupon went to his office and the men returned a short time after and told him they would accept the 5-cent-an-hour increase and preferred to be able to work overtime and would accept time and a third for overtime. This all occurred within the period of an hour.

There is no contradictory evidence in the record. White also told the men that it was up to them whether they had an organization or not. He had no interest in the matter. He also told them that no man had jeopardized his position by participating in the controversy. It must be remembered that there were only 12 employees engaged in production at this company. Harris was the spokesman for the men.

There is no evidence, nor was it alleged that White made any effort to interfere with the men's right to organize. Even the witnesses for the Board pointed out that he had never raised any question as to whether they belonged to one union or another.

But the trial examiner, in his intermediate report made April 12, 1938, said that the respondent had discouraged organizational activities, when at the June meeting he stated he preferred to deal with the men individually rather than collectively and that he considered the action of all of them meeting with him mob tactics, and that White later discharged Harris because "in a large part by his resentment against Harris as the personification, in White's mind, of gangster and mob tactics of the association."

Now, at best there is no basis for the conclusion reached by the trial examiner in finding that White discouraged organizational activities by saying that his men were ganging up on him. Three witnesses other than Harris testified that Mr. White at the meeting said he thought the men were ganging up on him by all coming in instead of having a representative or committee. Six other witnesses, all of whom were at the meeting, testified that he made no such statement.

Two witnesses beside Harris testified that White stated a preference for dealing with the men individually, while six testified that he made no such statement.

Now, the respondent, Mr. White, discharged Mr. Harris in July after he had caused the company an actual loss of $190 in some machine metal work he was doing, thereby causing a delay in one of the company's foreign orders. It was shown further that Harris had been absent from work 40 full working days, 10 half days, and on 9 occasions left early during his 10 months of employment at this company.

It was shown that he ate his lunch during working hours and rang in on the time clock and went out on company time and sought employment at another plant in the neighborhood. It was also shown that Harris was warned about his absences and about his work. He was a shell-shocked veteran of the war and was drawing compensation. It was further shown that he made much noise in the plant and Mr. White and the superintendent testified that they considered it dangerous to the other employees to keep him there.

Yet the trial examiner says that Harris was fired for organizational activities when virtually all the workers testified that they knew Harris had ruined the job for which he was discharged. One comes to the conclusion after reading the full transcript of this case that it was the general impression of the workers that Harris should have been fired for poor workmanship. Harris himself expected to be fired for his poor workmanship because he testified that he stated to the superintendent, "If you hear Mr. White is going to discharge

me, let me know so I can keep my record clear." The superintendent testified, and it was not denied by any witness, that Harris told him he would not blame Mr. White for discharging him because of poor workmanship. Yet the trial examiner concludes that Harris was fired for organizational activity.

This case presents a most serious problem for the small manufacturer. Mr. White happens to be one of those fellows who has made his the hard way, starting as a mechanic himself, later hiring a helper and going on from there. He rode through the depression with the assistance and indulgence of his creditors and is now on the way back to a point where he is furnishing employment for 23 people. The employees testified that he was most reasonable and considerate in his demands of them.

This employer is fighting this case because of the principle involved. He does not believe it to be for the safety and happiness of the other workers to have a fellow like Harris around, and he so testified. It was conclusively proved that Harris was unreliable, missed many days of work, and ruined a job which caused financial loss to the company.

This employer really cannot afford to fight this case. Unquestionably it has cost him several thousands of dollars in expenses such as the cost of a transcript, lawyer's fees, and traveling expenses to and from Washington to appear before the Board to defend himself. I would venture that this amount of money represents more than a year's profit from his business. Yet he is carrying on because he feels that his rights are being invaded by the unscrupulous action of the Labor Relations Board. And I agree with him. By no stretch of the imagination can I understand how the trial examiner reached such an unwarranted conclusion after reading 490 pages of the transcript. This is just another example of the Labor Board's abuse of assumed authority. We must correct this situation before it is too late. We must protect the small-business man. [Applause.]

EXTENSION OF REMARKS

Mr. LEWIS of Ohio. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein an editorial published in the Bellaire Daily Leader on April 5.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE LATE HONORABLE WILLIAM O. BARNARD, MEMBER OF CONGRESS

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SPRINGER. Mr. Speaker, I rise to report the death of a former Member of this House, the Honorable William O. Barnard, of the Tenth Congressional District of Indiana. Judge Barnard died on Saturday last and was buried on yesterday. I learned of his death only this morning.

Judge Barnard was a Member of the Sixty-first Congress. He was a judge in the State of Indiana for many years and was a practicing attorney during all of his life except when he was holding public office.

His service to his State and Nation was outstanding. He was a good citizen and a man of splendid character. He was one of those fine individuals to whom we can reflect with pride after he is gone.

MR. TREADWAY, THE OPTIMIST

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

Mr. RANKIN. Mr. Speaker, we have just listened to the gentleman from Massachusetts [Mr. TREADWAY] praise the administration's proposal to exchange American farm products with foreign countries for "rubber and tin," or as he expressed it, "the things we need but do not produce ourselves."

Whenever the gentleman from Massachusetts [Mr. TREADWAY] rises to congratulate a Democratic administration, I am always reminded of the old adage, "Beware of the Greeks when they come bearing gifts."

To say the least of it, his expressions amount to little, if anything, more than damning the administration with faint praise. He is very optimistic in his expression of approval of the exchange of certain farm products produced in this country for foreign goods, so long as those goods do not compete with articles produced in Massachusetts. That is characteristic of him and of the school of thought he represents. He is willing for us to trade with anybody who does not produce goods in competition with his favored manufacturers. So long as our exports are exchanged for goods that are not produced by the tariff barons of New England, the distinguished gentleman from Massachusetts becomes a natural-born optimist in expressing his desire for the success of such a program. But let anything be suggested that would break the strangle hold of these tariff barons who have robbed the American consumers, and especially the American farmers, for the last 75 years, and you will hear loud and vociferous protests from the distinguished gentleman from Massachusetts [Mr. TREADWAY].

He reminds me of the Negro's definition of an optimist.

He said to some of his colored friends, "I is a optimist."

Another Negro asked, "What is a optimist?"

He said, "A optimist is a fellow dat don't give a damn what happens, so it don't happen to him." [Laughter.]

The gentleman from Massachusetts [Mr. TREADWAY] is just such an optimist. He is willing to do anything in God's world for the American farmer so long as it does not do the farmer any good whatsoever or take away a penny's profit from the tariff barons of New England; or deprive them of the power to rob and plunder the helpless masses of the American people through the burdensome taxes they now bear in the form of high protective tariffs.

The gentleman from Massachusetts is the ranking Republican member on the Ways and Means Committee, and is living in hope that the country will suffer a political precipitation next year and give his party a majority in the House. If such a calamity should happen, he would become the chairman of the Committee on Ways and Means. Then if his party should follow his leadership, the farmers as well as the small-business men and the laborers of the South, the West, and the Middle West would stand just about as much chance to get even the crumbs that would fall from the table as Lazarus did at the banquet of Dives.

Tariffs and monopolies, including the money monopoly that controls our financial system, are responsible for our present troubles. The Republican high protective tariff did more to distort our economic structure and bring on the crash of 1932–33 than all other influences combined. And there is no man in public life more responsible for that condition, so far as ability goes, than the distinguished gentleman from Massachusetts [Mr. TREADWAY].

He was not only a Member of Congress, but he was one of the ranking members of the Committee on Ways and Means during all the tragic years of the Harding-Coolidge-Hoover regime.

Let us see what was done during that administration and what effect it had. In 1920 the Republican Party coordinated all the elements of discontent and dissatisfaction growing out of the World War, camouflaged their real intentions behind a smoke screen of abuse and misrepresentation, and swept into power by the largest majority any political party had ever received up to that time.

They immediately placed upon the statute books of this Republic the highest protective tariff law ever known in times of peace. A tariff is an indirect tax; it taxes one man for the benefit of another—uses the power of government to enrich favored individuals and favored special interests. It is simply thievery within the law.

They levied tariffs on everything the poor man has to buy, from the swaddling clothes of infancy to the tombstone that

marks his last resting place. They actually put a tariff on tombstones, or on the marble from which they are made.

Yet when some of the western Republicans begged for a tariff on cowhides, of which shoes are manufactured in Massachusetts, the Old Guard Republicans from that section of the country voted it down.

They were not willing to give the farmers even the crumbs that fell from the tariff table. They were taking care of the interests that had put up the campaign funds.

One farmer during those years said that he took a cowhide to town and sold it for practically nothing. He then went around to a merchant and bought a hamestring, and paid more for the hamestring than he got for the hide.

One of the ablest men who appeared in this Capitol during those days represented the Fair Tariff League. He showed that the tariff was costing the American people $4,000,000,000 a year, and that of that $4,000,000,000 only $600,000,000 went into the Federal Treasury, while $3,400,000,000 went into the pockets of the beneficiaries of the tariff law—the tariff barons the gentleman from Massachusetts [Mr. TREADWAY] is so anxious to protect.

Those tariffs bled the farmers of this country white; they were compelled to pay so much more for the things they had to buy in proportion to the prices received for the things they had to sell that they soon found themselves on the way to bankruptcy; and when their buying power was destroyed, our economic structure collapsed.

It is true that in order to placate the farmers they showed their contempt for their intelligence by placing a tariff of 42 cents a bushel on wheat, knowing that we were shipping out about 200,000,000 bushels more wheat each year than was being shipped into the country. That was just like building a dam to keep water from flowing upstream. During those years wheat was 10 cents a bushel higher in Winnipeg, Canada, than it was in Minneapolis, Minn., because of the fact that the Canadians had more reasonable freight rates and could exchange their farm commodities for manufactured articles produced in other countries without having to pay the artificially high prices imposed upon our people by the Republican high protective tariff.

They sold war materials that had been purchased by the Democratic administration during the last years of the World War, and which were no longer needed, since the war was over, turned the money into the Treasury, and took credit for reducing the foreign debt to that extent, when, as a matter of fact, the current revenues were not sufficient to balance the Budget.

They also reduced the income taxes in the higher brackets, thereby taking the taxes off of those swollen fortunes that had been made by war profiteers—coined, if you please, from the blood and tears of the suffering men and women of the world.

Not satisfied with that, they paid back hundreds of millions, if not billions, of dollars to the big income-tax payers, even at a time when our economic structure was on the verge of collapse; and in order to gratify the cupidity of certain international bankers, who are now busy trying to drag us into another war in Europe, they refunded the foreign debts, and in doing so reduced the interest rates so far below the rates we were paying on our outstanding bonds that we lost $6,200,000,000 in the transaction.

In other words, they gave a bonus to our European debtors and the international bankers who held their securities of $6,200,000,000 at a time when hungry ex-service men were appealing in vain for the payment of their adjusted-service certificates.

European countries immediately manifested their ingratitude by repudiating the entire debt, being encouraged to do so by these international bankers, who have profited by that repudiation, and denounced the United States as "Uncle Shylock."

The gentleman from Massachusetts [Mr. TREADWAY] was very optimistic during those glorious days of what they termed "Republican prosperity," when the very things they were doing were bound to culminate in the economic wreck that overtook us in 1932.

Their high protective tariff laws not only robbed the farmer of everything he made and destroyed his buying power but it provoked retaliation on the part of other countries, and caused them to raise retaliatory tariff walls, impose quotas, inspection fees, import permits, and dozens of other restrictions against our trade, until by 1932 the very map of the world had become, as it were, a barbed wire entanglement of these barriers, behind which world trade had become stagnant and world commerce had become paralyzed.

Our farmers had no buying power, their economic vitality was gone; they had been robbed until they had nothing left. Manufacturing establishments had their warehouses packed with goods they could not sell and our circulating medium through the control of the Federal Reserve System had been reduced below the danger point, while they were financing a jamboree on the stock market, the most gigantic saturnalia of legalized robbery ever perpetrated under the eyes, and with the consent, of a national administration; when every intelligent man knew that the crash was bound to come and that the stocks being offered invariably were not worth much more than the paper they were printed on.

When the crash finally came and left this country in the worst condition it has ever known, something had to be done to save us from revolution.

Whether the present administration's spending program was the proper course or not, certainly the members of the Republican Old Guard should be the last ones on earth to criticize it.

But the shocking thing about it now is that they are gradually making themselves believe they are coming back into power next year, with no intention of relieving the very diseases that produced our present troubles. Instead of that, they would probably attempt to cure them by raising high tariffs higher, as they did during the Harding-Coolidge-Hoover regime, and make things infinitely worse. I am confident that would be the course pursued if the gentleman from Massachusetts [Mr. TREADWAY] could have his way.

Of course, I want to see American farm products exchanged for tin, rubber, and all other commodities. Why limit the exchange to tin and rubber? The gentleman from Massachusetts wants that done in order to prevent the reduction of the tariffs that, as I said, are bleeding the American farmers to death.

We are finding ourselves ingloriously isolated and stewing in our own misery because of our refusal to exchange our raw materials for the finished products of other countries. A manufacturer in England, France, Holland, Germany, Italy, or even Russia, or any other country, can take a carload of manufactured articles, from typewriters to sewing machines, from electric refrigerators to dishpans, to South America, or Central America, or to Canada and exchange them for the very raw materials we produce in this country for approximately one-third or one-half of the price we would ordinarily have to pay for the same articles. In that way the farmers of Central and South America are getting rid of their cotton, their cattle, their hides, their hogs, their dairy products, their sugar, their lumber, and all the other raw materials they produce, and getting approximately twice as much for them, and invariably three or four times as much, in exchange for manufactured articles as the farmers in this country are getting.

And the farmers of Canada are exchanging their wheat, cattle, lumber, and other raw materials for European-made goods in the same way, with the result that the people, and especially the farmers, in Central and South America and in Canada, are prospering all out of proportion to the degree of prosperity enjoyed by the farmers of the United States.

But we cannot exchange our raw materials for their manufactured articles because of the tariff, which the gentleman from Massachusetts [Mr. TREADWAY] would preserve; and we never can have uniform prosperity throughout this country as long as these tariff walls exist.

Rather than to give us relief, the beneficiaries of these iniquitous tariff laws would join the international bankers who are trying to kick up a European war and then drag us into it.

The gentleman from Massachusetts [Mr. TREADWAY] and other tariff advocates from that State tell us they do not want to trade with Germany because of its dictatorship. I have no sympathy with dictators, but I submit it is none of our business to try to regulate the international affairs of other countries.

Besides, the world is run by dictators today—outside of the United States. There is not a democracy in Europe, with the possible exception of the British Empire—if we want to call that a democracy.

There is not a democracy in Central or South America. Every single one of those countries is governed by a dictatorship or by a system of fascism, if you want to call it that, and not by representative government such as we have in the United States.

Spain has now joined the totalitarian states of Europe. Portugal has been with them from the beginning. Every country in South America is settled by Spanish people, who speak the Spanish language, with the exception of Brazil and Haiti.

Brazil speaks Portuguese and Haiti speaks French. Haiti is a Negro country and can have very little influence in the economic affairs of the world. Brazil has recently abolished its republican form of government and established a Fascist system so much like the one now existing in Italy that you can hardly tell one from the other. They not only abolished their senate and house of representatives, but they destroyed every state government.

The people of South America are going to trade with Spain and Portugal, and with Italy, Germany, England, France—or with any other country that will trade with them on reasonable terms. Canada has the British Empire as a market for her raw materials, which she can exchange for manufactured articles of all kinds.

That leaves the United States isolated economically behind her supertariff walls built by the Harding-Coolidge-Hoover regime, while our farmers are selling their products far below the cost of production, and many of them abandoning their farms and seeking the relief rolls.

It is cruel and inhuman to tell the farmers of this Nation that the way to raise prices of what they sell is to plunge this Nation into a devastating war—a war that nobody wants except a few international agitators. The American farmers do not want temporary relief at the sacrifice of the blood of their sons. Another war would probably complete the destruction of our civilization and would undoubtedly wipe out what vestige of democracy, or representative government, we have left. Besides, European nations do not want a war with us, nor do they want a war with each other. If the international agitators in this country will stop their propaganda through the newspapers and over the radio, stop trying to stir up trouble, European differences will be adjusted gradually and the world will move forward into a new era of peace.

If arrangements could be made to give the American farmer the same privileges that are accorded to the Mexican farmer, the Brazilian farmer, and the Canadian farmer to exchange his raw materials for all kinds of manufactured articles, made in foreign countries, then we would have a return of prosperity that everybody could enjoy.

Such a condition will never be brought about if we have to depend upon such "optimistic" statesmen as the distinguished gentleman from Massachusetts [Mr. TREADWAY], the Republican leader of the high tariff barons in the Congress of the United States. Like the gentleman from Massachusetts [Mr. TREADWAY], these tariff barons are also optimists, such as the Negro described, who "don't give a damn what happens so it don't happen to them." [Applause.]

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had adopted the following resolution:

Senate Resolution 119

Resolved, That the secretary invite the Members of the House of Representatives to attend the funeral of Hon. James Hamilton Lewis in the Senate Chamber on Wednesday, April 12, 1939, at 2:30 o'clock p. m., and to appoint a committee to act with the committee of the Senate; and be it further

Resolved, That invitations be extended to the President of the United States and the members of the Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, the Diplomatic Corps (through the Secretary of State), the Chief of Staff of the Army, the Chief of Naval Operations of the Navy, the Major General Commandant of the Marine Corps, and the Commandant of the Coast Guard to attend the funeral in the Senate Chamber.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 754. An act for the relief of J. G. Mayfield; and

S. 1253. An act for the relief of John B. Dow.

NATIONAL HOUSING ACT

Mr. SABATH. Mr. Speaker, I call up House Resolution 155, for immediate consideration.

The Clerk read as follows:

House Resolution 155

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 5324, a bill to amend the National Housing Act, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. SABATH. Mr. Speaker, this resolution makes in order the bill H. R. 5324, to amend the National Housing Act. It is a liberal rule, allowing 3 hours' general debate, after which the bill will be considered under the 5-minute rule. It cannot be charged, by the minority leader or anyone else, that this is a stringent rule.

This bill extends the life of the National Housing Act to July 1, 1941, and restricts insurance on loans to banks, trust companies, and building and loan associations to $2,500, as aganist the existing $10,000 maximum. It also limits the total liability to $100,000,000 and confines loans to 3 years and 32 days.

Section 2 provides a premium charge for insurance hereafter granted, and section 203 limits the aggregate amount of principal obligations of all mortgages insured to $3,000,000,000, subject to increase to $4,000,000,000 with the approval of the President.

The F. H. A. is well on its way toward being self-sustaining. Income from its mutual mortgage insurance system during the next fiscal year will be sufficient to pay its operating expenses and leave a substantial surplus to be added to the insurance reserve funds.

Over 8,000,000 persons—estimating four and a fraction to the family—have been provided with improved housing through the use of private capital under the F. H. A. plan.

Testimony is to the effect that of 360,000 loans made only 425 were later subject to foreclosure, and on these only $160,000 was lost. This is an excellent record.

Approximately 100,000 single-family homes were built under the F. H. A. plan during the past year.

The F. H. A. has been described editorially as the spark plug of recovery. While other industries were lagging, the residential construction industry, stimulated by the F. H. A. amended program of February 1938, showed a remarkable revival. And I have figures to support this statement.

For the first time in history we have an agency, the F. H. A., to which the inexperienced layman may go for guidance and protection when he buys or builds a home. It protects him against usurious interest rates, the second mortgage racket, and all the other discredited devices which contributed so largely to the collapse of the real-estate market in the early thirties.

Real estate boards throughout the country are urging passage of this bill, emphasizing that it not only provides work for thousands, but stimulates the raw material markets and aids business generally.

The minority report criticizes this bill as keeping the Government in the real-estate mortgage business. One of the best replies to that is an editorial in the Chicago Daily Times which points out that the "F. H. A. is based upon a happy blending of government and business," that private financial institutions provide the money, insured by F. H. A., and would-be home owners, real-estate dealers and others, increase the value of buildings, with benefits shared widely by banks with idle capital, building supply dealers and others.

Despite this—

States the Times—

authorization for an increase of a billion dollars in the total F. H. A. insured loans * * * faces a serious fight on the floor.

The answer is given in the same editorial, which points out that—

This apparently incomprehensible circumstance arises primarily from the fact that building and loan institutions throughout the country resent the F. H. A. limitation of 5 percent interest upon such loans and fear that competition for these investments may drive the rates even lower.

I quote further from the editorial:

What is of vital importance, however, is the whole effect of the F. H. A. program. In many ways the whole hope of a deep-rooted recovery of our entire economic system revolves about a sweeping revival of the building industry. In the face of that a temporary 1 or 2 percent difference in the return upon a billion dollars is a ridiculous quibble.

To appreciate the key position held by the construction industry in our hopes for recovery it is necessary to look back over the past a bit. Just to make it a thumbnail sketch, let's stick this side of 1870—about the time the Nation recovered from the effects of the Civil War.

From 1870 to 1914 was a period of tremendous expansion in America. The West had been tied to the East by railroads, and all its vast mineral and agricultural wealth gave a tremendous stimulus to every type of industry. Our population was increasing at a prodigious rate.

All of our energies were at work in building a nation. Cities doubled and redoubled in size. The railroad and shipping industry expanded enormously. Every cent of our available capital was kept at work providing bigger and bigger industrial establishments.

WORLD WAR GAVE US BIG BOOM

Then came the World War. Our industrial pace, after a few months of slump, again was stepped up to an ever-growing capacity to supply fighting nations with war supplies and the rest of the world with goods normally supplied by those at war. This constantly increasing demand for production capacity, extending several years after the war until other nations recovered, again kept all our capital at work—and men, too.

The automobile, with its huge stimulus to steel, rubber, and a score of allied industries, the job of building a million miles of highways, and radio, then picked up the task and carried us along until the formula ran its dizzy course in 1929.

Today the job of building our Nation is basically complete. Population is increasing yet, but at a crawl compared to pre-war days. Other nations are industrially self-sufficient, or approaching it. Foreign markets are tied up with nationalistic jealousies and monetary exchange difficulties. The markets for automobiles and radios are sharply reduced because so many persons already own them.

What, then, is to put idle money and idle men to work? The only giant unsatisfied need, offering hopes of pulling all industry with it, is for new housing. Others may come along. The gradual forcing of greater buying power into many more hands eventually may do the trick. But the immediate hope lies in housing.

F. H. A. is the spark plug of this recovery movement. In Illinois alone the volume of applications for loans has reached $70,000,000 monthly. Nationally the demand is for hundreds of millions. It is utterly inconceivable that Congress could let anything now serve to choke off this growing stream of recovery with all that it means to the Nation.

I want to include in the extension of my remarks a tabulation the F. H. A. has submitted to me, which lists by States the amounts of insured loans for property improvement and insured mortgage loans on small homes. This is a record of splendid accomplishment, long to be remembered, and I recommend that the Members look it over.

Federal Housing Administration

State	Insured loans for property improvement		Insured mortgage loans on small homes		Total	
	Title I		Title II			
	Number	Amount	Number	Amount	Number	Amount
Alabama	16,913	$5,628,621	3,705	$13,229,685	20,618	$18,858,306
Arizona	12,824	5,543,956	2,210	7,827,546	15,034	13,371,502
Arkansas	12,786	4,666,469	2,578	7,469,610	15,364	12,136,079
California	268,007	104,058,092	67,162	284,527,796	335,169	388,585,888
Colorado	10,777	4,052,974	3,088	10,655,468	13,865	14,708,442
Connecticut	30,987	12,788,928	3,111	15,246,045	34,098	28,034,973
Delaware	3,967	1,909,831	798	3,954,300	4,785	5,864,131
District of Columbia	11,581	5,599,054	1,110	7,554,950	12,691	13,154,004
Florida	24,850	10,936,255	8,983	35,930,801	33,833	46,867,056
Georgia	22,351	8,658,530	6,401	24,387,552	28,752	33,046,082
Idaho	9,919	3,367,664	1,739	5,486,690	11,658	8,874,354
Illinois	93,181	36,282,135	18,222	88,260,163	111,403	124,542,298
Indiana	49,068	15,821,612	12,718	45,396,691	61,786	60,918,303
Iowa	19,448	7,280,555	3,109	10,731,699	22,557	18,012,254
Kansas	11,862	3,655,356	5,768	17,901,617	17,630	21,556,973
Kentucky	18,766	6,918,171	3,567	16,082,861	22,333	23,001,032
Louisiana	17,353	5,335,429	2,817	10,360,965	20,170	15,696,394
Maine	5,706	2,253,398	1,093	3,230,980	6,799	5,484,378
Maryland	27,352	11,376,386	6,131	27,276,485	33,483	38,652,871
Massachusetts	67,657	25,760,413	3,695	18,633,987	71,352	44,394,400
Michigan	98,950	33,281,587	22,212	106,637,655	121,162	139,919,242
Minnesota	34,243	13,175,323	6,026	21,982,554	40,269	35,157,877
Mississippi	10,199	4,227,614	3,439	10,706,489	13,638	14,934,103
Missouri	50,638	16,224,210	10,085	41,670,497	60,723	57,894,707
Montana	4,145	2,251,594	1,202	4,225,641	5,347	6,477,235
Nebraska	8,625	3,002,426	2,040	7,277,419	10,665	10,279,845
Nevada	2,782	1,439,588	659	2,801,905	3,447	4,241,493
New Hampshire	6,416	2,683,611	806	2,985,451	7,222	5,669,062
New Jersey	115,712	48,511,665	18,884	91,805,524	134,596	140,317,189
New Mexico	3,142	1,692,193	1,096	3,742,175	4,238	5,434,368
New York	284,096	148,256,085	25,409	126,514,692	309,505	274,770,777
North Carolina	14,325	5,444,676	3,985	16,823,439	18,314	22,268,115
North Dakota	2,529	1,277,862	695	2,077,705	3,224	3,355,567
Ohio	75,844	25,814,127	22,360	98,791,044	98,204	124,605,171
Oklahoma	18,655	6,354,820	4,941	18,537,892	23,596	24,892,712
Oregon	27,585	9,934,190	2,830	8,798,100	30,415	18,732,290
Pennsylvania	105,202	40,176,154	21,809	89,399,717	127,011	129,575,871
Rhode Island	14,071	5,934,958	1,339	5,951,420	15,410	11,886,373
South Carolina	8,195	3,201,333	2,283	8,667,638	10,478	11,868,971
South Dakota	2,719	1,217,852	1,116	3,017,830	3,835	4,235,682
Tennessee	22,432	8,238,674	7,075	25,913,395	29,507	34,152,079
Texas	53,978	19,260,799	15,925	60,751,427	69,903	80,012,226
Utah	9,340	3,484,209	3,503	12,346,615	12,843	15,830,824
Vermont	2,813	1,202,315	1,045	3,324,522	3,858	4,526,837
Virginia	22,544	10,087,071	6,953	30,671,149	29,497	40,758,220
Washington	58,950	20,969,264	7,981	25,437,865	66,931	46,407,129
West Virginia	6,918	2,862,946	2,677	11,839,660	9,595	14,702,606
Wisconsin	23,875	9,972,863	4,483	22,166,094	28,358	32,138,957
Wyoming	2,434	1,239,505	2,042	6,149,848	4,476	7,389,353
Alaska	249	243,265	212	876,660	461	1,119,925
Hawaii	692	402,478	789	3,071,270	1,471	3,473,748
United States	1,833,162	733,327,501	363,906	1,529,109,183	2,197,068	2,262,436,684

Mr. Speaker, I reserve the balance of my time and ask unanimous consent to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. SABATH]?

There was no objection.

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I do not profess to be an expert in the field of finance; however, I do entertain some pretty well-defined convictions on Government competition with private business. In my candid opinion, the interference of the Government with private industry by competition and otherwise is largely responsible for the unfortunate condition from which our Nation is suffering today.

When the Federal Housing Act was passed it was understood that it was to meet another emergency, and that as a recovery measure its tenure would be of temporary duration; but now we find that it is the aim and purpose of some to make this activity permanent. This is only typical, however.

Mr. MAY. Will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman from Kentucky.

Mr. MAY. I am very pleased to have the gentleman make the statement he just made with respect to Government competition with private industry. May I ask the gentleman what

he thinks about the Tennessee Valley Authority as a competitor of private business?

Mr. TAYLOR of Tennessee. The Tennessee Valley Authority is based on an entirely different philosophy from that embodied in this proposal.

Mr. MAY. I will withdraw the question if the gentleman wishes me to do so.

Mr. TAYLOR of Tennessee. I fully understand the object of the gentleman's inquiry, and I am not at all embarrassed thereby.

Once a Government bureau is created it is next to impossible to discontinue it. Those personally benefiting from it are never willing to admit that it has served its purpose; that the emergency for which it was created has ceased to be. And just so long as Congress will continue to extend their authority and grant them funds to carry on their spending mania they will hang on like grim death. This is the history of bureaucracy without exception.

When the original Federal Housing Act came before the House it received practically the unanimous support of the entire membership. It was one of the most popular recovery measures that has come before the Congress. While a great deal of good has undoubtedly been accomplished by this legislation, it seems to me that the act has been greatly abused. Banks and other lending agencies in the country have taken advantage of this act to unload their undesirable mortgages, retaining those which they considered safe and sound.

Mr. SHORT. Will the gentleman yield?

Mr. MAY. I yield to the gentleman from Missouri.

Mr. SHORT. Is it not a fact that today Uncle Sam is the biggest holder of bad mortgages of anyone in the world?

Mr. TAYLOR of Tennessee. That is exactly the case.

Mr. SHORT. Can the gentleman inform the Members of the House how many foreclosures we have had under the H. O. L. C.?

Mr. TAYLOR of Tennessee. I cannot give the number, but it is my recollection it is around 200,000.

Mr. SHORT. How many foreclosures have we had under the Farm Credit Administration?

Mr. TAYLOR of Tennessee. I cannot give the gentleman that information.

Mr. SHORT. It would be interesting for the gentleman to give that information.

Mr. TAYLOR of Tennessee. It is certainly a large number of foreclosures, I am sure——

Mr. SABATH. Will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman from Illinois.

Mr. SABATH. I have the figures with reference to foreclosures. I think there have been only 400 out of 1,800,000 loans.

Mr. TAYLOR of Tennessee. The gentleman means 400,000, does he not?

Mr. SABATH. No.

Mr. TAYLOR of Tennessee. I recall that during the last session of Congress it was developed here on the floor that there had been one-hundred-thirty-thousand-some-odd foreclosures.

Mr. SHORT. Unquestionably.

Mr. THOMAS F. FORD. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. I cannot yield further.

Mr. THOMAS F. FORD. The gentleman is talking about something else. He is not talking about F. H. A.

Mr. SABATH. This has nothing to do with the F. H. A.

Mr. TAYLOR of Tennessee. I am opposed to the Government taking over mortgages on existing properties unless it can be definitely established that the owners are in great distress, and only then when the security is reasonably sound. If the Government continues its program of taking home mortgages with little or no discrimination as in the past, it will only be a question of time when the Government will own a large percent of the homes in this country, which manifestly would be a very undesirable situation.

I strongly favor that part of the pending bill which relates to loans for new construction for low-cost housing. I think the Government can do a splendid job in this field. However I am just as strongly opposed to the Government making loans for the reconstruction or reconditioning of large construction such as apartment houses and the like. I do not believe that the Federal Government has any place in this field. In my opinion it has been in this activity that the Government has in the main been imposed upon. The two projects in St. Louis to which the distinguished gentleman from Massachusetts [Mr. GIFFORD] referred to yesterday affords an illustration of this abuse.

I hope Mr. Speaker an amendment to the pending bill may be adopted which will preclude a repetition of the St. Louis scandal which I understand is not alone confined to the city of St. Louis. [Applause.]

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. Does the gentleman from Illinois desire to yield further time?

Mr. SABATH. No; I do not, Mr. Speaker.

The SPEAKER. Does the gentleman from Tennessee desire to yield further time?

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 20 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. SABATH. Mr. Speaker, I may desire to use some of my time later.

Mr. WOLCOTT. Mr. Speaker, since the Government started this business of insuring home mortgages I have been somewhat in favor of the program because I thought it gave an impetus to home construction and helped employment in the building trades. I believe this is one of the activities of this administration which is as free from criticism as any activity of the Government can be. The Federal Housing Administration has met with universal approval throughout the United States. It is my personal opinion that it has been administered honestly, conscientiously, and intelligently. I have great admiration for the personnel of the Federal Housing Administration and believe they are doing a splendid job. There are certain matters pertaining to the administration of the Federal Housing Administration which were investigated and perhaps should be subject to criticism, but that holds true of probably every department of the Government. I am sure any errors or omissions on the part of the Administration are not due to laxity on the part of the Administrator or his personnel or ignorance of the manner in which the job should be done. We have chiselers in all walks of life, and undoubtedly the real-estate chiselers have taken advantage of the situation as they would others. Editorially throughout the United States the press has commented favorably upon the activities of the Federal Housing Administration.

The bill before us continues certain activities of the Federal Housing Administration. There are certain controversial subjects involved, and I shall have to cover them very briefly. First, let me say that the activity of the Federal Housing Administration has been quite extensive. They have insured mortgages under title II to the number of about 363,000, totaling $1,528,000,000. Of these 363,000 mortgages there have been committed, but premiums not being collected on them, 51,000, and there are pending in the Federal Housing Administration about 31,400 applications, making a total volume of business of 395,400 mortgages.

Perhaps I should distinguish between title I and title II. There seems to be some question as to the functioning of the Federal Housing Administration under these titles. The bill is made up of several titles, but we have particularly to do today with title I and title II.

The act now provides under title I that 10 percent of the loans made for modernization and repair of existing structures may be insured. We have always referred to that as the modernization title. Last year we provided that a person with limited means who was to live in the home himself could build a new home under title I, provided the value was not over $2,500. Title I is not popular with the Administra-

tion but is more popular, perhaps, than title II with the Members of Congress. We wrote title I back into the act last year from the floor. At the present time the authority to insure these loans under the modernization, repair, and construction loan provision of title I expires on July 1, 1939, or sooner if the President happens to find there is no need for continuing it. We remove this authority on the part of the President and in the new bill extend the time to July 1, 1941. Under the existing law the value of the mortgage for repairs or modernization may be $10,000. Under the pending bill the limitation is set at $2,500 for all kinds of mortgages under title I.

You will recall that under title I there was no premium rate, there was no reserve fund, and it was purely a subsidy. The losses have been approximately 1.8 percent. We have written into the new bill a provision for the establishment of an insurance fund after the payment of administration costs and have provided for an insurance premium of 1 percent to pay administrative costs and to build up a reserve against possible losses. To be sure, the 1 percent will not cover the losses if they continue as they have run since the title has been enacted, but it will be a step in the right direction and it is expected that eventually this activity will be able to stand on its own feet.

In title I as it now exists we have a provision that loans made for rehabilitation after earthquakes, tornadoes, hurricanes, floods, and so forth, which loans should not be more than $2,000, should be insured up to 20 percent. We have put these loans for rehabilitation following floods, tornadoes, and other catastrophes, on the same basis as other loans for repairs, alterations, and modernization.

There is a provision in title I of the existing law whereby we insure up to 20 percent of $50,000 for modernization and repair of hotels, churches, colleges, schools, commercial buildings, and the like, and this provision has been eliminated from the bill.

We have set a time limit within which the modernization, repair, and construction loans may be paid under title I of 3 years and 32 days. This may seem peculiar to you, but the reason for it is that we have sought to authorize the administration to allow the home owner to repay the loan in 36 equal installments.

Under title II we have been insuring existing construction up to 80 percent of the aggregate, and the limitation which we have placed upon the aggregate amount of obligations which the Administration can have outstanding at any time was originally $2,000,000,000, but last year we provided that the President might authorize another $1,000,000,000 if he found it necessary. He did find it necessary, and by Executive order increased the authorization to $3,000,000,000.

In this bill, although a $6,000,000,000 authorization was asked for, we set $3,000,000,000 as the limit, with a provision that if the President sees fit to continue it, if the necessity arises, he may raise the amount another $1,000,000,000, making a total of $4,000,000,000 altogether.

The only limitation on time under title II is limited only by the amount which they have to do business with. We have a controversy about that provision with respect to the insurance of existing mortgages. This bill extends the time up to July 1, 1941, from July 1, 1939, in which the Administrator may insure mortgages on existing construction under the same terms as he insures mortgages on new construction. This is controversial and will be covered in the debate.

We have granted permission to the Assistant Administrator to sign deeds, releases, and discharges without a specific power of attorney signed by the Administrator.

Mr. SACKS. Mr. Speaker, will the gentleman yield at this point?

Mr. WOLCOTT. I yield.

Mr. SACKS. I would like to make the observation that although we kept in existing mortgages we limited it, as we did the R. F. C., by making the applicant file an affidavit saying he could not get the mortgage from a private source upon the same terms. Is not that correct?

Mr. WOLCOTT. That is correct.

The only manner in which, I believe, we have expanded the activities of the Administration is with respect to the amount which is available under title I. The limitation originally was $100,000,000. The limitation under the new act gives $100,000,000 plus the insurance premiums which have been collected.

I have seen fit personally, and I speak for no one else on the minority side of the committee, to go along with this bill in its entirety. I have gone along with title I for the reason I could see no particular reason why we should force a man, if he wanted a modern home, to move into a new neighborhood. If a man has a home with a certain sentimental value to it, which he can modernize, I do not see why we should force him to move out of the neighborhood in which he has lived, perhaps, for 20 years or more and go to a new location. Title I makes it possible for him to stay in his present location and at the same time have a modern home.

With respect to the insurance of mortgages on existing homes, I have felt if we were to have a well-balanced bill, one that would not, perhaps, demoralize the real-estate market, we would have to continue insuring mortgages on existing construction.

I have no particular interest in this bill other than to see it made a workable bill.

We recommend that section 210 of the act with respect to multiple dwellings be repealed.

Section 207 of the act, which has to do with multiple dwellings, the value of which is not in excess of $5,000,000, we recommend that it be continued with certain limitations. There will undoubtedly be a great deal of controversy concerning the value of the property and the value of the land turned in, but it is my personal opinion that these are matters beside the issue as to whether the Government shall continue to insure mortgages, and I want to stress the fact that during the debate on this bill we should have constantly in mind that the Federal Housing Administration makes no loans.

I wish the membership would not confuse this with other agencies of the Government, such as the Home Owners' Loan Corporation, the Home Loan Bank, and the United States Housing Administration, which do make loans. The Federal Housing Administration makes no loans. It insures loans made by private financial institutions. In effect, it has drawn some of the frozen money and credit out of banks and has made it possible to carry on a home-building program in this country which might never have been available otherwise.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. GIFFORD. The gentleman expressed himself very forcefully in the committee about the rackets that had been carried on. Has he any suggestion as to what he can do to prevent these rackets?

Mr. WOLCOTT. Yes; refer each and every one of them to the Department of Justice under the penalty clauses of the act. I was mistaken at that time with respect to the penalty clauses of the act. In reading over the penalty clauses since then I have found there is every opportunity for the prosecution of any racketeer under this act, and if the Administration has been lax in any particular, perhaps, it has been lax in not referring these rackets and racketeers which have taken advantage of this act, to the Department of Justice for such action as the Department of Justice saw fit to take.

Much has been said in the record of writing up the value of property in respect to the St. Louis project. I do not have any personal interest in St. Louis. I thought that a reasonable explanation was made by representatives of the Administration. Much to my surprise I find that the Congress is not blameless because we wrote into the law in that respect, subsection (c) of section 207, as follows:

To be eligible for insurance under this section, a mortgage on any property or project shall involve a principal obligation in an amount not to exceed $5,000,000, and not to exceed 80 percent of the

amount which the Administrator estimates will be the value of the property or the project when the proposed improvements are completed.

In all fairness to the Administration, I think we had better have that in mind with respect to the valuations placed on it.

I anticipate that an amendment will be offered on the floor of this House to provide that in arriving at those estimates the Administrator must find the value of the property previous to the improvements, and that the estimate shall not be greater than the total value of the vacant property plus the improvements. The Administrator at the present time must find in his estimates of the value of the property, not the vacant property, not the fields, not the lot, but the value of the property after the improvements have been put in. I do not have that in mind particularly with reference to rackets. There are rackets, and the gentleman knows that there are rackets, and we all know that there are rackets. There are barnacles on every activity of the Federal Government, and it is our job to create the machinery by which the administrators may remove the barnacles, and I find we have done that adequately under the penalty clauses of the bill.

Mr. GIFFORD. But I am somewhat surprised when a member of the committee says that we are not particularly interested in the St. Louis project, when we read these letters and the number of articles appearing in newspapers demanding a congressional investigation, and is it not the duty of the committee to pay attention to such a thing? Then, I call attention also to the fact that this morning I had handed to me information about a Louisville project which is worse than this.

Mr. WOLCOTT. I know the gentleman's attitude, and I appreciate it, and I am not trying to fight the battle of the Administrator. The Administration means nothing more to me than to any other Member of this Congress. I think this is a worthwhile activity, and I am willing to stand up here and be fair enough, even if it is under a Democratic administration, to say so, because I do believe it, and I do believe this is a well-administered department of the Government, which has been doing a great deal of good.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield the remainder of my time to the gentleman from New York [Mr. FISH].

The SPEAKER. The gentleman from New York is recognized for 5 minutes.

Mr. SABATH. Mr. Speaker, and I yield an additional 5 minutes to the gentleman from New York, because I think he is right at this time, and I think he ought to have that additional time and more.

The SPEAKER. The gentleman from New York is recognized for 10 minutes.

Mr. FISH. Mr. Speaker, I thank the gentleman from Illinois, the chairman of the Committee on Rules [Mr. SABATH], for giving me 5 additional minutes, and I think it is only fair to him that any criticism that I may have, and possibly I shall have ample criticism of the New Deal administration, shall occur during the first 5 minutes of time given me by the Republican side, while in the remaining 5 minutes I shall uphold the bill.

Mr. Speaker, the administration has been in power for 6 years. It has borrowed $20,000,000,000 during that time, and yet it has not solved one single economic problem. We still have 12,000,000 unemployed and many millions more on part time, and we are now coming before the Congress asking for an additional billion of dollars that the mortgages on new homes may be financed or insured up to 90 percent by the Federal Government. I am in favor of this bill, not because I want to be for it but because of the economic conditions that exist in the United States. I would much prefer to have this money loaned, properly loaned, and as it has been in the past, by loaning institutions, without any guaranty by the Government of any kind and without injecting the Government into business, as this bill does. But we face a serious condition in the country, brought on, I believe, at least in the last few years by the unsound and radical New Deal legislation that has destroyed confidence in America. When the President took office on March 4, 1933, he said that the only thing we have to fear is fear. Recently in addressing the Congress of the United States he said that the most important problem to solve now was to get the idle capital in the banks together with the idle manpower and with the idle American wage earners.

That, of course, is the big issue in America. There is idle capital in the banks; there is more money in the banks today than ever before, and there is more idle manpower, and the one thing that stops the idle capital and the idle wage earners from getting together is fear. Fear pervades the land. The man who owns money does not dare invest it. He is afraid. He is afraid of punitive laws, of punitive taxation; he is afraid if he makes any profit that it will be taken away from him.

So, as long as this fear remains in America there will be no flow of capital into industry to expand industry, to turn the wheels of industry, and provide employment for millions of our people looking for jobs at the present time.

So much for my first 5 minutes on the Republican side. Call it partisanship if you will. I call it a mere statement of facts.

Mr. SACKS. Mr. Speaker, will the gentleman yield?

Mr. FISH. I admit that we had a big depression in 1929, which the gentleman was about to ask me about.

Mr. SACKS. Will the gentleman yield?

Mr. FISH. I just wanted to head him off. I admit the depression in 1929, but in answer to that I will say that depression followed 8 or 9 years in which we had an abundance of prosperity, and people were employed and made money easily. What I claim now, and I am speaking as a partisan; I claim that this Roosevelt depression has followed the other depression, without any real employment of labor and without any prosperity. Therefore we are forced, in this Roosevelt depression, to do things that we do not approve of at all. I do not approve of the principle of this bill, but I propose to support the bill and I propose to give the reasons why I support it.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. BARRY. Has not this piece of legislation brought more idle money out of the banks than any other one piece of legislation the gentleman can think of?

Mr. FISH. I do not think that would be a very wide admission on my part or any confession, because I do not think this administration has done anything to solve any of our economic problems, but this bill certainly helps the man who wants to build a home. It has, as the gentleman wants me to say, brought a certain amount of money out of the banks into building homes. I do not think there is anything more desirable in America at the present time than to make these facilities available for the building of homes for our wage earners.

Mr. BARRY. I am sure the gentleman will remember last year——

Mr. FISH. I do not think I can yield any further. I have a limited time and want to finish my statement. I believe this bill does promote home building and home owning. If we want to combat communism and radicalism and socialism in America, the best way to do it is to put American citizens in their own homes—owning their own homes and making them home owners. Once our wage earners are home owners you need not fear communism in this country. That is one fundamental reason why I am for this bill.

Furthermore, if any country is worth living in it is the United States of America. It is not worth living in if we are going to continue to have one-third of our population underfed, underclothed, and underhoused. What are we doing in this bill? We are following the experience of other nations—of England, of the Scandinavian countries, of France, and most of the civilized nations which have made available government funds to promote home building and home owning among their people.

The Federal Housing Administration was created in 1934. It has been amended by Congress every single year, 1935, 1936, 1937, 1938, and will be again this year. The act is divided into two important titles. The first title provides for repairs, rehabilitations, and improvements of houses already constructed. Under that title 1,800,000 improvements have been made by American citizens in the homes of this country. Title II provides for insurance up to 90 percent of the full value of new homes or on mortgages made to that amount by loaning institutions. Under title II 360,000 home owners have built their homes and approximately 100,000 new homes were built last year. That is why I feel if we can do anything to bring this frozen money out into the building industry, we should do it. These buildings are constructed under our American system, under our profit system, based upon private initiative and a reasonable profit. This bill upholds our American system, builds homes and provides work, and therefore in this emergency I say to the Democrats I am glad to go along with you. This is one of the few things you have done to bring money out of hiding and to put our wage earners to work, not by direct gifts, but by useful loans with little or no loss. It is not the proper way. It ought not to be done by the Federal Government, but by restoring confidence and doing away with fear. Then the money would come out of hiding in the banks of its own accord and you would not need this bill. This bill is needed because of the New Deal economic failures; but I say to the chairman of the Rules Committee I will support the bill under the prevailing economic conditions. [Applause.]

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I agree most heartily with the remarks made by the gentleman from New York [Mr. FISH] in the last 5 minutes. I am in utmost accord with those remarks. But I disagree with what he said during his first 5 minutes, namely——

Mr. RANKIN. He usually meets himself coming back.

Mr. SABATH. I cannot say about that. I know that he travels at a pretty high speed, especially when he sees a chance to attack the administration. He is very much of a pattern with the other Republicans in that respect. All of them voice blanket accusations that this administration is responsible for unemployment, blissfully ignoring the record left by the last Republican administration, and overlooking hard facts such as the one that today over 8,000,000 men work who looked in vain for work in 1931 and 1932.

I say to you that if it were not for the political maneuvers of the Republican Party unemployment would be far less widespread than it is today. Cooperation from those who control the Republican Party would have gone a long way toward banishing that problem.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I always yield to my friend from Massachusetts.

Mr. MARTIN of Massachusetts. I just wanted to ask the gentleman how long did he expect the American people to give him to get those people back to work?

Mr. SABATH. The gentleman must not have heard me when I just said that if it had not been for the willful and deliberate actions of those who control his party, the vested interests and industrial leaders, there would be no unemployment now. Factories were going at full speed in 1935, 1936, and 1937, the steel industry had day and night shifts, Massachusetts' textile mills were working overtime, and we were approaching some measure of the prosperity lost to us by the Republicans.

Mr. MARTIN of Massachusetts. What have the Republicans had to do with it since 1936?

Mr. SABATH. I will explain to the gentleman from Massachusetts what the Republicans had to do with it. It all began with an attempt to force repeal of the capital-gains and undistributed-surplus tax, and to defeat the wage and hour bill. Back of it all, of course, was the desire to politically damage the New Deal. There is no question in my mind but that a great many of the lay-offs in the fall of 1937 were called by Republican financial leaders for the express purpose of defeating such legislation as I have just referred to, and of embarrassing the administration. I say to you that the lengths to which those industrialists and others went fall just short of treason.

Mr. MARTIN of Massachusetts. What was the administration doing when the gentleman's alleged conspiracy of 1936 was hatched?

Mr. SABATH. It did everything within its power to stimulate business, to put men back to work, and to continue the strides toward prosperity. States and municipalities were encouraged to put men to work, loans for business were made available through the R. F. C., home building was stimulated by the F. H. A. Act, which we shortly will extend for 2 years. Yes; in every possible way the administration sought to escape the depression brought on by Wall Street and Republican financiers which lasted from 1929 until 1933.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. RANKIN. The gentleman from Massachusetts, the minority leader [Mr. MARTIN], asked how long it was going to take us to get people back to work. I would remind him that it took the Republicans 12 years to get them out of work. We hope it will not take us that long to get them back.

Mr. SABATH. The gentleman from Mississippi mentions a fact the Republicans are trying to forget. I may say, however, that this administration has been cooperating and continues that cooperation with industry and business. I call upon the gentleman from Massachusetts as the minority leader to give the word if he is interested in the welfare of our country, as I think he is, and urge that they desist in their destructive tactics preventing return of prosperity such as we enjoyed during the first 4 years of this administration.

I hope the gentleman from Massachusetts will agree with me in the following statement. Every day we read complaints about high taxation and that the businessmen of the country are afraid to risk their money in enterprise. They fail to mention, Mr. Speaker, that in this country taxes are lower than in any other country in the world.

Mr. Speaker, under this administration conditions are again improving; people are going back to work; and once more I call upon the minority to aid us in enacting legislation to help abolish unemployment and to better the conditions of all our people. [Applause.]

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

COMMITTEE TO ATTEND FUNERAL OF THE LATE SENATOR LEWIS

Mr. SABATH. Mr. Speaker, I ask unanimous consent that the committee appointed on the part of the House to attend the funeral of the late Senator James Hamilton Lewis, as provided by House Resolution 157, be increased from 16 to 27 Members.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The Chair appoints the following Members of the House as members of the committee to attend the funeral of the late Senator James Hamilton Lewis: Messrs. SABATH, MCANDREWS, PARSONS, BEAM, KELLER, KELLY, SCHUETZ, ALLEN of Illinois, DIRKSEN, KOCIALKOWSKI, SCHAEFER of Illinois, ARENDS, CHURCH, MCKEOUGH, MITCHELL, REED of Illinois, ARNOLD, FRIES, MASON, BARNES, CHIPERFIELD, JOHNSON of Illinois, MACIEJEWSKI, MARTIN of Illinois, SMITH of Illinois, WHEAT, and Miss SUMNER of Illinois.

ATTENDANCE AT FUNERAL SERVICES OF THE LATE HONORABLE JAMES HAMILTON LEWIS

Mr. RAYBURN. Mr. Speaker, I offer the following resolution.

The Clerk read as follows:

House Resolution 158

Resolved, That the House of Representatives accepts the invitation of the Senate to attend the funeral services of the late Honorable James Hamilton Lewis to be held in the Senate Chamber

Wednesday, April 12, 1939, at 2:30 o'clock p. m., and that the committee appointed by the Speaker of the House to attend the funeral shall act in conjunction with the committee of the Senate to make the necessary arrangements.

Resolved, That the Clerk communicate these resolutions to the Senate.

The resolution was agreed to.

TEMPORARY NATIONAL ECONOMIC COMMITTEE

Mr. SABATH, from the Committee on Rules, presented the following resolution (Rept. No. 396), which was referred to the House Calendar and ordered printed:

House Resolution 159

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of Senate Joint Resolution 90, a joint resolution to amend the joint resolution approved June 16, 1938, entitled "Joint resolution to create a Temporary National Economic Committee." That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 1½ hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment the Committee shall rise and report same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

AMENDMENTS TO NATIONAL HOUSING ACT

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5324) to amend the National Housing Act, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5324) to amend the National Housing Act, and for other purposes, with Mr. RANKIN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Alabama is recognized for 1 hour and 30 minutes.

Mr. STEAGALL. Mr. Chairman, this bill seeks to apply the principle of insurance to loans made upon real property and primarily upon home construction.

The principle of insurance is recognized as sound throughout the business world everywhere. Under this bill, as has been stated but which does not seem to be fully understood, no loan can be made by the Federal Housing Authority. Not only is this the case, but it should be made clear at the outset that the Government has not made any expenditure nor incurred any loss in the liability of the Authority upon the insurance of mortgages.

During the years the Authority has been operating it has insured a total of $1,843,000,000 on mortgages.

The Authority has received applications totalling $2,500,000,000. The total losses incurred under title II of the bill amount to only $160,000 in round figures. There have been only 435 foreclosures under title II of the bill and 232 final dispositions of default mortgages under that title.

The total amount of premium-paying mortgages insured and firm commitments to insure under title II on March 31, 1939, exceeded $1,800,000,000, which money was all furnished by private capital. Of this amount, $1,670,000,000 was on mortgages under section 203, which provides for the insurance of loans on residential structures not in excess of $16,000.

The losses are to be met out of funds accumulated by an assessment levied on lending institutions for the mortgages under the system and an initial fund of $10,000,000 was supplied by the Government. Not one dollar has been paid out of the Treasury to cover losses under title II of this bill. On the contrary the Authority has accumulated profits that have made it practicable to set aside $15,000,000 as an additional fund to the original amount of $10,000,000 authorized as an initial fund for the protection of the obligations of the Authority.

Under title II of the bill there have been insured about $1,670,000,000. The ratio of insurance is about 40–60 between the mortgages insured covering existing property and mortgages insured covering new construction. Under title II the assessment fee originally was not less than one-half nor more than 1 percent. In the act of 1938 the rate was fixed at one-quarter of 1 percent on mortgages not in excess of $6,000. Under the bill before us the rate will be not more than 1 percent nor less than one-half of 1 percent. On new construction of homes not in excess of $6,000, 90 percent of the mortgage may be insured and under existing law the rate to be charged is one-fourth of 1 percent. The bill would amend this provision to permit a charge of not less than one-half nor more than 1 percent.

On construction between $6,000 and $16,000 the amount of mortgages that may be insured is 80 percent and the assessment fee one-half of 1 percent.

On houses where the value does not exceed $10,000 but does exceed $6,000, the 80-percent limitation, and the one-half of 1 percent premium assessment are applied to the amount of the mortgage between $6,000 and $10,000. On all mortgages above $10,000, there is 80 percent for the entire amount and one-half of 1 percent premium assessment under existing law. Under the provisions of this bill the insurance fee may be raised to 1 percent.

The interest rate limit is 5 percent. That is the maximum charge. Except where it is found that in certain areas the mortgage market demands a higher rate, in which case it may be fixed at 6 percent. In practice the rate has averaged less than 5 percent. Recently a large lending institution in New York City has advertised seeking loans of this type at 4¼ percent.

Under the permanent provisions of this bill the Government is absolutely protected against the danger of loss.

Under title II of this bill the provision would be amended to provide that loans on existing construction may be insured until the first of July 1941. The provision for insurance of loans covering new construction would be made permanent law.

Another temporary provision is embraced in title I of the bill. This provision authorizes insurance of loans for repairs, alterations, and improvement of existing structures, and for building new structures upon rural real properties. It authorized the insurance of loans up to $2,500 for the construction of new homes and for repairs, alterations, and improvements of existing structures.

The present law limits the amount of loans to be insured covering repairs, alterations, and improvements on existing structures to $10,000, and fixes the amount of loans on new homes to be insured at $2,500.

The bill now under consideration would limit the insurance of all loans to the amount of $2,500 and would limit the duration of insurance of loans to 3 years and 1 month, except loans for new construction. On new construction loans insured there is no limitation as to maturity.

Under existing law no insurance premium may be charged. The bill now before us provides that an insurance fee may be levied on all loans insured but not in excess of 1 percent per annum. Under title I of the bill losses have been sustained in the amount of approximately $12,900,000. Those losses accrued out of an operation that covered 1,800,000 loans of all types. The greater portion of those losses came through the insurance of loans other than those made for home construction.

The account down to date indicates that the total losses will be reduced as the transactions are completed, and it is confidently estimated by those in charge of the administration of the law that the 1-percent assessment fee in the bill now before the House will amply safeguard the Authority against losses under title I in the future.

Under title I rural as well as urban home construction may be financed under a plan which permits the Authority to insure mortgages on such construction.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. It is provided in this bill that title I shall be continued with respect to the underwriting of loans on homes up to $2,500?

Mr. STEAGALL. Homes and alterations.

Mr. MURDOCK of Arizona. But not for furnishings?

Mr. STEAGALL. Not anything except such as becomes a part of the real estate, and in no instance in excess of $2,500. The extension of title I extends only until July 1, 1941.

Mr. MURDOCK of Arizona. But the time of repayment has been extended?

Mr. STEAGALL. No. The practice has been to make maturities run about 3 years, but we have given the Authority a free hand with reference to insurance of loans for home construction. In the past such loans have had maturities of about 7 years.

Mr. MURDOCK of Arizona. I wish the period could be made longer than that. I may say to the gentleman I have found that in my State a good many young people who are establishing homes have taken advantage of title I of this act to borrow up to $2,500, but many of these young people starting out in life are unable to make so large a payment monthly as is now required in the limited time.

Mr. STEAGALL. Under the provisions of this bill the Administration may liberalize the regulations to meet the situation the gentleman has in mind.

Mr. MURDOCK of Arizona. I am delighted to hear you say that, for I believe it will be a great thing for such prospective home builders.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from California.

Mr. THOMAS F. FORD. Even though that were the case, after 2 or 3 years there is no reason they should not put a title I loan under title II.

Mr. STEAGALL. That is true.

I do not know of any activity upon which the Government has embarked in the effort to stimulate private investment, the expansion of employment, and general economic improvement that is more desirable or better safeguarded against the danger of loss than the service that has resulted from the act creating the Federal Housing Administration. It has done a great work. It has aided home building. It has helped to improve and stabilize real-estate values. It has brought about an enlargement of the consumption of materials used in construction. It has brought idle money into circulation. It has accomplished splendid social good in making it possible for many citizens to become home owners who under former conditions could never have done so.

Mr. LEAVY. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Washington.

Mr. LEAVY. I am in favor of the measure and intend to support it, but I note there is new language in it with reference to the premium charge for insurance, with a maximum of 1 percent fixed for that purpose. I am wondering why the committee found it necessary to report a bill requiring that the insurance premium charge be increased over what it previously was.

Mr. STEAGALL. It is highly desirable that the Administration be amply protected against loss. Once we come here with a bad showing in that respect, our whole plan will be jeopardized by opposition against the legislation on that ground. We are undertaking to make this an insurance institution which will pay its way and render this service so highly desirable without loss to the Government.

Mr. MARTIN J. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from New York.

Mr. MARTIN J. KENNEDY. I always enjoy listening to the gentleman from Alabama and his explanation of this bill has been very complete, but there is one phase of this whole subject that has not been touched. I am wondering whether or not the gentleman can give us information at this time about the problem I have in mind, which is the question of paying the prevailing rate of wage on construction undertaken under loans the Government guarantees or insures. In our State hundreds of thousands of houses are being built and from the information I have the prevailing rate of wage is not being paid in their construction. I believe this might be an appropriate time to indicate the position of the House with regard to the payment of the prevailing rate of wage.

Mr. STEAGALL. Of course, I may say to my esteemed friend, the question he raises will naturally arise when we consider the bill under the 5-minute rule. There is no provision on that subject in the bill at this time. Let me say now that as far as I am informed the Government has never undertaken to determine for a private institution what its practice should be with reference to the employment of labor. This is not an instance in which the Government engages in the construction of buildings; if it were, the question of the wages to be paid under the precedents that have been established by legislation heretofore enacted would, it seems to me, be one properly to be considered. What we are attempting to do by this proposed legislation is to insure loans and put some activity into this line of business.

Mr. MARTIN J. KENNEDY. I know the Government is not actually doing the work, but this work is made possible because of the guarantee of our Government. The President and this Congress have indicated time and time again that we are eager to pay a living wage. If we indicate by placing such a provision in this bill that we advocate and urge the payment of the prevailing rate of wage, we will be doing a great deal toward elevating the standard of living through paying a fair wage to the workers.

Mr. STEAGALL. Let me say to the gentleman that the Government is not bearing the burden of this insurance. The burden rests upon the individual borrower who is undertaking to build a home. My view of the matter is that he is entitled to solve the economic difficulties that confront him in his own way without any effort on our part to hamper him.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to my colleague from Alabama.

Mr. HOBBS. Am I correct in construing this bill as permitting the Government to insure a loan upon a farm home as well as on a city home?

Mr. STEAGALL. Of course, under other provisions of the bill the benefits are necessarily limited to urban activities, but under title I and title II, which provide for individual home building, the same benefits are granted to rural home builders that are granted to citizens in urban communities.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from California.

Mr. VOORHIS of California. I wish to go back to the question asked by the gentleman from Washington [Mr. LEAVY] and ask the chairman whether it is true that section 2 of the bill, fixing the 1-percent premium charge, applies only to title I or does it apply to title II as well?

Mr. STEAGALL. Under title II the premium is not more than 1 percent nor less than one-half of 1 percent on the amount of the principal obligation.

Mr. Chairman, I reserve the remainder of my time.

Mr. GIFFORD. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and thirty Members are present, a quorum.

Mr. GIFFORD. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Chairman, your Committee on Banking and Currency is agreed as to certain parts of this bill. They differ in judgment as to other parts of the bill. If gentlemen desire to acquaint themselves with the points at issue by reading, they may find in the report of the committee at the desk by the door the views of the minority set forth very briefly, so you can read them almost at a glance and thus acquaint yourself with the differences which will be called to your attention when the bill is under consideration under the 5-minute rule.

In the general debate it may be wise for me to refer to some of the history behind this bill. With the coming of the depression in 1932, one of the measures for relief was the home loan bank bill. Two years later there was added to the functions of those charged with the home loan bank bill the Home Owners' Loan Corporation. The two of them worked as one, and their head is Mr. John H. Fahey. In that year of 1934 it was thought best to create another agency, the Federal Housing Administration, and the head of that is Mr. Stewart McDonald. Also, there has been created the United States Housing Authority, the head of which is Mr. Nathan Straus. They are three capable, able, competent gentlemen. I have no criticism to make of any one of the three and no complaint about the conduct of their affairs, but I want you to understand what their achievements indicate as to the growth of bureaucracy in this country. Each one of these three agencies was started as a temporary institution. There was no thought then of permanence for any one of the three. They were brought forward under the stress of circumstances in order to help save the day for the country and to return us to prosperity.

Now, what has happened? Mind you, it is 7 years since the first of these agencies was established, 5 years since the F. H. A. was established. As the time for their ending approached, Congress saw fit to add 2 years to their life, and then when that 2 years had nearly expired, added 2 more years. Now you are asked to extend, in part, one of these agencies for 2 years and in some of its functions for 25 years. Yet, Mr. Chairman, we find that this bill contains one important section to the continuance of which the head of the Federal Housing Administration so firmly objected that when he drew the bill he left it out. Now your committee has put it back. The very man who knows most about it, who has operated it, who is responsible for it, had said it ought to go out. This committee has put it back.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Certainly.

Mr. BROWN of Georgia. I think the gentleman is mistaken. The Administrator said it should go out unless some provision was made for it to pay its way, and we have provided a way by having a 1-percent premium.

Mr. LUCE. The gentleman and I disagree as to the interpretation of the Administrator's words.

There is another provision that is extended for 2 years against, I am convinced, the good judgment of all the committee. I may be wrong on that. I think that section is in for other reasons than the wisdom of continuing the work.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield again?

Mr. LUCE. Yes.

Mr. BROWN of Georgia. It is my understanding that the amendment putting title I back in the bill was unanimously passed by the committee. Is that true?

Mr. LUCE. I was sitting with another committee concerned with a more important problem and did not share, I think, in the vote or know its nature.

The second provision relates to existing mortgages.

In November of 1937 the President sent us a message on the subject of housing. The President, your President, you on my right, sent you a message in which he said:

> In connection with these changes I would suggest that the Congress eventually limit the insurance of mortgages to houses on which the application for mortgage insurance is approved prior to the beginning of construction.

He said "eventually." Of course, that did not limit it to any specific time; but he said you should get out of that business. Ah, but the head of the Federal Housing Administration went further. Mr. Stewart McDonald, that same day, I think it was, said:

> We desire to eliminate that old financing. After July 1, 1939, the Federal Housing Administration will drop out of existing construction, except houses which it has previously insured and of which it may be in possession and have to accept after foreclosure.

Mr. McDonald said you were to drop out of that thing in June of the present year. The President said eventually you were to drop out of it.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Yes.

Mr. LEWIS of Colorado. Whence, then, did the suggestion of this change come, which the gentleman says was advised against by the administration?

Mr. LUCE. Not being extensively acquainted with the workings of the administrative mind, I could not disclose who suggested that change.

Mr. LEWIS of Colorado. The gentleman is on the committee, and I presumed he was informed as to the situation or I should not have troubled him.

Mr. LUCE. I have a strong suspicion that only the Democratic Members were informed of the source of the proposal for change. However, I do not want any politics in this thing. Our Committee on Banking and Currency has never been a partisan committee. This is not a partisan proposal.

You bring me to the next consideration. You have here a difference of opinion, a strong difference of opinion, between two Democratic agencies of this Government, one headed by Mr. Fahey and the other by Mr. McDonald, and in deciding on this particular question you will cast your votes either for Mr. McDonald's view of for Mr. Fahey's view. You will not cast them for a Republican view or a Democratic view.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield further?

Mr. LUCE. Certainly.

Mr. LEWIS of Colorado. My question was not, I had hoped, to be interpreted as a partisan question, but as one that went to the merits of this case. My inquiry was not intended to arouse partisan discussion but to ascertain how this provision which, the gentleman tells us, had been very distinctly opposed by those in charge of the Housing Administration had come into the bill.

Mr. LUCE. From the Federal Housing Administration.

Mr. LEWIS of Colorado. How it happened to get into the bill.

Mr. LUCE. It appeared in the bill when it was introduced. Title I was not in the bill when originally drawn.

Mr. LEWIS of Colorado. Was not this bill written by the committee?

Mr. LUCE. Title I was inserted by the committee. When the first draft of the bill was introduced it did not contain title I.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Certainly.

Mr. RABAUT. Is it not true that the H. O. L. C. agency deals with old homes, homes that have been standing for some time, and that this proposed legislation deals with new construction?

Mr. LUCE. It ought to deal with new construction, and with new construction only, but it does deal also with old construction.

Mr. RABAUT. The gentleman means title I?

Mr. LUCE. Title II. I have gone by title I.

Mr. RABAUT. Title II deals with repairs?

Mr. LUCE. No.

Mr. RABAUT. Title I deals with repairs?

Mr. LUCE. If the gentleman will wait a moment I shall excoriate title II, so that the gentleman will understand it. Let me get that off my chest.

Mr. RABAUT. The gentleman is a member of the committee, and I am asking for information.

Mr. LUCE. Very well. I am about to give it to the gentleman.

Mr. RABAUT. I would like to have it.

Mr. LUCE. I am talking now about existing mortgages, the insurance of houses built before the loan was made—a proposal that does not importantly help build new houses but does help insurance companies and other people to unload their cats and dogs on the Government. They not only want

to do that now but they want to do that indefinitely. They want to be safeguarded in the real-estate business; and that is where you will find the meat in the coconut. They want to be insured against losses from bad loans. The property is appraised, and I will not criticize the appraisal; but all houses deteriorate, and presently they are worth hardly the cost of tearing down. That has been the curse of the mortgage business in this country. The lenders have waited until too late. Even the Home Owners' Loan Corporation was too liberal perhaps in the first years of its conduct. It turns out that one out of six of all the houses it has handled came back on its hands, with an average loss of about $700 on an average loan of $4,160.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I yield; certainly.

Mr. PATMAN. Does the gentleman consider that quite reasonable, in view of the fact that all those homes were delinquent in payment at least for years, and they all owed at least 2 years of taxes before the Home Owners' Loan Corporation took them over?

Mr. LUCE. I am not complaining of that at all. I am not criticizing it. I am citing it simply as proof that homes deteriorate; that it is the most dangerous field of investment open to any man.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I yield.

Mr. LEWIS of Colorado. Asking the question directly, do I understand that Mr. Fahey and the Home Owners' Loan Corporation favored this provision that is now in the bill, to which you object?

Mr. LUCE. No. Mr. Fahey objects strongly to this provision.

Mr. LEWIS of Colorado. Well, I ask again, Where did this provision come from? Who favored it? It does not appeal to me, but who favored this provision?

Mr. LUCE. I can only reply the general supposition is that the proposal came from Mr. Stewart McDonald, and that it was approved by the President. That is the only surmise. I do not know.

Mr. LEWIS of Colorado. I understood Mr. McDonald said he did not favor it.

Mr. LUCE. No. 1 he did not favor.

Mr. LEWIS of Colorado. Oh, he has changed his mind?

Mr. LUCE. He has changed his mind on the second one. Please do not get these things mixed up.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. LUCE. In just a moment. We are talking about two different things here. Title I is the small-fry section.

Mr. LEWIS of Colorado. I understood that thoroughly.

Mr. LUCE. It is the bill under which the little fellow pays 9.72 percent on his loan. In other words, in respect of title I the Government is a glorified pawnshop. That is the thing the committee put back. Now, the other thing, the existing mortgages is the one that the author of the bill tried to make permanent.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I yield.

Mr. SACKS. I would like to call the gentleman's attention to this fact. When the gentleman talks about losses that might happen under existing mortgages in title II, I call his attention to the experience of Mr. Brigham, president of the National Life Insurance Co. of Vermont, in which he said that his company placed 5,777 residence loans for an investment of over $27,000,000; that the average loan was $4,800. Out of that amount in 4 years he had 16 foreclosures, 13 of which he disposed of at a profit of $140, got all their money out, and the balance, 3, are still in process of being straightened out.

Mr. LUCE. Good for him. Great work.

Mr. SACKS. And that was all under the F. H. A.

Mr. LUCE. But I happen to be myself a director of a mutual insurance company—not one of the big ones, but sound and doing a good business, and every directors' meeting I have attended in the course of the last 3 years has spent two-thirds of its time trying to get rid of sour mortgages.

Mr. SACKS. Will the gentleman yield further?

Mr. LUCE. Certainly.

Mr. SACKS. The gentleman will admit that the National Life Insurance Co. of Vermont is a conservative company?

Mr. LUCE. That is the reason they can make such a good record.

Mr. SACKS. They took 80 or 90 percent loans under this act. They took 5,777 residence loans in the last 4 years with Government insurance under the F. H. A., and all they have had so far is 16 foreclosures out of 5,777 loans, 13 of which have brought them back their money with $140 profit, and 3 of which are now in the process of being completed. Is that a record under this act?

Mr. LUCE. I commend Mr. Brigham.

Mr. SACKS. That is found on page 200 of the hearings.

Mr. LUCE. I commend Mr. Brigham for his good judgment, which in other matters he showed also while a Member of the House. I hope his company will be always equally well managed.

Mr. SACKS. Did he not say that the F. H. A. was the finest thing ever created to help put money out of the banks and insurance companies so it would start the wheels of real estate going again because of its low interest features and its insurance features to the big banks, savings companies and life-insurance companies?

Mr. LUCE. He said that, Mr. Chairman, but I have just given the figures of the Government agency where one-sixth of its loans went sour.

Mr. SACKS. That was the H. O. L. C., headed by Mr. Fahey, who is opposing this bill.

Mr. LUCE. There is no connection between the two facts, in my judgment.

Mr. SACKS. But the gentleman said that Mr. Fahey and Mr. McDonald were the issues in this matter, and that those who believed in Mr. Fahey would vote against this bill, because he opposes it, and those who believed in Mr. McDonald would support it. If we look at the record of the two gentlemen, we will find that one-sixth of the loans made by the H. O. L. C. under the leadership of Mr. Fahey are in default, and on the Government's hands, while the F. H. A., under Mr. McDonald, have less than 1 percent.

Mr. LUCE. Good for Mr. McDonald. Neither of those statements has anything to do with the reason I made my statement to the effect that there is nothing more dangerous in which to invest than houses.

Mr. SACKS. I call attention to the fact that whereas the reason the gentleman said we ought to consider it was because Mr. Fahey appeared before the committee and testified against it, and Mr. McDonald for it; if that is the reason, looking at the record of these men, I certainly would prefer to take Mr. McDonald's word for it rather than Mr. Fahey's.

Mr. LUCE. Has Mr. McDonald ever told the committee or anybody else that houses were a prudent investment?

Mr. SACKS. He did. Mr. McDonald appeared before the committee and said that houses were a prudent investment.

Mr. LUCE. That is contrary to the experience of every man who has ever had the misfortune to own a rented house.

Mr. SACKS. In the gentleman's own section there are houses 150 years old that are still worth their value.

Mr. LUCE. Yes; and I am trustee for a property that is only 50 years old, the value of which today is only one-third of what it is taxed for.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I yield.

Mr. GIFFORD. Mr. McDonald is not very old in the game, but he has already experienced the fact that what he forecloses is on the average of $700 on these small units.

If the gentleman will permit a further observation let me suggest in answer to the gentleman from Colorado, to help

the gentleman if I can. He wants to know why we should continue insurance on existing mortgages. The answer is: You must sell the old automobile before they will buy a new automobile.

Mr. LUCE. Mr. McDonald also gave the committee to understand that were he allowed to continue he would in time control—he did not like the word "control"—but have charge of one-third of all the mortgages on houses in the United States. That is what he will have if he is to continue this agency.

This agency employs 4,100 people. It was created only 5 years ago, and 4,100 people work in this one agency. You appropriated the other day $12,000,000 for the support of these 4,100 people. They all want to keep their jobs, they all want to see their department grow bigger, they all want to endure, and survive, and last till kingdom come. This is why I say it is time it is stopped. In the days of resuming specie payment somebody said that the way to resume was to resume. In the same spirit I tell you that the way to stop is to stop. Here is the chance to do it, here is the opening recommended by those who have studied this thing, though some of them have changed their minds. What a loss it would be individually to them perchance—but that is unkind, I will withdraw that, I will not say there is any personal motive in this at all; but it is the ambition, the purpose, and the desire of every new agency of government to live. It thinks it is doing better work for humanity than any other agency. That is only human nature. So they come here one after the other asking for more life, feeling that their particular endeavor is the one that ought to be encouraged, the one for which there should be larger appropriations, and extension of existence.

This agency, contrary to all that we have learned, is not the wise thing in a republic. It is an interference with private enterprise. This organization could not flourish if it did not offer customers more for the money, or the same thing for less money. It is a competitor with private interests, particularly if it is a competitor with those organizations that are cooperative in nature, the building and loan associations. We have sought to encourage these associations, even creating Federal ones here and there throughout the country. We have made great progress in teaching our citizens the virtue of thrift; yet today they see their welfare endangered by the competition of Government. Nobody can compete with a government that can borrow for 2 percent and lend for 5 percent. No private institution can have enduring life in the face of that sort of thing.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I yield.

Mr. CRAWFORD. I was very much interested in the observations made by the gentleman on the opposite side of the House a few moments ago with reference to the results of this program. Will the gentleman please comment on these official figures which have been furnished to me by the Government department? In 1921 our people in this country had $21,500,000,000 in savings, to a great extent in the savings and loan associations of this country. During the decade from 1920 to 1930 they were building and financing from 400,000 to 700,000 dwelling units per annum. Today our people have savings very close to $51,000,000,000. This Federal Housing program has been in operation during 1935, 1936, 1937, and 1938. With all the building that has been done of dwelling units I am informed by Government agencies that in 1935 only 144,000 homes were built; in 1936, 282,000; in 1937, 289,000; in 1938, 347,000.

Has this program induced the building of homes? And in thinking about this question let us bear in mind the fact that today when we have two and one-half times as much savings as we had in previous decades, and every day the percentage of savings and loan associations is being crowded out of the picture through the operation of agencies of this type, yet the number of dwelling units being built is only about half. Will the gentleman comment on that observation?

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I yield.

Mr. GORE. The figures which the gentleman from Michigan cited for the years 1935 to 1938 seem to be the best answer to his interrogatory.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I yield.

Mr. SACKS. Will the gentleman from Michigan give us the figures from 1931 to 1934? Find out how much building went on during those years and the bearing it had to the amount that went on since the act was passed.

Mr. CRAWFORD. If the gentleman will yield further I shall be glad to submit the figures from 1918 to date.

Mr. SACKS. How about those 4 years?

Mr. CRAWFORD. They will be included.

Mr. SACKS. Will the gentleman give us the figures?

Mr. CRAWFORD. The fact is that the people of this country who have savings are being crowded out of the picture. I shall be glad to submit, if I can secure permission to extend my remarks in the RECORD, a 21-page statement dealing with statistics involving this whole picture insofar as Government activities are concerned.

Mr. SACKS. Will the gentleman read the figures for 1931, 1932, and 1933?

Mr. CRAWFORD. I do not want to take the time of the gentleman from Massachusetts.

Mr. SACKS. It would be interesting in the light of the figures from 1934 on.

Mr. GORE. Will the gentleman yield?

Mr. LUCE. If the gentleman does not want to ask me about figures.

Mr. GORE. If the gentleman will answer the question in reference to those figures, will he also comment on the difference in interest rate charged on these loans?

Mr. LUCE. The hands on the dial of the clock are traveling too rapidly for me to engage in that discussion.

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 12 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I am exceedingly anxious to see that title I is extended for 2 more years. This bill, when first introduced in the House, did not carry title I; and I introduced an amendment, which was unanimously adopted by the committee, to extend this title.

The purpose of title I is for improvements and repairs to existing homes and building new homes and agricultural buildings in an amount not to exceed $2,500. I think we should see to it that the people in the rural sections and small towns should have the same financial help from the Federal Housing Administration as those in the large cities.

In my own State, as of December 31, 1938, 22,351 Georgia families had been benefited by loans under this title.

While such loans are insured by the Federal Housing Administration, the money is advanced by private lenders to local people for construction and improvement of housing by local enterprises employing local labor and using materials purchased locally.

We all recall what happened to the housing industry during the latter half of 1937. As a result of its stagnation Congress, again looking to the housing field for improvement in general business conditions, considered at the extra session in 1937 a number of new amendments to the National Housing Act to liberalize its provisions in order to encourage people to build homes and modernize and repair. I offered one of the amendments at that time to extend title I, which was liberalized to include construction of small homes up to the value of $2,500 in urban and rural sections.

Millions of our people have been aided in repairing and building homes and will continue to receive aid in repairing and building homes and agricultural buildings through character loans insured by the Government, who, otherwise, would never have had the opportunity to do so, and at the same time the ratio of losses to the large amount of business has been negligible. The loans and benefits under title I

have and will benefit a large number of people in very modest circumstances, and especially a large class of farmers who are helpless in securing benefits direct from local lending institutions without Government aid.

There appeared before our committee representatives of the building industry, representing national organizations such as paint, roofing, real-estate boards, lumber dealers, plumbing and heating supplies, and others, urging Congress to extend title I, stating, in effect, that there is still millions of dollars' worth of modernization, repair, and small construction business that can go forward with such small encouragement on the part of the Federal Government.

Many Members of Congress have seen the report recently issued by Colonel Harrington, W. P. A. Administrator, in which it is disclosed that in a survey made by the W. P. A. of 8,000,000 American homes, 60 percent were found to be in need of either major or minor repairs and improvements.

It is my understanding that the average repair loan under title I runs around $402.

Title I of the National Housing Act permits the Federal Housing Administrator to insure lending institutions against loss up to 10 percent of the amount of loans made for property improvement purposes in both urban and rural communities.

These loans are different from the long-term home-mortgage loans under title II. They are shorter term and require generally no security and are usually for the purpose of modernizing, repairing, or altering existing houses, business properties, and farm buildings.

Title I was the first part of the National Housing Act to get under way in 1934. Through the end of 1938 more than 1,800,000 of these loans, with a total face value of about $735,000,000, had been insured by the Federal Housing Administration. Three hundred and seventy-five thousand of these loans amounting to $170,000,000 had been insured since the act was amended in February 1938, reviving the provisions of title I which had previously expired.

These title I loans have enabled hundreds of thousands of families to make necessary repairs on their homes and farms and to make them more modern and livable. Many families of modest income were unable to obtain credit from lending institutions because they did not have sufficient collateral. The National Housing Act made it possible for these people to obtain loans on the basis of character alone. This has proved a noteworthy adventure in finance, since losses have been very small as compared with the volume of lending transacted. The Government's faith in the character of the people has been amply justified.

Claims paid on contracts for insurance held by lending institutions numbered at the end of December 1935 about 85,000 for an amount slightly exceeding $19,000,000. A substantial part of this amount has been collected by the F. H. A. since these insurance claims were paid. It seems probable, in fact, that ultimate losses on this amount will be only about 2½ percent as compared with the 10 percent of insurance coverage provided by the F. H. A.

One other thing which title I, as amended February 1938, has made possible is loans up to $2,500 for the construction of new small homes. Thousands of these have been built in localities not eligible for mortgage loans under title II.

Another thing these title I loans have accomplished is the aid to small-business men engaged in the distribution of building materials. Large manufacturers have had plenty of credit in the past, but small dealers were often at a disadvantage in marketing building supplies because of lack of capital. Now, with Government insurance of loans for repair and modernization purposes, these small-business men have been able to compete on equal terms with the larger ones.

In extending title I we have made some changes in the limitations. For instance, we have established a limit of $2,500 on all title I loans because it was shown by witnesses who appeared before us that much less than 1 percent of the number of title I loans had exceeded $2,500 in the way of repairs. We also limit the improvement and repair loans to 3 years and 1 month, as evidence shows that 97.2 percent of all title I improvement loans in the past have been for 3 years or less. On loans for new structures for residences or agricultural purposes the commitee thought it desirable not to limit the time for payment, because the average amount of such a loan is higher than the average repair loan, and therefore a limited payment period would make the payments prohibitive.

Of particular interest to Members from the rural districts will be the amendment which includes new construction for agricultural purposes. This is designed to take care of new barns, corn cribs, silos, and so forth, up to the amount of $2,500. It is the only way that a farmer having a small mortgage on his property can finance farm buildings with a character loan over a period of years. The people in the rural sections and small communities are unable to have their loans for homes and agricultural buildings amortized except as provided in title I of this bill. I was anxious to see the amount for construction of new homes increased, but it seemed it was not possible to do so at this time.

Title II of the National Housing Act has been very successful since the new amendments were passed and took effect the first of last year, but we must provide some benefit to the farmers and citizens of small towns, and title I has been the answer to this problem.

I certain hope that the provisions of title I will be enacted.

Under the provisions of title I in the bill the eligibility of loans is limited to financing the improvement or repairs of existing structures and in building new residences and agricultural buildings.

While, as I stated, the loss to the National Housing Administration has not been great, a large percent of the loss was from equipment loans, such as refrigerators, washers, ironers, cooking stoves, scales, counters, showcases, and so forth, which are not now eligible under the provisions of this title.

Title I also authorizes the Administrator to fix a premium charge not to exceed an amount equivalent to 1 percent per annum of the net proceeds of the loan, and this is thought to be sufficient to take care of all losses and expenses of the F. H. A.

TITLE II RELATIVE TO F. H. A. INSURANCE OF EXISTING HOME MORTGAGES

Most of the discussion about the current bill seems to be over the question whether or not the F. H. A. should continue to insure mortgages on existing construction, as well as on new construction. Now, often, the only way in which a man with a large family can acquire better living quarters is by buying an existing house. The average brand-new house is either too expensive or too small for many families of moderate income, and many times the only decent shelter they can obtain is existing houses that have depreciated somewhat but still retain sound value.

The fear seems to be that the F. H. A. is going to insure mortgages on all kinds of old houses. But that would be plainly contrary to the purpose of the law and the F. H. A. regulations. The F. H. A. standards for mortgage insurance are established on a sound basis for existing homes, as well as for new houses. They do not permit the insurance of a mortgage loan on a house which is not in good condition. Moreover, the loans the F. H. A. has insured on existing construction have involved many millions of dollars of repair and modernization work. Thus, the provision for insurance of mortgages on existing construction has made a great contribution to recovery and employment.

And then there seems to be some fear because the F. H. A. plan makes it possible for people to refinance their old mortgages. There is a difference, of course, between insurance of mortgages to finance the purchase of existing houses and the insurance of mortgages to refinance outstanding or maturing mortgages. But I do not see why a man who bought a home 5 or 10 years ago and has had the courage, thriftiness, and good fortune to keep that home throughout the depression without having to have his mortgage refinanced directly by

the Government through the H. O. L. C. should now be denied the privilege of obtaining the advantages of lower interest rates and better terms through F. H. A. insurance. These mortgage loans on a long-term basis, paid off easily month by month, are available to people who want to buy new shelter, but apparently there are some persons who think they should not be available to home owners who have had mortgages on their homes for some time, paying in many cases as much as 7 and 8 percent or even higher rates of interest.

As you know, the H. O. L. C. no longer makes loans. Some of the loans are being foreclosed or threatened to be foreclosed. I am quite sure the H. O. L. C. will not be disposed to oppose these borrowers in refinancing their loans, especially in view of the fact that the H. O. L. C. loans are Government loans, and, too, under foreclosure the property would not bring the loan value.

You understand the F. H. A. does not loan money but only aids lending institutions in loaning local money, as distinguished from the H. O. L. C.

Why not let a person pay off his mortgage, if he has the opportunity to better his condition, and save his home and cut down his expenses by getting another loan at better terms?

The F. H. A. has stimulated recovery and, as I have tried to stress, has been of immeasurable aid and protection to home owners and home buyers. The mortgage-insurance program of the F. H. A. is paying its own way, and there is no reason why this Congress should be concerned over any economy problem in this case. Private capital does the work, with the Government assuming only a remote contingent liability in order to encourage private enterprise and protect the home-owning and home-buying public.

There has been some opposition by the building and loan associations to extending title II to existing homes. I realize the building and loan associations have been great institutions and have rendered a valuable service in many sections of this country. I think I am the first one who suggested that some safeguard should be placed around this part of title II so as not to retard the splendid service rendered by these associations. An amendment was introduced in the committee by the gentleman from Kentucky [Mr. SPENCE] which I think takes care of the opposition of the building and loan associations. It is included in the bill and is as follows:

(e) No mortgage which in whole or in part refinances a then existing mortgage shall be insured under this section unless the mortgagor files with the application his certificate to the Administrator that prior to the making of the application the mortgagor applied to the holder of such existing mortgage and that, after reasonable opportunity, such holder failed or refused to make a loan of a like amount and at as favorable an annual cost to the mortgagor, including amortization provisions, commission, interest rate, and costs to the mortgagor for legal services, appraisal fees, title expenses, and similar charges as those of the loan secured by the mortgage offered for insurance.

It has been suggested that if the insurance of existing home mortgages is permitted to continue, the banks will be tempted to unload their portfolios of existing home mortgages through insurance with the F. H. A., thereby increasing the possibility of later losses to the Government.

That there has been no tendency in this regard during the 4 years in which there has been opportunity to do so is indicated by the fact that the percentage of new homes to total, for not only the commercial banks cooperating under F. H. A. but also the savings banks, is almost exactly the national average of existing home mortgages to total loans for all types of institutions operating under the F. H. A.—the percentage for banks and that for building and loan associations cooperating under the plan being almost identical, as was shown during the hearings on the bill.

Mr. CRAWFORD. Mr. Chairman, I yield myself 20 minutes.

GUARANTEED DEBT

Mr. Chairman, this bill, H. R. 5324, again deals with the proposition of Government insuring lending institutions against loss on credit extended for the former to individuals, associations, and corporations in the sum of $4,000,000,000. Under its provisions individuals would be encouraged to obligate themselves toward $4,000,000,000 of indebtedness based on new and existing structures. The bill promotes the philosophy that it is better to have Government guarantee the debt than it is to let the full import of the obligation rest entirely on the shoulders of the lenders and borrowers.

The bill under consideration relates directly to the problem of housing—individual homes and dwelling units. The philosophy of the bill, however, goes very deep. I here have reference to other measures now pending before this Congress, wherein some Members of both the House and the Senate and trade associations and organizations contend that if the Government is to insure bank deposits and obligations relating to homes, apartments, and such, the Government should likewise insure loans to business enterprises.

The administration, through the F. H. A., requested the insurance limit be placed at $6,000,000,000, but the committee is recommending that for the time being at least the amount of insurance be limited to only $4,000,000,000. Now, let us look at some of the broader principles involved.

HOMES BUILT FROM SAVINGS

It has been observed that for decades the urban homes in this country have been built and financed out of the accumulated savings of millions of our people. The 1920 depression influenced a drop in home construction from 460,000 family units in 1919 to 300,000 in 1920. For years we had been running along on a basis of building around 500,000 family units annually. Following the 1920 depression our people, without Government insurance or subsidy in any form, proceeded to build homes. In 1921, with savings of only $21,500,000,000, we constructed 449,000 units, and in 1922 we rounded out more than 675,000.

Following 1929 home building suffered with the decline in other activities. In 1930 we built 286,000 dwelling units; in 1931 only 212,000, and in 1932 a further decline to only 74,000, and in 1933 the low mark of only 54,000 was reached. We then entered the era of pump priming, Government subsidies, insured mortgages, and in 1934 we constructed 55,000 home units. We are informed that in the years following, homes were constructed on a schedule of 144,000 in 1935, 282,000 in 1936, 289,000 in 1937, and about 347,000 in 1938.

In these figures, we have reflected some encouragement flowing from Government subsidy or insurance. We might also bear in mind that without question, participation by Government, discouraged building on the part of some who have feared Government competition in the home-owning field through the operation of H. O. L. C. and F. H. A., as well as the activities in slum clearance. When Government enters any field, taking title directly or indirectly, it is a warning to those who have built their holdings on the basis of private enterprise. No individual is strong enough financially to compete with Government ownership and operation. Our people can well afford to take full cognizance of the many activities and fields which Government has invaded in recent years.

In 1933 thousands of banks suspended payment and these closed institutions held deposits of more than $3,500,000,000. We held gold stocks of about $4,000,000,000. Demand and time deposits amounted to about $38,000,000,000 and savings of $39,900,000,000 were booked to the credit of our people. I repeat, that in that year only 55,000 home units were constructed.

It was in the fall of 1933 and the spring of 1934 the philosophy of Government insurance of mortgages on new homes took form. But let us observe that in 1935 home construction was more than 2.5 times that of 1934; in 1936,

more than 5 times that of 1934; in 1937, a repeat, and in 1938, we find more than 6 times the number of home units constructed than were built in 1934.

In 1921, the savings to the credit of our people amounted to $21,500,000,000. But today they amount to almost $51,000,000,000. Our gold stocks today exceed $15,300,000,000. A recent F. D. I. C. report showed we had more than 60,000,000 bank accounts with $21,900,000,000 of demand deposits and $13,600,000,000 of savings and time deposits to their credit. These credits running in favor of the depositors are liabilities owed them by 13,705 banks alleged to be in a stronger and safer position than any country has ever before seen.

If we believe in further protecting and perpetuating the type of institutions which in prior decades furnished the unsubsidized capital that built the homes of our people, we should not go ahead with the program provided for in this bill. But if we believe in the concentration of real estate and mortgage holdings in the hands of Government; if we prefer to have our people withhold their resources and depend upon Government credit for the financing of our undertakings, then this bill should be supported and the program continued and expanded.

In 1937, we had a contraction in business and a drop in national income. But in that year our people saved $1,500,000,000 more than we did in 1929, and this, notwithstanding our national income in 1937 was approximately $13,000,000,000 less than in 1929. Today our savings are at the highest peak in the history of our people. We now have 70 percent more savings available to build homes than in the years when we were providing new homes at a record-breaking rate. Indeed, we need to take our bearings and consider the direction in which we are traveling.

SOME CONCEPTS OF OWNERSHIP

Mr. Chairman, may I submit to the Members of the House this question: Do you believe in ownership? Of course, I receive an answer in the affirmative. You believe not only in ownership, but in private ownership. Such ownership is very essential to the functioning of the legal, as well as the economic structure under which we operate. Consider the foundation upon which we base our system of industry, credit, currency, banking as well as transportation, public utilities, and that highly important element we term "taxation." This foundation is none other than private ownership. And let me remind you that all of these functions greatly relate to and affect the lives of millions of people whose degree of private ownership approaches closely to nothing. The relationship between the owning class and those who do not own is so very close that the physical destruction or a major change in the private ownership of even one single individual may seriously damage the interest of thousands of nonowners, but without the slightest personal inconvenience—other than, perhaps, mental—to the owner himself. This is the ultimate of complexity. As private citizens, we have been taught in our churches and schools and homes to look upon the vehicle of private enterprise as a means whereby we can bring to ourselves the economic benefits flowing as a result of our own industry and enterprise; in this manner the vehicle transports us to such economic security as may be. I feel that it is within the realm of truth to contend that recent policies have tended to lead our people away from such understanding as they did have concerning the primary and original purposes of private ownership. We have indeed accepted private ownership with such a complete and simple faith that few fundamental questions have been raised relative thereto. Heretofore, we have said, "This shop and the stock of goods which it contains, belongs to you. Go, be industrious, be courteous, toil and manage and economize and such rewards as may flow therefrom shall be yours. The Government will deal lightly with you to the end that you may prosper, expand, and give to others the benefit of your savings and enterprise." That has been our philosophy of private ownership and enterprise. It induced people to save and to venture into new fields, new production, and a higher standard of living. It brought to us our America and all that it is.

STREAMS OF NEW CAPITAL HAVE DRIED UP

From the First Annual Report of the Securities and Exchange Commission for the fiscal year ending June 30, 1935, we find that for the period September 1934 to June 1935, inclusive, the proposed use of net proceeds of new securities registered for issuance and fully effective September 1, 1934, to June 30, 1935, the $649,831,175 was applied:

Organization and development	$1,894,067
Increase in working capital	36,693,895
Purchase of assets	169,560,832
Repayment of indebtedness	440,901,368
Miscellaneous	781,013
Total	649,831,175

Here we find that 67.9 percent of the total issue was for repayment of indebtedness and that only 32.1 percent represented what we might term new capital.

Looking over the Second Annual Report of the Securities and Exchange Commission, for the fiscal year ended June 30, 1936, we find the estimated net proceeds from securities effectively registered during the year and intended to be offered for cash for the account of the registrants amounted to only $3,782,100,000.

Of the aggregate net proceeds, $2,805,400,000, or 74.2 percent, were intended for repayment of indebtedness; $213,400,000, or 5.6 percent, were intended for retirement of preferred stock; and $24,300,000, or 0.8 percent, for the reimbursement of loans used for capital expenditures. Refunding and retirement operations thus accounted for a total of $3,043,100,000, or 80.5 percent of the net total proceeds. Of the remainder, $395,600,000, or 10.4 percent, were to be used for the acquisition of securities, chiefly by investment companies; only $120,500,000, or 3.2 percent, were intended to be used for the purchase of plant and equipment; $207,300,000, or 5.5 percent, were to be added to the registrant's corporate funds, while $9,300,000, or 0.2 percent, were scheduled to defray organization and development expenses, and $6,200,000, or 0.1 percent, were to be used for various other purposes. New capital for expansion of industry is so small it is startling.

The Third Annual Report of the Securities and Exchange Commission, for the fiscal year ended June 30, 1937, shows that the estimated net proceeds from securities effectively registered during the year and intended to be offered for cash for the account of the registrants amounted to $3,492,123,000.

Of the aggregate net proceeds, $1,933,849,000, or 55.4 percent, were intended for repayment of indebtedness; $225,136,000, or 6.5 percent, were intended for retirement of preferred stock. Refunding and retirement operations thus accounted for a total of $2,158,985,000, or 61.9 percent of the total proceeds. Of the remainder, $352,097,000, or 10.1 percent, were to be used for the acquisition of securities, chiefly by investment companies; $256,979,000, or 7.4 percent were intended to be used for the purchase of plant and equipment; $633,278,000, or 18.1 percent, were to be used to be added to the registrant's corporate funds while $90,784,000, or 2.5 percent were to be used for various other purposes. Bear in mind this covers the months July 1, 1936, to June 30, 1937. Savings mounting, deposits increasing; pump priming and a growing Federal debt; gold coming in, but little new capital for building industry. One wonders if, with such a small trickle of new capital for risk or investment—the capitalistic system is to survive. Indeed, we need to dig out the wells for private capital of our fathers.

Going on to the Fourth Annual Report of the Securities and Exchange Commission for the fiscal year ended June 30, 1938, we find that out of the net cash proceeds, it was

indicated that approximately $457,000,000, or 35.5 percent, would be used for new-money purposes. This is the highest ratio of estimated net proceeds intended for new-money purposes for any fiscal year since the Securities Act became effective. But it should be noted that as an absolute total it amounts to only approximately 51 percent of the new money which was expected to be raised from the sale of securities registered in the previous fiscal year. Registration statements indicated that the new money was to be allocated approximately as follows: $272,000,000—against $257,000,000 in the preceding fiscal year—for expenditures for plant and equipment and $185,000,000—against $633,000,000—for additional working capital. Of the balance of net cash proceeds indicated in the registration statements, $451,000,000—35.1 percent of all net proceeds—was intended for the repayment of indebtedness, while $348,000,000—27.1 percent of total net proceeds—was intended to be used for the purchase of securities for investment. A sorry mess of new capital for investment. Four years of recorded history—capital market yardsticks. Ample proof of something fundamentally wrong; but where and what?

HAVE WE LOST FAITH IN GOVERNMENT AND OURSELVES?

There is now a crisis of confidence. It has been running for a decade. It varies in intensity. Its meanderings are significant to students of world and national affairs. There is a reason, or a set of reasons, why we, here in the United States, have made one of the poorest showings of all industrial nations in the degree of recovery we have attained. The International Labor Office has presented some startling facts. It is important for us to inquire why our recovery has been less steady than that of any other major industrial nation. What recovery we have attained has been of a jumpy character. We go forward and then slip backward. Our base is narrow. We continue to witness thin markets. The fields of construction and durable capital have made very poor showings. We can go to the capital markets for a yardstick.

Are the fiscal policies of our Government sound? Do Government officials and economists agree on the course we have followed? Are our leaders in accord on the course we shall pursue from here? What about the philosophy of Messrs. Morgenthau, Hanes, and Harrison as against that of Messrs. Roosevelt, Eccles, and Hopkins? What influence has the ideologies of Soviet Russia, Fascist Italy, National Socialist Germany, and the New Deal had on those in our country who have been in a position to invest new capital, build additional industries, and give more employment? The sit-down strikes occurred in France and workers acquired occupancy control of the factories. There followed a stream of gold out of France. The British were withdrawing their earmarked reserve of gold from the Banque de France and our Treasury officials feverishly worked for the consummation of an agreement. From August 7, 1936, to September 25, the Bank of France lost $320,000,000 of gold, the bulk of it to the United States and to England. September 25, 1936, the Governments of the United States, Britain, and France issued their now famous statements which dealt with order in international economic relations. Having momentarily escaped from the French debacle, our high-ranking Government officials proceeded to flirt with the sit-down element in the United States and no one yet has created a yardstick whereby we can measure its temporary or permanent shock to the flow of new capital into American industry. Undoubtedly, the sit-down strikes played a very important part.

Are our people unwilling to release risk capital, to be followed by development capital, and thereby prepare the way for stability and safe investment? Have we had too much talk about the redistribution of wealth? Do our people now look more to Government for security than to individual effort and enterprise? Is the individual substance threatened by mounting taxes? Have interest rates been so reduced as to deny to capital its natural increment, and has this removed the powerful incentive our people have heretofore had to work, save, and invest? Have we elevated the state to a new prestige and authority where it is to control production, allocate markets, extend and insure credit only to the chosen few, and preempt capital markets for governmental borrowings—this all to be followed by the entry of Government directly into the business fields which have historically been preserved for the operation of private enterprise? Powerful forces are at work. One only needs to refer to the release of the Board of Governors dated April 10, 1939. The Board is fully cognizant of the presence of the forces, but their weight or influence has not yet been determined. Now, let us look at some of the activities of Government in the fields of insurance, housing, and activities related thereto.

DEBTS OF BANKS GUARANTEED BY GOVERNMENT (IN FORM OF DEPOSIT LIABILITIES)

From the last annual report of the F. D. I. C. we obtain this interesting information:

At the close of 1937 the Corporation was insuring deposits in 13,853 banks. Daily average deposits of these banks amounted to more than $48,000,000,000 during the year, of which more than $21,000,000,000 were insured. The depositors in these banks numbered more than 50,000,000, of whom more than 98 percent were fully protected by insurance.

In looking over the balance sheet of the F. D. I. C. as of December 31, 1938, we find its capital structure carrying items made up of:

Capital stock		$289,299,556.99
Surplus adjusted to June 30, 1938		112,646,564.04
Earnings 6 months ended Dec. 31, 1938		18,598,396.63
		420,544,517.66
Miscellaneous		1,077,809.22
Total		421,622,326.88

Comparing the entire capital structure of the F. D. I. C. with its obligation to banks and depositors, clearly indicates that in the event of a set of conditions greatly straining the capital structures of the banks, one of two things would undoubtedly happen—either the Treasury of the United States would have to go to the rescue of the F. D. I. C., or the depositors would again lose through the closing of banks resulting from their inability to liquidate portfolios rapidly enough (and without loss) to meet the withdrawal requirements of demand savings and time depositors. It is interesting to observe that while the F. D. I. C. was created by the Banking Act of 1933, its net earnings, brought about almost entirely by deposit-insurance assessments against insured banks and interest earned on its assets held, amounted to only $131,244,960.67. Bank failures since the inception of F. D. I. C. have, fortunately, been few, with small losses. Should we run into a serious depression resulting in drastic decline in market values of commodities, stocks, bonds, and other equities, including Government bonds, and all followed by heavy withdrawals of deposits by demand, savings, and time claimants, the capital structure of the F. D. I. C. would be put to its first great test.

MANY COMMODITY CREDIT CORPORATION LOANS (GRAINS, COTTON, MISCELLANEOUS)

The February 28, 1939, statement of this agency shows loans outstanding amounting to $360,107,912.75 representing advances made on cotton, corn, wheat, tobacco, figs, peanuts and oils, prunes, raisins, butter, dates, pecans, hops, wool and mohair, turpentine, and so forth. In addition to this $360,000,000, we find there are loans which have been made by lending institutions and which are guaranteed by the Government and falling in this same class, in the sum of $408,414,868.29 and which added to the above-mentioned figure gives an aggregate of $768,522,781.04.

We should also bear in mind that other commitments are in process of being made and all in line with acts of Congress heretofore approved. It should be remembered that a

genuine cotton crisis remains to be solved and that we face a new cotton crop which will begin to move around next August 1. In this connection we might keep in mind the $5,000,000,000 liability of the Treasury based on its guaranty of obligations of the Federal Farm Mortgage Corporation, the F. H. A., the H. O. L. C., the R. F. C., the U. S. H. A., the T. V. A., and the United States Maritime Commission.

LOANS TO BUSINESS AND INDUSTRY

Chairman Jones, of the R. F. C., informs us his agency has authorized 7,371 loans to business enterprises aggregating $447,324,578. Banks have agreed to take participations in the amount of $61,492,756 in 1,661 of these loans, their participations ranging from 10 to 75 percent of a loan. The banks and R. F. C. share proportionately in security and repayments. Of the R. F. C. part of these loans $86,227,903 was not used and $144,192,699 remains available to the banks and borrowers when called for. Two thousand seven hundred and twenty of these loans, or 37 percent of the total number, have been for $5,000 or less—during the past 12 months 49 percent have been for $5,000 or less. Fifty-three percent of the loans have been for $10,000 or less; 83 percent for $50,000 or less.

In addition to the participations taken for their own account banks hold $57,552,558 of these loans with a take-out agreement from the R. F. C. For the take-out agreements the R. F. C. gets a part of the interest paid by the borrower. This is 2 percent per annum where the bank's participation is less than 25 percent of the loan; 1½ percent where the bank's participation is from 25 to 50 percent; 1 percent where the bank's participation is 50 percent or more.

Participation agreements and take-out commitments are executed when the loan is made, and the take-out commitment insures the bank against loss on that part covered by the agreement. It is necessary to exercise the same care in insuring part of a loan as in making the entire loan. The same investigation is required and the same expenses incurred.

In April and May 1938, R. F. C. made commitments to lend apple growers in the State of Washington up to $2,000,000. Under these commitments, R. F. C. authorized 960 loans to 716 applicants in the amount of $1,025,120, of which $991,506 was disbursed.

In addition to the foregoing loans to business, the Electric Home and Farm Authority, operated by R. F. C., buys installment contracts from business. To date, 2,573 dealers have been furnished with capital for their credit sales in this manner. The contracts carry the unconditional endorsement of the dealer.

Mr. Jones further says:

> We shall probably have a substantially larger percentage of losses from industrial loans than from any other class. Forty-six of these (representing loans in the aggregate amount of $3,009,092) have already been foreclosed and the security reduced to possession.

CHRONOLOGICAL TABLE OF UNCLE SAM'S HOUSING ADVENTURES

July 22, 1932: Federal Home Loan Bank System established. The object of the Federal Home Loan Bank System was to provide a credit reserve for the thrift and home-financing institutions of the United States. Twelve banks were established throughout the country, each under charters issued by the Federal Home Loan Bank Board. Capital stock of the 12 regional banks amounting to $124,741,000, was subscribed for and taken by the Secretary of the Treasury. The Government has invested $265,000,000 in savings and home-loan institutions largely during the 1932–36 period. Assets of all home-owners loans banks, as of June 30, 1938, were $265,770,803.87. Liabilities were $97,789,473.30. Net worth of $167,981,330.57. The accounts of the Federal home-loan banks are not subject to audit by the General Accounting Office. The Annual Report of the Comptroller General for the fiscal year ending June 30, 1938, states that more than three-fourths of the capital stock of the system, $161,512,205, is owned by the United States and the "balance by members of the home-loan bank system."

Uncle Sam's investment in housing via the Federal home-loan bank system—$161,512,205.

June 13, 1933: The Home Owners' Loan Act of June 13, 1933, set up the Home Owners' Loan Corporation as an emergency agency to give emergency relief with respect to home-mortgage indebtedness, to refinance home mortgages, to extend relief to owners of homes occupied by them and who are unable to amortize their debts elsewhere, to amend the Federal Home Loan Bank Act, and to increase the market for obligations of the United States, and for other purposes. This Corporation is now in liquidation and operates solely as a collection agency.

The original capital stock of $200,000,000 was subscribed by the Secretary of the Treasury. And as of June 30, 1938, was impaired by deficits of $40,893,291.81. As of December 31, 1938, the Home Owners' Loan Corporation had unmatured bonds issued and outstanding in the sum of $2,902,950,710.09, principal and interest. This does not include $10,000,000, face amount of notes and accrued interest thereon held by the Treasury and reflected by the public debt. The outstanding bonds are a contingent liability of the United States and guaranteed as to principal and interest by the Federal Government. Contingent liabilities had been authorized to the amount of $4,750,000,000 for this Corporation. The Corporation is now operating with huge deficits.

Uncle Sam's investment in housing via the Home Owners' Loan Corporation is over $3,000,000,000.

January 31, 1934: The Federal Farm Mortgage Corporation was established by act of January 31, 1934, "to aid in financing the lending operations of the Federal land banks, particularly the farm debt-financing program begun in 1933."

The capital stock of $200,000,000 was subscribed for by the Governor of the Farm Credit Administration.

With the approval of the Secretary of the Treasury, the Corporation is authorized to issue and have outstanding at any one time bonds in the aggregate of not more than $2,000,000,000, issued in such manner and sold at such prices as prescribed by the Corporation with the approval of the Secretary of the Treasury. These bonds are fully and unconditionally guaranteed as to principal and interest by the United States, and are lawful instruments and security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under authority or control of the United States or any officer or officers thereof. The Secretary of the Treasury is authorized to purchase the bonds from the sale of any securities "here issued under the Second Liberty Loan Act as amended." The Corporation has power to purchase its own bonds "in the open market at any time and at any price."

As of December 31, 1938, the Corporation had outstanding bonds in the sum of $1,396,656,315.22 under the above authority. Uncle Sam's investment in housing through the Federal Farm Mortgage Corporation thus becomes $1,596,656,315.22.

FEDERAL HOUSING ADMINISTRATION

June 27, 1934: The National Housing Act created the Federal Housing Administration for the express purpose of encouraging improvement in housing standards and conditions and providing a system of mutual mortgage insurance. The Administrator of the Federal Housing Administration was empowered to use not more than $200,000,000 to "insure banks, trust companies, personal finance companies, mortgage companies, building and loan associations, installment lending companies, and such other financial institutions, which are approved by him as eligible for credit insurance against losses which they may sustain as a result of loans and advances of credit and purchase of obligations representing loans and advances of credit made by them subsequent to the date of the act and prior to January 31, 1936." The act also created a mutual mortgage-insurance fund with an immediate allotment of $10,000,000, with authority to

insure mortgages there specified to the extent of $2,000,000,000 plus $1,000,000,000 additional if approved by the President. A press release issued by the Federal Housing Administration (No. 399, March 9, 1939) shows:

Insurance written—cumulative to date:		
Home mortgages (premium paying)	335,099	$1,400,212,141
Rental housing projects	164	80,265,750
Property improvement loans:		
Original title I notes	1,459,408	561,846,309
Feb. 3, 1938, amendments	429,837	198,849,475
Total insurance written		2,241,173,675

The expenses of operating the Federal Housing Administration have been a constant drain upon the public funds.

Page 5 of the quarterly report—January 3, 1939—of the Reconstruction Finance Corporation shows that the Corporation had made total payments to the Federal Housing Administrator, to and including September 30, 1938, amounting to a total of $66,021,074.55.

The Federal Housing Administration on December 31, 1938, had debentures outstanding in the amount of $1,277,783.22 fully guaranteed as to principal and interest by the United States.

The United States Civil Service Commission, in a report of December 31, 1938, reported the Federal Housing Administration was employing 4,523 persons. The total cost of operations for 1939, according to Budget estimates, was $14,187,220.

Uncle Sam's investment in housing through the Federal Housing Administration amounts to more than $20,000,000 in cash in form of a deficit in operations beside an assumed contingent liability of $2,241,173,675.

ACT OF SEPTEMBER 1, 1937, AS AMENDED

The United States Housing Act of September 1, 1937, created the United States Housing Authority for the purpose of promoting the general welfare of the Nation by employing its funds and credits to assist the several States and their political subdivisions to alleviate present and recurring unemployment and to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income in rural or urban communities that are injurious to the health, safety, and morals of the citizens of the Nation. The Authority has capital of $1,000,000 subscribed and paid for by the Secretary of the Treasury for the United States. An appropriation of $25,000,000 additional was authorized for the fiscal year ended June 30, 1938. The Authority was authorized to issue obligations in the form of notes, bonds, or otherwise in an amount not to exceed $800,000,000. These obligations are exempt both as to principal and interest from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority. They are fully and unconditionally guaranteed both as to principal and interest by the United States Government.

As of December 16, 1938, the Authority had made loans and commitments aggregating $649,789,000 to cities participating in the slum-clearance and low-cost housing projects.

As of December 31, 1938, the Authority had outstanding notes in the face amount of $23,000,000 held by the Treasurer of the United States and reflected in the public debt.

As typical of the housing provided by the Public Works Administration, Harlem River houses in New York City is an outstanding example. This project, which is of the so-called slum clearance type consists of 1,959 rooms broken into 574 two-, three-, four-, and five-room apartments, built at a cost of $2,605 per room. The cost of the project is $5,104,533, and has been leased to the city of New York at an annual rental of $69,062. This represents a return of approximately 10 cents a day per room to the Government. Rentals during the period September 3, 1937, to June 30, 1938, amounted to $181,257, and the expense of operating and maintaining amounted to $150,672. An insignificant return on the investment.

Uncle Sam's investment in housing via the Public Works Administration, seems to be not only the $450,000,000 originally set aside, but also the huge sums in interest that Uncle Sam is forced to pay on the borrowed capital used in financing these projects.

It is safe to assume that Uncle Sam's adventure into housing through the medium of the United States Housing Authority will, by the end of the current fiscal year, represent an amount in excess of $825,000,000.

OTHER ADVENTURES IN HOUSING

To complete the picture of Uncle Sam's adventures in housing we bring to your attention the $5,000,000 or more expended by the Alaska Rural Rehabilitation Corporation and many additional millions spent for housing by the Puerto Rico Reconstruction Administration; and last, but not least, projects of a similar nature in the Hawaiian Islands.

TENNESSEE VALLEY AUTHORITY HOUSING

June 30, 1933: T. V. A. Act—Under authority of the Tennessee Valley Authority Act of 1933, the management of T. V. A. has spent a total of more than $7,214,637,000 in building villages to house their employees and others in the vicinity of Norris, Wheeler, Guntersville, and other dams. These properties, having no vital bearing on the operations of the Tennessee Valley Authority at this time, are being maintained and rented at an annual loss running into thousands of dollars. Just a drop in the bucket in considering Uncle Sam's total adventures into the housing field.

The wheels of bureaucratic government move on and Congress by its acts creates more and more competition by government against those who have their savings invested in building and loan association activities, life-insurance contracts, and who are dependent upon returns of interest for their necessities of life. When these resources are dissipated, largely through competition of governmental activities, the individual can, of course, take whatever a hard-pressed Government is able to allow in the way of old-age assistance.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Tennessee.

Mr. GORE. I cannot quite reconcile the gentleman's statement that this program is a deterrent to business with the fact that the bankers of my district and the home owners and prospective home owners are all strong for this program, and that the businessmen say it is an encouragement to private enterprise.

Mr. CRAWFORD. If the gentleman will permit a personal reference, I happen to be a director of a bank. Certainly the F. H. A. helps our institution make money. But do you suppose I intend to put that bank and its interest up against the interest of the people of this country who hold in the building and loan associations $4,300,000,000 of capital and who for decades have financed the homes needed by our people?

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Let me ask the gentleman, because I know he is informed on the subject, if it is not true that we are rapidly reaching the saturation point in housing in this country, in many localities.

Mr. CRAWFORD. If Government is to feed all of our people through subsidies, certainly we are, unless Congress desires to increase the subsidy in the way of old-age assistance and W. P. A. and P. W. A. benefits sufficient to enable the people to live at that high standard called for by this program.

Mr. KNUTSON. I do not think the gentleman got my point. What I was asking the gentleman was whether we are reaching the saturation point in new building or in housing in many localities of this country.

Mr. CRAWFORD. Yes; it is true that in many localities we have overbuilt. This is evidenced by vacancies in some instances and by the greatly depressed real-estate market prevailing in other cities and localities where high-grade and well-conditioned properties are selling far below the cost of replacement on a depreciated basis. Again, our increase in population is not running as great as in previous years. Then we also have a bad situation wherein whole industries and large industrial units are moving from one geographical location to another, and this movement is largely due to governmental policies which are not conducive to developing faith in the future of the man or woman who would invest. For instance, if northern industry is to be induced to move southward, what is to become of the homes now owned in industrial centers in northern cities?

The following table will be of interest to those who are watching capital movements. Savings have continued to increase since the last date shown on the table. If our capitalistic system is to survive, certainly savings will have to be invested in something more substantial than Government bonds.

Changes in selected types of long-term savings, 1920–37

Year	Life insurance companies [1]	Mutual savings banks [2]	All other banks [3]	Savings and loan associations [4]	Postal savings [5]	2½-percent postal savings bonds [6]	United States savings bonds [7]	Total
1920	$5,813,518,433	$4,217,540,000	$5,612,750,000	$2,070,160,000	$157,276,322	$11,539,420	----------	$17,882,784,175
1921	6,174,022,460	5,394,963,000	7,450,293,000	2,399,629,000	152,389,903	11,718,300	----------	21,583,615,663
1922	6,625,278,313	5,686,603,000	7,464,451,000	2,770,571,000	137,736,439	11,830,500	----------	22,676,470,252
1923	7,349,149,468	6,282,157,000	8,847,131,000	3,257,847,000	131,671,300	11,860,200	----------	25,879,815,968
1924	8,047,567,035	6,685,967,000	9,694,747,000	3,923,387,000	132,814,135	11,893,760	----------	28,496,375,930
1925	8,927,225,653	7,139,110,000	10,869,466,000	4,691,580,000	132,173,211	11,995,880	----------	31,771,550,744
1926	9,938,693,110	7,558,190,000	13,540,404,000	5,409,999,000	134,178,558	12,540,040	----------	36,594,004,708
1927	11,048,866,535	8,040,042,000	15,035,743,000	6,124,667,000	147,359,254	13,229,660	----------	40,409,907,449
1928	12,213,207,586	8,663,007,000	15,468,712,000	6,968,505,000	152,143,349	14,812,380	----------	43,480,387,315
1929	13,237,623,893	8,889,914,000	15,139,333,000	7,520,774,000	153,644,529	16,887,180	----------	44,958,181,602
1930	14,095,789,563	9,190,566,000	14,924,125,000	7,653,622,000	175,271,686	19,224,720	----------	46,058,598,969
1931	14,679,356,751	10,016,799,000	13,647,602,000	7,239,661,000	347,416,870	22,834,660	----------	45,953,670,281
1932	14,859,256,683	10,021,110,000	10,544,229,000	6,584,583,000	784,820,623	36,247,200	----------	42,829,246,566
1933	15,010,941,949	9,699,119,000	8,137,835,000	5,821,740,000	1,187,186,208	52,697,440	----------	39,909,519,597
1934	16,051,936,331	9,764,052,000	9,319,460,000	5,241,318,000	1,197,920,188	78,030,240	----------	41,652,716,759
1935	17,541,659,406	9,901,684,000	10,271,250,000	4,759,478,000	1,204,862,940	101,943,340	$153,477,488	43,934,355,174
1936	19,132,770,135	10,036,714,000	11,071,242,000	4,448,734,000	1,231,673,156	120,881,020	474,735,747	46,516,750,058
1937	20,509,978,554	10,185,271,000	11,996,594,000	[8] 4,300,000,000	1,267,673,740	119,086,360	963,735,743	49,342,339,397

[1] Estimated accumulated savings in United States life-insurance companies. Represents reserves plus unpaid dividends and surplus to policyholders, except that deduction is made of policy notes and loans and net deferred and unpaid premiums. Source: Spectator Life Insurance Year Books and Proceedings of the Association of Life Insurance Presidents. Figures as of Dec. 31.

[2] Deposits evidenced by savings passbooks. Source: Annual reports of the Comptroller of the Currency. Figures as of June 30.

[3] Deposits evidenced by savings passbooks. National banks, State commercial banks, loan and trust companies, stock savings banks, and private banks. Source: Annual reports of the Comptroller of the Currency. Figures as of June 30.

[4] Private investments in savings and loan associations. Includes estimates for private investments in State-chartered savings and loan associations in Maryland, South Carolina, Colorado, Idaho, and Arizona. Source: Compilation by Federal Home Loan Bank Board, Division of Research and Statistics, of reports by Federal home loan bank system on Federal savings and loan associations and by State banking commissioners on State-chartered building and loan associations. Figures mostly as of Dec. 31.

[5] Balance to credit of depositors. Source: Annual Report of the Postmaster General on operations of the Postal Savings system. All figures as of June 30.

[6] Source: Annual Reports of the Secretary of the Treasury for years prior to 1935. For 1936 and 1937 Treasury Daily Statement.

[7] Current redemption value. Source: Treasury Daily Statement. All figures as of Dec. 31.

[8] Preliminary.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include the tables to which I have referred.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GIFFORD. Mr. Chairman, I yield 15 minutes to the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Chairman, I think that the fact that there is not time fully to discuss this very complex and very expensive bill is sufficient reason that thoughtful Members will wish to be very hesitant about voting for it. Hastily passed laws of this character are like shotgun weddings; they create more problems than they solve.

I did not sign the minority report because it seems to me that it cried "wolf" too faintly. Whenever a bill comes in from the Committee on Appropriations there are loud outcries against the millions that we appropriate for the relief of farmers and the unemployed—the two groups of people worst hit by every depression. Yet I see that when a banking and currency bill comes in—these bills that authorize appropriations of billions of dollars, which revolutionize and upset our whole credit structure which, like the bill involving the stabilization fund, even enable some public officers to imperil our peaceful relations with foreign nations—then there are empty seats and indifference.

I wonder if the old wolf is not taking advantage of that circumstance. I wonder if, when you stave him off from the front door, guarded by the Committee on Appropriations, he does not sneak softly, quietly in through the window—the Banking and Currency Committee. [Applause.]

I wonder if we who are elected to guard the public interest should not be very suspicious of this F. H. A. bill which authorizes another billion dollars to be used in guaranteeing real-estate loans. It arbitrarily picks out a favored portion of people and guarantees their notes to the extent of a billion dollars, notes which the Administrator admitted would not be accepted by private lenders who would not consider it safe to risk their capital for that purpose—this at a time when our country is filled with hungry people—when out of every dollar they spend for food, 20 cents goes back to the Government to pay for such activities.

It is true that an ex-college professor from one of the departments testified at the hearings that if we add another billion dollars to the capital this $3,000,000,000 Government insurance corporation already has, it would make it more efficient, so that it would not continue to lose money out of the Public Treasury. Did you notice that most of these loans will not mature for 20 years? We will not know until then the extent of our loss.

Mr. Chairman, you do not have to go to college to find out something about real estate and know that the real-estate business is highly speculative and hazardous. During the period from 1929 to 1932 the values of houses and apartments collapsed 33 percent. They had collapsed before. They will again, inevitably.

I tried to estimate how much out of this giant authorization the Government might lose. It seemed to me that over a period of 20 years the American people might, out of $4,000,000,000, lose as much as $1,000,000,000 of public money. I asked the best banker I know, and I asked the most successful real-estate operator I know. They advised me that, based upon their experience and observation of the

way this activity is conducted and the way these appraisals are made, we would lose not merely $1,000,000,000 of the people's money but even as much as $2,000,000,000 of money which the people sorely need for food and rent.

Title I loans mature more quickly than title II loans. Already, the Administrator told us, it is apparent that there is a net loss under title I of $15,000,000. "Why, Miss SUMNER," one Member exclaimed when I mentioned it, "that is just chicken feed in an operation like this."

Maybe so; but that is not what we feed the chickens on in our farm. [Laughter.] I am not criticizing the promoters of this bill. In 1934 you wanted to stimulate employment. You knew that the English Government, through a government subsidized housing plan, had helped pull their country out of the depression. But you new dealers forgot to notice that in England, where the Government is always managed in a prudent, businesslike manner, the Government withdrew swiftly and wisely as soon as the activity was fairly started. You forgot to remember that politics are different in England, unfortunately for us. In England it is not cute, but criminal to reach out and filch money from the common pocketbook.

I have been told that I am wasting my breath to stand here and urge you not to plunge the American people deeper into this economic quicksand, this artificial real-estate boom. It may be, perhaps, since the F. H. A. has been very highly advertised, that today a Gallup poll would reveal that the American people either like or do not mind the F. H. A. But you and I are elected to be leaders, not followers. We must be statesmen, at our peril. It is our duty to foresee the calamities that may result from our votes here in Congress.

Last week I drove 1,200 miles in my district, which is in the center of the United States. My district has industries and farms. It is typical of all of the other districts in the United States. What benefits us benefits you. Some of our bankers told me they would not touch these F. H. A. loans. They said, "Recently the Government has repudiated some of its contracts and may do so again." Others explained, "The money is being spent; we might as well get some of it." A prospective borrower said, "Well, the lumber dealer told me I wouldn't have to make any down payment. You see the way they do it is to pad costs enough so that when you get your loan you can get your down payment out of the loan."

I tell you that about 1941 or sooner this activity will be as flagrantly discredited as the Farm Security or the W. P. A. People are growing more and more disgusted with costly governmental experiments. I worry lest the reaction will be so violent that they will want to discard the good things the New Deal has tried with the bad.

I offered some amendments in the committee. I have also endeavored to find some way that you New Dealers could meet this problem. The best solution is one which was devised by my brother, who has had considerable business and banking experience. I will put it into the RECORD in a few days.

It involves removing the strangling restrictions which prevent banks from making loans. It enables them to loan money freely up to their full capital. It also involves returning to the Congress the power to control the volume of credit which is, of course, the same as money—a power reserved to Congress under the Constitution; and, above all, it involves demobilizing all the various Government loaning agencies and using private money instead of the money of the people, private lending ingenuity instead of the favoritism of politicians. It is true that such a plan would discharge a great many Government employees and substitute one man for each hundred or so now doing similar work. They would complain to you; but better that each of you hear complaints from 100 of your supporters, who are now on the Government pay roll, than from multitudes of unemployed people, desperate employers, and taxpayers.

I will offer this proposal for solving the problem because I do not like to criticize your program without submitting some constructive plan to replace it. The plan I shall suggest is feasible. It is prophylactic. I think that perhaps it may even be dashing enough to appeal to the glamorous skipper now at the helm of the ship of state. [Laughter.]

Of course, I hope that when and if we Republicans become the majority we shall be so trustworthy that the Government will not need to hire people to invest their money. [Applause.] The proposal I shall submit is just a temporary plan to keep shoes on the feet of our citizens while they are marking time. I should be glad if the administration would adopt some such businesslike plan to encourage business. Because I believe in the future of representative government I rejoice when Members on both sides of the aisle which divides the two political parties show symptoms of nobility. [Applause.]

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SACKS].

Mr. SACKS. Mr. Chairman, in asking a question of the gentleman from Michigan [Mr. CRAWFORD] about the building of homes previous to the inauguration of the F. H. A. and since the F. H. A., I asked for the figures and received these from a reliable source.

I find that during the Hoover administration housing dropped to 55,000 units in the year 1934. In June 1934 the F. H. A. Act was passed. In 1935, just 6 months after that bill was passed, it rose to 144,000 units. In 1938 it had reached 346,000 units. But the most significant thing about this is not so much in the figures as to how much was built as to what it cost the public. For example, from 1931 to 1934, before the act was passed, the interest rate on first-mortgage money which allowed 50 to 60 percent mortgage value of the property was from 6 to 9 percent, and limited to a period of from 3 to 5 years.

The second-mortgage rate of interest, which included premiums and brought the mortgages up to 80 percent and 90 percent as developed under this act, added another 15 percent to 20 percent of interest. Today under the F. H. A. the maximum interest rate is 5 percent with one-half of 1 percent added for the insurance premium. This is a considerable saving to a vast number of people in this country. For this great saving alone the F. H. A. should be continued in order to keep down the interest rate and to keep mortgages within the reach of the ordinary wage earner of this country.

I have heard a lot said to the effect that this is an expenditure of $4,000,000,000. It started early in the day, during the debate on the rule. The chairman told you that not one dollar is expended. It is merely insurance. The testimony adduced before the committee showed that the loss was so negligible that this thing would be a profit to the Government.

So you see this vast benefit is not going to the bankers; it is going to the people who are buying individual homes. I heard one of my colleagues say that there would be a $2,000,000,000 loss in this administration. Mr. Chairman, if we analyze the reason why so many homes were dropped during the depression we shall find that the rate of wages and income went down but the rate of carrying charges on properties remained, as pointed out before on a mortgage of 80 percent, somewhere between 6 percent and 20 percent. There was a decrease in the individual's income but no decrease in the carrying charges of his property.

Let me point out further that this program has been the means of furnishing a great amount of employment to the skilled trades.

The statement was made by one of my colleagues that this program was in effect a throwing away of Government money, the expenditure of a vast amount of money to put the Government in competition with business.

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 1 additional minute to the gentleman from Pennsylvania.

Mr. SACKS. I do not know what type of bankers my friend represented, but in the large banking circles in the city of Philadelphia, which is quite a banking center, they have written me and told me they are for this legislation.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. SACKS. I yield.

Mr. RICH. The gentleman said that this administration would probably lose $2,000,000,000.

Mr. SACKS. I did not say that.

Mr. RICH. Does not the gentleman know that this administration has already lost $20,000,000,000?

Mr. SACKS. I did not say that; the gentleman said that.

Mr. RICH. But the gentleman's administration has already lost $20,000,000,000.

Mr. SACKS. And the gentleman from Pennsylvania on the Republican side will know where we got the money after we make it through this administration. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

ADVANTAGES OF THE F. H. A.

Mr. PATMAN. Mr. Chairman, this bill carries no appropriation. The Government is providing insurance for a fee. If a corporation in America were large enough and it were authorized to carry this insurance, in the light of the experience of the past few years that corporation would be very glad to take on this burden for a reasonable fee and would expect to make money out of it; but there is no corporation in America large enough that has such power and the administration feels that it is the Government's duty to come to the rescue of the home owners of this country for the following purposes:

First. To encourage home ownership.

Second. To give employment to unemployed.

Third. To provide a reasonable interest rate.

Fourth. To give a long term of repayment.

Fifth. To take money out of hoarding and increase its velocity.

The objects and purposes of this legislation are good. It is not a matter of the Government's extending loans, that is a mistake. The Government is not putting any money into this, the Government is merely accepting fees for the purpose of insuring these mortgages, believing that the fee is sufficiently large to reimburse the Government. In this way the Government is extending to the home owners of this Nation the use of its credit. I do not know of a more worthy undertaking. In order that you may know that it has been very helpful and constructive I will take the figures for the years 1920 to date and give you the home construction during that period. From 1920 on up to 1925 and 1926 from 202,000 to 572,000 one-family structures were built each year, but from 1930 through 1933 the number went down from 572,000 in 1925 to only 39,000 in 1933—just 6 percent. Remember, this involves durable goods. You cannot have a prosperous country unless you have a movement of durable goods. We found home construction decreasing 94 percent during that period of time, so something had to be done to take this money out of hoarding.

Estimated number of dwelling units built annually by type of structure—Nonfarm communities of United States, 1920 to date

Year	In 1-family structures	Percent of total	In 2-family structures	Percent of total	In multi-family structures	Percent of total	In all types of structures
1920	202,000	81.8	24,000	9.7	21,000	8.5	247,000
1921	316,000	70.4	70,000	15.6	63,000	14.0	449,000
1922	437,000	61.0	146,000	20.4	133,000	18.6	716,000
1923	513,000	58.9	175,000	20.1	183,000	21.0	871,000
1924	534,000	59.8	173,000	19.4	186,000	20.8	893,000
1925	572,000	61.0	157,000	16.8	208,000	22.2	937,000
1926	491,000	57.8	117,000	13.8	241,000	28.4	849,000
1927	454,000	56.1	99,000	12.2	257,000	31.7	810,000
1928	436,000	57.9	78,000	10.4	239,000	31.7	753,000
1929	316,000	62.1	51,000	10.0	142,000	27.9	509,000
Average for 10 years	427,100	60.7	109,000	15.5	167,300	23.8	703,400
1930	185,000	64.7	28,000	9.8	73,000	25.5	286,000
1931	147,000	69.3	21,000	9.9	44,000	20.8	212,000
1932	61,000	82.4	6,000	8.1	7,000	9.5	74,000
1933	39,000	72.2	4,000	7.4	11,000	20.4	54,000
1934	42,000	76.4	3,000	5.4	10,000	18.2	55,000
1935	110,000	76.4	6,000	4.2	28,000	19.4	144,000
1936	199,000	73.7	13,000	4.8	58,000	21.5	270,000
1937	220,000	76.9	15,400	5.4	50,800	17.7	286,200
1938	262,300	75.6	16,900	4.9	67,500	19.5	346,700

Sources: National Bureau of Economic Research, Bureau of Labor Statistics, Federal Housing Administration, Division of Economics and Statistics, table No. 21 (revision Feb. 21, 1939).

I noticed a statement made by Mr. Marriner S. Eccles the other day to the effect that we had more bank deposits today that we had in 1929, and we had more actual money outside of banks today than we had in 1929. Mr. Eccles' statement regarding these two things was absolutely correct, but he overlooked one very material point, and that was that most of these deposits were hoarded, they were not in circulation, they had no velocity. Something must be done to entice these deposits out of hoarding and get them back into circulation.

So when the Government insures these mortgages, the Government will not take the loss. The Government will not lose and the home owners will be tremendously helped. By insuring these mortgages this hoarded money can be enticed out and put into circulation. It is not only going to help the home owners of this country but it will help the entire Nation as well.

This is not a bill to appropriate money. It is not a bill to make loans to individuals by the Government. It is far from that. It is a plan to use the Government's credit in a useful and constructive way. As I stated, the Government will not in the end lose thereby.

I know that there are many people in this country who are fighting this proposal, and I think many of them are fighting it because it establishes a yardstick for interest. It fixes a maximum rate on home loans. People who have money to lend naturally want as much for that money as they can get, and I cannot blame them for that. But if there are social reasons why the price of this money should be lowered, Congress should take that into consideration. This bill fixes a yardstick so that people will not be charged an excessive rate of interest.

A few years ago in the District of Columbia they had a foreclosure racket on homes. People would have two or three mortgages on their homes and practically every year one of these mortgages would come due. In order to get the mortgage renewed they would have to get a new appraisal and pay for a new appraisal, pay for a new abstract and for having the record brought up to date and probably a bonus in addition to that, as well as a high interest rate and attorney fees. The F. H. A. came along and said, "We are going to abolish these second and third mortgages." That is the effect of this law. It has abolished all these second and third mortgages and put all the indebtedness into one mortgage at a low rate of interest, a rate of interest that the people can pay.

Did you know that 63 percent of the loans that have been made through the help of the F. H. A. the borrower pays less than $30 a month? Why? Because the interest rate is low and there is a long time in which to pay.

Evidence before the committee discloses that the average loan is $4,600. The difference between the interest rate that is usually charged and the interest rate under F. H. A. amounts to $1,600 on one such mortgage. That is a saving of $1,600 to every such mortgagor in this Nation. A man who owes on his home will save $1,600 during the lifetime of that mortgage. That is what the F. H. A. is doing. That is one of the many things it is doing. I believe it is one of the best things that the Government has ever done. It is saving the home owners hundreds of millions of dollars a year.

The banks and the insurance companies are putting their money into these securities and this is one way we have of attracting their money. The banks and insurance companies have been reluctant to make investments in recent years except in Government bonds. The returns on these bonds were very low. Therefore, if we can attract this money through the use of United States Government insurance, through the instrumentality of the F. H. A., let us call it, why is it not a worth-while and justifiable undertaking? In my opinion, it is; and I think we should have quick and favorable action on this bill.

The measure directly concerns progress of orderly recovery in business and employment and the opportunity of American families to attain better living standards.

The measure is urgent at this time.

THE PRESENT BUILDING SITUATION

The table which presents building permits yearly since 1920 shows that residential building has been tending upward for several years.

Sustained activity in residential building is essential in restoring employment to satisfactory levels, in putting unemployed men back to work. Home building employs a large volume of labor on the site.

The production and transportation of building materials and of the equipment that goes into houses reaches into every section of the country, out into the forests, down into the mines, into our mills and factories, and throughout the length and breadth of the great transportation networks that serve our Nation.

If we are to raise our living standards, we need large numbers of new homes, not only to accommodate our growing population but to enable us to scrap the disgracefully substandard homes in which so many of our families are forced to live.

Even with the 1938 upturn, private residential building was only about 40 percent of the 1926 level, while total private building construction, including commercial, factory, and so forth, was only 35 percent of that in 1926. Even with the Government's program of public works, total construction activity in 1938 had attained a volume not over 50 percent of that in 1926.

JOBS NEEDED

Prosperity may ride to town on an automobile, but it takes plenty of good, steady jobs on the scaffold to keep it with us.

After a fair recovery in building activity had gotten under way in the fall of 1936 and the early months of 1937, a recession, especially in home-building activity, took place in the latter months of 1937.

The downward movement was reversed at about the time Congress passed the amendments to the National Housing Act in February 1938.

It took a few months before the full effect of the amendments was reflected in building, and, in view of the time it takes to organize and carry out home-building developments, positive action on the present amendments is necessary.

At the present time activity in residential construction is growing, and this is evident not only by F. H. A. mortgage insurance operations but by statistics on new residential building. The question whether this trend will continue affects the prospective means of livelihood of thousands of workers.

The latest weekly report of the Federal Housing Administration showed mortgages amounting to $29,500,000 selected for appraisal, the highest total on record; for the month of March the amount was $121,700,000, also a record.

It takes time to build up home-building volume. It was several months before the full effect of the 1938 amendments was felt in building permits, and there was a further lag between permits and employment on the job. Therefore, any delay now may result in a slack period later in the year, even if it might not lead to more serious and more extended consequences. Is Congress to take the responsibility of taking fuel from under the boiler just when our economic engine is getting up steam? It must act affirmatively and promptly, or else justify some other course.

CHARACTER OF F. H. A. FUNCTIONS

If I were speaking on behalf of a governmental agency that ran contrary to sound public policy, or to the ultimate well-being of our public and the economic institutions that serve them properly and usefully, then the Members of this body might well hesitate about continuing its full range of activities.

Happily, the Federal Housing Administration is an agency which provides for the voluntary cooperation of private industry with the strength and integrity of a well-managed branch of the Government. It aids the lender, the consumer, and industry, and in such a way that it preserves their common interests and prevents the exploitation of any one of them. In so doing, it acts as a stimulant to recovery in business and employment.

The Federal Housing Administration is a Government agency that does not rely on large Government spending to accomplish its results.

Current receipts from mutual mortgage insurance exceed its current expenses for that major activity.

The cost of handling the property-improvement loan insurance under title I is to be partly offset under this measure by the charging of a premium to be paid by the insured institutions, without any prospective increase in the maximum charge that may be made to the borrower.

The Federal Housing Administration does not in any way compel the participation of anyone in its program.

The lending institution retains discretion in selecting loans on which it applies for examination and approval for insurance. The F. H. A. affords credit insurance on mortgage loans and property-improvement loans which are found to meet its requirements.

Mortgage insurance under the 1938 amendments turned the tide of home-building activity at a critical time.

Greater stability in residential building activity and in financing residential properties is one of the great economic problems that face the country.

The Federal Housing Administration offers a constructive opportunity to attack this problem.

It protects all the groups concerned in home-mortgage financing through insistence on transactions that meet reasonable tests of soundness. We can obtain sound mortgage financing only through soundness in the vast number of individual financing transactions, and that is just what the Federal Housing Administration is accomplishing.

The continuation of the F. H. A.'s activities is important as a stabilizing influence.

IT SETS A CEILING ON INTEREST RATES TO HOME PURCHASERS

If insurance of mortgages on existing homes and the special provision regarding mortgages for less than $5,400 on new, owner-occupied, single-family homes are allowed to lapse, the maximum rates now permitted under the F. H. A. plan would not remain effective. At the present time the F. H. A. maximum rates are reasonably effective because there is a plethora of funds seeking investment under the mortgage-insurance program. But for whatever types of mortgages the scope of F. H. A. loans may be restricted, the 5-percent interest rate could not hold. There is no effective restriction of rates at anything like that figure through the Federal Savings and Loan Association or other members of the Home Loan Bank Board. The Federal Home Loan Bank Act provides merely that mortgage charges by member institutions may not exceed the lowest contract rate of interest in the States where such rates are in effect, or be in excess of 8 percent in other States. The permitted contract rates are high in many States.

FORTY-EIGHT STATES PASSED ENABLING ACTS

It provides a unique function of national scope by enabling all different types of lending institutions wherever located to make high-percentage, long-term amortized mortgage loans.

Even with the National Housing Act, it was necessary to have enabling legislation enacted in the 48 States authorizing institutions subject to State jurisdiction to make loans on more liberal terms than otherwise allowed, provided such loans are insured by the Federal Housing Administration. These enabling acts apply only to F. H. A. insured mortgages. The mortgage insurance system enables banks, building and loan associations, savings banks, life insurance companies, and other institutions serving as custodians of long-time savings funds to take part on an equal competitive basis in financing home mortgages. Granting of loans up to 80 and 90 percent of the value and with amortization periods up to 20 or 25 years is possible for most lending institutions only as a result of the National Housing Act. If provision for this insurance is allowed to lapse with respect to mortgages on existing homes, then in most States building and loan associations would remain the only institutions legally permitted to make long-term, high-percentage, amortized loans. Even building and loan associations in many cases are restricted to loans not exceeding 66⅔ or 70 percent of the appraised valuation.

head of the W. P. A., wherein I ever attempted to fix blame + certain to lose $1,000,000,000. This is a new venture and we

IT INSISTS ON ADEQUATE PROTECTION OF HOME NEIGHBORHOODS AGAINST EARLY BLIGHT

This protection is afforded by insistence on competent layout of new subdivisions and on proper safeguards in the form of zoning ordinances or deed restrictions that will assure the good character of the neighborhood for the homes built in it.

In the case of existing homes, the character of the neighborhood and the possibilities of its decay, from whatever cause, are carefully weighed by trained members of the underwriting staff.

The Federal Housing Administration has developed property standards applicable to each of the 48 States which builders must meet to obtain mortgage insurance on their houses; the Federal Housing Administration makes sure of compliance with those standards in homes financed with insured mortgages through its trained field staff.

Above all, the Federal Housing Administration makes every effort to ascertain that the obligations assumed by each borrower are within his reasonable capacity to pay.

The mortgage is recognized as a personal obligation, with the borrower's income, character, and ability to pay as the first requisite to soundness.

RESULTS OF F. H. A. OPERATIONS

Following are figures relating to mortgage insurance on small homes during the year 1938:

Mortgage insurance under section 203 (2) (b) of title II:

Of the 149,702 mortgages for $650,160,102 accepted for insurance during the year 1938, 97,645 for $450,962,208 covered new homes.

Of the new-home mortgages, 81 percent, or 79,000 for approximately $370,000,000 were for $5,400 or less.

Of the 79,000 for $5,400 or less, 52,000, or 65 percent, for approximately $240,000,000 are mortgages for 81 to 90 percent of F. H. A. valuation; 42,000, or 53 percent, for $200,000,000 were for terms of 24 or 25 years.

SUMMARY

The Federal Housing Administration has rendered a constructive service to the American people. Its policies are sound. Its policies were never of more timely significance than at the present moment, when, in the view of many observers, the forces making for further recovery are in delicate balance with those making for a sidewise movement or even backsliding.

Failure to take affirmative action now would be of no immediate or permanent gain, on the one hand, and, on the other hand, would constitute an unwarranted gamble with the employment and well-being of our people.

Mr. BROOKS. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Louisiana.

Mr. BROOKS. I value the gentleman's judgment very much. In my home town there is a section known as Cedar Grove in which live the working people who earn small salaries and wages. Restrictions have been placed around the assistance in that particular portion of my home town. May I ask the gentleman, is there anything in this law as at present on the statute books or in the amendment which would prevent the use of this system to extend help to those people who work on small salaries and on wages?

Mr. PATMAN. That is one of the objects of this law to extend help to people in the class described by the very able gentleman from Louisiana.

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. PATMAN. The building and loans are not catering to the people who are earning less than $1,446 a year. The F. H. A. is helping many people who are earning much less than $1,446. Besides, the building and loans are not operating all over the Nation. They are operating only in the cities and of course some of the towns, but the F. H. A. covers the entire country. I do not consider the F. H. A. objectionable from the standpoint of competition, but very desirable from the standpoint of the people and especially the home owners or the would-be home owners.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. THOMAS F. FORD. Is it not true that a number of loans were made under title II where the monthly payments are only $10 a month?

Mr. PATMAN. Only $10 a month. Certainly, your people could come under that.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 25 minutes, the balance of my time, to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I intend to enliven this debate a little. It is impossible for me to believe that a billion dollars at hazard cannot possibly interest the House more than is indicated by the number now present. I recognize the ballyhoo that you received in the mail this morning, if it was similar to what I had. I should think people would be writing you from the four corners of the country under the spell of this high-pressure salesmanship.

I am sorry that my own chairman hinted this afternoon that judging from my remarks yesterday I am politically prejudiced. I cannot believe he meant that. When this bill was passed originally I supported it and tried to get the bankers in my vicinity to make use of it. I succeeded partially by getting them interested in title I, but none of the banks in my locality seemed to be interested in title II, in the taking of 80- and 90-percent mortgages. They know that this is not sound business. But I was doing my very best to help in this real estate recovery. I thought I knew something of the subject, and felt that we needed to do something to help revive the building industry. I should certainly not be considered as having been against this proposition, in its early stages.

Mr. THOMAS F. FORD. Mr. Chairman, will my distinguished friend yield for a question?

Mr. GIFFORD. I am taking the 25 minutes for the gentleman's benefit.

Mr. THOMAS F. FORD. Is it not true that the mutual savings banks in the gentleman's district loan up to 80 percent now and always have?

Mr. GIFFORD. The cooperative banks have been privileged to loan 80 percent and they often did. Our savings banks were limited to 60 percent. The cooperative banks learned their lesson as to 80-percent loans, I can assure the gentleman.

Mr. THOMAS F. FORD. But they did loan 80 percent?

Mr. GIFFORD. Yes; much to their sorrow.

I have been genuinely interested in this matter, and there is nothing of a political nature in my remarks today. It is the duty of the minortiy—and sometimes it is a very unpleasant duty—to try to remedy and amend legislation shown to be against the public interest. I try not to dodge this duty. I explained yesterday what happened in the city of St. Louis. It is in the RECORD for your perusal. I pay high tribute to the gentleman from Missouri [Mr. COCHRAN], one of the finest men I have ever known, who, although he was somewhat stirred at first, later agreed fully with everything I said, as you will see if you read his remarks, following my own of yesterday.

Twice today it has been asked, "Why did I criticize so much yesterday and yet praise the F. H. A. officials"? I said over and over again that they had done the best they could under a law which permitted these practices. I still say so. I sympathized with them, and Mr. McDonald sympathized with himself before the committee. His assistant, Mr. Colean, said in the record, "Yes; there are one or two tricks in this business." I complimented them because of the $750,000,000 of applications presented they had approved only $71,000,000, in spite of all the pressure brought to bear on them.

I never had any desire to paint black any official of this Government. In all my tirades, as some of you are wont to call them, can you point to one instance, except perhaps in regard to my friend, Mr. Hopkins, when he was at the

Mr. GIFFORD. Each step leads to another. Every man [

Mr. CRAWFORD. I seem to be getting the impression

head of the W. P. A., wherein I ever attempted to fix blame on an individual. No. I have often said that if my trail led to a personality I would retrace the trail. It does not lend confidence to our people to learn of wrongdoing by their officials. Rather let us remove the cause of it. Here is a case of bad judgment, and the report I made to you yesterday was fully agreed with by the St. Louis Representatives.

I have here this morning reports of another situation in Louisville, Ky., where land values were marked up even much more, and where high-priced lawyers in Washington, with certain valuable connections helped organize the corporation and received exorbitant fees. Read about that project and I believe you would blush a little more than you did yesterday.

I am favorable to title I, but it is my duty to remind the gentleman from California that I have here several letters from real-estate organizations in his State stating that title I is causing great disturbance there because they are building little shacks of houses for $1,000 to $2,500 under that title, without any mortgage on them, and building them in communities where decent homes are already constructed, thus disturbing and even wrecking the values of adjoining properties. The F. H. A. officials have to tell us, do they not, that when they agree to insure a financial institution they have no supervision of the loans under title I? If the applicant can qualify under most stringent regulations listing every dollar that he may owe in the world, his assured monthly income, and answer all the other searching questions, he can qualify for the loan, and then there is no further supervision by the F. H. A. officials.

The gentleman from Massachusetts [Mr. LUCE] will offer an amendment to strike out the section authorizing the continuation of the insurance of existing mortgages. What the proponents of this legislation originally pleaded for was to get the axe and the hammer once more at work, and they stated that insurance of only new construction was desired. But we have allowed the F. H. A. to insure existing mortgages for the last few years. They promised emphatically last year they would not ask a continuation of that after July 1, 1939.

There is only one justification which they offer, and I will read to you Mr. McDonald's testimony on that:

Why should we continue to insure existing mortgages?

I think this is highly interesting.

After a lot of consideration I feel the Federal Housing Administration should be extended to old houses on the same basis as new houses. I did not feel that way sometime ago. However, a serious situation has developed. I am carrying nearly one-half million dollars of new unsold houses, and it would seem natural for me to want to favor them, but we are finding it necessary to take in trade so many old houses in order to dispose of our new houses that the old houses become a real problem in financing.

They must get an 80-percent insured mortgage on the old house so that the new buyer will have the money to put into the new structure.

Therefore, he asks that the insurance on existing homes be continued.

Yes, a new automobile cannot be sold unless you have all the allowance possible on the old automobile, but when I trade in my old automobile it is not 80 percent of its real value. It is nearer 20 percent. The broker is now in a fortunate position. He gets a fee for placing the insurance on the old house and another fee for placing it on the new house, and other fees and commissions on the sale of both houses.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Gladly.

Mr. WADSWORTH. Under those circumstances what is going finally to happen to the old house, the new one having been completed and occupied?

Mr. GIFFORD. I assume in many cases they simply want the 80-percent mortgage to get cash for the new purchase. We will finally take possession of them and sell them for what we can get. If we insure $4,000,000,000, I feel that we are certain to lose $1,000,000,000. This is a new venture and we cannot foretell the losses during the future years. Real-estate values collapse suddenly at times. Mr. Fahey, with 1,800,000 foreclosures, with an average loss of about $686 on each house, knows the situation, and he came before the committee and strongly opposed this continuance of mortgages on existing houses. I hope the amendment of the gentleman from Massachusetts [Mr. LUCE] will prevail.

There will be an amendment offered by the committee to curb the so-called switching of mortgages from building and loan institutions. This ought to help greatly. There are many conservative members on this committee. They plainly see these possible dangers in this legislation. It is not pleasant for them to advocate continuance of this Government liability. I pay tribute to these able and conservative men among the Democrats on this committee. Unquestionably they do not like to do many things which they seem forced to do under the lash of this administration. They are good servants of the administration. Their loyalty cannot be questioned.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. THOMAS F. FORD. Under what lash is the gentleman opposing this bill?

Mr. GIFFORD. Under the usual lash. Do you not know what it is?

Mr. THOMAS F. FORD. Yes; I know exactly what it is.

Mr. GIFFORD. I once saw the gentleman called from the committee to the White House and when he came back he had had his mind completely changed in a very short period of time. You well remember it, do you not?

Mr. THOMAS F. FORD. Yes; I do.

Mr. GIFFORD. The lash was certainly applied in short order and very effectively.

I took this 25 minutes especially for the gentleman from California and for others who might desire to ask questions. If the gentleman from Massachusetts fails in his amendment, we shall be somewhat reassured by the Spence amendment whereby these mortgages on existing structures cannot be switched until they first approach the mortgagee and offer him the opportunity to meet the terms offered by the F. H. A. mortgage. That is a saving clause, to say the least.

Mr. THOMAS F. FORD. Was there any opposition to that in the committee?

Mr. GIFFORD. No; certainly not. If we fail in our amendment which we shall offer, we shall certainly support that amendment and appreciate it very much.

This broker switching of mortgages has annoyed the building and loan associations in the country.

They unanimously appeal to you that you now stop insuring existing properties. They assure us that there is plenty of money available and that they are willing to loan at a reasonable and a less rate of interest than formerly. Why force them to get under this Government umbrella? Continue this for 2 years more and there may be such a clamor for everybody's mortgage to be insured that there will be no alternative for them but to get under this safe umbrella, provided that the credit of the Government remains secure. The virus of this thing has taken hold of the country. The reformers are still clamoring for more, and I suppose, Mr. Chairman, we shall have to give them a hearing on the bill for 12 regional banks in the country, capitalized for a billion dollars each, to insure the business loans made by the commercial banks. That is now openly advocated on the floor of both branches of this Congress, over national hook-ups, and is, indeed, insistently demanded.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. CRAWFORD. Does the gentleman know any way in the world that we could refuse to go along insuring industrial loans if we are to perpetuate a policy of this kind?

Mr. GIFFORD. Each step leads to another. Every man in this country will demand his share of the pelf; and if you do it for one, you must do it for all. But unless you take the road back—take it immediately and run like the devil—the future of this Nation is in jeopardy.

Mr. CRAWFORD. And if this system of Government subsidy insurance is accepted, the Government eventually becomes, when it forecloses, both the owner and the seller. Is not that right?

Mr. GIFFORD. Absolutely.

Mr. CRAWFORD. And therefore it becomes a competitor of every man who owns goods, chattels, or property.

Mr. GIFFORD. And as I have shown, the Government will be the competitor of every businessman in the country. He is competing with his own money. The Government is mopping up the savings of the people in the banks, and the banks are buying bonds with their own money. They furnish the Government with all the capital they have, and it goes into competition with themselves. When will the people arouse themselves and become vocal? I predict that in 1940—and I say it to every Democrat, even though the nomination means certain election—if he has an opponent in the Democratic primary, there will be a sign written in bright letters across the sky, "Kick the spenders out." And unless you can prove that you have advocated economy, many of you will not be here in the next session of the Congress. In Massachusetts they are marching on the State house. They have started a march of taxpayers to Albany, as you will have seen in the New York Times this morning. The people are indeed aroused, and they will be further aroused and will not submit to a continuation of this reckless spending and the risking of their Nation's credit.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes. I have said that my time is the gentleman's.

Mr. THOMAS F. FORD. I am wondering about Massachusetts. Does the gentleman want the figure on F. H. A. loans there?

Mr. GIFFORD. Yes.

Mr. THOMAS F. FORD. The gentleman's people up there in Massachusetts had 3,695 loans insured under title II, amounting to $18,634,000, and there were 53,296 borrowers under the old title I.

Mr. GIFFORD. I said that our banks used title I, and I think, especially after the hurricane season, that title I was a good thing. I have endorsed it from the start, and I do so today.

Mr. THOMAS F. FORD. Any on new construction?

Mr. GIFFORD. I do not know a single house in my congressional district of new construction that has been called to my attention, and I have visited my banks often and have said to them, "Why do you not take advantage of title II?" They will not use it, although a Vermont life-insurance company is taking mortgages in Texas and other far-away places.

Mr. THOMAS F. FORD. Of the 3,695 loans, 1,339 were on new houses.

Mr. GIFFORD. Out of more than 3,600 loans, only 1,339 for new houses. That is not a very satisfactory proportion, is it? Read the figures for Los Angeles and see what the Government has done for the people out there.

Mr. THOMAS F. FORD. Does the gentleman want them? There is over $100,000,000 in F. H. A. there, about 40–60 on existing and new.

Mr. GIFFORD. About 50 times as much as Massachusetts has taken.

Mr. THOMAS F. FORD. Well, Los Angeles and California are much greater than Massachusetts, in my judgment.

Mr. GIFFORD. Most of the banks did not want title II. They may have to use it sometime, because they will lose their business unless they get under this so-called umbrella.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. CRAWFORD. I seem to be getting the impression this afternoon that there is a philosophy at work on the floor to the effect that the only way for our people to operate is to be subjected, or, we will say, driven through desperation to Government ownership and Government subsidy. Does the gentleman really believe that that is the only way out for the capitalistic system, that it first must be put through the wringer by Government operation in order to teach it a lesson?

Mr. GIFFORD. Oh, by Government operation you have kept the railroads and every other sort of thing out of the wringer. Temporarily it has been kept from going through it. They have been kept from going through the wringer by all manner of subsidies and loans by the Government. Only a few years back the word "subsidy" was a real red flag to a Democrat. I can only assume that much should have gone through the wringer long ago.

Mr. CRAWFORD. As evidenced by what we saw on the front page today with reference to bartering cotton for these other goods—rubber, for instance—what will the man do who makes rubber toys? Is he going to hold the raw material and goods in process and finished goods against the Government ownership of rubber? What about the man who makes things out of tin? Have we got to resort to that to save the capitalistic system; or does that destroy it?

Mr. GIFFORD. I hardly know what to think. But rubber and tin are to be bought now because they are war materials, to be held 5 years before being sold, in return for purchases of wheat and cotton, to any nation that will take and hold them for 5 years. This is the latest and newest proposal. We are not yet able to understand it fully, but it is claimed as a step toward peace between nations as a profitable venture. But we do know that wheat was recently sold to Germany at a loss of from 30 to 40 cents per bushel to the taxpayer. We know that that happened, do we not? But that was probably an administration gesture of peace toward Germany.

Mr. CRAWFORD. In the name of peace.

Mr. GIFFORD. Yes. I do not blame the gentleman from Michigan for making the speech he did today. I am almost persuaded to go the whole way with him. The philosophy of the bill is wrong and he cannot vote for this bill if amended. I would go so far that I would vote for title I, where loans are limited to $2,500. I would vote for section 203, where the units are so small that we can have proper supervision. But I am against the insurance of these large loans running into the millions. Perhaps we ought to get behind the gentleman from Michigan and say, "Stop; and stop now." But my Republican chairman said today that he is going along with all phases of this bill and that statement breaks the solidarity of the minority. He is an extremely able man. He is well worthy of holding the position of ranking member on our side of the Banking and Currency Committee. But I fail to understand his attitude on this bill. I think he fears, as he suggested, that it would be called political if he opposed it. He suggested that in my own case, the philosophy of this activity is probably wrong and there are some others like the gentleman from Michigan who will oppose it entirely from that standpoint, to their great personal credit. Their stand is certainly not taken from a political viewpoint.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes; I yield again to the gentleman.

Mr. THOMAS F. FORD. Let us take the philosophy now, for instance. Prior to the F. H. A. the loaning of money was in the hands of people who loaned it at 8 to 10 percent, and they loaned it for 3 years.

Mr. GIFFORD. That was probably in Los Angeles, not Massachusetts.

Mr. THOMAS F. FORD. All right. Five or six percent. They loaned it for 3 years, and they came in and got a refinancing of it. Under this law we have stopped all that, and we have given the man who owns a home an equal opportunity to borrow money with the man who is building a

home, and put them all on the same basis, 5 percent, the lowest interest rates we have had in this country, as a general thing, in all of our history.

Mr. GIFFORD. Yes. You brought every citizen of the United States under the same sort of umbrella, with his own money.

Mr. THOMAS F. FORD. The police power of the United States Government ought to extend to protecting mortgaging of homes as well as to stealing from homes.

Mr. GIFFORD. Keep on loaning the credit of your Government and loaning the money of the people through these agencies, and there will be an end some time I fear rather sooner than some now imagine. You are living in a psychological atmosphere at this very moment. No one knows when the break is going to come.

Mr. THOMAS F. FORD. Oh, I have enough confidence in the people of the United States to know that it is not going to break as long as we have a great leader in the White House called Franklin D. Roosevelt.

Mr. GIFFORD. Yes; I have heard of him. [Laughter.] In fact, I have a cartoon here that was sent to me by a friend of mine. If any of you want to see it, it speaks volumes. Come and see me after the debate. [Laughter.]

Mr. THOMAS F. FORD. Will the gentleman yield further?

Mr. GIFFORD. Again?

Mr. THOMAS F. FORD. I am going to make a statement to you, and it is true. If the F. H. A. had been in operation in 1929, 1930, and 1931 you would not have needed the H. O. L. C.

Mr. GIFFORD. Perhaps not, but if we had not had that election——

Mr. THOMAS F. FORD. But your party did not have the courage to put it in.

Mr. GIFFORD. But if we had not the result of that election in 1932, which frightened the public out of its wits for 4 long months, things would have been far different today.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. KEEFE. Listen to this debate——

Mr. GIFFORD. This is not now a debate. This is a diversion from the debate.

Mr. KEEFE. Listening to this colloquy, if you call it such, I observe that some of the gentlemen on the Democratic side take great pride and credit in reducing interest rates to mortgagors in this country. I am glad that interest rates have been reduced, but I wonder if they forget that there are millions and millions of people who have had their money tied up in banks, who used to get 2 and 3 and 4 percent interest on their savings, who today are lucky if they get 1 percent. I wonder if they have forgotten that the insurance companies have lost their savings and their ability to earn money, so that dividends on insurance policies have been reduced, so that insurance is costing more money, and that, as a matter of fact, there always is a repercussion in the matter of this lowering of interest rates which benefits one class and is a detriment to another class. There are thousands of people in this country who retired on investments, but who find their income today, due to a decrease in interest earnings, so small that they cannot exist. Trusts and charitable institutions find themselves in a similar situation.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I will answer the gentleman's question, since it is directed to me. Well do they understand, but they care not. They are wholly for the so-called have-nots. Protection for those who have, even if they have only a little, is not the aim of this administration. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. All time on the minority side has expired.

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman, during the 4 years I have been in this body the main criticism I have heard directed toward the Democratic Party was that it was constantly passing legislation to stifle initiative, to throttle business, and do everything possible to discourage private enterprise. I say to you that if one piece of legislation more than any other has encouraged the expenditure of private funds in private enterprise it is the Federal Housing Administration Act.

Over $1,800,000,000 has been put into circulation by lending institutions in the building industry. In addition to this, there is the equity of the home owners, which will make the total reach more than $2,000,000,000. With this approximately $2,000,000,000 I believe we have made a very substantial contribution to the stimulation of the capitalistic system we are trying to maintain and carry on in this country. This result in itself is sufficient to warrant my support of this bill. This stimulation has resulted in increased private employment to the extent of many thousands of jobs. The building-materials industry that was lying dormant has been given new life, and we have created a new and active real-estate market, a business which had been dead since the depression of 1929.

Much criticism has been aimed at that feature of the bill which provides insurance of old construction. The testimony before our committee was that in 62 percent of the cases where a mortgage is refinanced on old construction there are major improvements put on the structures. As a result of this refinancing, therefore, there has been considerable contribution to employment and to private industry.

Listening to the arguments of some of my distinguished colleagues on the Republican side who serve on this committee with me, it seems to me their concern is more with the profit of the building and loan associations than with the risk or contingent liability of the Government or the interest of the little home owner who is purchasing these thousands of homes.

So I say to you any one of these reasons is sufficient to warrant support of this particular legislation. Another feature which I consider to be important in spite of what I have just heard on the floor is the reduction of interest rates. We know that throughout this country—perhaps not in Massachusetts and some of the New England States—but we know there are portions of this country where interest rates of even 7, 8, 9, and 10 percent have been charged. They never seem to have heard of the word "usury." The F. H. A. Act has had the very beneficial effect of reducing these interest rates throughout the country and particularly in those areas where these exorbitant rates prevail.

The pending bill provides for a continuance of only 2 years. So far as old construction is concerned, if at the end of that time we have our system going in high gear again, then I, like some of my Republican colleagues, would be in favor of withdrawing from this business and letting private initiative take it over.

Mr. RICH. Does the gentleman have any idea that in 2 more years of the same kind of operation his administration will be in any better situation than it is now, when in the last 6 years they have gone $20,000,000,000 in debt?

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, there are no further requests for time on this side.

The Clerk read as follows:

Be it enacted, etc., That subsections (a) and (b) of section 2 of the National Housing Act, as amended, are amended to read as follows:

"SEC. 2. (a) The Administrator is authorized and empowered, upon such terms and conditions as he may prescribe, to insure banks, trust companies, personal finance companies, mortgage companies, building and loan associations, installment lending companies, and other such financial institutions which the Administrator finds to be qualified by experience or facilities and approves as eligible for credit insurance, against losses which they may sustain as a result of loans and advances of credit, and purchases of obligations representing loans and advances of credit, made by them subsequent to the date this section, as amended, takes effect, and prior to July 1, 1941, for the purpose of financing alterations, repairs, and improvements upon or in connection with existing

structures, and the building of new structures, upon urban, suburban, or rural real property (including the restoration, rehabilitation, rebuilding, and replacement of such improvements which have been damaged or destroyed by earthquake, conflagration, tornado, cyclone, flood, or other catastrophe), by the owners thereof or by lessees of such real property under a lease expiring not less than 6 months after the maturity of the loan or advance of credit. In no case shall the insurance granted by the Administrator under this section to any such financial institution on loans, advances of credit, and purchases made by such financial institution for such purposes subsequent to the date this section, as amended, takes effect, exceed 10 percent of the total amount of such loans, advances of credit, and purchases. The total liability which may be outstanding at any time plus the amount of claims paid in respect of all insurance heretofore and hereafter granted under this section and section 6, as amended, less the amount collected from insurance premiums and deposited in the Treasury of the United States under the provisions of subsection (f) of this section, shall not exceed in the aggregate $100,000,000.

"(b) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it (1) if the amount of such loan, advance of credit, or purchase exceeds $2,500, or (2) if such obligation has a maturity in excess of 3 years and 32 days, unless such loan, advance of credit, or purchase is for the purpose of financing the construction of a new structure for use in whole or in part for residential or agricultural purposes, or (3) unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions as the Administrator shall prescribe in order to make credit available for the purposes of this title."

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I make this pro forma motion merely for the purpose of asking a couple of questions about the bill. Will the chairman or some member of the committee please tell me the significance of this provision with regard to the rate of interest on title I loans, and also with reference to the length of time for repayment of such loans?

Mr. WILLIAMS of Missouri. The gentleman understands, of course, that as the law now stands there is no premium payment in operation under title I.

Mr. VOORHIS of California. My question was not about the premium payment but was about the rate of interest. I want to know how the rate of interest is determined under title I.

Mr. WILLIAMS of Missouri. There is no limitation in the law as it now stands with reference to the rate of interest under title I. The rules and regulations of the Administration provide for the discounting of approved loans at from 3 to 5 percent per annum, which means an annual rate of interest of about 9.7.

So far as new construction loans are concerned they have been discounted at the rate of 3½ percent per annum, which means an annual interest rate of about 7 percent or a little less.

This bill is not intended at all to change that arrangement.

Out of the interest rate the lending institutions are paid the 1-percent premium per annum on the loans.

Mr. VOORHIS of California. How about the length of time these loans are to run? There is a good deal of feeling in my section of the country that title I loans should be allowed to run 10 years instead of 7, which I understand is the time limit at present.

Mr. WILLIAMS of Missouri. Under the practice which has been followed under the present law this amendment places a limitation on approved loans of 3 years and 1 month; 3 years, in fact, on loans for improvement purposes. There is no limitation so far as loans on new construction are concerned, and the practice of the Administration has been to make such loans for a period of 7 years. I understand there has been considerable demand to extend this period to 10 years. That, however, is in the discretion of the Administration.

Mr. VOORHIS of California. Does the gentleman feel that might be done in certain cases?

Mr. WILLIAMS of Missouri. Of course, I cannot answer what the Administration may do about it, but I think perhaps that would not be a bad idea. My own personal opinion is it would not be a bad proposition to extend these loans to a period of 10 years. It would give those who want to borrow money to build a rather modest home a longer period within which to pay back the money. That is my own individual opinion. The gentleman understands there is no limitation in the law with reference to those loans at all and none in the amendment so far as the new structures are concerned.

Mr. VOORHIS of California. I thank the gentleman.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. VOORHIS of California. I yield to my distinguished and able colleague from California.

Mr. THOMAS F. FORD. As I conceive it, there is no reason why a man who takes one of these title I loans for the construction of a building and carries it for probably 3 years cannot put it under title II and get a 90-percent loan on his building for the balance of the time, getting it for the long period that operates under title II.

Mr. VOORHIS of California. Is there any provision in this bill, either express or implied, which would make it possible for the F. H. A. to make inspection of new construction under title I?

Mr. THOMAS F. FORD. That is why the 1 percent was put in.

Mr. VOORHIS of California. Does that mean that section 2 of this bill carries an implication, in view of the fact this premium charge of 1 percent is made, that thereby the F. H. A. will have an obligation or at least the power to make an inspection of these buildings?

Mr. THOMAS F. FORD. I may say to the gentleman that heretofore they have not done that because there was no premium of any kind received for that work. It is the intention of the F. H. A. to practically subject title I to the same regulations that they operate under with reference to title II, with some modifications.

Mr. VOORHIS of California. I thank the gentleman.

Mr. Chairman, in the minute or two that remains, I merely want to point out that we are today living in an age of abundant accumulated capital and we are also living in an age when certain features of the past are still with us. One of them is the kind of halo around 6-percent interest. May I say to the gentlemen on this side of the aisle who have been objecting to this legislation, and it seems to me so grossly misrepresenting its purposes and provisions, that it certainly is a function of government in this day and age to be effective in reducing the rate of interest on pure money in order to encourage investment in productive enterprise.

[Here the gavel fell.]

Mr. JENSEN. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: Page 3, line 11, after the word "purposes", insert *"Provided:* That if such loan advance of credit or purchase is not in excess of $1,000 (one thousand) the obligation to be eligible for insurance under this section may be for a period not to exceed 10 years."

Mr. JENSEN. Mr. Chairman, the reason I have offered this amendment is because of having been in the lumber business 24 years. I have had considerable to do with the F. H. A. A lot of poor folks have come to me since the F. H. A. was instituted and asked how they could borrow a little money to start a home. I tried in every way I could to help those folks and a lot of them were mighty fine people. Some of them were young; some of them were folks 40 or 50 years old or older. But regardless of how we tried to get them under the Federal Housing Act we could not do it.

Many of them wanted to borrow only five, six, or seven hundred dollars. They did not expect indoor plumbing. They were willing to have just the common kind of a home consisting of two or three rooms. Some of them had an old house that they wanted to tear down and put up a new one in its place. They were defeated, because they could not qualify under this act.

Most of them wanted to build on the outskirts of the town where they could have a garden. I understand that this bill as written and amended will permit the Administrator to increase the length of time. Up to the present time the average has been 5 years under title I.

I hope my amendment will be agreed to, because I am sure if this Administration under title I will extend the time to 10 years on these small loans these folks will then have an opportunity to pay eight or nine dollars a month; then those folks who earn from forty to sixty-five dollars a month will have a chance to finally have a home of their own. Not only that, but this applies to new construction exclusively; it will also apply to farmers who may want to build a hog house or barn.

Mr. STEAGALL. Will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Alabama.

Mr. STEAGALL. Let me suggest to the gentleman that the amendment which he has offered, it seems to me, would defeat the purposes the gentleman has in mind. Under the bill as drawn, the Administrator is clearly authorized to fix the maturity on mortgages covering home construction for 10 years or more if he sees fit. I have no doubt that in many cases that will be done under the bill as presented to the House. The gentleman's amendment, however, specifically provides that the Administrator may fix maturity at 10 years where the loan does not exceed $1,000.

I respectfully suggest to the gentleman that from his viewpoint it is best to leave the bill just as it is.

Mr. JENSEN. I am pleased the committee chairman has spoken. What I wanted to bring to the attention of this august body is the simple fact that the poorer folks in the past have not had an opportunity to come under this act. I hope the Administrator will take cognizance of the wishes of this body and as long as this act is in force will give his attention and concern to those who really need attention in this respect.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from California.

Mr. THOMAS F. FORD. The gentleman has made the statement that the average is 5 years.

Mr. JENSEN. That has been the average.

[Here the gavel fell.]

Mr. MURDOCK of Arizona. Mr. Chairman, I move to strike out the last word.

I am somewhat in sympathy with the amendment just offered as far as the time limit is concerned. I, too, have received many complaints that under title I the limit has been approximately 5 years.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. The gentleman misunderstands the character of this provision. There are no limitations on the time at all. One loan might be for 15 years, one might be for 20, one might be for 7, and one might be for 10. It depends on the borrower. I believe the gentleman is wrong in seeking to tie the Administration down because it is sometimes safer to extend loans of 20 years to some people than loans of 7 years to others.

Mr. MURDOCK of Arizona. That feature appeals to me, too. However, I do believe the Administrator ought to take notice of this so suitable loans can be extended to 10 years, and I believe we should make it 12. If we do not wish specifically to liberalize the law, I do hope we may liberalize the administration of it.

I have here a letter from a prominent citizen of Arizona who calls attention to the fact that under the past administration of title I the time has been too limited, in his judgment. The payments are thereby made too large for the prospective small-home owners whom we want to benefit by this legislation. I will not press the matter further, but I do wish to call this phase to the attention of the Committee and at the same time approve the pending legislation in general.

I noted the words of my friend the gentleman from California [Mr. VOORHIS] who spoke concerning the halo around 6-percent interest. Throughout the West, where I grew up, the prevailing rate varied from 8 percent to 12 percent. Practically all my life I have paid 10 percent and only the banker saw the halo. Too long have we been permitting one group of businessmen to charge a high rate of interest and thereby benefit their business at the expense of the poor class of people who were not able to establish homes. I have here a sheaf of letters commending just such legislation as we have before us now. It is true these letters are from lumber companies and businessmen who supply building materials, but I also have here letters from three of the largest banks of Arizona. All these business institutions some weeks ago asked that the life of this legislation be extended as this bill now proposes. I know you may say, "Certainly, these lending institutions want it extended because they are making a profit out of it." About $14,000,000 worth of business under this original act has already been done in the State of Arizona and more than 15,000 families have been served. Ours is a new and growing community needing aid.

I know of many young couples who are now permitted to have homes and who except for this legislation would not have had them. I also know of some young people with good salaries who are unable to pay the rates because under title I the time limit has been cramped down to 5 or 6 or 7 years when it ought to be 10 years. So I am pleased to see now that the Administrator under title I has the power to extend the period of the loan to 10 years, I believe. Is that not correct?

Mr. WILLIAMS of Missouri. There is no limit on it at all. There is no limit on the time to which he may extend these construction loans.

Mr. MURDOCK of Arizona. With that in view, again I hope we are not only liberalizing the legislation but liberalizing the Administrator as well. Therefore, I heartily support this legislation. I believe it is a humanitarian effort to aid business and at the same time aid in housing that third of our population which has never been able to call any dwelling place a home.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN].

The amendment was rejected.

Mr. JOHNS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNS: On page 2, line 4, after "July 1", strike out "1941" and insert in lieu thereof "1940."

Mr. JOHNS. Mr. Chairman, I believe we need this housing program today in order to stimulate business in this country. I feel, however, that 1 year is sufficient for this purpose. This is a dangerous thing the Government is going into. It is bad enough for the Government to be borrowing the billions of dollars it is borrowing today, let alone guaranteeing other billions that somebody else is borrowing. That is the danger I see about this. I can see no difference in this respect between the Government and an individual. If I were a banker and some man came to me who was in business and borrowing money, and I found that he was endorsing other individuals' notes, I would watch him very closely to see that he did not lose his credit with the bank with which I happened to be connected.

If we are going to have prosperity in this country, we can have it in the next year as well as in the next 2 years. If we are not going to have it, this Congress will be in session a year from now and we can then extend this time. If we do not have prosperity, let us get out of this idea of guaranteeing the obligations of somebody else.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. JOHNS. I yield to the gentleman from California.

Mr. THOMAS F. FORD. The gentleman knows this guarantee of an additional billion dollars is subject to the President's say so? It is not mandatory. They do not get $4,000,000,000 unless the President finds it necessary.

Mr. JOHNS. I did not say anything about the amount. The principle is the same if it is $5,000,000,000 or $4,000,000,000. It does not make any difference about that. The prin-

ciple is that we should not do it. It is poor business. You can talk to anyone and he will tell you the same thing. There is no reason we in this country should be guaranteeing anybody's obligations today.

We have $3,510,000,000 lying idle in the banks today, and nobody will borrow it simply because they have no confidence in present conditions in this country, and, of course, if somebody would guarantee this $3,510,000,000, then they might be able to lend it, but that is the only way they will lend it.

You can go to a bank if you want to and borrow money today if you believe you have confidence enough in the present conditions to go ahead and operate a business, but I would not invest any money today myself in any business where I was going to enlarge it. I have not that confidence, and we must restore such confidence in this country if we ever expect to get any place again.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. JOHNS. I yield.

Mr. THOMAS F. FORD. Would the gentleman say that applies to industry generally?

Mr. JOHNS. That applies to industry, as I understand it, and talking not only of the bankers but businessmen everywhere, and I happen to be a businessman.

Mr. THOMAS F. FORD. Then industry must be very funny, because in the last few years they have averaged 8.3 percent, and that is good for industry.

Mr. JOHNS. Let me tell the gentleman, as he may have noticed, 740 business organizations in this country that were reported on by the Chase National Bank showed that a large percentage of them did not make anything but lost millions of dollars last year.

Mr. THOMAS F. FORD. I am quoting the National City Bank.

Mr. JOHNS. The National City is the same as the Chase National. They both have the same obligations, and I would like to see the National City figures that the gentleman speaks about.

Mr. THOMAS F. FORD. The gentleman will find them in the RECORD.

Mr. JOHNS. There is no question about the fact that what we need in this country is confidence. We have the greatest resources of any country in the world and we have the money here. We do not need any more money to operate with in this country if we just could have confidence to invest what we have.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. JOHNS. I yield to the gentleman.

Mr. VOORHIS of California. Does the gentleman know of anything that is more fundamental to confidence on the part of people in this country than knowledge that there will be an adequate flow of consumer buying power in the hands of the people of this country to purchase the goods that industry can create?

Mr. JOHNS. There is not any question about that, and there is no question but that the only place or the only thing we have any confidence in today in the United States is Government bonds, and that is because they are guaranteed by the United States Government. Just look at your bank statements and you will find that 25 percent of their deposits are now invested in United States bonds, and 60 percent of their resources.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. JOHNS. That is true also of the insurance companies. They are investing in United States bonds and today United States bonds are the only investment that any organization that has money to invest will invest in, because there are not any commercial loans of any kind that are worth while, and that is the reason for it.

We still have faith in the Government and I have faith that the time is coming, and is not far away, when we are going to see a change in this country, but it is going to be at a time when the President of the United States and the Democratic Party are going to say to the people of the United States, "Now, we are through with experimenting, we are now going forward and transact business as we used to transact it in this country."

There have been many fine things that have been done, but there have been so many nonsensical things done that the American people are sick and tired of it, and they are not going to tolerate it any longer. [Applause.]

Mr. STEAGALL. Mr. Chairman, I think I am accurate when I make the statement that the general support of title I of this bill is greater than with reference to any other provision. Certainly it is the most important provision in the bill so far as we hope to extend the benefits of the measure to the rural sections of the country. The adoption of this amendment would discriminate against those sections and destroy the benefits intended for them. The provision for the insurance of homes at larger cost is to be made permanent law under this bill. We are only asking to extend title I for 2 years. Certainly we should not stop short of that time if we are to give sympathetic consideration to the rural communities of the United States. I hope very much that the amendment will not be adopted.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. JOHNS) there were—ayes 57, noes 80.

So the amendment was rejected.

Mr. WOLCOTT. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 2, line 10, after the word "tornado", insert the word "hurricane."

Mr. STEAGALL. Mr. Chairman, I have no objection to the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. Section 2 of such act, as amended, is further amended by adding at the end thereof the following new subsections:

"(f) The Administrator shall fix a premium charge for the insurance hereafter granted under this title, but in the case of any obligation representing any loan, advance of credit, or purchase, such premium charge shall not exceed an amount equivalent to 1 percent per annum of the net proceeds of such loan, advance of credit, or purchase for the term of such obligation, and such premium charge shall be payable in advance by the financial institution and shall be paid at such time and in such manner as may be prescribed by the Administrator. The moneys derived from such premium charges shall be deposited in an account in the Treasury of the United States, which account shall be available for defraying the operating expenses of the Federal Housing Administration under this title, and any amounts in such account which are not needed for such purpose may be used for the payment of claims in connection with the insurance granted under this title.

"(g) The Administrator is authorized and directed to make such rules and regulations as may be necessary to carry out the provisions of this title."

SEC. 3. Section 6 of such act, as amended, is hereby repealed.

SEC. 4. The provisions of sections 1, 2, and 3 of this act shall take effect on the first day of the second calendar month after the date of enactment of this act.

Mr. WOLCOTT. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 4, line 19, add a new section, as follows:

"Section 202 is hereby amended by striking out the word 'create' and inserting in lieu thereof the word 'created.'"

Mr. WOLCOTT. Mr. Chairman, the Government Printing Office or the enrolling clerk inadvertently left out the letter "d" from the word "created." This is to correct that error

in existing law and to avoid the possibility of anybody contesting the validity of a mortgage.

Mr. STEAGALL. Mr. Chairman, I have no objection to the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 5. Subsection (a) of section 203 of such act, as amended, is amended to read as follows:

"SEC. 203. (a) The Administrator is authorized, upon application by the mortgagee, to insure as hereinafter provided any mortgage offered to him which is eligible for insurance as hereinafter provided, and, upon such terms as the Administrator may prescribe, to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: *Provided*, That the aggregate amount of principal obligations of all mortgages insured under this title and outstanding at any one time shall not exceed $3,000,000,000, except that with the approval of the President such aggregate amount may be increased to not to exceed $4,000,000,000: *Provided further*, That on and after July 1, 1941, no mortgages shall be insured under this title except mortgages that cover property which is approved for mortgage insurance prior to the completion of the construction of such property."

Mr. LUCE. Mr. Chairman, I move to strike out the section.

The Clerk read as follows:

Amendment offered by Mr. LUCE: Page 4, strike out section 5.

Mr. LUCE. Mr. Chairman, this is the section that provides for continuing the insurance of existing structures for 2 years longer. It is the heart of the criticism of the bill. It is the one provision in the bill to which objection is made by the representatives of the building and loan associations. It is favored by the large insurance companies. The building and loan associations—and I say this simply because there may be some gentlemen present who were not here earlier in the day—see in this section competition by the Government which will deprive them of an important field for the investment of their money. The choice lies between 6,000,000 members of these thrift institutions on the one side and on the other the spokesmen for the large insurance companies. A vote for the amendment is a vote to continue the opportunity for growth of an organization which had its foundation more than a hundred years ago, which grew through the century until it reached the point where Congress decided to supplement it by encouraging the organization of Federal associations of the same sort throughout the country. This growth of thrift associations can stand side by side with that of the savings banks. They were an eastern institution, and even at this time there are but nine between Ohio and the Pacific Ocean, and none in the South. Savings banks and building and loan associations were the only opportunities for the encouragement of thrift and for the building of homes by amortized payments.

That idea of amortization has now been taken over by the national banks, the State banks, trust companies, and other similar institutions. A good idea, but the building and loan associations began it, and have been using it for a hundred years. These organizations are the best things we have in this country for encouraging people to save money and to use that money, if they desire, in the building of homes. About one-fifth of the members are home builders. The other four-fifths are depositors. At great expense very widely the Government has advertised the desirability of using these institutions, but here it comes along and gives the opportunity to other banking institutions to take away the chance to invest the money of the thrifty people of small incomes. Because of their fear, they wish to be let alone. They do not wish to have to compete with a Government that can borrow money for 2 percent, loan it out for 5 percent, and so destroy any competitor. I join in their hope that we may not pass the legislation as it stands, but may continue the law to the state in which it is now.

Mr. STEAGALL. Mr. Chairman, I rise in opposition to the amendment.

Undoubtedly, if the work of the Authority is to continue, it is necessary that there shall be an increase in the amount of insurance liability to be incurred. That is one of the new provisions in the section which is covered by the motion of the gentleman from Massachusetts [Mr. LUCE]. The provision only permits incurring additional liability in the amount of a billion dollars, upon approval of the President, which is intended to take care of the necessities and developments that may be faced before there can be further legislation on this subject.

In this connection, it should be said again that the Government is not making loans on homes or other real property. What is undertaken to be accomplished by this legislation is to set up machinery by which loans may be insured, at the expense of the borrowers, but in a way that will stimulate a revival of building activities, induce capital to make investments of this kind, and to afford citizens opportunity to become home owners. If we strike from this bill the provision which extends authority to insure loans on existing structures, we shall be confronted with many instances where such loans are inseparable and indispensable to new construction and the building of new homes. It is similar to the case of new and second-hand automobiles. In many of the States legislation has been passed to permit citizens to avail themselves of this legislation.

Under statutory regulations in the States lending companies, banks, building and loan associations, and other lending agencies find themselves handicapped by restrictions as to the portion of the value of the property upon which loans may be made, 60 percent being about the highest. The States have passed legislation taking out of these restrictive statutory provisions loans that are insured by the Federal Housing Authority. If the Federal Housing Authority withdraws from that field of service, citizens of those States will find themselves back under statutory restrictions, limiting the amounts of loans to be made, which will leave them under the old system of second and third mortgages, with all the incidental expenses to be incurred.

This provision of the law would be extended under this bill for only 2 years, and we have a provision in the bill which prohibits the insurance of a loan for refinancing an existing mortgage except where the applicant files a certificate that prior to the making of the application he applied to the holder of the existing mortgage and that the mortgagee refused to make a loan of a like amount and at as favorable annual cost as that of the loan secured by the mortgage offered for insurance. It is limited in operation to only 2 years. This legislation has accomplished a great measure of relief to existing home owners who would otherwise suffer unjust discrimination as between them and citizens engaged in the construction of new homes.

I hope the amendment will not be adopted.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. LUCE].

The question was taken; and on a division (demanded by Mr. LUCE) there were—ayes 64 and noes 76.

So the amendment was rejected.

Mr. VORYS of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, whatever uses F. H. A. had during the first days of the depression, the billions of funds in private institutions, which are now available, make those uses a thing of the past. Our position now, the present amendment having been voted down, is just simply this: If it is safe and wise to make loans for 25 years at 90-percent valuation, then our laws should be changed to permit private institutions to make such loans. If it is unsafe and unwise for such loans to be made, then our Government should not guarantee them. Insofar as funds available for building are concerned, I wish to read a telegram which I have just received:

For 72 years Columbus building loan and savings associations annually have financed more homes in Columbus than all other lending agencies combined. Today they have surplus money, running into the millions, which is available for home loans. Interest rate varies from 5 to 6 percent, depending on security offered, repayable on monthly plan running from 10 to 15 years, no com-

mission or bonus charged. Loan fees lowest in history—one-half of 1 percent on existing property, 1 percent on construction loans, including inspection.

The reason that F. H. A. loans take the business away from these home institutions is the publicity and propaganda that goes on. If there is anything unsafe about the loans which F. H. A. is making, they should not make them. If the provisions of their loans are safe, then these institutions should be permitted to make them. There is no sense or necessity for extension of the present F. H. A. provisions.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. CRAWFORD. And if the interest rates generally down through the years tend downward your local building and loan associations will meet the situation and keep those rates comparable to the rates charged by the Government lending agency?

Mr. VORYS of Ohio. That is correct. Up to now we have only had usury laws and have not needed competing Government institutions by which the Government attempted to jump in and regulate rates of interest on private construction loans.

Mr. CRAWFORD. I concur in what the gentleman has said.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. RICH. And if the Federal Government would give private institutions and national banks the same privilege it has given the F. H. A., then these banking institutions would lend a lot of the money themselves, would they not?

Mr. VORYS of Ohio. They would, except that they know a 90-percent mortgage loan is not safe for any man's money or any government's money.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. SACKS. If the telegram the gentleman read is correct, under this particular bill a man would have to keep his loan with the building and loan association and could not get it from the F. H. A. because the committee adopted an amendment providing that where the terms were equal the F. H. A. could not insure the mortgage, that it must remain with the building and loan association.

Mr. VORYS of Ohio. That amendment refers only to refinancing of existing mortgages, and has no reference to loans for new construction.

[Here the gavel fell.]

By unanimous consent, the pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 6. Paragraph (3) of subsection (b) of section 203 of such act, as amended, is amended by striking out the words "until July 1, 1939."

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: On page 5, line 15, after the period, add a new section, as follows:

"SEC. 7. Paragraph (5) of subsection (b) of section 203 of such act, as amended, is amended to read as follows:

"'Bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any time, or not to exceed 5 percent per annum if the Administrator finds that in certain areas or under special circumstances the mortgage market demands it.'"

Mr. VOORHIS of California. Mr. Chairman, this amendment simply reduces by 1 percent the rate of interest on title II loans, reducing it from 5 percent to 4 percent, or from 6 percent to 5 percent in case the Administrator deems such a rate necessary.

The reason for the amendment is as follows:

It means a net realization on the part of the banks of 3½ percent interest after subtracting 1 percent for the insurance premium charge. This 3½ percent return is on a guaranteed loan on which the bank takes no risk. This is as gilt-edged as a Government bond. The reduction of 1 percent will mean to a great many people the possibility of their being able to finance a home.

On a number of occasions during this debate reference was made to the British experience, but always without mentioning the fact that the rate of interest in Great Britain over the period of the last few years has been universally considerably lower than ours, and that one of the thing that caused the increase in housing activity was the fact that the rate of interest on housing loans in Britain was held to a 3½ or 4 percent rate pretty consistently.

Furthermore, if this rate of interest is reduced by this modest amount I have suggested, it will mean in effect that it will be easier for people to pay out their mortgage, it will mean less chance of foreclosure, less likelihood that there will be any difficulty on the part of the borrower to pay out his loan.

In my opinion, as I stated a little while ago, it is generally true that the lower you can keep the rate of interest on money the greater will be the likelihood of people investing in productive enterprise instead of purchasing bonds, mortgages, or other evidences of debt. In this particular instance we have a long experience, and to my mind a very successful experience, with this F. H. A. program. To my mind this would be a logical step for us to take. I believe it can be demonstrated that it is perfectly sound and possible, and I think that for the lending institution to realize 3½ percent on a perfectly safe proposition is ample under the circumstances.

One Member this afternoon said that perhaps we had too much building. As a matter of fact America is short at least 2,500,000 homes that she needs. As a matter of further fact, the more people of a nation who can live in homes that they themselves own, the better the morale of the nation is going to be. I am not impressed at all with the argument that this is a matter of Government paternalism, and so on, and so forth. It is simply a matter of the Government's going along in a day of abundant accumulated capital and channeling investment into productive fields, giving the protection that can be given by Government and nobody else, and taking the steps that they ought to take in order to protect a system of free economy. Believe me, Mr. Chairman, if you go back to the "good old days" when you tried to adjust these things by means of bigger and better bankruptcies and when you abandon all the efforts that are now being made and have been made to increase the consuming purchasing power of the people of America, I hesitate to think how bad the result is going to be for the very business people that you profess yourselves desirous of protecting.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. MURDOCK of Arizona. Have not the building and loan associations for years told us that the best way to build up the morale of our people was to enable them to have their own homes?

Mr. VOORHIS of California. Indeed they have.

Mr. MURDOCK of Arizona. Does not the gentleman believe in this day of preparedness that to have more of the people of the country home owners is a desirable thing?

Mr. VOORHIS of California. I certainly do.

Mr. MURDOCK of Arizona. And that this legislation will enable more extended home ownership on the part of those who have never had an opportunity to have homes? Is not that the object of this legislation?

Mr. VOORHIS of California. Exactly.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think probably it is pretty well known that I and several others are very much concerned about the interest rate. Last year when this bill was before the House a very valiant fight was made to reduce the interest rate. I am sure the gentleman from California must have joined in that fight.

It developed that this was not an agency which lends money. It is an agency which insures loans made by private institutions.

The gentleman from California [Mr. VOORHIS] may say that they are getting a gilt-edged insured mortgage at 3½ percent, but I do not think the gentleman means that. If the gentleman is sincere in wanting to give this act the full effect of which it is capable, he will not press his amendment, for it is pretty well known that the administrative cost to any bank or building and loan association or other lending agency is a little more than 1 percent.

Now, whose money do they lend? They lend the depositors' money and, if the interest on their earnings is reduced so that there is only a spread of one-half of 1 percent between what they pay in interest and what they collect as interest on these insured mortgages, then there will be no inducement whatsoever on the part of the banks and other lending agencies to lend money on real estate. The depositors are the ones who suffer. We thereby defeat the whole purpose of the act.

Let us put ourselves in the position of a board of directors of any bank or lending agency. We have the choice between a 3½-percent mortgage with the expenses attending foreclosure, if any, getting the title in shape to turn over to the Federal Housing Administration, the carrying charges on our books and the administrative cost, and an investment in a 3½- or 4-percent municipal or State bond. If we were practical bankers, we would say: "Let us fill our portfolio with good, attractive municipal bonds at 4 percent rather than take a chance on these houses burning down and the insurance companies not being solvent enough to pay for them, or the carrying charges will eat up all of the profits."

"In other words, we are taking a chance on these F. H. A. insured mortgages, but we are taking no chance on these gilt-edge municipal bonds. After all, why do we not reduce the interest rate that we pay our depositors and invest all our capital and surplus to protect the liability of our depositors in Government bonds?"

It is a simple matter for the banks to say to the depositors: "We can only afford to pay you 1 percent because we have been forced into a situation where we have to invest only in Government bonds which only pay 2, 2¼, or 2½ percent and the spread is so narrow we cannot afford to pay you more than 1 percent."

I like to feel when I stand up here and advocate that the gentleman's amendment be defeated that I am doing so in the interest of the home owner, in the interest of the man who wants to borrow this money at a reasonable rate of interest. If the gentleman is sincere about this, and I hope he is, why will he not offer an amendment to title I where the interest rate is not 5½ percent but 9.7 percent? Why does he not offer his amendment to title I where the interest rate is 9.7 percent instead of to title II where the interest rate is only 5½ percent?

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Michigan [Mr. WOLCOTT] has said, I believe, everything to be said in opposition to the amendment offered by the gentleman from California [Mr. VOORHIS]. There is no one here who is more interested in reducing the interest rate to the home owners of the country than I am, but at the same time we have to look at this from a practical viewpoint. If we put in this bill the requirement that the interest rate be reduced to 3½ percent, it will absolutely kill the effect of the legislation. The lending institutions and building and loan associations of this country are already complaining about the low rate of interest. They are complaining about the F. H. A. taking away their business now. If we put in a provision of this kind it will add to that claim and will more or less absolutely destroy the effect of the bill.

Mr. Chairman, I hope the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. VOORHIS].

The amendment was rejected.

The Clerk read as follows:

SEC. 7. Subsection (b) of section 203 of such act, as amended, is amended by adding at the end thereof a new paragraph, as follows:

"(8) Any contract of insurance heretofore or hereafter executed by the Administrator under this title shall be conclusive evidence of the eligibility of the mortgage for insurance and render the validity of such contract of insurance incontestable in the hands of an approved mortgagee from the date of such execution, except for fraud or misrepresentation on the part of the insured mortgagee."

SEC. 8. Section 203 of such act, as amended, is amended by adding at the end thereof a new subsection, as follows:

"(e) No mortgage which in whole or in part refinances a then existing mortgage shall be insured under this section unless the mortgagor files with the application his certificate to the Administrator that prior to the making of the application the mortgagor applied to the holder of such existing mortgage and that, after reasonable opportunity, such holder failed or refused to make a loan of a like amount and at as favorable an annual cost to the mortgagor, including amortization provisions, commission, interest rate, and costs to the mortgagor for legal services, appraisal fees, title expenses, and similar charges as those of the loan secured by the mortgage offered for insurance."

Mr. SPENCE. Mr. Chairman, I offer a committee amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. SPENCE: Strike out all of section 8 and insert in lieu thereof the following:

"SEC. 8. Section 203 of such act, as amended, is amended by adding at the end thereof a new subsection, as follows:

"'(e) No mortgage which in whole or in part refinances a then existing mortgage shall be insured under this section unless the mortgagor files with the application his certificate to the Administrator that prior to the making of the application the mortgagor applied to the holder of such existing mortgage for such refinancing and that, after reasonable opportunity such holder failed or refused to make a loan of a like amount and on as favorable terms as those of the loan secured by the mortgage offered for insurance after taking into account amortization provisions, commission, interest rate, mortgage insurance premium, and costs to the mortgagor for legal services, appraisal fees, title expenses, and similar charges.'"

Mr. SPENCE. Mr. Chairman, the purpose of this amendment is to prevent the raiding of the portfolios of the independent, uninsured, lending institutions by those who are the beneficiaries of these insured mortgage loans. I may say that the amendment has the approval of both the Housing Administration and the uninsured lending institutions. It merely provides that where a man desires to refinance his mortgage, before he can obtain an insured mortgage he must make an affidavit that the present holder of his mortgage refuses to give him as favorable terms, as he can obtain from an insured institution.

This is a matter of vital importance to the uninsured building and loan associations, as well as the uninsured other lending institutions of the United States.

While I am in favor of this legislation generally and believe it is beneficial, I am also confident the future of America and her prosperity lies along the lines of encouragement of private enterprise. I believe we should encourage the local uninsured lending institutions. The building and loan associations in my community, and I presume most of the Members have had the same experience, have encouraged a community spirit, they have encouraged thrift, they have encouraged home building, and I believe they should be assisted in every way in order to continue the useful functions they have performed in the past.

This amendment makes very little change in the present section except that it strikes out the words "at as favorable an annual cost" and substitutes therefor "as favorable terms" inasmuch as the Housing Administration officials said they would have difficulty in administering the act under the "as favorable annual cost" provision. There is also added the words "mortgage insurance premiums," so all the elements of the cost of an insured mortgage are taken into consideration in this amendment. If after taking into account all those costs, the present holder of the mortgage fails to make as favorable a loan as can be made under the insured mortgage provision, the mortgagor is then at liberty to obtain an insured loan.

I do not suppose there will be any objection to this amendment because it meets with the approval not only of

had decided to offer an amendment to strike out the entire

Mr. STEAGALL. Mr. Chairman, I respectfully insist that

the lending institutions but of the Housing Administration. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the Committee amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The Committee amendment was agreed to.

The Clerk read as follows:

SEC. 9. Subsection (a) of section 204 of such act, as amended, is amended to read as follows:

"SEC. 204. (a) In any case in which the mortgagee under a mortgage insured under section 203 or section 210 shall have foreclosed and taken possession of the mortgaged property in accordance with regulations of, and within a period to be determined by, the Administrator, or shall, with the consent of the Administrator, have otherwise acquired such property from the mortgagor after default, the mortgagee shall be entitled to receive the benefit of the insurance as hereinafter provided, upon (1) the prompt conveyance to the Administrator of title to the property which meets the requirements of rules and regulations of the Administrator in force at the time the mortgage was insured, and which is evidenced in the manner prescribed by such rules and regulations, and (2) the assignment to him of all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction or foreclosure proceedings, except such claims as may have been released with the consent of the Administrator. Upon such conveyance and assignment the obligation of the mortgagee to pay the premium charges for insurance shall cease and the Administrator shall, subject to the cash adjustment hereinafter provided, issue to the mortgagee debentures having a total face value equal to the value of the mortgage and a certificate of claim, as hereinafter provided. For the purposes of this subsection, the value of the mortgage shall be determined, in accordance with rules and regulations prescribed by the Administrator, by adding to the amount of the original principal obligation of the mortgage which was unpaid on the date of the institution of foreclosure proceedings, or on the date of the acquisition of the property after default other than by foreclosure, the amount of all payments which have been made by the mortgagee for taxes, ground rents, and water rates, which are liens prior to the mortgage, and special assessments which either become liens after the date of the insurance of the mortgage or which are noted on the application for insurance, insurance on the mortgaged property, and any mortgage insurance premiums paid after either of such dates, and by deducting from such total amount any amount received on account of the mortgage after either of such dates, and any amount received as rent or other income from the property, less reasonable expenses incurred in handling the property, after either of such dates: *Provided*, That with respect to mortgages which are accepted for insurance prior to July 1, 1941, under section 203 (b) (2) (B) of this act, and which are foreclosed before there shall have been paid on account of the principal obligation of the mortgage a sum equal to 10 percent of the appraised value of the property as of the date the mortgage was accepted for insurance, there may be included in the debentures issued by the Administrator, on account of foreclosure costs actually paid by the mortgagee and approved by the Administrator an amount not in excess of 2 percent of the unpaid principal of the mortgage as of the date of the institution of foreclosure proceedings, but in no event in excess of $75."

SEC. 10. Subsection (g) of section 204 of such act, as amended, is amended by adding at the end thereof the following new sentence: "The power to convey and to execute in the name of the Administrator deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real property or any interest therein heretofore or hereafter acquired by the Administrator pursuant to the provisions of this act, may be exercised by the Administrator or by any Assistant Administrator appointed by him, without the execution of any express delegation of power or power of attorney: *Provided*, That nothing in this subsection shall be construed to prevent the Administrator from delegating such power by order or by power of attorney, in his discretion, to any officer, agent, or employee he may appoint."

Mr. COCHRAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: After line 11 on page 9 insert a new section to read as follows:

"SEC. 10 A. Subsection (c) of section 207 is amended by adding at the end thereof the following proviso: '*Provided*, That in estimating the value of the property or project for the purpose of determining the amount of insurance eligible under this section, the Administrator shall determine the value of the property as of the date of the application for insurance, and in no case shall he estimate the value of the property or project for insurance under this section to be in excess of the value of the property at such time plus the value of the proposed improvements thereon.' "

Mr. COCHRAN. Mr. Chairman, yesterday there was a lengthy discussion in reference to two projects in the metropolitan area of the city from which I come, St. Louis. It was pointed out by the gentleman from Massachusetts [Mr. GIFFORD] how land values had been written up in making up the 20 percent that it is necessary under the law for the promoters to advance. My amendment does not touch anything except the land value at the time the application is filed. The amendment is offered for the purpose of preventing a recurrence of what happened in my city. As the gentleman from Massachusetts well pointed out, it was not the fault of the Federal Housing Administration but the fault of the law. If this be so, it is our duty to change the law.

Paragraph (c) of section 207 of the act, which I seek to amend, gives the Administrator the power in this way:

And not to exceed 80 percent of the amount which the Administrator estimates will be the value of the property or project when the proposed improvements are completed.

This shows the F. H. A. acted within the law. My contention is that we should change the law.

What happened? Promoters in my city purchased land for $44,000 in the name of a stenographer of a firm and the next day they wrote the value up in excess of $170,000 without spending one cent on it. That was included in the 20 percent. On another project the purchase price was about $170,000 and that was written up to about $300,000.

Do we mean what we say, that the promoter shall put up 20 percent before the Government will guarantee the mortgage of 80 percent? Remember now the write-ups were before one dollar had been spent in improvements. In the end it is admitted by F. H. A. the promoters spent none of their own money inside the property line. My amendment provides that the Administrator shall make the appraisal of the value of the property at the time the application is made. If the property is purchased 6 months in advance and $100,000 in improvements made thereon, certainly the promoter should have the right to add that $100,000 he has expended.

I appeal to my Democratic colleagues to support my amendment. I can say to you there has been no criticism of the Roosevelt administration that has been more severe in the city of St. Louis than there has been in connection with these two projects. The newspapers have been full of it. This is the way to stop it. I repeat, if we mean what we say, that 20 percent should be advanced by the promoters, then 20 percent should be advanced and they should not be permitted to write up land values as they did in my city. Not only the papers and real-estate operators protest, the general public protested and voiced their disapproval.

Mr. ANDERSON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to my colleague.

Mr. ANDERSON of Missouri. If this amendment had been written into the law previous to this time, what occurred at St. Louis could not have happened.

Mr. COCHRAN. It never could have happened. They would have been required to have placed the land value in on the basis of what it cost. I say if they make any improvements after they buy the land and before the application is filed they are in a position to add that to the cost of the property under my amendment.

This is a fair amendment. I say it is our duty to change the law, when those in control of the Banking and Currency Committee admit that it was the law and not the Federal Housing Administration that was responsible. I again appeal to my colleagues on the Democratic side of the aisle to support this amendment so there will not be a recurrence of what has happened in my home city and save our administration from criticism. [Applause.]

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

If I had not paid one tribute this afternoon to the gentleman from Missouri I would pay him one now. We rejoice in the amendment. I rejoice that what I said yesterday has now been fully confirmed and acknowledged. We had thought of offering some such amendment from this side, but

that anybody would want the Government to put up guar- | people who own the adjoining land get the benefit of the im-

had decided to offer an amendment to strike out the entire section. However, like the Spence amendment, this amendment does help a very great deal. We are pleased enough that they acknowledge the situation which we claim exists and have gone at least halfway to correct it.

Again I am glad to comment on it and extend another word of praise to my highly respected friend from Missouri. Who could afford not to vote for his amendment? Has it come to pass that so-called watered stock is actually defended? [Applause.]

Mr. STEAGALL. Mr. Chairman, let me say at the outset that no citizen in the district that I represent will ever receive any possible benefit under section 207 of this bill; certainly not any direct benefit. It is a provision the benefits of which are limited to cities, and I am sure, I will say, that I have no less interest in the provision because of that fact. I merely call attention to the situation in order that Members of the House may know what is involved.

I have stood here this afternoon to plead for an extension of the benefits of this legislation to the rural sections of this country. I think it is right. I am sure other Members of this House feel as I feel about it, whether they come from urban or from rural districts. But Members of the House from our cities should understand that if this provision of the bill is destroyed or its usefulness curtailed, the loss will fall upon citizens in the urban centers of the Nation.

Mr. Chairman, the fact is that Congress cannot administer laws of this kind. We must simply pass the legislation and set up the best possible methods for the administration of the law. There may have been some mistakes made in the administration of the Federal Housing Act. I do not believe I have ever heard of any complaint except in this one particular instance, and which, it seems to me, is quite a tribute to the officials who administer this law. Mr. Chairman, there can be but one true test by which to appraise property from the standpoint of the lender, and that is to see what sort of security is to stand back of the loan. In determining this the appraiser must look at the value of the property out of which the money is to be derived in case of foreclosure, and that means that the solvency of the mortgage must depend upon the value of the property at the time of default. This being the case, there can be no fast and hard rule such as is attempted by this amendment to eliminate consideration of improvement in value.

Everybody knows that where a project, involving millions of dollars, such as contemplated by this provision of the bill, is undertaken in any section of a city, vast enhancements in value will take place in that community. It is inevitable. There is no good reason why the people who live there should be penalized and deprived of the benefits of that development. It simply discriminates against loans of this kind. No such measure is laid down in making appraisals in any other instance. As the bill now provides loans are permitted to only 80 percent of the value of the property, whereas in other loans insurance is allowed up to 90 percent of value. Certainly the Administrator should be left free to appraise the value of property of this type of loans fairly and equitably and from the standpoint of the security and protection afforded the Authority that insures the loan.

The provision offered by the gentleman from Missouri would chain the people of a community where a development takes place to existing values in the present depressed status of real-estate values. All of us would like to see values restored to normal at the earliest possible day, and that is one of the purposes of this bill.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Missouri.

Mr. COCHRAN. I will say to the gentleman from Alabama that as far as the majority of the people of St. Louis are concerned, they want no more projects of this character, if you are going to permit them to write up the land values as they have done in the two projects we already have. [Applause.]

Mr. STEAGALL. Mr. Chairman, I respectfully insist that the gentleman's statement is not warranted. There is no writing up of values so far as we have information in this instance, but an orderly, regular ascertainment of the value of the security back of the loan as in other cases, and there is no good reason why a discrimination should be made in loans of this type.

Mr. SACKS. Mr. Chairman, I move to strike out the last two words.

At this late hour I am not going to take the entire 5 minutes, but in view of the fact this St. Louis matter has been brought up, I may say that I was shocked myself when I first heard the facts, but when Mr. Brigham, the gentleman I mentioned earlier in the day was testifying before the committee, we specifically asked him about this St. Louis matter. As a matter of fact, he testified that the reason he looked up that very project was because my good colleague the gentleman from Massachusetts [Mr. GIFFORD] had talked to him about it, and we asked him by a direct question what he thought about it. He said that as far as the land is concerned the act protects the public, because it states that although it can lend up to 80 percent, the total amount of the loan can be no more than the actual cost of the construction of the building. Now, the only thing that the promoter of the project would get would be some stock, the income from which is also limited by this act. If the property is paying and the Government risk is relieved, then he has the property. If, on the other hand, he defaults, the Government gets the property at the value on which it lent the money, which is not more than the cost of the actual construction, and whether you write the value of the land at $150,000 or $30,000, the Government in addition to getting this property gets also the land and the improvements, while they lose everything.

Now, how is this added cost made up? It is made up, as testified, in cash for architect fees, sewers, and other things, and, for example, when a piece of land is bought and improved, it certainly becomes more valuable.

Take, for instance, any other manufacturer or producer of some article, say, an automobile. He buys his raw materials and puts them together and he is allowed a profit on that property. The same should be given to the promoter of a project, and the Government is protected because it gets the first lien and its 80 percent insurance cannot exceed the actual cost of the construction of the property.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. SACKS. Yes.

Mr. COCHRAN. If the 20 percent was put up in actual money rather than in water, that would be reflected in the cost in the end, and it would be reflected in the rent, and the public would get the property for cheaper rent than they would when you put in a lot of water and paper and not money, and I say to the gentleman that there was not 1 cent spent on that land prior to the time that they wrote up the value. It was bought one day and written up the next.

Mr. SACKS. But the Government in committing itself bases it upon the finished product. The rent was not affected, and it was so testified before our committee, because the Government limited the amount of income, and limited it within the wage group that is supposed to rent the property. The trouble has been that we are looking at this thing as a simple property that is bought and then offered for resale at a higher price, and the value increased. That is not true in this project. Under this section its investment is based upon an insurance by the Government on a loan, which is based on the actual cost of construction. The rent, which of course added to it, goes to the Government only in default, and the stock is only as good as the project is itself.

Mr. SUMNERS of Texas. Mr. Chairman, I rise in opposition to the pro forma amendment. I very much hope that the House will adopt this amendment. If we are not careful the effort of the Government to help in these projects is going to wind up in a lot of national scandals despite the best our administrative officers may do. How it comes about

property line did not come out of the 20 percent that the I stand by your administration, will stand by your Administra-

that anybody would want the Government to put up guaranty of any more than 80 percent of the cost of the project, holding the price of the land at its value at the time application is made, I cannot understand. When we consider who is the Government, in this matter, who is guaranteeing these payments, it is all of the rest of the people. Here comes an individual who wants to build some houses for profit. He does not put up all of the money himself. That money is provided indirectly by the people who do not share in his profit. If as a matter of fact a Government activity in a community does increase the value of property, then the Government—the rest of the people—ought to have the advantage of it, in the reduction of their guaranty, in the reduction of the probability or possibility that they will be left to hold the bag. The rest of the people who are putting up the guaranty ought to have the advantage resulting from their guarantee which makes the project possible. We know, as a matter of practical knowledge, that some, if not many of these projects, are so jockeyed that the Government puts up all of the money—guarantees it, which is the same thing in effect, insofar as Federal liability is concerned. I hope we adopt the Cochran amendment.

Mr. WILLIAMS of Missouri. Mr. Chairman, in accordance with what the distinguished chairman of our committee said, I can say this, that I, perhaps, come from the most rural district of any man in this entire Congress. There never will be a single individual in my district who will be able in any way to enjoy the benefits of these projects erected under section 207. There certainly has been more misunderstanding about this section and the projects erected under it than anything else that has been discussed here this afternoon. The F. H. A. has made a remarkable record with reference to the handling of these projects. So far there has not been one single cent of loss, and it must be remembered that these projects are being conducted under a limited dividend corporation, which prevents the loss of any money to the Government and prohibits the making of profits by the stockholders in the concern. Until all installment and interest payments are made, until all repairs are paid for, until the taxes are paid, and until the insurance is paid, until the operating expenses are paid, there is not a possibility, under the supervision of the Administrator and under the jurisdiction of a limited dividend corporation, for the so-called promoters to get one dollar out of it. Then why all this talk about somebody writing up the false value of the property? That is the fact. Under this law and under the provisions in it, everything must be taken care of before the stockholders can get anything.

What is the equity in one of these projects? The equity represents the difference between the appraised value fixed by the F. H. A. and the amount of the mortgage. That equity is made up of land values; it is made up of architect's and builder's fees; it is made up of cash advanced; it is made up of outside improvements such as streets, sidewalks, sewer and water connections; it is made up of all those things—highways that are built, schoolhouses that are constructed in the community, trading centers that are established, and all that. This amendment seeks to limit the value of that land to its original value before any improvements were made, notwithstanding the fact that everybody knows that every other landholder in that community will have his land increased perhaps 50 percent by reason of these improvements. They are going to deny the man who has the energy, the ability, and the foresight and courage to undertake the development of one of these projects any increased value in his land, by reason of his interest in it and his improvement of it, and at the same time every other one in that community whose land has been increased by reason of that improvement will reap the benefits of it. You have only to go across the river into Virginia to find that. Right over at Colonial Village that land was bought and valued at a very modest figure, but since the Garden Apartments were put up the surrounding land has increased 10 times in value. Those people who own the adjoining land get the benefit of the improvement in increased value of their land, yet this amendment offered by the gentleman from Missouri [Mr. COCHRAN] would prohibit any increased value of the land owned by the sponsors of the project by reason of the improvements that have been put upon it by their enterprise and by the expenditure of their own money and at their risk to give employment to labor and furnish low-rent housing for those of modest income. It is unreasonable. It is unworkable. It will destroy the program. It will increase unemployment. It is unfair to those who want to engage in this enterprise. Not only that, it will absolutely and completely destroy the action of the F. H. A. under section 207. The adoption of this amendment will play into the hands of a few real-estate dealers who have old apartments to rent for which they charge unreasonable and exorbitant rent. As I say, as far as I am personally concerned and the people I represent, it will never make one cent of difference to me or them, but in the interest of this program, in the interest of fairness and justice to those who are undertaking this work and in the name of men who want work and who desire to live in modern quarters and enjoy some of the comforts and conveniences of life at a reasonable rent, do not kill this project by voting this amendment. [Applause.]

[Here the gavel fell.]

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

It just occurred to me that this amendment is striking at a situation very similar to that of a man who owns a stock of baled cotton, we will say, and he wants to borrow money on it with the idea that he will manufacture it into cloth and the cloth into shirts, and sell those at retail at about 100 times the price per pound of the raw cotton. Under the present regulations he could reasonably expect the Government or a very generous banker with his loans guaranteed by the Government to lend him money not on the value of his cotton, which is 8½ cents a pound, but upon the value of the finished product, the increased value of the cotton, the increase which he proposes to make by reason of the loan which is advanced to him.

Now, if there ever was a banking institution that could exist and lend money on any such basis as that, it has escaped my observation, or else I would be borrowing from that institution and engaging in that kind of financing rather than serving in this body.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. PATMAN. Is it not more like desert land that is worth 25 cents an acre until a contract is made that provides water for that land, and then it is worth $1,000 an acre?

Mr. POAGE. There is not any desert land in my viewpoint that would ever increase from 25 cents an acre to $1,000 an acre by reason of any contract that was ever entered into. There is desert land that has been increased in value by reason of bringing water to it, and when the water was on it the land was worth more than it was before there was any water on it. After these houses are on this land, after these buildings are there, the land undoubtedly does increase in value, but the loan must be made, if we are to call it a loan and not a gift, on land values as they exist and not on values which someone hopes to create. The loan is being made upon the land, and if this Government is going to attempt to lend money to people with the idea of going out and creating value that is not there, lending on a speculative value, a purely fictitious value, a problematical value, I might say, a value that does not exist but which somebody simply hopes will exist at some future time; then we are headed to the proposition of buying up these projects rather than talking about making any kind of loans whatever.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Missouri.

Mr. COCHRAN. The gentleman knows, however, in this instance that the money that improved the land inside the

amendment. They should not expect Members to subject | are opposed to this. They are doing everything in their

property line did not come out of the 20 percent that the promoters will put up. It came out of the 80 percent that the promoters got through the F. H. A. That is what I am complaining about.

Mr. POAGE. Certainly, and it is exactly what I want to help you stop, because it never was sound banking to loan 100 cents on the dollar on any kind of development.

Eighty cents on the dollar is a good deal higher than any of our commercial organizations ever felt they could safely lend. There never was a private banking institution or land-lending institution that felt it could safely lend 80 cents on the dollar of actual existent value. The Government is being extremely generous. I am glad it is; I am glad to see it go to a reasonable extent; but we are extremely generous when we guarantee 80 percent of the money necessary to provide the construction. When, however, we open it up and say that we are going to let you put in not the value that is there but the value that you hope may be there at some time in the distant future, then we have gone far beyond the realm of reasonable banking and into the proposition of pure subsidy; but it is a subsidy not to home owners, not to the people we want to help, but to real-estate speculators, and I cannot think it is the policy of this Government to go into the business of subsidizing real-estate speculators.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. SUMNERS of Texas. As I understand it, the gentleman from Missouri, who just addressed the House, said that this project increased the price which the people who want to buy homes had to pay for land in the neighborhood of these projects.

Mr. POAGE. Of course it does; of course it increases the price to the people who want to buy; and usually the speculator who is borrowing the money will be the man who will own that vacant property. He is going to reap the reward of the increased price, not only on the adjoining property but also on the rental from the property built by a Government-guaranteed loan. It is true, as some of the gentlemen have said, there is a limit on the rate of return. But this very rate of return is calculated on the entire investment, including any water. If there is a real value of $100,000 and a $100,000 write-up, and the promoter is limited to a 6-percent return, his return will still be just twice as large and the cost to the tenants will still be just twice as great as if the promoter had been confined to actual value.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am glad to see this thing get a thorough airing. It was aired quite thoroughly in the committee, and in consequence those who contended that there was something bad about it later complimented the Administrator, believing, I assume, that it was as much the fault of the Congress as the Administrator.

I think we should appreciate what we would be doing if we adopt this amendment. We will confine the activity of the F. H. A. to the insurance of mortgages on single dwellings, or at least to dwellings to house not more than four families. If in anticipation of the construction of a $5,000,000 project by an institution legally chartered by a sovereign State a municipality spends thousands of dollars in the construction of sewers, waterworks, roads, sidewalks, what is crooked, what is unfair about the Federal Government's insuring 80 percent of the value of that property? What is the difference between that property at that stage when this insurance applies and a home built on a lot to which there has already been built a sidewalk, a street, a sewer, and water mains?

Those gentlemen who would scuttle the F. H. A. should vote for this amendment. There is something ironical in the fact that I, a simple—perhaps a simple-minded—Republican representing a district largely rural without a section 207 project in my district, am standing here defending this bill because I think that it is perfectly safe and sound. How many of you Representatives on the Democratic side will stand by your administration, will stand by your Administrator, will stand by the promises which have been made to the people of this Nation that they are going to have clean, sanitary homes in which to live, will stand by the workers in the building trades of this Nation to whom you said that you had set up F. H. A. to give them employment? Gentlemen, here is the test as to how sincere you were when you passed the United States Housing Authority Act, when you originally passed this act to give employment in the building trades. Gentlemen, if you vote for this amendment, you defeat the very purpose of the F. H. A. You will have not only your conscience to answer to but you will have to answer to the people who sent you here upon the promise that you would give them decent, safe housing and substantial employment.

Mr. Chairman, I do not feel too keenly about this; as a matter of fact, when the country can stand it—and I hope it will be within the next 2 years—I will vote to eliminate any such activity on the part of the Federal Government. But this is a condition we must face. Unless you want to demoralize the real-estate market, you have got to get out gradually; you cannot jump out. I hope that 2 years from now this administration will have eased out of all of these activities, because I do not want to disrupt the economy of this Nation.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SUMNERS of Texas. As I understand the amendment offered by the gentleman from Missouri, it provides that the value of the proposed improvement shall be included. I understood the gentleman to mention the cost of sewers, streets, and so forth.

Mr. WOLCOTT. Certainly; because when a mortgage is placed on property it is placed with relation to its entire value, the value of the land on which the house stands, not the value of the land before the house is built; the value of the property when it is improved. If the property is improved, the actual land value increases. What is crooked about taking into consideration consequential increases in value in determining the amount of the mortgage? I may have a field planted with corn or cotton, and it may be worth 50 cents an acre. Surely the Federal Housing Administration would not come along and insure a loan on that field for $5,000,000; but if I put improvements on it making the land more valuable, they would insure the loan on the basis of the actual value after the improvements have been completed.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is a question of whether watered stock will turn quickly into wine. It is now pleaded that when a house is built on the land the water will turn at once into wine. Why not wait and increase the mortgage when the fact has been established?

May I say, in answer to the gentleman from Missouri [Mr. WILLIAMS], that, of course, the owners of the stock cannot make any money until the proposition makes money. The promoter makes his money on the mortgage he gets to construct the house, or he would not generally be interested. If you adopt the amendment offered by the gentleman from Missouri perhaps there will not be quite so many promoters.

The promoter may afterward become the manager. The common stock may be worth nothing except to control the management. I will try to relieve the discussion by asking, "What is a stockholder?" He buys a clay pipe and a 10-cent plug of tobacco. But the manager does the smoking. The stockholder says, "What can I do?" The manager says, "You can spit," and that is what the minority stockholder usually does when the manager is in control.

Now, there is a peculiar situation when this House will say that watered stock to this degree will be condoned. I do not say this business is crooked. You cannot blame a promoter too much. The law allows it if the F. H. A. will approve. The gentleman from Missouri says, "Let us base values on actualities and not on imagination." It is amazing that so many of the Committee members will try so hard to block this

amendment. They should not expect Members to subject themselves to such censure as would follow approval of a write-up of this sort.

Mr. COCHRAN. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Missouri.

Mr. COCHRAN. The gentleman certainly will admit that the promoters are going to make a great deal of money when they construct the building out of the 80 percent that they receive through the guaranty of the F. H. A.

Mr. GIFFORD. Yes; and we may expect that they may not be interested after the construction, unless they are made managers and can milk it. I showed you yesterday how they could do that if they wanted to be dishonest. We should not need to comment further on that. I am sure the House now understands the purpose of the amendment.

[Here the gavel fell.]

Mr. THOMAS F. FORD. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, we have just listened to the distinguished gentleman from Massachusetts tell us how this proposition could be milked. When he makes the statement that the proposition can be milked in the course of its being built up, he simply casts an aspersion on the entire F. H. A. organization. On the contrary, they check every piece of lumber and every bit of plumbing, every bit of brickwork and every bit of concrete that goes into the building before they pass on any of it. So, as far as the structure is concerned, you can depend on the fact that the F. H. A. inspection gives a first-class structure.

Let us analyze this situation about the lot. If the building were erected on a million-dollar lot and a million dollars worth of improvements put on it, it would still not produce any more than a similar building on a $50,000 lot. The F. H. A. makes the loan; the insurance company puts its money in a proposition that will show, when completed, that it will pay interest, principal, or amortization, insurance, taxes, and, in addition, about $50 per room to be set aside each year to take care of replacements and as a reserve. After all that is paid the man who owns an equity can get not to exceed 6 percent on that equity. If he gets over 6 percent, it goes toward amortizing the loan. They are always under the management, control, and direction of the F. H. A., and they cannot make a move without approval of the Administrator of the F. H. A.

Mr. SPENCE. Will the gentleman yield?

Mr. THOMAS F. FORD. I yield to the gentleman from Kentucky.

Mr. SPENCE. I want to read this amendment so that it may be properly considered. The amendment is as follows:

SEC. 10–A. Subsection (c) of section 207 is amended by adding at the end thereof the following proviso: "*Provided*, That in estimating the value of the property or project for the purpose of determining the amount of insurance eligible under this section, the Administrator shall determine the value of the property as of the date of the application for insurance, and in no case shall he estimate the value of the property or project for insurance under this section to be in excess of the value of the property at such time plus the value of the proposed improvements thereon."

Is it not a matter of fact that there is an increment in the value of the land by reason of the construction of improvements?

Mr. THOMAS F. FORD. That is true.

Mr. SPENCE. Not only the banks but every private developer of land understands that is the fact.

Mr. THOMAS F. FORD. Absolutely.

Mr. COCHRAN. Will the gentleman yield for a correction?

Mr. THOMAS F. FORD. No.

Mr. COCHRAN. The gentleman's statement is misleading.

Mr. THOMAS F. FORD. It is not misleading.

Mr. Chairman, I am informed that the major opposition to this particular project in St. Louis, which is the bone of contention, is made by a group of men who at the depth of the depression bought a lot of apartment houses in St. Louis for about 10 cents on the dollar. Now they are trying to collect rents based on 100 cents on the dollar and they are opposed to this. They are doing everything in their power to discredit it because it will cut in on the profit they would make from the poor devil who built the places in the first place.

Mr. GORE. Will the gentleman yield?

Mr. THOMAS F. FORD. I yield to the gentleman from Tennessee.

Mr. GORE. May I read one statement out of the hearings, as follows:

It may be noted that an appraisal independently made by the New York Life Insurance Co. before making the loan compared within $16,000 of this figure.

Mr. THOMAS F. FORD. Yes.

Mr. Chairman, under the law the F. H. A. made the loan because the law said that it should lend 80 percent of the completed income to produce the structure, and that is what they have done. If you agree to the amendment that is being proposed, you might as well throw that title completely out of the window because it will stop right there.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. COCHRAN].

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 100, noes 79.

Mr. STEAGALL. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. STEAGALL and Mr. COCHRAN.

The Committee again divided, and the tellers reported that there were—ayes 113, noes 78.

So the amendment was agreed to.

Mr. WOOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOOD: Page 9, after line 11, insert the following:

"SEC. 11. Section 207 (b) (1) of the National Housing Act is amended by deleting the words 'Federal or State, instrumentalities, municipal corporate instrumentalities of one or more States, or.'"

Mr. STEAGALL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RANKIN, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee, having had under consideration the bill H. R. 5324, to amend the National Housing Act and for other purposes, had come to no resolution thereon.

AUXILIARY VESSELS FOR THE NAVY

Mr. DELANEY, from the Committee on Rules, reported the following privileged resolution for printing in the RECORD:

House Resolution 135

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of S. 828, a bill to permit the President to acquire and convert, as well as to construct, certain auxiliary vessels for the Navy. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

ALTERATIONS AND REPAIRS TO CERTAIN NAVAL VESSELS

Mr. DELANEY, from the Committee on Rules, reported the following privileged resolution for printing in the RECORD:

House Resolution 136

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of S. 829, a bill to authorize alterations and repairs to certain naval vessels, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment,

the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AUTHORIZING THE SECRETARY OF THE NAVY TO PROCEED WITH THE CONSTRUCTION OF CERTAIN PUBLIC WORKS

Mr. DELANEY, from the Committee on Rules, reported the following privileged resolution for printing in the RECORD:

House Resolution 137

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 2878, a bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. TREADWAY, Mr. RANKIN, and Mr. SPENCE asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. KITCHENS and Mr. HARRINGTON asked and were given permission to extend their own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. BOLLES. Mr. Speaker, I ask unanimous consent that the time I was granted to address the House this afternoon may be deferred until Thursday.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday, tomorrow, may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MILITARY ESTABLISHMENT APPROPRIATION BILL, 1940

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4630) making appropriations for the Military Establishment for the fiscal year ending June 30, 1940, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SNYDER, TERRY, STARNES of Alabama, COLLINS, KERR, POWERS, ENGEL, and BOLTON.

CIVILIAN CONSERVATION CORPS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, today is the sixth anniversary of the Civilian Conservation Corps, which I believe is one of the most meritorious agencies of this administration.

I ask unanimous consent, Mr. Speaker, to include as a part of my remarks at this point a letter I have addressed to the editor of Happy Days, the authorized weekly of the Civilian Conservation Corps, in which I tell of my high regard for the work being done by that agency.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, the letter to which I have referred is as follows:

MARCH 20, 1939.

Mr. RAY HOYT,
Editor, Happy Days,
Daily News Building, Washington, D. C.

MY DEAR HOYT: I want to take this opportunity to extend my sincere congratulations to the Civilian Conservation Corps upon the sixth anniversary of its inception.

I have visited many of the C. C. C. camps and always my admiration has been increased for the program which is so successfully being carried forward. This is the type of work which can effectively be carried on under Government guidance and control. The conservation program, from the material side, means that through Civilian Conservation Corps activities we are building a better land in this Nation. On the human side, the program has certainly gone far toward building better men.

I believe the investment made in the Civilian Conservation Corps has been a wise one. It is my considered opinion that it should be carried on. I shall cooperate enthusiastically in support of the permanent establishment of this worth-while agency.

With personal good wishes, I am

Very sincerely yours,

JENNINGS RANDOLPH.

FAVORITE SON VERSUS FAVORITE STATE

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. PATRICK. Mr. Speaker, it is fine to see so many Members together on the floor of the House this afternoon. Let us consider a practice that has grown up and now deprives the people of this country of much of the highest use, choice leadership, character, and brains; the practice indulged in by both our leading political parties of nominating the party standard bearer with an eye and ear to geographical position rather than personal qualifications.

It is a great and glorious thing to be made President of these United States. It is no mean thing, whether or not successful, to be nominated by a major political party for President or for Vice President. But with 130,000,000 people, with its 3,000,000 square miles of area, its near 2,000,000,000 acres of land, has not the day come to America when she can look simply to the man to be chosen and to the program his selection should indicate?

Every 4 years the officials and effective adherents of each of the leading parties hold a great convention. All eyes are turned to the city of meeting and all ears attuned to the loud voice of pronouncement and proclamation. A platform is presented to the people of the United States, and then comes the naming of party standard bearers, candidates for President and Vice President.

How is this done?

Election results for the past 4 to 8 years are carefully studied, and the more highly populated States, with patronizing consideration of central location, as well as political border-line history, are given the overwhelming odds. Far into the night are figures compiled, results noted, and trends followed. Experts—who never agree among themselves—are called together. They cast about as to what will be the vote-getting probability of nominating a man from this State or that State. This always highly speculative and hectic session results in a small handful of States coming out with the ball. Then comes the matter of choosing the most likely two sons—never yet have they turned to a daughter—from remote points among these States.

Now, we have 48 States in this country—48 of them. Each State gets 2 Senators and its quota of Congressmen. Each State may choose these from Democratic, Republican, other party, or nonpartisan; but, as to the average State, what chance has it at getting its representative in the White House? State X may have the best man in the party or in the political field, the man of the hour, a "natural," were it not for the fact that this man of the hour is not the man of the State.

Presidents and Vice Presidents have been elected under our party system for 150 years and in that time Presidents have been elected from only 14 States, 8 from Ohio. Thirty-two

different Presidents have been elected, not to mention second termers.

Mr. THOMAS of Texas. Will the gentleman from Alabama be kind enough to name the States from which these Presidents have come?

Mr. PATRICK. Yes; I think I can name them: Vermont, Virginia, Massachusetts, South Carolina, Tennessee, New York, North Carolina, Louisiana, New Hampshire, Pennsylvania, Kentucky, Ohio, New Jersey, and California.

Mr. SOUTH. Can you name the States of the Vice Presidents?

Mr. PATRICK. My answer is "No; not right offhand." You boys expect too much of a new Congressman.

Virginia, South Carolina, Tennessee, and Louisiana have enjoyed the distinction in the past, but are apparently out of the picture nowadays. Virginia, once called the Mother of Presidents, has, since she saw John Tyler elected in 1841, been forced to be satisfied with past history. Two of her bright sons did move into other States and later became Chief Executives—Zachary Taylor and Woodrow Wilson—it is true. The best she can now do is to land an occasional Cabinet member.

Somebody somewhere was able to sell the idea that if a man is nominated President from a State that State will vote with the party presenting such native son. If this is true, the pay-off is brief indeed. Every one of the eight men elected to the Presidency from Ohio were Republicans—Democrats have diligently nominated Ohioans but never elected one—yet the past two elections have seen Ohio go Democratic while Maine, which never enjoyed the honor, was one of the two Republican States to hold out faithful during the past two Democratic victories. Is it not, in this day of rapid transit and radio, conceivable that the people of the land will vote for the man who stands tall in camp and carries the true colors, and that they will do so without thought of what geographic subdivisions of the country claims him?

Of our 48 States, 34 have never presented to us a President. Would it not be more democratic were this practice abandoned? Would it not insure fairer leadership and better executive government?

The party first to abandon it will have a much stronger point of appeal to those 34 States, together with States who have in the past elected sons to the Presidency but who are now in the outer garden. Why this practice holds so strongly is a mystery. Perhaps the last question the average group found in any part of the United States discussing political activity will call up is any leader's State or nativity. It is nothing more than a case of oversalesmanship and gullibility but a case that took and has held.

It is our sincere hope that when delegates and left-outs among the 48 States next get together to choose the party representatives for the two chief offices of state they can remember that when they vote for a representative of the select group they are voting against their own interests, unless the representative is the best in point of individual merit and program. Of course, it would be equally foolish to refuse to support a strong, capable, and representative person coming from within this area, but there remains little reason why the preference should further be given.

It has a hollow tone when a likely name is mentioned and you hear this sort of remark, "Oh, he'd be the best man in the field if he were from Ohio, Indiana, or New York." What is the reaction of Arizona, Georgia, Oregon, North Dakota, Texas, to that sort of philosophy in a democracy?

It is a chance to get closer to all the people in the Nation, closer than we have ever been. Andrew Jackson found American politics in the parlors of the few and left it in the country grocery store and crossroads post office, where it belongs if we are truly to be a democracy. Every move toward the people is helpful. How many a boy has heard his teacher say, "You may some day be President," a thought that has inspired so many thousands of American boys? How many a boy failed to realize when the teacher made this statement that the door of opportunity was forever shut to him unless he moved far away?

The Republicans had great trouble in proving Hoover had any, except the remotest country connection at all. They were able to deduct that he was born in Iowa and lived for awhile in California—well, California was an either-way State with a strong popular vote. Enough! Hoover was nominated and elected, but—and imagine it—California shot right back with a wide Democratic victory on the next deal and left her native son standing on the bleak Sierra Nevada mountainside. This should be a plain lesson. This should clearly prove our case, but from the talk we hear we fear they are still oversold on the old, old border-line State gag. The man to be nominated should be a man who can be heard because he has voice enough and can be seen because he stands tall enough. If he is the best man in the land, the whole people are entitled to get a chance to make him their President.

Our idea of popular sovereignty is that all the people—East, West, North, and South—shall have an equal voice in the National Government. Under this practice now prevailing our conventions—Democratic and Republican—this very idea is defeated. The proper thing to do in convention is this plain and simple thing: Bring forward the very best, and leave the geography to the children in school.

I thank you.

EXTENSION OF REMARKS

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter I have received from the National Retail Lumber Dealers' Association.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a brief statement from the Colorado State Senate.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein some resolutions adopted by the National Rivers and Harbors Congress.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from Pennsylvania [Mr. RICH] is entitled to recognition for 15 minutes.

Mr. RICH. Mr. Speaker, the Federal Government, through its various independent offices and agencies, now operates the world's greatest publicity and propaganda bureau.

The offices and agencies of the Government not only supply press and information service for the newspapers of the Nation but they also carry forward propaganda to sell the New Deal to the people.

The agencies supply not only the usual press releases and printed copies of various reports provided for by Congress but they in some instances go a step further and provide clip sheets and summaries of press information for private users. A typical clip sheet of this character is put out weekly by the Federal Housing Administration. Immediately above the notice, "Supplied without charge," is the following:

> All information in this clip sheet is for immediate use in your real-estate section, business pages, home-building issues, or for any other related use. Mats of illustrations or actual photographs of homes are available without charge on written or wired request. Special articles on Federal Housing Administration operations will be prepared, also on request, without charge.

It was from this clip sheet of the Federal Housing Administration that notice was brought to the attention of the

Banking and Currency Committee of this House that the Administration was representing itself to the public as a permanent agency of the United States Government, when, in fact, it is only a temporary agency subject to continuation by legislative action by the Congress.

To operate this huge publicity and propaganda bureau, to furnish those interested with mats, photographs, and prepared articles, as well as other materials, requires the use of moneys which have been appropriated by Congress for other purposes.

In none of the appropriation acts before this Congress has there been a request for funds to furnish mats, photographs, or to prepare special articles for private parties who may be interested. There have been appropriations for printing and binding, in considerable amounts. The work is presumed to be a function of the Government Printing Office, but notwithstanding this fact several agencies have set up complete printing and publishing plants, out of appropriated funds to carry out the work of propaganda.

A specific instance where the authority to divert funds to such uses has been challenged may be found in the operations of the Tennessee Valley Authority's reproduction plant at Chattanooga, Tenn., which have been questioned by the General Accounting Office.

The sum involved amounted to about $60,000 and later run up to $80,000 a year, for paper and materials used in turning out and binding folders, speeches, pamphlets, circulars describing education, recreational, athletic, and social activities and other printed matters.

The General Accounting Office protested these expenditures as not authorized under the law. The matter is still unsettled. The money has been spent and is gone forever. The wisdom of continuing such activities remains in doubt.

Practically every department has its high-power publicity staff and an information section as well.

To check up on the workings of the publicity and to find out whether or not the propaganda is effective a great deal of time and money is being spent every year in operating clipping bureaus in the various agencies.

Magazines, newspapers, and all forms of printed literature are gathered, read, and clipped. The Works Progress Administration alone has a press-clipping bureau employing three or four men at an average annual salary of $2,000 according to the recent statement of Colonel Harrington.

The Tennessee Valley Authority has been spending sums in excess of $10,000 a year for subscriptions to newspapers and periodicals. This item was also challenged by the General Accounting Office. But the spending goes on.

Mr. Speaker, every day in the year hundreds of press releases and mimeographed copies of speeches about to be made by New Deal officials find their way into the hands of the press representatives and the publicity agencies. Copies are frequently sent to Members of Congress, but the record is strangely missing as to what all these activities are costing the taxpayers of the United States.

In operating these propaganda bureaus there is a great danger to our democratic ideals and fundamental principles. Without this Government participation, hundreds of capable newspaper men forced to subsist through the medium of such subterfuges as the Federal Writers' Project would probably find employment with private news-gathering agencies.

Without these propaganda bureaus the public would get a fair, unbiased picture of Federal activities on all fronts. There can be no bureaucracy more dangerous to the American way of doing things, than these Federal propaganda bureaus, operated under the guise of information sections, which operate only to put out information favorable to the continuation of the greatest spending spree in the history of the world.

Let us put an end to propaganda, let us put an end to these clipping bureaus in the Federal Government agencies. Let us turn over to the gentlemen of the press the function of informing the American people on the operations and the spendings of their Government.

Mr. Speaker, the materials I have assembled here are part of the bulletins prepared by the Division of Press Intelligence, an activity of the National Emergency Council during the past year.

The National Emergency Council was created by Executive Order No. 6433 A, dated November 17, 1933.

The Council maintains headquarters in the Commercial Building at Fourteenth and G Streets NW., in the city of Washington. Their rentals for office space last year amounted to $46,754. This year they are asking for $50,260. Now, part of this office space is rented to house this Press Intelligence Division, which is nothing more nor less than a huge clipping bureau, ostensibly operated for the United States Government.

The funds by which the National Emergency Council operates were appropriated by Congress. Previously they were set aside from emergency appropriation acts by Executive order.

Title 5, section 54, United States Code, provides:

> No money appropriated by any act shall be used for the compensation of any publicity expert unless specifically appropriated for that purpose.

While the Press Intelligence Division is not mentioned in the United States Government Manual under the heading of "Activities," a two-line notice describing the organization of the National Emergency Council furnishes the information, "The Press Intelligence Division maintains a daily file of press material for the use of all Federal Government agencies." Nowhere in the United States Government Manual is the fact made known that the Press Intelligence Division issues a daily bulletin. They simply say they maintain a file. Now, maintaining a file and issuing a daily bulletin, costing the taxpayers of the United States thousands upon thousands of dollars, are horses of different colors. Furthermore, there is nothing on this Press Intelligence bulletin to identify it as coming from or through the National Emergency Council, much less to show that it was prepared by their authority.

Last year the National Emergency Council spent $28,480 for supplies and materials, according to the Budget. A lot of this money I believe was used to purchase mimeograph stencils, mimeograph paper, and ink, used in the preparation and issuance of this Press Intelligence bulletin. Yesterday I requested a bid on what the cost of cutting the stencils, mimeographing, and gathering and assembling 500 copies of this Press Intelligence bulletin as now being regularly issued would be.

An expert stenographer who does this kind of work regularly submitted a price of $333 per day. On the basis of this estimate, the bare mechanical cost of producing this daily bulletin for only 303 days out of a year would amount to exactly $100,000. I recently received a letter from the head of the press-intelligence section informing me that the section employed 64 persons at total annual salaries of $101,520. If we add to the salaries just one-half the estimated cost of producing this daily bulletin by a private individual, we find the total probable cost for this year will amount to $152,121. Now, this is the story of only one division of Uncle Sam's scissors brigade. They have other units in practically every department and agency of the Government. I wonder just how many Members of Congress find use for this kind of service. I wonder just how many Members of Congress know that all this money is being spent to check up on how the New Deal propaganda is taking with the press and the people. I wonder just how long we are going to continue appropriating money without knowing how and where and why it is being spent.

Mr. Speaker and Members of the House, this truckload of mimeographed indexes, about 100 pages each day at a cost of over $150,000 a year, and I dare say that not 1 Member

in 20 knows what it is all about, not 1 in 20 knew that such an agency has been created by Executive order. A waste of the taxpayers' money. A political organ used by the New Deal. A disgrace to our form of government; a folly of the New Deal. Why not stop the waste? Why not get some sense and revamp this Government?

Mr. Roosevelt and the Democratic Party had this statement in their platform of 1932:

The Democratic Party solemnly promises by appropriate action to put into effect the principles, policies, and reforms herein advocated, and to eradicate the policies, methods, and practices herein condemned. We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate Executive estimates within revenues raised by a system of taxation levied on the principle of ability to pay.

* * * * * * *

We condemn the improper and excessive use of money in political activities.

We condemn paid lobbies of special interests to influence Members of Congress and other public servants by personal contact.

Why does the party not carry out its promise made in good faith to the American people? It was a sensible statement; it would be honorable to carry out the promise to our people.

Mr. Roosevelt also made the following promises to our people, and he has repudiated them:

For 3 long years I have been going up and down this country preaching that Government * * * costs too much. I shall not stop the preaching. (Franklin D. Roosevelt, acceptance speech, July 2, 1932.)

* * * * * * *

I propose to you, my friends, that Government * * * be made solvent and that the example be set by the President of the United States. (Franklin D. Roosevelt, acceptance speech, July 2, 1932.)

Mr. Roosevelt made some noble promises to the American people before he was elected. He has repudiated them. Oh, what a pity he did not do as he said he would do. He has with the rubber-stamp Congress that he dominated, increased our national debt in a period of a little over 6 years and 1 month over $20,000,000,000 until our national debt on April 7 amounted to over $40,066,000,000. Since July 1 of last year we have gone in the red $2,547,351,685.37. That means over $9,000,000 a day. That means over $379,000 an hour. That means over $6,400 a minute. A horrible situation for future generations to face—children yet unborn—they will be burdened by the debt of this New Deal administration all their lives. It shows the fallacy of the New Deal laws, the New Deal propaganda. Let Mr. Roosevelt put this promise of his made in 1932 into effect. He has the power. Why does he not do it?

The people of America demand a reduction of Federal expenditure. It can be accomplished not only by reducing the expenditures of existing departments but it can be done by abolishing many useless commissions, bureaus, and functions; and it can be done by consolidating many activities of the Government. (Franklin D. Roosevelt, Brooklyn, November 4, 1932.)

Oh, Mr. President, you promised America security. You are breaking the backs of those who worked and want to work, and making a haven for loafers and spineless people. Real Americans want jobs to earn a livelihood, not a dole. You have 12,000,000 unemployed and if you do not get new and sensible advisers and follow the principle of Thomas Jefferson you will wreck this Nation. Will you do it, Mr. President? We want it so bad; we need it.

Now to the Congress. Men, use your heads; change some of the laws you have enacted; stop the Government from trying to do everything; get the Government out of business; give the American people a chance before it is too late. We need opportunity, we need more freedom, we need less Government regulation. Give the people a chance and they will create jobs and the mills will give people employment; the farmers will plant more, creating jobs; the worker will have a job, a happy home; the full dinner pail will again be the password.

America will not be at war when the President takes his next fishing vacation and all will be happy.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CELLER, indefinitely, on account of illness.

To Mr. EVANS (at the request of Mr. HART), for 1 week, on account of illness.

To Mr. HEALEY, indefinitely, on account of illness in his family.

HOUR OF MEETING TOMORROW

Mr. RAYBURN. Mr. Speaker, after consultation with the minority and majority members of the Committee on Banking and Currency, and also the gentleman from Massachusetts [Mr. MARTIN], I ask unanimous consent that when the House adjourn today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3790. An act relating to the taxation of the compensation of public officers and employees.

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 754. An act for the relief J. G. Mayfield;

S. 1253. An act for the relief of John B. Dow; and

S. 2021. An act to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes.

JOINT RESOLUTION AND BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution and a bill of the House of the following titles:

H. J. Res. 225. Joint resolution amending the joint resolution entitled "Joint resolution providing for the construction and maintenance of a National Gallery of Art," approved March 24, 1937; and

H. R. 3790. An act relating to the taxation of the compensation of public officers and employees.

ADJOURNMENT

Mr. STEAGALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 55 minutes p. m.) the House adjourned to meet tomorrow, Wednesday, April 12, 1939, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON THE JUDICIARY

There will be a public hearing before Subcommittee No. 3 of the Committee on the Judiciary at 10 a. m., Wednesday, April 12, 1939, on the bill (H. R. 5138) to make unlawful attempts to overthrow the Government of the United States, to require licensing of civilian military organizations, to make unlawful attempts to interfere with the discipline of the Army and Navy, to require registration and fingerprinting of aliens, to enlarge the jurisdiction of the United States Circuit Court of Appeals in certain cases, and for other purposes. The hearing will be held in the Judiciary Committee room, 346 House Office Building.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds at 10:30 a. m. on Thursday, April 13, 1939, for the consideration of House Joint Resolution 171.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

Thursday, April 13, 1939:

H. R. 4220, load-line bill for seagoing vessels (BLAND).

On Wednesday, April 19, 1939, at 10 a. m., the Committee on Merchant Marine and Fisheries will resume hearings on the bill (H. R. 5130) to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes.

On Tuesday, April 25, 1939, at 10 a. m., the committee will hold public hearings on the following bills: H. R. 2383, H. R. 2543, H. R. 2558, to increase further the efficiency of the Coast Guard by authorizing the retirement, under certain conditions, of enlisted personnel thereof with 20 or more years of service.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Through Routes Subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, April 18, 1939. Business to be considered: Hearing on H. R. 3400, through-routes bill.

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs, Wednesday, April 12, 1939, at 10 a. m., in the committee rooms, Capitol, to begin hearings on the following bills and resolutions pertaining to neutrality: House Resolution 100, to prohibit the transfer, loan, or sale of arms or munitions (by Mrs. ROGERS of Massachusetts); House Joint Resolution 3, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. LUDLOW); House Joint Resolution 7, to implement the Kellogg-Briand Pact for World Peace (by Mr. GUYER of Kansas); House Joint Resolution 16, to prohibit the exportation of arms, ammunition, or implements or materials of war to any foreign country when the President finds a state of war to exist between or among two or more foreign states or between or among two or more opposing forces in the same foreign state (by Mr. KNUTSON); House Joint Resolution 42, providing for an embargo on scrap iron and pig iron under Public Resolution No. 27 of the Seventy-fifth Congress (by Mr. CRAWFORD); House Joint Resolution 44, to repeal the Neutrality Act (by Mr. FADDIS); House Joint Resolution 113, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. FISH); House Joint Resolution 226, to amend the Neutrality Act (by Mr. GEYER of California); House Joint Resolution 254, to keep the United State out of foreign wars, and to provide for the neutrality of the United States in the event of foreign wars (by Mr. FISH); House bill 79, to keep America out of war by repealing the so-called Neutrality Act of 1937 and by establishing and enforcing a policy of actual neutrality (by Mr. MAAS); House bill 163, to establish the neutrality of the United States (by Mr. LUDLOW); House bill 4232, to limit the traffic in war munitions to promote peace, and for other purposes (by Mr. VOORHIS of California); House bill 5223, Peace Act of 1939 (by Mr. HENNINGS); House bill 5432, to prohibit the export of arms, ammunition, and implements and materials of war to Japan, to prohibit the transportation of arms, ammunition, implements, and materials of war by vessels of the United States for the use of Japan, to restrict travel by American citizens on Japanese ships, and otherwise to prevent private persons and corporations subject to the jurisdiction of the United States from rendering aid or support to the Japanese invasion of China (by Mr. COFFEE of Washington); House bill 5575, Peace Act of 1939 (by Mr. HENNINGS).

Hearings will continue from Wednesday, April 12 to April 26, beginning at 10 a. m. each day with the exception of Saturdays and Sundays.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

613. A communication from the President of the United States, transmitting a supplemental estimate of appropriation in the amount of $32,500,000, for the War Department, for educational orders, production of munitions (H. Doc. No. 249); to the Committee on Appropriations and ordered to be printed.

614. A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to modify sections 68 and 87, title 25, United States Code, so as to permit employees of the Government to purchase arts, crafts, and other products controlled by Indians; to the Committee on Indian Affairs.

615. A letter from the Secretary of the Interior, transmitting the draft of a proposed bill for the relief of Guy F. Allen; to the Committee on Claims.

616. A letter from the Acting Secretary of War, transmitting the draft of a proposed bill to authorize an appropriation to meet such expenses as the President may deem necessary to enable the United States to cooperate with the Republic of Panama in completing a highway; to the Committee on Military Affairs.

617. A letter from the Acting Secretary of the Interior, transmitting the draft of a proposed bill to correct the list of approved Pine Ridge allotment claims; to the Committee on Indian Affairs.

618. A letter from the Acting Secretary of the Interior, transmitting the draft of a proposed bill to reserve certain public-domain lands in California and Nevada for the use and benefit of the Indians of the Fort Mojave Reservation; to the Committee on Indian Affairs.

619. A letter from the Acting Secretary of the Treasury, transmitting the draft of a proposed bill to increase further the efficiency of the Coast Guard, etc.; to the Committee on Merchant Marine and Fisheries.

620. A letter from the Secretary of the Interior, transmitting the draft of proposed legislation to approve the action of the Secretary of the Interior deferring the collection of certain irrigation construction charges against lands under the San Carlos and Flathead Indian irrigation projects; to the Committee on Indian Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SABATH: Committee on Rules. House Resolution 159. Resolution providing for the consideration of Senate Joint Resolution 90. Joint resolution to amend the joint resolution approved June 16, 1938, entitled "Joint resolution to create a Temporary National Economic Committee"; without amendment (Rept. No. 396). Referred to the House Calendar.

Mr. HOBBS: Committee on the Judiciary. H. R. 5643. A bill to invest the circuit courts of appeals of the United States with original and exclusive jurisdiction to review the order of detention of any alien ordered deported from the United States whose deportation or departure from the United States otherwise is not effectuated within 90 days after the date the warrant of deportation shall have become final; to authorize such detention orders in certain cases; to provide places for such detention; and for other purposes; without amendment (Rept. No. 397.) Referred to the Committee of the Whole House on the state of the Union.

Mr. DELANEY: Committee on Rules. House Resolution 135. Resolution providing for the consideration of S. 828; without amendment (Rept. No. 399). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 136. Resolution providing for the consideration of S. 829; without amendment (Rept. No. 400). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 137. Resolution providing for the consideration of H. R.

2878; without amendment (Rept. No. 401). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. POAGE: Committee on War Claims. H. R. 1881. A bill for the relief of Anne Boice; without amendment (Rept. No. 398). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 2117) granting a pension to Martha Pace; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2485) granting a pension to Arminta B. Chestnut; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FLANNAGAN:

H. R. 5671. A bill to provide for the punishment of persons transporting stolen animals in interstate commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. MAY:

H. R. 5672 (by request). A bill to amend section 4a of the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended; to the Committee on Military Affairs.

By Mr. BATES of Kentucky:

H. R. 5673. A bill to clarify title of resident physicians at Gallinger Municipal Hospital; to the Committee on the District of Columbia.

By Mr. ENGLEBRIGHT:

H. R. 5674. A bill to authorize the rehabilitation of the Indians of the Auburn Rancheria, and affiliated Indians, California; to the Committee on Indian Affairs.

By Mr. GREEN:

H. R. 5675. A bill to amend the World War Veterans' Act, 1924, as amended, by providing allowances for widows and children and dependent parents of veterans of the World War; to the Committee on World War Veterans' Legislation.

H. R. 5676. A bill to make temporary disability ratings of World War veterans permanent after 1 year; to the Committee on World War Veterans' Legislation.

By Mr. MALONEY:

H. R. 5677. A bill to provide a right-of-way; to the Committee on Military Affairs.

H. R. 5678. A bill to provide a right-of-way; to the Committee on Military Affairs.

By Mr. RANDOLPH:

H. R. 5679. A bill to amend the Code of Law of the District of Columbia in respect to fees of the United States marshal; to the Committee on the District of Columbia.

H. R. 5680. A bill to amend section 1 of the act entitled "An act to authorize the Philadelphia, Baltimore & Washington Railroad Co. to extend its present track connection with the United States Navy Yard so as to provide adequate railroad facilities in connection with the development of Buzzards Point as an industrial area in the District of Columbia, and for other purposes," approved June 18, 1932 (Public, No. 187, 72d Cong.); to the Committee on the District of Columbia.

By Mr. CALDWELL:

H. R. 5681. A bill to authorize the Federal Surplus Commodities Corporation to purchase and distribute surplus products of the fishing industry; to the Committee on Merchant Marine and Fisheries.

By Mr. GREEN:

H. R. 5682. A bill to further limit the application of certain health inspection requirements of section 2 of the act of February 15, 1893, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. GWYNNE:

H. R. 5683. A bill to authorize the establishment of certain bank offices in communities which have no banking facilities; to the Committee on Banking and Currency.

By Mr. PIERCE of Oregon:

H. R. 5684. A bill amending the act of Congress of June 25, 1938 (C. 710, 52 Stat. 1207), authorizing the Secretary of the Interior to pay salaries and expenses of the chairman, secretary, and interpreter of the Klamath General Council, members of the Klamath business committee and other committees appointed by said Klamath General Council, and official delegates of the Klamath Tribe; to the Committee on Indian Affairs.

By Mr. RANDOLPH:

H. R. 5685. A bill to amend the act of Congress entitled "An act to define, regulate, and license real-estate brokers, business-chance brokers, and real-estate salesmen; to create a real-estate commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes," approved August 25, 1937; to the Committee on the District of Columbia.

H. R. 5686. A bill to promote the general welfare through the appropriation of funds to assist the States and Territories in establishing and developing programs in adult civic education providing for (a) removal of illiteracy, (b) naturalization education, and (c) public affairs forums, during a 3-year yeriod; to the Committee on Education.

By Mr. JOHNSON of Oklahoma:

H. R. 5687. A bill to provide funds for cooperating with the school board of district No. 102, Blaine County, Okla., in the construction of a public-school building to be available to Indian children; to the Committee on Indian Affairs.

By Mr. SMITH of Virginia:

H. R. 5688. A bill to provide for the operation of the recreational facilities within the Chopawamsic recreational demonstration project, near Dumfries, Va., by the Secretary of the Interior through the National Park Service, and for other purposes; to the Committee on the Public Lands.

By Mr. WELCH:

H. R. 5689. A bill to provide for the registry of pursers and surgeons as staff officers on vessels of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DEMPSEY:

H. R. 5690. A bill authorizing Federal participation in the commemoration and observance of the four hundredth anniversary of the explorations of Francisco Vasquez De Coronado; establishing a commission for that purpose; and authorizing an appropriation therefor; to the Committee on Foreign Affairs.

By Mr. SUTPHIN:

H. R. 5691. A bill to designate injuries and diseases compensable by the United States Employees' Compensation Commission, by amendment of the Federal Emergency Relief Act of 1933; to the Committee on the Judiciary.

By Mr. WOODRUFF of Michigan:

H. R. 5692. A bill for the relief of the State of Michigan; to the Committee on the Judiciary.

By Mr. WOOD:

H. J. Res. 263. Joint resolution authorizing the Bureau of Labor Statistics to make studies of productivity and labor costs in industry; to the Committee on Labor.

By Mr. BULWINKLE:

H. Res. 160. Resolution relating to the holding of memorial services; to the Committee on Memorials.

By Mr. DEMPSEY:

H. Res. 161. Resolution amending rule XXXV of the Rules of the House of Representatives relating to the press gallery; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to consider their Senate Joint Resolution No. 13, with reference to an international conference to avert wars; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARNES:

H. R. 5693. A bill granting an increase of pension to Louisa Bowman; to the Committee on Invalid Pensions.

H. R. 5694. A bill granting a pension to Clemence H. Wallkoff; to the Committee on Invalid Pensions.

H. R. 5695. A bill granting an increase of pension to Ada A. Peak; to the Committee on Pensions.

By Mr. BREWSTER:

H. R. 5696. A bill granting a pension to Geneva P. Lindsey; to the Committee on Invalid Pensions.

By Mr. BRYSON:

H. R. 5697. A bill for the relief of Charlie Cheek; to the Committee on Claims.

By Mr. BULWINKLE:

H. R. 5698. A bill for the relief of H. H. Rhyne, Jr.; to the Committee on Claims.

H. R. 5699. A bill granting an increase of pension to Henry G. Jones; to the Committee on Pensions.

By Mr. CHAPMAN:

H. R. 5700. A bill for the relief of Jesse Lee Griggs; to the Committee on Naval Affairs.

By Mr. CLUETT:

H. R. 5701. A bill granting a pension to Ella B. Atwater; to the Committee on Invalid Pensions.

By Mr. CROWE:

H. R. 5702. A bill granting a pension to Isaac A. Chandler; to the Committee on Pensions.

By Mr. DARDEN:

H. R. 5703. A bill for the relief of Joseph Marshall Harrell; to the Committee on Military Affairs.

By Mr. DEMPSEY:

H. R. 5704. A bill to amend Private Law No. 310, Seventy-fifth Congress, first session, an act for the relief of D. E. Sweinhart; to the Committee on Claims.

By Mr. EATON of California:

H. R. 5705. A bill granting a pension to Margaret Teed; to the Committee on Invalid Pensions.

By Mr. FLANNAGAN:

H. R. 5706. A bill conferring jurisdiction upon the Court of Claims or any district court of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representative of the estate of Robert Lee Wright; to the Committee on Claims.

By Mr. HARE:

H. R. 5707. A bill granting an increase of pension to John W. Hudson; to the Committee on Pensions.

H. R. 5708. A bill for the relief of J. C. Cleveland; to the Committee on Military Affairs.

By Mr. JOHNSON of Indiana:

H. R. 5709. A bill granting an increase of pension to Mary St. Clair; to the Committee on Invalid Pensions.

H. R. 5710. A bill granting an increase of pension to Elizabeth A. Jordan; to the Committee on Invalid Pensions.

H. R. 5711. A bill to carry out the findings of the Court of Claims in the case of Frank T. Foster; to the Committee on Claims.

By Mr. JOHNSON of Oklahoma:

H. R. 5712. A bill granting a pension to Arellie E. Ferguson; to the Committee on Invalid Pensions.

H. R. 5713. A bill for the relief of Charles Shull; to the Committee on Claims.

By Mr. LeCOMPTE:

H. R. 5714. A bill granting an increase of pension to Harriet Reynolds; to the Committee on Invalid Pensions.

H. R. 5715. A bill granting an increase of pension to Mariam Story; to the Committee on Invalid Pensions.

By Mr. O'BRIEN:

H. R. 5716. A bill to authorize the cancelation of deportation proceedings in the case of Antonios Apostolis Malles; to the Committee on Immigration and Naturalization.

By Mr. RANDOLPH:

H. R. 5717. A bill for the relief of the Preston County Hunting Club; to the Committee on Claims.

H. R. 5718. A bill for the relief of the Philippi Improvement Co.; to the Committee on Claims.

By Mr. REED of Illinois:

H. R. 5719. A bill conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Joliet National Bank, of Joliet, Ill., and Commercial Trust & Saving Bank of Joliet, Ill., arising out of loans to the Joliet Forge Co., of Joliet, Ill., for the providing of additional plant facilities and material for the construction of steel forgings during the World War; to the Committee on War Claims.

H. R. 5720. A bill for the relief of Capt. Roger H. Young; to the Committee on War Claims.

By Mrs. ROGERS of Massachusetts:

H. R. 5721. A bill for the relief of Leo Joseph Berry; to the Committee on World War Veterans' Legislation.

By Mr. ROMJUE:

H. R. 5722. A bill for the relief of Evelyn Gurley-Kane; to to the Committee on War Claims.

By Mr. SUTPHIN:

H. R. 5723. A bill for the relief of Isadore J. Friedman; to the Committee on Claims.

By Mr. THOMAS of New Jersey:

H. R. 5724. A bill granting a pension to Mary Thompson; to the Committee on Invalid Pensions.

By Mr. WINTER:

H. R. 5725. A bill granting an increase of pension to Rosa B. Sutherlin; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2420. By Mr. ALEXANDER: Petition of the State Legislature of the State of Minnesota, proposing a revision of the Social Security Act; to the Committee on Ways and Means.

2421. By Mr. ANDERSON of California: Resolution opposing building construction under the Works Progress Administration program, adopted by Painters Local Union No. 1146, of Redwood City, Calif., signed by Frank M. Shearer, president, and W. B. McFarland, secretary; to the Committee on Appropriations.

2422. Also, resolution of the San Mateo Painters Local Union 913, signed by Frank A. Fay, secretary, San Mateo Painters Local Union 913, and F. S. Pease, president, protesting against the encroachment of the Works Progress Administration upon the building and construction trades industry; also urging support of House bill 4576, introduced by Congressman STARNES of Alabama, and Senate bill 591, introduced by Senator WAGNER, of New York; to the Committee on Labor.

2423. Also, resolution, signed by E. H. Henderson, president, and Frank A. Fay, secretary, Building and Construction Trades Council of San Mateo County, Calif., protesting against the encroachment of the Works Progress Administration upon the building and construction trades industry, and urging support of House bill 4576, by Congressman STARNES of Alabama, and Senate bill 591, by Senator WAGNER, of New York; to the Committee on Appropriations.

2424. Also, Assembly Joint Resolution No. 2, signed by J. C. Greenburg, clerk of the assembly, and J. A. Beek, secretary of the senate, relative to defense of the California coast; to the Committee on Appropriations.

2425. Also, Assembly Joint Resolution No. 4, signed by Jack Carl Greenburg, chief clerk of the assembly, and J. A. Beek, secretary of the senate; relative to Pacific coast shipyards; to the Committee on Appropriations.

2426. Also, Assembly Joint Resolution No. 30, signed by J. C. Greenburg, clerk of the assembly, and J. A. Beek, secretary of the senate, relative to memorializing the President and Congress to take favorable action on House bill 4102, introduced at the Seventy-sixth Congress, first session, to provide for the coinage of fractional minor coins; to the Committee on Coinage, Weights, and Measures.

2427. By Mr. ANDREWS: Resolution adopted by Buffalo Typographical Union, No. 9, protesting against amendment of the Wagner Labor Act; to the Committee on Labor.

2428. Also, communication received from B'nai B'rith Lodge, of Niagara Falls, N. Y., urging passage of legislation permitting admission of refugee children from Germany; to the Committee on Immigration and Naturalization.

2429. By Mr. ASHBROOK: Petition of Mrs. James E. Atha and 75 others, of Newark, Ohio, urging favorable consideration of House bill 11; to the Committee on Ways and Means.

2430. By Mr. CONNERY: Petition of the City Council of Revere, Mass., opposing the Federal tax on municipal bonds; to the Committee on Ways and Means.

2431. Also, petition of the General Court of Massachusetts, urging Congress to consider and discuss the provisions of the Townsend national recovery plan, so-called, and the provisions of bills of similar import; to the Committee on Ways and Means.

2432. By Mr. CORBETT: Petition of Joseph P. Plascjak and 446 members of Chartiers Lodge, No. 12, American Federation of Railroad Workers, protesting against the proposed Ohio River to Lake Erie Canal; to the Committee on Rivers and Harbors.

2433. By Mr. CURLEY: Letter of Local Union 366, United Brotherhood of Carpenters and Joiners of America, Bronx, New York City, endorsing House bill 4576 and Senate bill 591; to the Committee on Appropriations.

2434. By Mr. EATON of California: Petition of the Rotary Club of Long Beach, Calif., signed by 90 members, opposing the adoption by the United States Congress of Senate Joint Resolution 24; to the Committee on the Judiciary.

2435. Also, resolution adopted by the American Association of Engineers, Long Beach Chapter, of Long Beach, Calif., and signed by James R. Bole as president and J. E. Solem as secretary, urging that all possible means be taken to defeat the Nye resolution and the Hobbs bill; to the Committee on the Judiciary.

2436. Also, resolution adopted by the Taxpayers Council, of Long Beach, Calif., and signed by E. Curtis Clark, as president, and T. M. Brown, as secretary, urging the defeat of the Nye and Hobbs resolutions or any other similar bills that may be submitted to Congress; to the Committee on the Judiciary.

2437. Also, communication addressed to the city of Long Beach's official committee to defeat the Nye resolution and Hobbs bill, by the East Long Beach Cirgonian Club, signed by Val R. Moore, secretary, advising that the said club had adopted a resolution opposing the Nye resolution; to the Committee on the Judiciary.

2438. Also, resolution adopted by board of directors of Associated Property Owners of Long Beach, Long Beach, Calif., protesting against the passage of the Nye resolution or any similar measures concerning submerged lands; to the Committee on the Judiciary.

2439. By Mr. ENGLEBRIGHT: Joint Resolutions Nos. 2, 4, and 30, of the California State Assembly; to the Committee on Ways and Means.

2440. By Mr. MARTIN J. KENNEDY: Petition of the Schwab Bros. Corporation, New York City, urging support of the amendment to House bill 3951; to the Committee on Interstate and Foreign Commerce.

2441. Also, petition of Harmon Lodge, No. 753, International Association of Machinists, Ossining, N. Y., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2442. Also, petition of Knapp Engraving Co., Inc., New York City, concerning the Social Security Act; to the Committee on Ways and Means.

2443. Also, petition of the American Train Dispatchers Association, St. Albans, Vt., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2444. Also, petition of the New Deal Lodge, No. 380, Brotherhood Railway Carmen of America, Buffalo, N. Y., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2445. Also, petition of Carquinez Lodge, No. 1492, International Association of Machinists, Vallejo, Calif., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2446. Also, petition of Local Unions Nos. 604–678, Clarks Summit, Pa., International Brotherhood of Electrical Workers, urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2447. Also, petition of Denver Lodge, No. 47, International Association of Machinists, Denver, Colo., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2448. Also, petition of Arsenal Lodge, No. 81, International Association of Machinists, Rock Island, Ill., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2449. By Mr. KEOGH: Petition of the Chamber of Commerce of the State of New York, concerning Senate bill 1526; to the Committee on Interstate and Foreign Commerce.

2450. Also, petition of the Central Civic Association of Hollis, Inc., Hollis, N. Y., favoring certain amendments to the Home Owners' Loan Corporation Act; to the Committee on Banking and Currency.

2451. Also, petition of Fred H. Sexauer, president, Dairymen's League Cooperative Association, Inc., New York City, concerning House bill 2179; to the Committee on Agriculture.

2452. Also, petition of Stulman Box & Lumber Co., Inc., Brooklyn, N. Y., concerning House bill 4036 and Senate bill 1364; to the Committee on Agriculture.

2453. By Mr. PFEIFER: Telegram from Fred H. Sexauer, president, Dairymen's League Cooperative Association, Inc., New York City, urging support of House bill 2179; to the Committee on Agriculture.

2454. By Mr. KEOGH: Petition of Lillian M. Henkel, secretary, Central Civic Association of Hollis, Inc., Hollis, N. Y., favoring House bill 5136 with an amendment; to the Committee on the Library.

2455. By Mrs. NORTON: Petition of Frank Hoffman, secretary of the Maritime Council of Puerto Rico, urging the extension of the Social Security Act to Puerto Rico; to the Committee on Ways and Means.

2456. By Mr. PFEIFER: Petition of the Chamber of Commerce of the State of New York, New York City, urging favorable consideration of the Barbour bill (S. 1626); to the Committee on Interstate and Foreign Commerce.

2457. Also, petition of the Stulman Box & Lumber Co., Inc., Brooklyn, N. Y., opposing the passage of House bill 4036 and Senate bill 1364; to the Committee on Agriculture.

2458. Also, petition of the National Retail Lumber Dealers Association, Washington, D. C., urging support of the Banking and Currency Committee's recommendations to amend the National Housing Act (H. R. 5324); to the Committee on Banking and Currency.

2459. By Mr. SHAFER of Michigan: Resolution of the Detroit Federation of Post Office Clerks, favoring enactment of Wagner-Gavagan-Van Nuys antilynching bill; to the Committee on the Judiciary.

2460. Also, resolution of United Federal Workers of America, Local No. 88, Veterans' Hospital, Wood, Wis., asking correction of unsatisfactory working conditions at said facility; to the Committee on World War Veterans' Legislation.

2461. By Mr. SCHIFFLER: Petition of Hon. Robert L. Bruce, mayor, city of New Martinsville, W. Va., opposing the construction of Lake Erie to Ohio River Canal; to the Committee on Appropriations.

2462. By Mr. THOMAS of New Jersey: Joint resolution of the New Jersey State Legislature, approved March 28, 1939, memorializing the Congress of the United States to refuse enactment of legislation which would becloud the sovereign rights of the State of New Jersey in its submerged lands; to the Committee on the Public Lands.

2463. By the SPEAKER: Petition of Alida A. Patts, of San Francisco, Calif., petitioning consideration of their resolution with reference to Works Progress Administration deficiency appropriation; to the Committee on Appropriations.

2464. Also, petition of Omega Psi Phi Fraternity, by William P. Robinson, petitioning consideration of their resolution with reference to military affairs and House bills 3317 and 3318; to the Committee on Military Affairs.

SENATE

WEDNESDAY, APRIL 12, 1939

The Senate met at 2 o'clock and 15 minutes p. m.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O God, forasmuch as without Thee we are not able to please Thee, mercifully grant that Thy holy spirit may now guide and direct our thoughts; and may the words of our mouths and the meditation of our hearts in this sacred, holy service be acceptable unto Thee, O Lord, our strength and our redeemer. Amen.

FUNERAL OF SENATOR LEWIS

The casket containing the body of the deceased Senator had been previously brought into the Senate Chamber and placed in the area in front of the desk, surrounded by many floral tributes.

The committee appointed by the Vice President, on the part of the Senate, to take order for superintending the funeral of the deceased Senator, consisting of Senators LUCAS, BARKLEY, MCNARY, BORAH, ASHURST, PITTMAN, KING, CAPPER, GEORGE, WAGNER, VANDENBERG, BAILEY, AUSTIN, CLARK of Missouri, GERRY, and MINTON were seated to the right of the Vice President.

The committee appointed by the Speaker of the House to attend the funeral of the deceased Senator, consisting of Messrs. SABATH, MCANDREWS, PARSONS, BEAM, KELLER, KELLY, SCHUETZ, ALLEN of Illinois, DIRKSEN, KOCIALKOWSKI, SCHAEFER of Illinois, ARENDS, CHURCH, MCKEOUGH, MITCHELL, REED of Illinois, ARNOLD, FRIES, MASON, BARNES, CHIPERFIELD, JOHNSON of Illinois, MACIEJEWSKI, MARTIN of Illinois, SMITH of Illinois, WHEAT, and Miss SUMNER of Illinois, entered the Chamber and were seated to the left of the Vice President.

The VICE PRESIDENT. The invited guests of the Senate will be escorted to the places assigned them.

The Members of the House of Representatives, preceded by the Sergeant at Arms and the Clerk and by the Speaker, entered the Senate Chamber. The Speaker was escorted to a seat on the left of the Vice President, and Members of the House were given the seats provided for them.

The members of the Diplomatic Corps entered the Chamber and were seated to the left of the Vice President's desk.

Members of the Supreme Court of the United States, accompanied by the Marshal and the deputy clerk, entered the Chamber and were seated in the area to the left of the Vice President's desk.

The Chief of Staff of the Army, the Chief of Naval Operations, the Major General Commandant of the Marine Corps, and the Commandant of the Coast Guard entered the Chamber and were seated in the area to the left of the Vice President's desk.

Mrs. Lewis and relatives and friends of the deceased Senator entered the Chamber and were seated in the area below and to the left of the Vice President's desk.

Rev. ZeBarney T. Phillips, D. D., Chaplain of the Senate, and Rev. James Shera Montgomery, D. D., Chaplain of the House of Representatives, took their places at the Secretary's desk.

The President of the United States, accompanied by his military and naval aides, and the members of his Cabinet, preceded by the Sergeant at Arms of the Senate, entered the Chamber and were seated in the area in front and to the right of the Vice President's desk.

Mr. Arthur O'Brien, representative of Hon. Henry Horner, Governor of the State of Illinois, and five Members of the Senate and six Members of the House of Representatives of the General Assembly of the State of Illinois, appointed to attend the funeral of the deceased Senator, were seated in the west reserved gallery.

Miss Helen Howison, of the city of Washington, sang Lead, Kindly Light.

Lead, Kindly Light, amid the encircling gloom,
Lead Thou me on!
The night is dark, and I am far from home—
Lead Thou me on!
Keep Thou my feet; I do not ask to see
The distant scene—one step enough for me.

I was not ever thus, nor prayed that Thou
Shouldst lead me on.
I loved to choose and see my path; but now
Lead Thou me on!
I loved the garish day, and, spite of fears,
Pride ruled my will; remember not past years.

So long Thy power hath blessed me, sure it still
Will lead me on,
O'er moor and fen, o'er crag and torrent, till
The night is gone;
And with the morn those angel faces smile
Which I have loved long since, and lost a while.

The Chaplain of the Senate recited from the Episcopal burial office as follows:

I am the resurrection and the life, saith the Lord. He that believeth in Me, though he were dead, yet shall he live; and whosoever liveth and believeth in Me shall never die.

* * * * * * *

I know that my Redeemer liveth, and that He shall stand at the latter day upon the earth, and though this body be destroyed, yet shall I see God, whom I shall see for myself, and mine eyes shall behold, and not another.

* * * * * * *

We brought nothing into this world, and it is certain we can carry nothing out. The Lord gave and the Lord hath taken away; blessed be the name of the Lord.

* * * * * * *

Lord, let me know mine end and the number of my days, that I may be certified how long I have to live.

Behold, Thou hast made my days as it were a span long, and mine age is even as nothing in respect of Thee; and verily every man living is altogether vanity.

For man walketh in a vain shadow and disquieteth himself in vain; he heapeth up riches and cannot tell who shall gather them.

And now, Lord, what is my hope? Truly my hope is even in Thee.

Deliver me from all mine offences, and make me not a rebuke unto the foolish.

When Thou with rebukes dost chasten man for sin, Thou makest his beauty to consume away, like as it were a moth fretting a garment; every man therefore is but vanity.

Hear my prayer, O Lord, and with Thine ears consider my calling; hold not Thy peace at my tears; for I am a stranger with Thee and a sojourner, as all my fathers were.

Oh, spare me a little, that I may recover my strength before I go hence and be no more seen.

Lord, Thou hast been our refuge: from one generation to another.

Before the mountains were brought forth, or ever the earth and the world were made: Thou art God from everlasting, and world without end.

Thou turnest man to destruction: again Thou sayest, Come again, ye children of men.

For a thousand years in Thy sight are but as yesterday: seeing that is past as a watch in the night.

As soon as Thou scatterest them, they are even as a sleep: and fade away suddenly like the grass.

In the morning it is green, and groweth up: but in the evening it is cut down, dried up, and withered.

For we consume away in Thy displeasure: and are afraid at Thy wrathful indignation.

Thou hast set our misdeeds before Thee: and our secret sins in the light of Thy countenance.

For when Thou art angry all our days are gone: we bring our years to an end, as it were a tale that is told.

The days of our age are three score years and ten; and though men be so strong, that they come to four score years; yet is their strength then but labour and sorrow; so soon passeth it away, and we are gone.

O teach us to number our days: that we may apply our hearts unto wisdom.

Glory be to the Father, and to the Son, and to the Holy Ghost. As it was in the beginning, is now, and ever shall be, world without end. Amen.

(St. John 14: 1)

Jesus said,

Let not your heart be troubled; ye believe in God, believe also in Me. In My Father's house are many mansions; if it were not so, I would have told you. I go to prepare a place for you. And if I go and prepare a place for you, I will come again, and receive you unto myself; that where I am, there ye may be also. And whither I go ye know, and the way ye know. Thomas saith unto Him, Lord, we know not whither Thou goest; and how can we know the way? Jesus saith unto him, I am the way, the truth, and the life; no man cometh unto the Father but by Me.

(Romans 8: 14)

As many as are led by the Spirit of God, they are the sons of God. For ye have not received the spirit of bondage again to fear; but ye have received the Spirit of adoption, whereby we cry, Abba, Father. The Spirit himself beareth witness with our spirit, that we are the children of God; and if children, then heirs; heirs of God, and joint heirs with Christ; if so be that we suffer with Him, that we may be also glorified together. For I reckon that the sufferings of this present time are not worthy to be compared with the glory which shall be revealed in us. For the earnest expectation of the creature waiteth for the manifestation of the sons of God. We know that all things work together for good to them that love God, to them who are the called according to His purpose. What shall we then say to these things? If God be for us, who can be against us? He that spared not His own Son, but delivered Him up for us all, how shall He not with Him also freely give us all things? Who is he that condemneth? It is Christ that died, yea rather, that is risen again, who is even at the right hand of God, who also maketh intercession for us. Who shall separate us from the love of Christ? Shall tribulation, or distress, or persecution, or famine, or nakedness, or peril, or sword? Nay, in all these things we are more than conquerors through Him that loved us. For I am persuaded, that neither death, nor life, nor angels, nor principalities, nor powers, nor things present, nor things to come, nor height, nor depth, nor any other creature, shall be able to separate us from the love of God, which is in Christ Jesus our Lord.

Here endeth the lesson.

O love that wilt not let me go,
I rest my weary soul in Thee;
I give Thee back the life I owe,
That in Thine ocean depths its flow
May richer, fuller be.

O Light that followest all my way,
I yield my flickering torch to Thee;
My heart restores its borrowed ray,
That in Thy sunshine's blaze its day
May brighter, fairer be.

O Joy that seekest me through pain,
I cannot close my heart to Thee;
I trace the rainbow through the rain,
And feel the promise is not vain
That morn shall tearless be.

O cross that liftest up my head,
I dare not ask to fly from thee,
I lay in dust life's glory dead,
And from the ground there blossoms red
Life that shall endless be.

One sweetly solemn thought
Comes to me o'er and o'er;
I am nearer home today
Than I've ever been before.

Nearer my Father's house,
Where the many mansions be;
Nearer the great white throne,
Nearer the crystal sea.

Nearer the bound of life,
Where we lay our burdens down;
Nearer leaving the cross!
Nearer gaining the crown!

But lying darkly between,
Winding adown through the night,
Is the silent, unknown stream,
That leads at last to the light.

Father, be near when my feet
Are slipping o'er the brink
For it may be I am nearer home—
Nearer now than I think.

Amen.

Let us pray.

O merciful God and Heavenly Father, who hast taught us in Thy holy words that Thou dost not willingly afflict or grieve the children of men, look with Thy loving, tender pity upon the sorrows of these dear ones, and especially of her for whom our prayers are offered unto Thy tender, loving mercy. O may she ever know that, though she pass through the waters, Thou wilt be with her; and through the rivers, they shall not overflow her; though she walk through the fire, she shall not be burned; neither shall the flames kindle upon her. For Thou art the Lord her God, the holy one of Israel, her Saviour.

Deal tenderly with her, gracious Father; have her in Thy holy keeping; and may she go from strength to strength under the benediction of that peace which the world can neither give nor take away, that peace which passeth understanding. Through Jesus Christ our Lord. Amen.

O Lord, Jesus Christ, who by Thy death didst take away the sting of death, grant unto us Thy servants so to follow in faith where Thou hast led the way that we may at length fall asleep peacefully in Thee and awake after Thy likeness through Thy mercy, who liveth with the Father and the Holy Spirit, one God, world without end. Amen.

O Almighty God, who hast knit together Thine elect in one communion and fellowship, in the mystical body of Thy Son, Christ our Lord, grant us grace so to follow Thy blessed saints in all virtuous and godly living, that we may come to those unspeakable joys which Thou hast prepared for those who unfeignedly love Thee. Through Jesus Christ our Lord. Amen.

Almighty God, with whom do live the spirits of those who depart hence in the Lord, and with whom the souls of the faithful, after they are delivered from the burden of the flesh, are in joy and felicity, we give Thee hearty thanks for the noble and gracious example of our beloved friend, Thy servant, who hath but yesterday fallen on sleep. Grant that we, with all those who are departed in the true faith of Thy holy name, may have our perfect consummation and bliss in Thy eternal and everlasting glory. Through Jesus Christ our Lord. Amen.

O God, the God of the spirits of all flesh, in whose embrace all creatures live in whatsoever world or condition they be,

we beseech Thee for him, Thy blessed child, whose name and dwelling place and every need Thou only knowest. Lord, vouchsafe him light and rest, peace and refreshment, joy and consolation in paradise, in the companionship of saints and loved ones, in the presence of Christ, in the ample folds of Thy great love. Grant that his life, so wonderful here, so full of love and tenderness, may yet unfold itself in Thy sight and find sweet employment in the spacious fields of eternity.

If in aught we can minister to his peace, be pleased of Thy love to let this be; and so keep us from every act which may deprive us of the sight of him as soon as our trial time is over or mar the fullness of our joy when the end of the day hath come.

Pardon, O gracious Lord and Father, whatever is amiss in this our prayer, and let Thy will be done, for our will is blind and erring, but Thine is able to do exceedingly abundantly above all that we ask or think; and we only ask in the name and for the sake of Jesus Christ our Lord and Saviour. Amen.

And now, Lord, support us all the day long of this troublous life until the shadows lengthen and the evening comes and the busy world is hushed and the fever of life is over and our work is done. Then in Thy mercy grant us a safe lodging, holy rest, and peace at the last. Through Jesus Christ our Lord. Amen.

Miss Helen Howison sang the following three verses from the hymn Abide With Me:

Abide with me! Fast falls the eventide;
The darkness deepens: Lord, with me abide!
When other helpers fail, and comforts flee,
Help of the helpless, O abide with me!

I need Thy presence every passing hour;
What but Thy grace can foil the tempter's power?
Who, like Thyself, my guide and stay can be?
Through cloud and sunshine, Lord, abide with me!

Hold Thou Thy cross before my closing eyes;
Shine through the gloom, and point me to the skies:
Heaven's morning breaks, and earth's vain shadows flee:
In life and death, O Lord, abide with me!

The Chaplain of the House of Representatives pronounced the benediction, as follows:

And now unto Him who is able to keep you from falling, and present you before His glory with great power: Unto the only wise God our Saviour be glory and majesty, dominion and might.

Now may grace, mercy, and peace from God the Father, God the Son, and God the Holy Ghost abide with you and keep you always. Amen.

At 3 o'clock p. m., the funeral ceremonies having been concluded, Mrs. Lewis and relatives and friends of the deceased Senator, the committee of arrangements of the two Houses, and the invited guests retired from the Chamber.

Following the adjournment of the Senate, the body of the deceased Senator, accompanied by Mrs. Lewis, relatives, and friends, the Chaplain of the Senate, the Sergeant at Arms and Secretary of the Senate, the Sergeant at Arms of the House of Representatives, and the committee on arrangements of the two Houses, was conveyed to Abbey Mausoleum, Arlington, Va.

The VICE PRESIDENT. Under the order previously made by the Senate, and as a further mark of respect to the memory of the deceased Senator from Illinois, the Senate now stands adjourned until 12 o'clock noon tomorrow.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 12, 1939

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, Thou art the life and the light of the world; we beseech Thee to have compassion upon us; forgive our sins of indifference and our barren promises. Set our hearts to seek Thy will and obey Thy commandments, blessing us with great gentleness and with wise understanding. We praise Thee for the assurance of Thy presence: "Emmanuel"—God with us. Oh, may He be enthroned in every walk of life. Bring forth the immovable giants of righteousness and justice, the prophets of the new morning that their advancing light may irradiate this sick world. Lead us, blessed Lord, to the realization that nothing is foreign to God which is essential to man—the cup of water, food for hunger-bitten lips, and clothing for the chilled and worn bodies. Inspire us with the sweep of the Master's horizon that we may lay hold of the life that is life indeed. In the blessed name of our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 246. Joint resolution making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939.

The message also announced that the Senate had passed concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 7. Concurrent resolution authorizing the Joint Committee on the Investigation of the Tennessee Valley Authority to have printed additional copies of the hearings held before said committee; and

S. Con. Res. 9. Concurrent resolution authorizing the printing of additional copies of Senate Document No. 56, current session, entitled "Report of the Joint Committee of Congress Appointed to Investigate the Tennessee Valley Authority."

EUTHANASIA

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, in the morning newspapers it is stated that euthanasia, or mercy killing, has been suggested as a solution of the relief question for our good, aged citizens who are not self-supporting. This suggestion was made yesterday here in Washington City by Maj. Edward L. Dyer, of the United States Army, retired. Major Dyer, according to the records, has been on the Government pay roll practically all of his adult life. Most of these old people, of course, have never been on the Government pay roll. They have worked and paid the taxes which made possible Major Dyer's income. They have really built the country, although they do not now own any of it.

INHUMAN PROPOSAL

I do not share the views of Major Dyer. I consider the suggestion one of the most inhuman, unmerciful, and un-Christian proposals that has ever been advanced in connection with a social or economic problem.

The old people do not receive as much as $25 a month each from the Federal Government either directly or indirectly. Many people who are also on the inactive list receive 10 times that much each. This cruel suggestion does not come with good grace from a man like Major Dyer, who is receiving $243.75 a month retirement pay from the Federal Government. If we are going to look at such matters solely from the standpoint of money and finance, which I am opposed to, and if we are going to save the most money for the most people, we could well consider starting on the retired majors first. [Applause.]

THE SPEAKER'S BIRTHDAY

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, on behalf of the minority membership of the House, and I think also in this instance I could speak for the majority, I extend to you our felicitations on your birthday. We all recognize in you, Mr. Speaker, a man of eminent fairness, one of the highest integrity. You are performing a splendid service in a way

which has won the admiration and respect of the entire House. May I express the sincere wish of every Member of the House the happiest returns of the day. May you live long, be always happy, and gather the fullest measure of prosperity. [Applause.]

The SPEAKER. Mr. Minority Leader and Members of the House of Representatives, I am of course profoundly grateful to my friend the distinguished minority leader of the House for his very kindly and cordial sentiments upon this my natal day. I shall not undertake to elaborate unduly my appreciation of those generous remarks. The position of Speaker of the House, while generally regarded to be one of high responsibility and honor, nevertheless is filled with a number of exacting conflicts which one encounters in the performance of that trust. I am pleased to express my high appreciation to my Democratic and Republican colleagues and those of independent political faith in the House for their uniform kindness and consideration, and particularly for the generous forbearance they have exhibited toward me in the discharge of the exacting duties of this office. My one great desire in undertaking to discharge the functions of this trust has been primarily within my intellectual limitations to uphold the high and honorable traditions of the great men who have been my predecessors in this office, and in addition to that I have made a very earnest effort to be fair, impartial, and just in all of my decisions and recognitions. I feel it would be very unworthy of any Speaker of the House of Representatives to be punitive toward any Member or to be unduly partial to any Member of this great body. I thank my friend from Massachusetts and all Members of the House for this renewed mark of their cordial good wishes. [Applause.]

IMPORTATION OF FOODSTUFFS

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. KUNKEL. Mr. Speaker, I have here a copy of a resolution of the General Assembly of Pennsylvania stating their general opinion in regard to the importation of farm products and the effect of that importation on the farmer. This resolution speaks for itself, and I ask unanimous consent to insert it in the RECORD at this point.

The SPEAKER. Is there objection?

There was no objection.

Resolution 27

The American farmer, upon whose prosperity depends the prosperity of the Nation, is being deprived of his opportunity to earn a living by means of not being able to compete with the cheap imports from other countries.

Crops can be grown and cattle raised abroad at much lower cost than can be done here, where the standard of living to which the American farmer is accustomed demands a larger compensation for labor.

The importation of cheaply grown grains, foodstuffs, cattle, and meat products from abroad has done much to deny to our farmers the prosperity their efforts deserve: Therefore be it

Resolved, That it is the opinion of this House of Representatives of the General Assembly of the Commonwealth of Pennsylvania that action should be taken by the Federal Government to prevent the importation of such grains and foodstuffs, cattle, and meat products, the sale of which in the American markets contributes so largely to the economic plight of the American farmer either by the imposition of a high tariff on such importation or the closing of our ports of entry to such articles; and be it further

Resolved, That a copy of this resolution be immediately transmitted by the chief clerk of this house to the officers of the Congress of the United States and to the Members of the Senate and House of Representatives in that Congress from the Commonwealth of Pennsylvania.

EXTENSION OF REMARKS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert therein an editorial by Hon. Luther B. Johnson, of Randolph, Vt.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks on the subject of compulsory pay deductions and include therein a letter from James B. Yancey, of North Little Rock, Ark.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point and to include therein a very short but intelligent letter on the subject of reciprocal-trade agreements as affecting importations of woolens.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The letter is as follows:

NEW YORK, *April 10, 1939.*

HON. WALTER G. ANDREWS,
House of Representatives, Washington, D. C.

MY DEAR SIR: This is probably the most urgent appeal that I could possibly make to our governmental representatives in Washington. This, in my opinion, involves the entire future welfare of American industry.

You know, of course, a good deal about the reciprocal-trade treaty, but do you know about the great havoc which it is creating in some industries? The woolen and worsted manufacturing business is on the road to ruin. Throughout the past decade our industry has struggled desperately in the attempt of continuing to exist. Our efforts now appear to be futile, for the climax was capped when the Department of State, through the reciprocal-trade treaty, reduced further the duties on imported woolens. To put this to you bluntly, the Secretary of State has sold our industry out. I say this for the following reason:

Please do not think that the Department of State was not informed by our industry as to our status. Please do not think that we didn't lay before the Department every essential fact which showed that our industry needs protection and not reduction in tariffs. Please do not think that we failed to struggle to maintain our existence—we did. We laid every conceivable fact before the Department of State, but were these facts regarded? No. Was our industry given any consideration at all? No. In spite of our pleas the Department of State went right ahead. We were simply sold out.

Duties on some woolens have been reduced as much as 41⅔ percent. Think of it. Think of this in the face of the lower labor costs existing in foreign countries. Do you believe that American woolen manufacturers can compete with manufacturers in Great Britain when British labor costs are three times lower than ours? Do you think that we can compete with labor costs of Italy that are approximately six times lower than ours? Do you believe that we can compete with Japanese manufacturers whose costs run as much as 23 times lower than ours? Do you think anybody could or would believe so?

The answer is obvious. The figures for the first month since the tariff reduction became effective on January 1 show an increased importation of approximately 200 percent in the value of wool goods and approximately 100 percent in the value of worsteds imported. These figures are compared with the same month in the previous year.

Do you believe that putting the American woolen and worsted manufacturers out of business will be of benefit to this Nation? I don't. Thousands of employees in the woolen industry are consumers of every other commodity, and they simply will have no purchasing power if they have no employment.

I need not go further in describing the horrors of this outrageous action of our Department of State. The answer is too obvious, but the point is this: The treaty is effective. It is to run for 3 years. I feel confident that long before the 3-year period terminates there will be no woolen manufacturing industry left in this country.

Can you and will you do something about this? Will you convey to the Department of State your objections? Will you help in some manner to have the Department of State get us out of this horrible dilemma?

In New York State alone there are more than 7,000 employed by woolen mills; that is, manufacturers of cloth, blankets, yarn, and other wool goods. There is a huge amount of capital invested in the woolen industry in New York State. There are approximately 50 manufacturing concerns with plants and factories in New York State. Their investments will be lost, their capital will disappear, and employment for employees will soon become nonexistent.

The only manner in which our industry could survive under the existing regulations would be to lower the wages we pay to conform to the low foreign wages, and this in turn would mean lowering the standard of living of American workers to the level of foreign workers, and surely no one could possibly want such a thing to occur. The only remedy, therefore, is to have the terms of the agreement which affect duties on woolens and worsteds revoked.

This is a serious matter. It is deserving of your closest investigation, and it is deserving of your help. In my opinion, it is your duty to help avoid the destruction of our industry. You owe it to your constituents; you owe it to all the people of New York State and to all the people of this Nation.

I sincerely trust that you will protest to the Secretary of State, and I sincerely hope that you will endeavor to have Congress immediately do something to curtail the power that has been placed in the hands of the Department of State which enables the Department to arbitrarily destroy American manufacturing industry in such a manner.

Very respectfully yours,

SYLVAN STROOCK,
President, S. Stroock & Co., Inc.

REGENT OF SMITHSONIAN INSTITUTION

The SPEAKER. Pursuant to the provisions of title XX, section 43, United States Code, the Chair appoints as regent of the Smithsonian Institution the gentleman from Maryland [Mr. COLE] to fill the unexpired term of the gentleman from Maryland, Mr. Goldsborough.

NATIONAL HOUSING ACT

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5324) to amend the National Housing Act, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5324, with Mr. RANKIN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose yesterday there was an amendment pending offered by the gentleman from Missouri [Mr. WOOD].

The gentleman from Missouri is recognized for 5 minutes.

Mr. HINSHAW. Mr. Chairman, may we have the amendment read again?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There being no objection, the Clerk again reported the amendment offered by Mr. WOOD.

Mr. WOOD. Mr. Chairman, this amendment seeks to prohibit furthering the policy that has been pursued in some instances by the Federal Housing Administration of promulgating plans of housing as represented by what is known as the Fort Wayne plan.

The city of Fort Wayne set up a municipal housing authority which had for its purpose the housing of reliefers. The plan provided that the city was authorized to borrow vacant land from landowners in the city of Fort Wayne for a period of 10 years, I believe, the stipulation being that if the owner of the vacant land would accord the city the use of that land for 10 years, or a certain period, that land would be tax-exempt. The authority was established in Fort Wayne and they constructed some $60,000 or $70,000 worth of these small houses, prefabricated houses, constructed for the use of relief workers and reliefers. These houses are, of course, of shoddy design. They are not designed to be of any great durability. They are not constructed as we would want houses constructed that would bring about the necessary slum clearance. But these fabricated houses consist of three rooms. One is constructed for a cooking and living room and laundry purposes, and so forth, and two small bedrooms. Under the plan, after 10 years, if the landowner wants his land back, then the city will move these houses somewhere else, and the owner will have the land and, of course, along with it the unearned increment for 10 years. These lots are tax-exempt.

In the first place, this plan not only tends to further impoverish the finances of the city, through failure to collect taxes on this property, but it puts the relief workers in a class by themselves. It deprives the children of those relief workers who are living in these prefabricated houses of the opportunities afforded children of other people. It seemed as though it would deprive the relief workers and their children of incentive and of their pride. It sets them off in a segregated class, to be pointed at by parents and children of other families, "There is where the reliefers live. They live in those little shoddy prefabricated houses." It is not good for the morale of the relief workers or their children. It is unfair that because a wage earner should happen to be unfortunate enough to have to apply for relief work he will be segregated from the rest of the people, to be an object to be pointed at by the parents and children of other families as a relief worker. They live in those houses. It is bad policy. It does not encourage real Americanism and patriotism and it is bad in every aspect.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. WOOD. I yield.

Mr. GIFFORD. I am a little confused about the gentleman's amendment. I think it should be B–1 rather than C–1.

Mr. WOOD. No. That applies to section 207.

I hope the Committee will adopt this amendment.

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I rise in opposition to the amendment.

My distinguished colleague from Missouri [Mr. WOOD] is always to be commended for his energy and zeal in behalf of the working people of this country. He is one of the outstanding labor leaders in America. He is always mindful and watchful of the welfare of the laboring people. In that I share his viewpoint. I think the gentleman is under a misapprehension as to the operation, in some respects at least, of F. H. A. in connection with public housing authorities that have been created for the purpose of furnishing low rentals to the low-income group. In the first place, this Fort Wayne project about which the gentleman is speaking involves only $45,000. There have been 50 of those little houses constructed over there, at a cost of $900 each, and they rent for $10 a month. So far as the title to the land upon which they are located is concerned, the law itself requires the mortgage to be a first-lien real-estate mortgage. The owner of the lot can only get it back after he pays off the existing mortgage against it and, of course, when that is done neither the F. H. A. nor anyone else can lose anything in the enterprise. It is not confined to relief workers alone. Anyone who is not living in anything like decent or comfortable quarters has an opportunity to rent one of these little houses.

If a project such as this will furnish decent, comfortable, and safe housing to the lowest-income group of our people, it is in my opinion one of the most valuable activities that has yet been undertaken. We authorized the United States Housing Authority last year to expend $800,000,000, and I understand they are coming back for $800,000,000 this year. Much as their activity has been heralded to the country, the Authority is not doing the job, even though the entire expense is being borne by the Government, subsidized by public credit and public money. Suppose there should happen to be some loss in connection with one of these little projects as compared with the other—and I may say in passing there is no indication that there will be any loss, because those that have been constructed and are in operation are now 100-percent occupied—the loss could not be great. I was informed this morning that so far as these Fort Wayne houses are concerned there are 600 applicants on the waiting list now.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield to the gentleman from Missouri.

Mr. WOOD. Does not the gentleman know that the encouragement of the building of these prefabricated houses by the city tends to bring about further unemployment among the building trades of that city? Does not the gentleman believe it is time for the cities to quit going into private business? The city is in business when it rents these houses to relief workers. I believe the municipalities ought not to engage in private business.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 1 additional minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WILLIAMS of Missouri. So far as the cities' going into business is concerned, the question of clearing slums and furnishing low-cost housing is a city problem, in my opinion, not a national one. It is a local problem primarily; it is their responsibility rather than that of the National Government. In the next place, so far as labor is concerned, no one questions but what the building program has given employment to thousands and hundreds of thousands of people. That, of course, is a desirable thing, but it must not be forgotten that this legislation is primarily housing legislation. We are engaged in an effort here to try to furnish houses to the low-income group. If we do that without material loss to the Government, and at the same time put labor to work, we

shall have done a wonderful job, and our efforts here will be entitled to the lasting praise and abiding gratitude of those unfortunate people who have not been able to obtain decent housing. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was rejected.

The Clerk read as follows:

SEC. 11. Section 210 of such act, as amended, is hereby repealed: *Provided*, That the Administrator is authorized to insure under said section any mortgage for the insurance of which an application has been filed with him prior to the effective date of this act.

SEC. 12. The last sentence of subsection (b) of section 301 of such act, as amended, is amended to read as follows: "If the Administrator is of the opinion that the establishment of such an association is desirable to provide a market for mortgages insured under title II and is in the public interest, that the incorporators transmitting the articles of association are responsible persons, and that such articles of association are satisfactory in all respects, he may issue or cause to be issued to such incorporators a certificate of approval, and the association shall become, as of the date of issuance of such certificate, a body corporate by the name set forth in its articles of association."

SEC. 13. Paragraph (4) of subsection (c) of section 301 of such act, as amended, is amended to read as follows:

"(4) To conduct its business in any State of the United States or in the District of Columbia, Alaska, Hawaii, or Puerto Rico, and to have one or more offices in such States or in the District of Columbia, Alaska, Hawaii, or Puerto Rico, one of which offices shall be designated at the time of organization as its principal office."

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RANKIN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 5324) to amend the National Housing Act, and for other purposes, pursuant to House Resolution 155, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. STEAGALL. Mr. Speaker, I demand a separate vote on the Cochran amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the Cochran amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: After line 11, on page 9, insert a new section to read as follows:

"SEC. 10 A. Subsection (c) of section 207 is amended by adding at the end thereof the following proviso: '*Provided*, That in estimating the value of the property or project for the purpose of determining the amount of insurance eligible under this section, the Administrator shall determine the value of the property as of the date of the application for insurance, and in no case shall he estimate the value of the property or project for insurance under this section to be in excess of the value of the property at such time plus the value of the proposed improvements thereon.'"

The SPEAKER. The question is on the amendment.

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 76, noes 53.

Mr. STEAGALL. Mr. Speaker, I object to the vote on the ground there is not a quorum present and I make the point of order that there is not a quorum present.

The SPEAKER. The Chair has just counted the membership. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 199, nays 143, not voting 88, as follows:

[Roll No. 49]

YEAS—199

Alexander	Andresen, A. H.	Barnes	Brooks
Allen, Ill.	Andrews	Bates, Mass.	Brown, Ohio
Allen, La.	Angell	Beckworth	Bryson
Allen, Pa.	Arends	Bell	Buck
Andersen, H. Carl	Arnold	Bolles	Burch
Anderson, Calif.	Ashbrook	Bradley, Mich.	Carlson
Anderson, Mo.	Austin	Brewster	Carter
Case, S. Dak.	Guyer, Kans.	McLaughlin	Rutherford
Chiperfield	Gwynne	McLeod	Sandager
Church	Hall	McMillan, Thos. S.	Satterfield
Clark	Halleck	Maas	Schafer, Wis.
Clason	Hare	Mahon	Schiffler
Clevenger	Harness	Mapes	Seccombe
Cochran	Harter, N. Y.	Marshall	Simpson
Coffee, Nebr.	Harter, Ohio	Martin, Colo.	Smith, Maine
Cole, N. Y.	Hawks	Martin, Iowa	Smith, Ohio
Corbett	Heinke	Martin, Mass.	Smith, Va.
Costello	Hess	Mason	South
Cox	Hill	Massingale	Springer
Crawford	Hoffman	Michener	Stearns, N. H.
Culkin	Hope	Miller	Stefan
Cummings	Houston	Mills, La.	Sumner, Ill.
Curtis	Jarrett	Monkiewicz	Sumners, Tex.
Darden	Jeffries	Moser	Taber
Darrow	Jenkins, Ohio	Mott	Talle
Dondero	Jenks, N. H.	Mouton	Tarver
Douglas	Jensen	Mundt	Taylor, Colo.
Dowell	Johns	Murray	Taylor, Tenn.
Durham	Johnson, Ill.	O'Brien	Tenerowicz
Dworshak	Johnson, Ind.	O'Connor	Thill
Eaton, N. J.	Johnson, Luther A.	Oliver	Thomas, N. J.
Eberharter	Johnson, Okla.	Pace	Thomason
Engel	Jones, Tex.	Peterson, Ga.	Thorkelson
Fenton	Kean	Pierce, Oreg.	Tibbott
Fernandez	Keefe	Pittenger	Van Zandt
Flannery	Kilday	Plumley	Voorhis, Calif.
Fulmer	Kinzer	Poage	Vorys, Ohio
Gamble	Kitchens	Powers	Vreeland
Garrett	Knutson	Reece, Tenn.	Wadsworth
Gartner	Kunkel	Reed, Ill.	Walter
Gearhart	Lambertson	Rees, Kans.	West
Gehrmann	Lanham	Rich	Wheat
Gerlach	Lea	Risk	Wigglesworth
Gifford	Leavy	Robertson	Williams, Del.
Gilchrist	LeCompte	Robinson, Utah	Winter
Gillie	Lemke	Robsion, Ky.	Wood
Graham	Lewis, Colo.	Rockefeller	Woodrum, Va.
Grant, Ind.	Lewis, Ohio	Rodgers, Pa.	Youngdahl
Griffith	Lord	Rogers, Mass.	Zimmerman
Gross	Luce	Routzohn	

NAYS—143

Barden	Dunn	Kramer	Rayburn
Barry	Ellis	Ludlow	Richards
Beam	Fay	McAndrews	Rogers, Okla.
Bloom	Ferguson	McArdle	Romjue
Boland	Fitzpatrick	McCormack	Ryan
Boren	Flannagan	McGehee	Sabath
Boykin	Folger	McKeough	Sacks
Brown, Ga.	Ford, Miss.	Maloney	Sasscer
Bulwinkle	Ford, Thomas F.	Marcantonio	Schuetz
Burgin	Fries	Martin, Ill.	Schwert
Byrne, N. Y.	Gathings	May	Shafer, Mich.
Byrns, Tenn.	Gibbs	Merritt	Shanley
Byron	Gore	Mills, Ark.	Sheppard
Caldwell	Gossett	Mitchell	Smith, Conn.
Cartwright	Grant, Ala.	Monroney	Smith, Wash.
Casey, Mass.	Gregory	Murdock, Ariz.	Smith, W. Va.
Chandler	Harrington	Murdock, Utah	Snyder
Chapman	Hart	Myers	Somers, N. Y.
Claypool	Havenner	Nichols	Sparkman
Coffee, Wash.	Hendricks	Norrell	Spence
Cole, Md.	Hennings	Norton	Steagall
Colmer	Hinshaw	O'Day	Sutphin
Connery	Hobbs	O'Leary	Terry
Cooley	Hunter	O'Neal	Thomas, Tex.
Cooper	Izac	Osmers	Tolan
Creal	Jacobsen	O'Toole	Vincent, Ky.
Crosser	Jarman	Parsons	Vinson, Ga.
Cullen	Johnson, Lyndon	Patman	Wallgren
Delaney	Johnson, W. Va.	Patrick	Weaver
Dempsey	Kee	Patton	Whelchel
Dickstein	Keller	Pearson	Whittington
Dingell	Kelly	Peterson, Fla.	Williams, Mo.
Disney	Kennedy, Michael	Rabaut	Wolcott
Doughton	Keogh	Ramspeck	Wolverton, N. J.
Doxey	Kerr	Randolph	Woodruff, Mich.
Drewry	Kocialkowski	Rankin	

NOT VOTING—88

Ball	Dies	Hook	Pierce, N. Y.
Barton	Dirksen	Horton	Polk
Bates, Ky.	Ditter	Hull	Reed, N. Y.
Bender	Duncan	Jones, Ohio	Schaefer, Ill.
Blackney	Eaton, Calif.	Kennedy, Martin	Schulte
Bland	Edmiston	Kennedy, Md.	Scrugham
Boehne	Elliott	Kirwan	Secrest
Bolton	Elston	Kleberg	Seger
Bradley, Pa.	Englebright	Landis	Shannon
Buckler, Minn.	Evans	Larrabee	Short
Buckley, N. Y.	Faddis	Lesinski	Sirovich
Burdick	Fish	McDowell	Smith, Ill.
Cannon, Fla.	Flaherty	McGranery	Starnes, Ala.
Cannon, Mo.	Ford, Leland M.	McLean	Sullivan
Celler	Gavagan	McMillan, John L.	Sweeney
Cluett	Geyer, Calif.	McReynolds	Tinkham
Collins	Green	Maciejewski	Treadway
Crowe	Griswold	Magnuson	Warren
Crowther	Hancock	Mansfield	Welch
Curley	Hartley	Nelson	White, Idaho
D'Alesandro	Healey	Owen	White, Ohio
DeRouen	Holmes	Pfeifer	Wolfenden, Pa.

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Crowther (for) with Mr. Sullivan (against).
Mr. Pierce of New York (for) with Mr. Sirovich (against).
Mr. Treadway (for) with Mr. Gavagan (against).
Mr. Short (for) with Mr. Pfeifer (against).
Mr. Cluett (for) with Mr. Celler (against).
Mr. Ditter (for) with Mr. Evans (against).
Mr. Hull (for) with Mr. Buckley of New York (against).
Mr. Wolfenden of Pennsylvania (for) with Mr. Curley (against).
Mr. Bolton (for) with Mr. Martin J. Kennedy (against).

Until further notice:

Mr. Warren with Mr. Reed of New York.
Mr. Bland with Mr. White of Ohio.
Mr. McReynolds with Mr. Hancock.
Mr. Kleberg with Mr. Fish.
Mr. Boehne with Mr. Bender.
Mr. Dies with Mr. Welch.
Mr. Green with Mr. Barton.
Mr. Starnes of Alabama with Mr. Dirksen.
Mr. Mansfield with Mr. Englebright.
Mr. Scrugham with Mr. McLean.
Mr. Schulte with Mr. Seger.
Mr. Cannon of Missouri with Mr. Tinkham.
Mr. DeRouen with Mr. Griswold.
Mr. Edmiston with Mr. Holmes.
Mr. Schaefer of Illinois with Mr. Eaton of California.
Mr. Nelson with Mr. Hartley.
Mr. Polk with Mr. Landis.
Mr. Magnuson with Mr. Jones of Ohio.
Mr. Lesinski with Mr. Blackney.
Mr. Faddis with Mr. Elston.
Mr. Flaherty with Mr. Ball.
Mr. Sweeney with Mr. Leland M. Ford.
Mr. Owen with Mr. Horton.
Mr. Shannon with Mr. McDowell.
Mr. McGranery with Mr. Buckler of Minnesota.
Mr. Duncan with Mr. Burdick.
Mr. Bradley with Mr. John L. McMillan.
Mr. Kennedy of Maryland with Mr. Elliott.
Mr. Healey with Mr. Smith of Illinois.
Mr. D'Alesandro with Mr. Maciejewski.
Mr. Bates of Kentucky with Mr. Geyer of California.
Mr. Secrest with Mr. Kirwan.
Mr. Cannon of Florida with Mr. Crowe.

The result of the vote was announced as above recorded.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BRADLEY of Pennsylvania, for the balance of the week on account of illness in family.

To Mr. STARNES of Alabama, on account of important business in his district.

To Mr. BLAND (at the request of Mr. BURCH), for 1 day, on account of public business.

To Mr. DUNCAN (at the request of Mr. COCHRAN), on account of illness in his family.

To Mr. CROWE, for 3 days, on account of important business.

EXTENSION OF REMARKS

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address delivered on yesterday at Pittsburgh before the Ohio Valley Improvement Association.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. WHITTINGTON]?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial taken from the New York Journal-American of Tuesday, April 11, 1939.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts [Mrs. ROGERS]?

There was no objection.

Mr. MICHAEL J. KENNEDY asked and was granted leave to extend his own remarks in the RECORD.

Mr. SECCOMBE. Mr. Speaker, yesterday I made a request to extend my own remarks in the RECORD and to include an address by Mr. Williams, president of the Ohio Chamber of Commerce. I am informed by the Public Printer that this address will take two and a half pages of the RECORD and the cost thereof $113. Due to the importance of this address, Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include this article therein regardless of the estimate of the Public Printer.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. SECCOMBE]?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement of representatives of some agricultural associations of Puerto Rico.

The SPEAKER. Is there objection to the request of the Resident Commissioner from Puerto Rico [Mr. IGLESIAS]?

There was no objection.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein two short editorials on the bill just passed by the House.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. SABATH]?

There was no objection.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein a radio address delivered by myself.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief statement with respect to the Federal Housing Administration.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. COCHRAN]?

There was no objection.

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, it was my intention at this time to ask unanimous consent that the House stand in recess subject to the call of the Chair. My attention is called to the fact, however, that the gentleman from Minnesota [Mr. ANDRESEN] has a special order permitting him to address the House. I ask unanimous consent that the gentleman from Minnesota [Mr. ANDRESEN] may, pursuant to the special order heretofore entered, address the House at this time.

I believe it would be proper at this time for the Chair to make a statement with reference to the arrangements for the state funeral to be held in the Senate Chamber.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN] that the time heretofore allotted to the gentleman from Minnesota [Mr. ANDRESEN] at the conclusion of the legislative business in order for the day may be used at this time?

There was no objection.

The SPEAKER. The Chair thinks it proper to state that he has been advised by the majority leader that at the conclusion of the remarks of the gentleman from Minnesota [Mr. ANDRESEN] he will ask unanimous consent that the House stand in recess until 2 o'clock.

The Chair thinks it proper to state further, at the suggestion of the Sergeant at Arms, that all Members desiring to attend the funeral services in the Senate Chamber be on the floor promptly at 2 o'clock or a little before in order that we may form the procession to go over to the Senate Chamber. It has been requested that the House of Representatives, as a body, be at the entrance to the Senate Chamber at 2:15 p. m. promptly.

The Chair trusts that all Members will govern themselves accordingly.

The Speaker and the Sergeant at Arms will form at the outer door, to be followed by the majority and minority leaders and the other Members in order.

The committee on funeral arrangements has been requested to meet in the Senate Chamber prior to departure of the Members of the House to the Senate Chamber.

RECESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that at the conclusion of the address of the gentleman from Minnesota [Mr. ANDRESEN] the House stand in recess until 2 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

There was no objection.

The SPEAKER. Under a previous special order the gentleman from Minnesota [Mr. ANDRESEN] is recognized for 20 minutes.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a table of statistics from the Department of Commerce.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

LET US MAKE GOLD WORK FOR AMERICAN CITIZENS

Mr. AUGUST H. ANDRESEN. Mr. Speaker, the Roosevelt administration's monetary and foreign-trade policies have left American farmers, laboring men, and manufacturers holding "the pig in the poke." New Deal promises to bring domestic recovery via reciprocal trade and through the payment of large subsidies for foreign gold and silver, have utterly failed in objective. The theoretical visions of New Deal economists became pipe dreams for the American people, and profitable actualities for foreign producers, speculators, and international bankers. In other words, the administration elected to carry the ball for America, ran to the opponent's goal, and scored a touchdown.

Although conditions in this country have just about reached a jittery breaking point, it is not too late for the administration to about face in its policies and give to American citizens some of the juicy plums now being so happily eaten by our foreign friends at our expense. Stubborness on the part of our skipper to change his course, after 6 years of uncharted sailing, will surely lead to our destruction upon the rocks of despair and bankruptcy.

I am selfishly interested in the welfare of my fellow Americans. Therefore, in urging a reversal of New Deal policies, I do so after honest deliberation in the belief that at least one of the schemes can be made to work beneficially for our American farmers, laborers, and businessmen.

NEW DEAL GOLD AND SILVER POLICY

Within the next few days the House will consider H. R. 3325, a bill to extend the power in the President to alter the amount of gold or silver in the dollar. This bill is the most important piece of legislation to be considered in the Seventy-sixth Congress. I propose to offer an important amendment to the bill, and have taken this time today to explain in detail the workings and effect of my proposal. The amendment reads as follows:

That section 3700 of the Revised Statutes (U. S. C., title 31, sec. 734) as amended by section 8 of the Gold Reserve Act of 1934 (73d Cong., H. R. 6976), is further amended to read as follows:

"SEC. 3700. With the approval of the President, the Secretary of the Treasury may purchase gold in any amounts, at home or abroad, with any direct obligations, coin, or currency of the United States authorized by law, or with funds in the Treasury not otherwise appropriated, at such rates and upon such terms and conditions as he may deem most advantageous to the public interest: *Provided*, That no payments for gold so purchased shall be made by the Secretary of the Treasury or by any officer of the United States acting in his behalf, to any foreign vendor (including foreign governments) or to any domestic representative or agent of any foreign vendor, unless and until such vendor or his representative or agent in the United States shall guarantee to the Secretary of the Treasury as a condition precedent to receiving such payment: (1) That so much of the net payment received in exchange for gold transferred hereunder as will equal the difference in the price paid and the price that would have been paid at the rate of $20.67 per ounce, shall be used exclusively for the purchase of commodities or articles produced, grown, or manufactured in the United States or its possessions; and (2) that at least one-half of the commodities or articles so to be purchased shall be merchandise classified as agricultural goods, products, or services by the United States Department of Commerce; and (3) that all such commodities or articles so to be purchased will be contracted for within 1 year from the date of receipt of payment from the Secretary of the Treasury and paid for within 2 years from the date of payment by the Secretary of the Treasury; and (4) that the Secretary of the Treasury shall withhold from all payments to such foreign vendor or his agent or representative an amount equal to that specified under (1) above, until receipt of satisfactory evidence that such conditions have been complied with; any provision of law relating to the maintenance of parity or otherwise limiting the purposes for which any of such obligations, coin, or currency may be issued, or requiring any such obligations to be offered as a popular loan or on a competitive basis, or to be offered or issued at not less than par, to the contrary notwithstanding. All gold so purchased shall be included as an asset of the general fund of the Treasury."

The purpose of this amendment is to definitely earmark all future subsidies paid on foreign purchases of gold by the United States Treasury and require that such subsidy—$14.33 per ounce at the present time—be used by foreign gold vendors to buy American farm and manufactured products. If the subsidy is not used for this purpose within 1 year from the date of the sale of foreign gold to the Treasury, it will not be paid. Then the foreign vendor of gold will only receive $20.67 an ounce for his gold, which is the amount now paid to American citizens who offer old gold dollars to the Treasury.

The earmarking of gold subsidies paid to foreign gold speculators will require them to spend 50 percent of the subsidy for American farm products and 50 percent for American manufactured products. This plan simply puts into compulsory operation the New Deal monetary theory that our export business would be revived by the payment of a subsidy on foreign gold. The administration's gold policy did not work because no strings were tied to the subsidy payments. And the foreign gold speculators were too slick for our Treasury experts. I propose to make the theory work for the benefit of American producers, and not against them, without any additional cost to the Treasury, or, in other words, to the American people.

In 1934, when the Gold Reserve Act was passed, administration experts claimed as one of the main objectives for the law that if this country would pay a subsidy for foreign gold and silver there would be a large increase in our export business of farm and manufactured products; farm and other commodity prices would materially rise, and recovery would be achieved for agriculture and industry in the United States.

In early 1934 the theory was put into actual practice and the price on foreign gold was boosted by the President from $20.67 an ounce to $35 an ounce. This price was fixed for all foreign gold and newly mined gold in this country, and maintained at this figure for the past 5 years. The results have been disastrous for the American people. Instead of increasing exports and raising prices on farm products in this country, exports declined, imports increased, and the prices today are the lowest in history when you consider the purchasing power of a 59-cent dollar.

Export and import statistics of the United States Department of Commerce from January 1, 1934, to February 28, 1939, tell a graphic story of the disastrous effect upon the American people of the administration's monetary policy. The total exports for this period, including gold and silver, amount to $13,740,313,281. Imports for the same period, which include merchandise, silver, and gold up to April 12, 1939, are estimated to be $21,174,681,825. This leaves a dollar exchange balance against the United States and in favor of foreign governments and individuals in an amount of $7,434,368,544. Instead of becoming a creditor nation on exports and imports, we have become a debtor nation to the tune of more than $7,000,000,000. This sum is available as dollar exchange which may be used by foreign nations to purchase American products, or it may be withdrawn at any time. This money is now on deposit in American banks and invested in American securities purchased by foreigners in the markets of this country. It is believed by many that foreign investors in American securities can break our market at any time.

While all farm products have slumped in export, the most striking picture is found in the case of cotton, our leading export crop for the past century. Prior to the New Deal, the

10-year annual average of cotton exports amounted to 8,000,000 bales. For 1938, exports of cotton dropped to 3,800,000 bales, and it is estimated that for the crop year of 1939 approximately 3,000,000 bales will be exported. Our foreign market for cotton has been largely lost due to New Deal experimentation. The foreign market for cotton and other farm products must be recovered, and my amendment to the gold stabilization bill will do the business.

UNCLE SAM HAS BECOME UNCLE SANTA CLAUS FOR FOREIGN GOLD SPECULATORS AND FOREIGN GOVERNMENTS UNDER NEW DEAL GOLD AND SILVER POLICY

The United States Treasury and the Federal Reserve banks now own approximately $15,500,000,000 in gold, or about 65 percent of the world's supply. In 1934 the President boosted the price for foreign gold 69 percent—from $20.67 an ounce to $35 an ounce. As stated before, the Treasury fixes and maintains the price of gold for the entire world. World production of gold has doubled since 1934, and from January 1 of that year up to April 12, 1939, the net imports of foreign gold are estimated to be valued at $8,663,049,230. The United States Treasury purchased this gold at $35 per ounce.

The question is asked, Why did all of this foreign gold come to the United States? The answer is simple. The United States Treasury offered to buy all foreign gold at a premium of 69 percent. In other words, the United States Treasury subsidized foreign gold speculators and foreign governments $14.33 an ounce on all gold shipped into this country.

To say nothing about the subsidy paid on silver, the American people will be surprised to learn that the United States Treasury has made an outright gift or subsidy to foreign gold speculators and foreign governments in an amount of $3,551,850,184.30. During this same period our American farmers have been paid approximately $2,509,251,410 in parity and benefit payments. Foreign gold speculators got the best of this deal.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Am I to understand that if an American citizen sells gold to this Government he gets only $20.67 an ounce, whereas a foreigner selling gold to this country gets $35 an ounce?

Mr. AUGUST H. ANDRESEN. The gentleman is absolutely correct. To cite further my authority for that statement, I may say that last week I received a letter from a constituent in my district who made this statement:

> I have a $20 gold piece I received back in 1890 as a wedding present. How much is that gold piece worth?

I called up the Director of the Mint and he told me first that there is approximately an ounce of gold in a $20 gold piece, lacking 67 cents. He said, "If your constituent brings the gold to his bank or to the Treasury or to the Federal Reserve System, he will get only a $20 bill for it."

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. Let me finish this picture.

I asked him further, "Suppose my constituent takes this $20 gold piece to Canada or some other country, how much can he get for it?"

He said, "He can get about $35 for that $20 gold piece for which the Treasury will pay him only $20 in this country."

I now yield to the gentleman from Massachusetts.

Mr. GIFFORD. The gentleman has answered one of the questions I had in mind, but I shall ask the other one. It has been claimed on the floor several times that the Treasury has $15,000,000,000 worth of gold. The gentleman is very careful to say that the Treasury and the Federal Reserve banks have it. When the gold certificates are issued by the Treasury to the Federal Reserve, is that not a deed of the gold and have we not relinquished title?

Mr. AUGUST H. ANDRESEN. The Treasury issues gold certificates to the Federal Reserve System for the gold, and the Federal Reserve System pays for the gold in good American legal tender, as we still call it, to pay these foreign gold vendors for their gold. As I understand, a $10 gold certificate held by the Federal Reserve System simply means that one of these days the Federal Reserve can claim that gold, so in truth and in fact the gold now buried in the ground at Fort Knox is the property of the Federal Reserve System. The statement of the Treasury for April 6 shows there is only $682,000,000 worth of gold in the general fund, and the only other gold the United States actually owns that does not have any pawn broker's ticket attached to it is the gold in the stabilization fund.

Mr. GIFFORD. May I continue? I wish to thank the gentleman. Oh, I thank him so much. He is making it so clear. This is absolute proof of the conditions. Now, why should we have to listen to that proclamation of so many of the monetary fellows who say that the Treasury has $15,000,000,000 worth of gold? The Government can only make a seizure again to get it.

Mr. AUGUST H. ANDRESEN. I thank the gentleman from Massachusetts. I am afraid he overemphasizes my knowledge of the monetary question. You know, there are three things a man can go crazy about, and one of these is money. I hope I am not crazy about the monetary problem, at least, and I do not want to be classed in that category.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I see the gentleman is on his feet. I know he is interested in domestic gold and silver, but I am dealing only with foreign gold purchases and foreign silver purchases, and trying to make gold work for the interest of the American people. I will yield at the conclusion of my remarks.

Mr. MARTIN of Colorado. The gentleman mentioned domestic gold purchases. I understood the gentleman to tell the House that the domestic gold producer is getting only $20.67 an ounce for his gold.

Mr. AUGUST H. ANDRESEN. The gentleman did not hear me correctly. Let me repeat. Old gold held by American citizens is bought by the Treasury at $20.67 an ounce. Newly mined gold produced by miners at the present time is paid for at the rate of $35 an ounce, just the same amount as is paid to a foreign citizen. However, a very small amount of domestic gold comes into the Treasury, as I will show the gentleman.

Mr. MARTIN of Colorado. The holders of old gold get only $20.67 because they should have surrendered it at the time of the passage of the act. The gold is held in violation of the law.

Mr. AUGUST H. ANDRESEN. Let me thank the gentleman for mentioning that. It is a crime for any American citizen to have gold in his possession, except mining companies that mine newly mined gold, but it is lawful for foreign citizens to have all the gold they want to and bring it into this country and sell it to the United States Government for $14.33 an ounce more than you can get for it as individuals here.

I cannot yield any further.

Mr. MARTIN of Colorado. I should like to ask the gentleman a question about the 59-cent dollar.

Mr. AUGUST H. ANDRESEN. I will tell the gentleman about that afterward.

Mr. MARTIN of Colorado. In my understanding, it is a $2 dollar for farm products.

Mr. KNUTSON. It is a $5 dollar on an agricultural price basis.

Mr. O'CONNOR. Will the gentleman yield just for a suggestion?

Mr. AUGUST H. ANDRESEN. No. I will yield at the conclusion of my statement.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield? That, in effect, is a subsidy to the international bankers.

Mr. AUGUST H. ANDRESEN. Oh, there is no question about that.

In addition to the subsidy on gold foreign producers of farm and manufactured goods have also been given a good share of our domestic market.

Mr. Morgenthau, the Secretary of the Treasury, now states that we have too much gold in this country, and that we must distribute a good share of it to other nations by permitting them to ship into the United States large quantities of competitive farm and manufactured products. He proposes to pay gold for these imports. This new idea will bring additional distress to American farmers and laboring men and conclusively proves the failure of the New Deal's monetary experiment.

FOREIGN GOLD PURCHASES BY UNITED STATES TREASURY

While foreign gold has been purchased from all countries in the world at $35 an ounce, it is significant to point out that during the past 3 years the Treasury has purchased $453,032,591 in gold from Japan. A subsidy of $183,743,462 was paid by the United States on this purchase. A large part of the dollar exchange received by Japan was used to purchase war supplies in this country so as to successfully carry on their outrageous hostilities in China.

Russia sold the Treasury $30,695,351 in gold and received a subsidy of more than $12,000,000.

Foreign purchases of gold and silver up to the present date, according to statistics from the Department of Commerce, disclose the following figures: Gold, $8,663,049,230; silver, $982,736,408.

ANDRESEN AMENDMENT TO AID AGRICULTURE AND INDUSTRY

If my amendment had been made a part of the Gold Reserve Act of 1934, the $3,551,850,184 would have been used to purchase farm and manufactured products produced in the United States. My amendment will compel the spending of all future gold subsidies paid to foreign gold speculators for American farm and manufactured products. This will be of material aid to both industry and agriculture. It will only take $660,000,000 of the subsidy to export 11,000,000 bales of cotton at 12 cents a pound, and only $100,000,000 to export 100,000,000 bushels of wheat at $1 a bushel. All farm products will be eligible for purchase under the earmarking of the gold subsidy. If the administration and the Congress will approve this amendment and put it into operation, I am satisfied that we would dispose of our surplus farm commodities and raise domestic prices to parity levels and thus bring back prosperity to agriculture without the need for continued subsidy payments from the Treasury. The amendment would also work a great benefit for American labor and industry, as 50 percent of the gold subsidy must be spent for manufactured products, and with the increased purchasing power of American agriculture this country would be on the way to recovery. If we must experiment, let us take advantage of existing practices and policies which do not require additional cost to the American people.

OTHER NECESSARY FARM LEGISLATION

In addition to the amendment which I have just proposed to aid agriculture I also recommend for the consideration of Congress the following necessary amendments to existing law: First, the protection of our American market for all commodities produced in sufficient quantity to take care of domestic needs; second, the repeal of the reciprocal-treaty law; third, a requirement that all foreign imports of dairy, beef, and pork products be compelled to meet the sanitary requirements now imposed against American producers in this country; fourth, a voluntary soil-conservation program; fifth, the removal of State barriers now in effect in some States against free shipment of farm products in interstate commerce; sixth, the removal of freight-rate discrimination against agricultural shipments; and last, but not least, the removal of the farm problem from political manipulation.

Working together for the interests of American citizens, we can save democracy for our country and make progress for real and permanent recovery. [Applause.]

Table showing effect of New Deal gold and silver programs on foreign trade of the United States exports and imports of merchandise, gold, and silver from Jan. 1, 1934, to Feb. 28, 1939

[Statistics from monthly reports of U. S. Department of Commerce]

Articles	Exports	Imports	Plus (+) or minus (−)
Group 00. Animals and animal products, edible (1)	$345,487,463	$425,584,220	−$80,096,757
Group 0. Animals and animal products, inedible (2)	253,602,662	811,297,669	−557,694,993
Group 1. Vegetable food products and beverages (3)	1,067,857,137	2,973,941,917	−906,084,780
Group 2. Vegetable products, inedible, except fibers and wood (4)	1,061,185,435	1,677,974,061	−616,788,626
Group 3. Textile fibers and manufactures (5)	2,167,281,009	1,743,415,401	+423,865,608
Group 4. Wood and paper (6)	526,204,780	1,214,802,335	−688,597,555
Group 5. Nonmetallic minerals (7)	2,074,819,925	596,254,895	+1,478,565,030
Group 6. Metals and manufactures, except machinery and vehicles (8)	1,534,408,795	984,235,725	+550,173,070
Group 7. Machinery and vehicles (9)	3,434,867,589	90,197,031	+3,344,670,558
Group 8. Chemicals and related products (10)	899,869,998	407,249,910	+192,620,088
Group 9. Miscellaneous (11)	471,639,927	454,721,332	+17,918,595
Group 10. Gold (12)	149,421,700	[1] 8,062,470,930	−7,913,049,230
Group 11. Silver (13)	53,666,861	982,736,408	−929,069,547
Net gold imports from Mar. 1, 1939, to Apr. 12 (estimated) (14)		[1] 750,000,000	−750,000,000
Total	13,740,313,281	21,174,681,825	[2] −7,434,368,544

[1] Estimated net imports of gold to Apr. 12, 1939, $8,663,049,230—purchased at $35 per ounce—subsidy, $3,551,850,184.30.

[2] $7,434,368,544 unfavorable trade balance against United States because of gold and silver imports. United States exports of merchandise, excluding gold and silver, $13,538,224,720 (American valuation). Foreign merchandise imports received by the United States, $11,379,474,487 (foreign valuation). Had these foreign imports been given an American valuation, the figure just given for merchandise imports would be between 14 and 16 billions of dollars. Gold and silver imports are figured on an American valuation basis as the U. S. Treasury fixes and maintains the price for the entire world.

[Here the gavel fell.]

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to proceed for an additional 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman.

Mr. O'CONNOR. I am very much interested in the remarks of the gentleman and I think he has made a very valuable contribution to the House. I am wondering if the House were to adopt this amendment what effect that would have upon the value of the domestic gold in this country.

Mr. AUGUST H. ANDRESEN. As long as the Treasury maintains and fixes the price on both domestically newly mined gold and foreign gold, it would in no way affect the price that the domestic miners would receive for it, as I see it.

Mr. O'CONNOR. Then the only scope of the amendment would be to preclude the Government from paying a subsidy upon foreign gold, whether it was newly mined or old gold.

Mr. AUGUST H. ANDRESEN. Let me state to the gentleman that $20.67 was the old price of gold.

Mr. O'CONNOR. That is right.

Mr. AUGUST H. ANDRESEN. It is increased at the present time to $35 an ounce, or a difference of $14.33. That amount of subsidy, as I call it, is paid to foreign gold vendors and for newly mined gold in this country. Now, I just propose to tie up that $14.33 subsidy under regulations of the Secretary of the Treasury in the Federal Reserve System and earmark it so that when the foreign seller of gold to us comes in and sells 100 ounces of gold he will get paid on the basis of cash right away $20.67 an ounce, but the other $14.33 an ounce will be tied up for 1 year in the Federal Reserve bank, earmarked, if you please, to be spent for manufactured and farm products in this country. If he does not spend it within that time or bring proper evidence to the Secretary of the Treasury that he has spent it for farm products and manufactured products, then he does not get the subsidy. All he gets then is $20.67 an ounce, the same as the average American citizen gets who does not have a mine to operate in this country.

Mr. O'CONNOR. Just one other question. I understood the gentleman to say that we only got $20.67 for newly mined gold here.

Mr. AUGUST H. ANDRESEN. No; that is for the old gold.

Mr. O'CONNOR. I think that is what the gentleman from Colorado [Mr. MARTIN] had in mind when he asked the gentleman his question.

Mr. AUGUST H. ANDRESEN. No; but if you, as an American citizen, do not own a mine, and I hope you do——

[Here the gavel fell.]

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the gentleman may have an additional 10 minutes.

Mr. PARSONS. Mr. Speaker, reserving the right to object, I do not intend to object, but I wanted to have 5 minutes myself following the gentleman to talk upon the same proposition.

Mr. KNUTSON. The gentleman will need more than 5 minutes if he is going to answer this speech, and I suggest the gentleman ask for half an hour.

Mr. PARSONS. We have not the time for that today; and if I may have 5 minutes following the gentleman, I shall not object.

The SPEAKER. The gentleman from Illinois asks unanimous consent that at the conclusion of the remarks of the gentleman from Minnesota he may be permitted to address the House for 5 minutes. Is there objection?

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. CASE of South Dakota. Mr. Speaker, I reserve the right to object. I should like to be assured of 2 minutes at the conclusion of the time already granted to the gentleman from Illinois [Mr. PARSONS].

The SPEAKER. The Chair will recognize the gentleman later to make that request. The Chair hears no objection, and the gentleman from Minnesota will proceed.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. Yes.

Mr. KNUTSON. As I understand it, the gold value of the dollar at the present time is 59 cents.

Mr. AUGUST H. ANDRESEN. Fifty-nine and two-tenths cents.

Mr. KNUTSON. If that be true, why is it that it takes more pounds of butter to get hold of a dollar today than ever before in the history of the Republic?

Mr. AUGUST H. ANDRESEN. The 59-cent dollar, of course, is the answer to the gentleman's question, because it takes more of these 59-cent dollars to buy the manufactured products and other things that the farmer must have.

Mr. KNUTSON. I am talking about what the farmer has to sell. It takes more wheat to get a dollar now than ever before, and I would like to have the gentleman explain that.

Mr. AUGUST H. ANDRESEN. I would be very glad to explain that. I do not claim to be an authority, but I have studied it somewhat. All of these New Deal experiments from 1933—which had the right objective, I will say, namely, to increase the price levels and restore employment in this country—were started on that theory, and the gentlemen who proposed them believed the theory would work out in practice; but every theory they have put into practice—the farm problem, the monetary policies, and all other policies, humanitarian as we considered them to be—has worked out in reverse and to the detriment of the American people.

With reference to the imports and the exports and the price level of commodities the administration's idea was that if we would pay foreigners more for gold and silver—subsidize them—they would buy more commodities from us and that the price level in this country would go up. That we would have some sort of inflation, and the theory was that the price levels would rise in this country with the gifts to the foreign people. That did not work out in that way. It worked out in reverse. It increased our imports of competitive farm commodities instead of increasing our exports, and in 1937 it is estimated that it took nearly 75,000,000 acres of farm land to produce the competitive farm imports which were shipped into this country. And what did it do? Some say that it was such a small percentage of American consumption that it was of no account. Possibly it was. One thing it did do; it came in and glutted our market with farm products and drove the price down, and it has held the price down ever since then; and the American farmer will never get out of that rut as long as these policies continue.

Mr. KNUTSON. Yet it had the effect of turning a buyer's market into a seller's market.

Mr. AUGUST H. ANDRESEN. Yes.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. Yes.

Mr. GIFFORD. The gentleman has provoked our interest very greatly. In the extension of his remarks will he prove that the gold is routed to London rather than sold here, because they had been paying for some time about $35 an ounce in our money, and, second, that an earmarked portion will be used, of course, for the imports already made; and would the gentleman try to show the additional imports that might flow from this method?

Mr. AUGUST H. ANDRESEN. I have inquired as to some gold now here that is claimed to be earmarked. I tried to find out who had it earmarked, and when it was earmarked, but was told that there is a great deal of secrecy around this earmarking. The only conclusion I could come to is that actually foreign citizens, as well as foreign governments and central banks, do have gold earmarked in the United States, and it is all right for them to do it, to bring gold here and keep it here, but if you as an American citizen try to earmark gold in this country you are quickly on your way to Leavenworth or some other Federal institution to stay for a period of from 90 days to 3 or 4 years.

Mr. KITCHENS. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. Yes.

Mr. KITCHENS. Regarding the 59-cent dollar, do I understand the gentleman to say that, if I take a dollar and go into his State and buy some wheat or butter or something of that kind, the farmer or the dairyman should give me more for that dollar than I am entitled to get?

Mr. AUGUST H. ANDRESEN. The farmer and the dairyman, unfortunately, are on the selling and buying side. They are using a 59-cent dollar to buy the products they need on the farm, and so they have to deal in that type of money.

Mr. KITCHENS. But the farmer sells dairy products and wheat and corn. Does the gentleman not think that the 59 cents is really too much to have in the dollar, in order to be fair to the farmer and the dairymen and others?

Mr. AUGUST H. ANDRESEN. It takes 4 pounds of butter in our State to get one of those 59-cent dollars.

Mr. KITCHENS. Does not the gentleman think we ought to reduce the gold value of that dollar so that he can get one for 2 pounds of butter?

Mr. AUGUST H. ANDRESEN. The gentleman has injected something that is very interesting, but who wants to continue the right in the President to devalue the gold content of the dollar? Who wants it? Who appeared before our Committee on Coinage, Weights, and Measures asking for a continuation of this power in the President? Who was it that said we should devalue the dollar, not 50 percent, but that we should remove all restrictions so that the President could take it down to 50, 40, 30, or 10, and finally down to zero? Who was it?

The foreign gold speculators, the foreign brokers, men who deal for the account of foreign investments, international bankers, and the people who were only trying to get something out of the United States Treasury for nothing. There was no demand, except from the President and his associates, to continue this power in the President to further devalue the dollar. So I cannot go along with my friend.

I yield now to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF of Michigan. The gentleman stated a moment ago it would take 3 pounds of that excellent butter manufactured in the State from which he comes——

Mr. AUGUST H. ANDRESEN. The finest in the world.

Mr. WOODRUFF of Michigan. To secure a 59-cent dollar. I am wondering if the gentleman was not mistaken about that. Does it not, as a matter of fact, take about 4 pounds or four and a half pounds to get one of those 59-cent dollars?

Mr. AUGUST H. ANDRESEN. I know the gentleman is correct, because at the present moment butterfat is selling for around 22 cents a pound. That is sweet-cream butterfat. As a matter of fact, it would take about 5 pounds of butter to get one of those 59-cent dollars.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CASE of South Dakota. The gentleman is making a very interesting discussion and I think I am just as much opposed as he is to further monetary powers being granted; but it seems to me a great many of the observations which the gentleman has made rest upon the false premise that the price of gold, prior to the proclamation of the President was, in effect, or in practice, or in actuality, $20.67 an ounce. The gentleman has certainly reviewed the price of gold on the open market the year prior to that proclamation, and knows that gold was selling at $32 and $34 many weeks before it was ever raised by proclamation.

Mr. AUGUST H. ANDRESEN. I cannot yield further. I appreciate what the gentleman has said and I know he is interested in representing his district because of the price of gold. My proposal in no manner affects the gold vendors or miners in his district or any other district in the United States. I am simply dealing with the foreign gold miners, the foreign gold speculators, the men who ship their gold into the United States, because we are the only country in the world to fix and maintain the price of gold at a definite figure. [Applause.]

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. SCHAFER of Wisconsin. Is it not a fact that the New Deal administration is taking thousands of homes away from American citizens on the farms and in the cities by reason of foreclosures?

Mr. AUGUST H. ANDRESEN. Unfortunately, that is so.

Mr. SCHAFER of Wisconsin. Would it not be a good idea to have a moratorium on those foreclosures, and let Uncle Sam make a levy to collect on the $12,000,000,000 that the foreign nations owe us and the billions of interest which they owe, and take the gold they have here to pay it, instead of taking homes away from our people?

The SPEAKER. The time of the gentleman from Minnesota has again expired.

Mr. AUGUST H. ANDRESEN. In conclusion, let me urge my fellow Members to give serious thought to my proposed amendment. The question will be present next week, and I believe that it is our duty to take advantage of every opportunity to bring about a recovery for our country. To achieve this objective let us make the gold policy work to that advantage of American citizens instead of foreigners who are not interested in our welfare. [Applause.]

EXPLANATION OF VOTE

Mr. JONES of Ohio. Mr. Speaker, during the roll call this morning on the Cochran amendment I was engaged in departmental work and was unable to be present. Had I been present, I would have voted for the Cochran amendment.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article written by a former distinguished Member of this body, Joseph A. Conry.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER pro tempore (Mr. PATMAN). Under special order heretofore granted, the gentleman from Illinois [Mr. PARSONS] is recognized for 5 minutes.

DEVALUATION OF THE DOLLAR

Mr. PARSONS. Mr. Speaker, I have given a great deal of thought and study to the proposal made by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN]. It sounds fine on paper. It looks good in the public print. I would be inclined to go along with the gentleman on this proposition if I thought it would succeed in doing the thing he wants it to do, but I am afraid that if such a thing were placed upon the statute books, instead of attaining the end the gentleman desires, it would have the opposite effect.

In order to keep the RECORD straight, I would like to say that prior to the commandeering of the gold in this country in 1933 England had gone off of the gold standard and the price of gold was being raised every day in the markets of the world. If the President of the United States had not been given the power by Congress to commandeer the gold of this country, we would have had a flight in large amounts of gold from the United States to Europe, because they were paying more for gold than we were paying in the United States for free and open coinage.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. PARSONS. I cannot yield. I only have 5 minutes.

Therefore it was necessary for the Congress and the President to take action and commandeer the gold. The people of this country who had gold, either individually or in the banks or in the corporations of this country had only paid $20.67 an ounce. Therefore they were not entitled to speculate at the expense of the people of the United States or the general public. So it was called in at $20.67 per ounce. Then in the Gold Act of 1934 the President was authorized to revalue the content of the gold dollar to meet the competition of foreign nations in depreciating the value of their currencies and raising the price of gold. So I want the RECORD to be kept straight—that if we had not done in this country what we did our gold stock would have flowed to Europe instead of gold coming from Europe to the United States.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. PARSONS. I cannot yield in the limited time at my disposal. I may say to the gentleman that we will get this thing thrashed out probably more fully when the bill is brought to the floor next week.

America is paying $35 an ounce for gold, both newly mined and foreign gold, which has been coming here in large amounts, the largest portion of which came because of the war scare in Europe. I dare say that we have sold a lot of goods in this country because of the gold and silver which have come to the Federal Treasury through the Federal Reserve System.

Other nations, particularly England and France, are paying the same price for gold that we are. The same price is being paid for gold in London and in Paris that is being paid for gold in New York. We are not ourselves offering a subsidy.

Reference has been made to a 59-cent dollar. Our dollar is a 100-cent dollar just the same as it was prior to revaluation of gold, because our unit of value and our unit of exchange upon which our currency is based is gold. A change was made in the gold content, but not in the dollar or the currency content.

It is plain, therefore, that should the plan offered by the gentleman be adopted it would start further deflation of foreign currencies in order for foreign countries to obtain their balance of world trade, just the same as the nations were doing prior to our revaluation of gold. I would be happy to see the extra amount above $20.67—$14.33—go into the purchase of manufactured goods and farm commodities in this country, but this would be the actual effect: A great many foreign countries, particularly Germany and Russia, would go into the competitive field, offering a better proposition to other nations to trade with them on the basis of gold than we could possibly offer, which would start the war again on depreciating our currency; and I am sure the gentlemen on the Republican side of the aisle, especially the gentleman from Minnesota, desires to eliminate further competition. In fact, I believe he has said on other occasions that he would like to

see it eliminated and probably that he would like to see us go back to $20.67.

Mr. AUGUST H. ANDRESEN. If the gentleman will yield, the gentleman is mistaken.

Mr. PARSONS. But to go back to $20.67 is an impossibility so long as the other nations of the world are competing to get a larger part of the world trade.

[Here the gavel fell.]

Mr. AUGUST H. ANDRESEN. The gentleman knows I never made any such statement, because I realize the impossibility of obtaining that amount.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

WORLD DEMAND RAISED GOLD PRICES

Mr. CASE of South Dakota. Mr. Speaker, it is evident that a great deal of confusion exists in the minds of the Members of this House with respect to the gold situation, for the statement has been repeated frequently that the only reason that we are paying $35 for gold is because of an act passed by Congress and a proclamation made in 1934. Anyone who will take the opportunity and the trouble to review the history of the price of gold during the year preceding the passage of the Gold Reserve Act of 1934 will be disabused of that idea.

The gentleman from Minnesota [Mr. ANDRESEN] has made a very interesting address, and not a Member of the House will disagree with his desire to improve the market both for manufactured goods and for farm products. It is impossible, of course, from hearing the amendment read, for anyone to judge even for himself of the possible effects of such a proposal. I hope for the best. I hope at least that even if the amendment be futile that it will have no harmful effects.

The proposal, however, rests upon a false premise that has been repeated so frequently that I think the House should have for reference the actual history of gold prices in 1933 and 1934.

Reference was made to the present price of gold as including a subsidy, $14.33 per ounce, to be exact. At one point the gentleman mistakenly said:

> In 1934 the President boosted the price for foreign gold 69 percent—from $20.67 an ounce to $35 an ounce.

Statements similar to that have been often made in the press and in debate. Indisputable facts refute them.

LET US LOOK AT THE RECORD

The price of foreign gold prior to the Gold Act of 1934 was not $20.67 an ounce. The average price for gold in London for the month of January 1934, immediately prior to the President's proclamation under the Gold Act, was $32.87 an ounce.

On different days in the preceding months it had been higher. For instance, on November 15, 1933, it was $34.91, and the average for November was $33.10.

And after the United States accepted the situation and paid $35, the open London price has exceeded that on several occasions. It averaged $35.18 in September 1934, going as high as $35.37 September 4. In more recent years also the price has also bounded above the price offered in the United States.

I realize that the myth of a New Deal gift to gold producers has been repeated so often that any simple assertion by me will hardly dislodge the picture from many minds. Accordingly, for the RECORD I offer a few details from official sources.

EXPORTS AND IMPORTS OF GOLD

First, I offer these figures on gold imports and exports, taken from page 58 of the report of the Director of the Mint for the fiscal year ending June 30, 1938.

	Excess of—	
	Exports over imports	Imports over exports
1932	$446,212,397	
1933	173,455,507	
1934		$1,133,911,846
1935		1,739,018,796
1936		1,116,583,891
1937		1,575,503,253

These figures show that gold was going out of the country in 1932 and 1933. Our stocks were depleting before the advancing world price of gold. In 1933, an embargo was declared to stop the outward flow; later the R. F. C. went into the foreign market to outbid the buyers. Finally, it became a matter of self-defense that we should act to pay what the world was paying in order to maintain and build up gold stocks here.

Other forces since then have added to our accumulation, until today we do hold a disproportionate share of the world's gold—approximately 57 percent.

Where today can the foreigner send gold with as much confidence that he can get it back when he wants it? The very size of our stock adds to his feeling of security, let alone the gold-grabbing he has seen elsewhere.

Our situation does present problems. Personally, I have always thought that we should have maintained specie payment along with adjusting our price for gold. I think we should now resume specie payment. I do not claim to be wise enough to know just what steps should be taken to adjust ourselves in the situation that exists at present. It seems reasonable, however, that a large part of the world's present upset condition can be traced to the economic pressures and the disruption of world trade created by the unbalanced condition of world currencies.

1933 AND 1934 GOLD HISTORY

The pending legislation is, as the gentleman from Minnesota has said, possibly the most important single bill that will come before us at this session. In order that you have further evidence from the record on the subject, I submit herewith:

First, a table giving the day to day price of gold in the London market for 1933 and 1934 until after the Gold Act was adopted, translated into the terms of that price for the United States.

Second, the history of 1933 and 1934 gold prices, policy, and legislation as given on pages 25, 26, and 27 of the Minerals Yearbook for 1934, published by the Bureau of Mines.

Mr. Speaker, I ask unanimous consent to insert them at this point.

The SPEAKER. Without objection, it is so ordered.

TABLE 9.—*Price of gold in the United States*

(Calculated from the price of gold in London and the closing exchange rate for the pound sterling in New York. The dash, ————, indicates Sunday; and "H," holiday)

[Dollars per fine ounce]

Day	1933												1934			
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
1	————	20.53	20.78	20.64	24.07	24.53	26.56	27.48	29.62	————	31.64	32.54	H.	33.74	34.82	————
2	H.	20.59	21.06	————	24.28	24.50	————	28.16	29.81	31.94	32.28	32.40	32.71	34.04	34.66	H.
3	20.63	20.59	20.85	20.62	24.07	24.53	27.54	28.22	————	32.24	32.25	————	32.64	34.11	34.73	35.07
4	20.59	20.57	H.	20.60	24.40	————	H.	28.15	H.	31.93	32.18	32.04	32.88	————	————	34.65
5	20.59	————	————	20.71	24.84	H.	27.79	28.05	29.75	31.80	————	32.47	32.56	34.55	34.68	34.73
6	20.56	20.56	H.	20.74	25.03	24.78	28.54	————	29.71	31.68	32.27	32.46	32.51	34.64	34.82	34.88
7	20.57	20.59	H.	20.69	————	24.92	28.98	H.	29.77	31.32	H.	32.32	————	34.06	34.78	34.85

TABLE 9.—*Price of gold in the United States*—Continued

(Calculated from the price of gold in London and the closing exchange rate for the pound sterling in New York. The dash, ————, indicates Sunday; and "H," holiday)—Continued

Day	1933												1934			
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
8		20.58	H.	20.70	24.35	25.05	29.29	27.92	29.72		32.81	32.67	32.24	34.31	34.71	
9	20.62	20.59	H.		24.30	25.19		27.99	29.22	31.22	33.55	32.70	32.20	34.45	34.77	34.77
10	20.59	20.59	H.	20.67	24.36	25.46	29.83	28.02		31.38	33.13		32.42	34.48	34.77	34.74
11	20.58	20.60	H.	20.71	24.65		29.02	28.01	29.28	31.11	33.12	32.34	32.31			34.83
12	20.58			20.77	24.48	25.54	29.61	27.94	29.15	H.		31.96	32.33	H.	34.91	34.82
13	20.65	H.	20.53	20.96	24.55	25.04	29.78		29.64	30.16	33.32	31.77	32.56	34.47	34.75	34.71
14	20.57	20.59	20.74	H.		25.06	29.68	27.68	30.04	30.02	33.85	32.28		34.60	34.72	34.79
15		20.55	20.78	21.14	24.39	24.56	29.70	27.56	30.45		34.91	32.36	32.99	34.77	34.76	
16	20.58	20.63	20.83		24.08	24.87		27.58	30.78	29.20	33.94	32.34	33.47	34.70	34.74	34.78
17	20.55	20.79	20.83	H.	24.37	24.89	29.82	28.10		30.09	33.39		33.14	34.64	34.76	34.72
18	20.53	20.72	20.66	21.26	24.03		30.18	28.05	31.44	29.74	33.58	32.64	32.93			34.75
19	20.57			22.32	23.74	25.34	29.96	28.09	31.64	29.52		32.57	33.38	34.60	34.84	34.81
20	20.60	20.74	20.66	23.20	23.73	25.41	28.88		32.07	29.13	33.84	32.29	33.19	34.28	34.82	35.00
21	20.56	20.63	20.61	22.68		25.53	29.07	28.23	31.81	29.06	34.51	32.02		34.72	34.77	35.03
22		H.	20.64	22.57	23.89	25.78	28.68	28.17	32.03		34.08	32.21	33.25	H.	34.81	
23	20.63	20.83	20.69		23.98	25.79		28.46	31.90	29.85	33.21	32.29	33.19	34.63	34.69	34.95
24	20.65	20.76	20.69	22.92	24.10	25.83	28.88	28.61		30.63	32.70		33.07	34.67	34.72	35.01
25	20.55	20.77	20.66	22.97	23.99		28.78	29.37	31.51	30.83	32.89	H.	32.77			34.83
26	20.55			22.99	24.13	25.95	28.64	29.93	31.58	31.01		H.	32.92	34.68	34.80	34.82
27	20.49	20.79	20.66	22.57	24.40	26.23	28.07		31.35	30.84	32.00	32.24	32.81	34.61	34.75	34.96
28	20.54	20.73	20.62	23.29		26.76	28.11	29.09	31.33	30.62	32.60	32.05		34.72	34.84	34.96
29			20.67	23.71	24.59	26.05	27.93	29.50	31.63		32.46	32.02	33.31		34.73	
30	20.60		20.67		H.	26.29		29.11	31.69	31.23	H.	32.61	33.21		H.	34.84
31	20.58		20.57		24.72		27.81	29.33		31.17			33.50		H.	
Average	20.58	20.65	20.71	21.71	24.29	25.36	28.85	28.34	30.68	30.71	33.10	32.32	32.87	34.48	34.77	34.85

[From Minerals Yearbook, 1934, pp. 25–27]

GOLD AND SILVER

(By Charles W. Henderson)

GOLD

United States suspends gold standard: On April 19, 1933, closely following the bank holiday, March 6–13, for the second [1] time in its history the United States was off the gold standard. Although Great Britain, followed by many other countries,[2] was off the gold standard in September 1931 and gold was sold in London above the old par of 85 shillings per fine ounce, there would have been no immediate or, at that time, anticipated profit to United States gold producers had they sold abroad before April 19. The following table shows that the exchange value in New York on London averaged monthly under the United States statutory price of gold per fine ounce, $20.67+ until April.

London gold quotations, average by months, 1933, per fine ounce

	Average [1]		Average in pounds	Average monthly exchange, New York on London [2]	Dollars per fine ounce
	s.	d.		*Dollars per £*	
January	122	5.90	£6.1246	3.3614	$20.5872
February	120	8.58	6.0358	3.4221	20.6551
March	120	3.62	6.0151	3.4329	20.6492
April	120	7.70	6.0321	3.5793	21.5907
May	123	4.54	6.1689	3.9324	24.2586
June	122	3.48	6.1145	4.1356	25.2871
July	123	11.88	6.1995	4.6499	28.8271
August	125	8.79	6.2866	4.5027	28.3067
September	131	4.27	6.5678	4.6647	30.6368
October	131	6.58	6.5774	4.6683	30.7053
November	128	8.87	6.4370	5.1497	33.1496
December	126	2.62	6.3109	5.1159	32.2859
Average	124	10.40	6.2433	4.2179	26.3337

[1] Source: Samuel Montagu & Co. [2] Source: U. S. Bureau of the Mint.

After April 19 there would have been profit in selling gold abroad, but President Roosevelt's Executive orders of April 5 forbade the hoarding of gold coin, gold bullion, and gold certificates. This was followed by the Presidential Executive order of April 20, 1933, relating to foreign exchange and earmarking and export of gold coin, bullion, or currency, that forbade the export of gold bullion.

Premiums on newly mined gold in the United States in 1933: The newspapers on July 27 announced a decision of the Attorney General, effective August 9, that allowed the continuation of exporting of gold in ore and in concentrates and exporting of gold in unretorted amalgam bullion and in unrefined cyanide precipitates. This order permitted export to 75 percent of the United States gold-mine production but made it impracticable for the remaining 25 percent, a situation which would have soon resulted in the closing of many smelters (even then working only on part capacity).

Owing to the difficulties of quickly contacting reliable purchasers abroad, relatively very little of the above classified material was exported, although in the interim preparations had been made by some producers and were being made by other producers to ship abroad, when the President on August 29 issued an Executive order, coupled with an antihoarding clause, that the United States Government would act as agent for producers of newly mined gold to obtain the world price through the United States Mint and Federal Reserve banks; regulations were promulgated to pay the producer by Federal Reserve bank check (when sale was consummated) at the world price received by the Federal Reserve bank.

All sales were handled by the Federal Reserve Bank of New York. This bank made a small quantity of sales internally to commercial companies for industrial purposes at world prices but sold the large amount abroad. The period covered by the internal sales was September 8 to October 27; the period covered by sales abroad was September 13 to November 1.

On October 25 the Reconstruction Finance Corporation began buying newly mined gold at arbitrarily fixed and periodically rising prices, the day-by-day price generally being above the world price; payment to the producer was in Reconstruction Finance Corporation notes payable in principal and interest on February 1, 1935.

On October 27 the Reconstruction Finance Corporation was authorized by Presidential order to extend Government purchase of gold by entering foreign markets and began to bid for gold in Paris and London markets, offering $32.36 an ounce.

On January 16, 1934, the Federal Reserve Bank of New York began paying depositors by check the United States price of $34.45 per ounce, less a small commission, coincident with the President's message of January 15 to Congress recommending that the upper limit of permissible revaluation of the dollar be 60 percent.

Payment for deposits was resumed on February 1 by the Bureau of the Mint, following passage of the Gold Reserve Act of 1934 on January 30, 1934, and the President's proclamation of January 31 acting under the powers granted by title 3 of the act approved May 12, 1933 (Thomas amendment to the Farm Relief Act), fixing the weight of the gold dollar at 15 5/21 grains, nine-tenths fine. This is 59.06+ percent of the former weight of 25 8/10 grains, nine-tenths fine, as fixed by section 1 of the act of March 4, 1900. The value of gold per fine ounce immediately became $35.

[1] From shortly after the outbreak of the Civil War to January 1, 1879, specie payment was suspended, and gold was at a premium.

[2] Countries remaining on the gold standard throughout 1933 were France, Italy, Belgium, Holland, and Switzerland. Germany, with reserves of about 8 percent gold, remained nominally on the gold standard.

EXTENSION OF REMARKS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD and include therein a statement by O. L. Brownlee with reference to the Faddis strategic-minerals bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ELECTION TO COMMITTEES

Mr. DOUGHTON. Mr. Speaker, I offer a privileged resolution and move its adoption.

The Clerk read as follows:

House Resolution 164

Resolved, That the following-named Members be, and they are hereby, elected members of the standing committees of the House of Representatives as follows:

Banking and Currency: A. S. MIKE MONRONEY, of Oklahoma.

Indian Affairs: COMPTON I. WHITE, of Idaho; MARTIN F. SMITH, of Washington; LANSDALE G. SASSCER, of Maryland.

The resolution was agreed to.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, will the gentleman yield to permit me to submit a unanimous-consent request?

Mr. PATMAN. I yield.

EXTENSION OF REMARKS

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article by George N. Peek.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a short editorial by Hugh Johnson.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EARMARKED GOLD

Mr. PATMAN. Mr. Speaker, I have just heard the statement about gold being held by individuals in this country—that is, by citizens of foreign countries—when it is a violation of the law for an individual in this country to hold gold. I believe the gentleman from Minnesota is entirely wrong in his statement that foreign citizens hold gold in this country that is earmarked for their account.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The only information I have is from the Treasury itself, where the operations are very secret. I was told that there was gold earmarked to the account of foreign individuals.

Mr. PATMAN. For whom? Let us get our definitions straight. Does the gentleman mean to say that the Treasury, or an official of the Treasury, stated that this gold was held for foreign individuals, or for foreign governments, or for both? Whom did he say it was held for?

Mr. AUGUST H. ANDRESEN. For foreigners.

Mr. PATMAN. There is a difference there. Let us get down to specifications.

Mr. AUGUST H. ANDRESEN. I do not want the gentleman to misunderstand me.

Mr. PATMAN. I do not want to misunderstand the gentleman.

Mr. AUGUST H. ANDRESEN. A foreign individual can take gold to the Bank of London, and the Bank of London can send it over here and keep it here, earmarked for the Bank of London or the British nation, and that man can get it back, whether he be an individual or a foreign government.

Mr. PARSONS. Will the gentleman yield?

Mr. PATMAN. The man in England cannot get any gold from America because individuals cannot have gold earmarked for them in this country. I yield to the gentleman from Illinois.

Mr. PARSONS. I think I heard most of the testimony before the committee, and while I have not made specific inquiry of the Treasury Department with reference to this proposition, my memory is there was some earmarked gold over here.

Mr. PATMAN. There is no question about that.

Mr. PARSONS. That is held in the Federal Reserve for the account of foreign governments.

Mr. PATMAN. There is no question about that.

Mr. PARSONS. But it is not held for any individual.

Mr. PATMAN. That is right.

Mr. PARSONS. And the gold that does come here goes through the Federal Reserve System and is turned over to the Treasury of the United States. A gold certificate is issued therefor to the Federal Reserve; but the gold will always remain in the Treasury except in settlement of international balances.

Mr. PATMAN. The gentleman from Minnesota, I think, has misunderstood whoever he talked to in the Treasury. No one is secretive about the gold being earmarked. Instead of it being a secret, they are putting it in the newspapers. If you will take the newspapers of the last few days, you will discover that the Treasury states how much gold is earmarked and for whom. For individuals? No. It is a violation of the law. It is held only for foreign governments or for foreign central banks. Just those two.

Now, several hundred million dollars of gold have been earmarked for those two purposes, foreign governments, or foreign central banks. No one objects to disclosing the information. As a matter of fact, a license had to be issued in order to permit the Federal Reserve Bank of New York to hold the gold in that way. It is all a matter of public record. I hope the gentleman does not suggest the Treasury is trying to hide this information, trying to keep it a secret, or keep anyone from knowing it. On the contrary, the information is published in the newspapers.

Mr. AUGUST H. ANDRESEN. The statement of gold assets in the daily statement of the Treasury does not show that the gold the gentleman is referring to is earmarked.

Mr. PATMAN. There is no necessity to show that, because it is not a part of the stock. The statement the gentleman has in his hand is a statement of the gold that is carried as an asset.

Mr. AUGUST H. ANDRESEN. That is right.

Mr. PATMAN. The reason it is carried as an asset is because the Gold Act says that the right, title, and interest in and to all the gold held by all the banks and all the people in the United States is in the United States Government. The Government owns that gold.

Mr. AUGUST H. ANDRESEN. I am familiar with the law.

Mr. PATMAN. That is the reason it is in that statement. The reason earmarked gold is not in that statement is because it does not become a part of the gold owned by the Treasury of the United States. Therefore there is a good reason for not showing it.

[Here the gavel fell.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FIFTY-NINE-CENT DOLLAR

Mr. PATMAN. Mr. Speaker, I want to mention one other thing about this 59-cent dollar. Why all this talk about our dollar being reduced to 59 cents in our domestic transactions? Let us take a dollar bill that was made before the revaluation. It is the same dollar bill we have today. There has been no change. Where do you get that 59 cents? When you go to a railroad station to buy a ticket, do you have to pay this dollar bill as 59 cents, then put in another 41 cents to make up the dollar? No. That is still worth $1 to the railroad company for railroad freight rates or passenger transportation. It is still good for the payment of telephone or electric charges, or payment of water, gas, and all kinds of utility services. It still buys 100 cents' worth at the same rates that we had before revaluation.

Let us consider the debts that we owe, which is the greatest problem confronting the American people, and there are something like $200,000,000,000 in debts. According to the theory of the gentlemen who argue that the dollar is worth only 59 cents in the United States, those debts would automatically be increased almost $300,000,000,000. But that is not true. This so-called 59-cent dollar still pays $1 of those debts just as it always has in the past. I want someone to

explain to me how it is that it can be said that this good dollar of ours has been reduced to only 59 cents here in America.

What about your interest? It will still pay a dollar's worth of interest. It will still pay 100 cents in taxes. Name me something in America that this so-called 59-cent dollar will not pay 100 cents on. If anybody in America today or anybody on the floor of this House can name me one thing that this dollar will not pay 100 cents on in the United States, I would like to know what it is.

Mr. SMITH of Ohio rose.

Mr. PATMAN. The gentleman claims he qualifies.

Mr. SMITH of Ohio. I should be pleased to answer. When the content of the dollar was devaluated, what happened to the debts owing to United States citizens by foreigners?

Mr. PATMAN. I am not talking about that. I said in America.

Mr. SMITH of Ohio. The gentleman said one thing, and that is one.

Mr. PATMAN. No. I said anything in America, and I specified what we deal with. A farmer does not deal with a foreign government. A farmer does not deal with citizens of Japan. A farmer does not deal with citizens of Mexico or Brazil. A farmer deals with people in the United States, and this dollar is worth 100 cents anywhere in the United States.

Mr. SMITH of Ohio. When he buys foreign goods does he not deal with foreigners? He is paying 67 percent more for imports than he previously paid, is he not?

Mr. PATMAN. The gentleman is getting off on a different subject entirely. What I am talking about is the value of this dollar here in the United States, which some of the Members have been saying is worth only 59 cents. The gentleman will take it for 100 cents on the dollar and everybody else will take it for 100 cents on the dollar. Does the gentleman know of anybody in America who would refuse to take it for 100 cents on the dollar?

Mr. SMITH of Ohio. Yes.

Mr. PATMAN. All right; name one.

Mr. SMITH of Ohio. The private bond market is dead.

Mr. PATMAN. That is not any answer. Who is the bond market? Name me one person in America who refuses to take this for 100 cents on the dollar.

Mr. SMITH of Ohio. Can you write a value clause into a contract today, with the dollar of which the gentleman is talking?

Mr. PATMAN. The gentleman is dodging. You may consider all the debts and the taxes and the interest and you will discover that our dollar is paying them on the basis of 100 cents—not 59 cents—on the dollar. You take the greatest business in the United States, the insurance business, involving hundreds of millions and billions of dollars, and this dollar will pay for 100 cents of insurance.

[Here the gavel fell.]

PERSONAL ANNOUNCEMENT

Mr. ELSTON. Mr. Speaker, I was unavoidably detained when the vote was taken today on the Cochran amendment to the bill amending the National Housing Act, and I should like to have the RECORD show that had I been here I would have voted for the amendment.

SENATE CONCURRENT RESOLUTIONS REFERRED

Concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 7. Concurrent resolution authorizing the Joint Committee on the Investigation of the Tennessee Valley Authority to have printed additional copies of the hearings held before said committee; to the Committee on Printing.

S. Con. Res. 9. Concurrent resolution authorizing the printing of additional copies of Senate Document No. 56, current session, entitled "Report of the Joint Committee of Congress Appointed to Investigate the Tennessee Valley Authority"; to the Committee on Printing.

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 246. Joint resolution making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 246. Joint resolution making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939.

RECESS

The SPEAKER. Under a special order heretofore made, the House stands in recess until 2 o'clock.

Accordingly (at 1 o'clock and 10 minutes p. m.) the House stood in recess until 2 o'clock p. m.

AFTER THE RECESS

The recess having expired, the House was called to order by the Speaker at 2 o'clock p. m.

The SPEAKER. Without objection, the House will stand in informal recess for a few minutes, subject to the call of the Chair.

The informal recess having expired, the House was called to order by the Speaker at 2:09 o'clock p. m.

The SPEAKER. Pursuant to House Resolution 158, the House will now proceed to the Senate Chamber to attend the funeral services of the late Senator Lewis.

The Speaker will take his place at the door and the majority and minority leaders and the other Members will follow in order and proceed to the Senate Chamber.

Thereupon the Members of the House, preceded by the Speaker, the Sergeant at Arms, the majority and minority leaders, proceeded to the Senate Chamber.

Upon the conclusion of the funeral services in the Senate, the House was called to order by the Speaker at 3:06 o'clock p. m.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 7 minutes p. m.) the House adjourned until tomorrow, Thursday, April 13, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds at 10:30 a. m. on Thursday, April 13, 1939, for the consideration of House Joint Resolution 171.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

Thursday, April 13, 1939:

H. R. 4220, load-line bill for seagoing vessels (BLAND).

On Wednesday, April 19, 1939, at 10 a. m., the Committee on Merchant Marine and Fisheries will resume hearings on the bill (H. R. 5130) to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes.

On Tuesday, April 25, 1939, at 10 a. m., the committee will hold public hearings on the following bills: H. R. 2383, H. R. 2543, H. R. 2558, to increase further the efficiency of the Coast Guard by authorizing the retirement, under certain conditions, of enlisted personnel thereof with 20 or more years of service.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Through Routes Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m. Tuesday, April 18, 1939. Business to be considered: Hearing on H. R. 3400, through-routes bill.

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs Thursday, April 13, 1939, at 10 a. m., in the committee rooms, Capitol, to begin hearings on the following bills and resolutions pertaining to neutrality: House Resolution 100, to prohibit the transfer, loan, or sale of arms or munitions (by Mrs. ROGERS of Massachusetts); House Joint Resolution 3, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. LUDLOW); House Joint Resolution 7, to implement the Kellogg-Briand Pact for World Peace (by Mr. GUYER of Kansas); House Joint Resolution 16, to prohibit the exportation of arms, ammunition, or implements or materials of war to any foreign country when the President finds a state of war to exist between or among two or more foreign states or between or among two or more opposing forces in the same foreign state (by Mr. KNUTSON); House Joint Resolution 42, providing for an embargo on scrap iron and pig iron under Public Resolution No. 27 of the Seventy-fifth Congress (by Mr. CRAWFORD); House Joint Resolution 44, to repeal the Neutrality Act (by Mr. FADDIS); House Joint Resolution 113, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. FISH); House Joint Resolution 226, to amend the Neutrality Act (by Mr. GEYER of California); House Joint Resolution 254, to keep the United States out of foreign wars, and to provide for the neutrality of the United States in the event of foreign wars (by Mr. FISH); House bill 79, to keep America out of war by repealing the so-called Neutrality Act of 1937 and by establishing and enforcing a policy of actual neutrality (by Mr. MAAS); House bill 163, to establish the neutrality of the United States (by Mr. LUDLOW); House bill 4232, to limit the traffic in war munitions to promote peace, and for other purposes (by Mr. VOORHIS of California); House bill 5223, Peace Act of 1939 (by Mr. HENNINGS); House bill 5432, to prohibit the export of arms, ammunition, and implements and materials of war to Japan, to prohibit the transportation of arms, ammunition, implements, and materials of war by vessels of the United States for the use of Japan, to restrict travel by American citizens on Japanese ships, and otherwise to prevent private persons and corporations subject to the jurisdiction of the United States from rendering aid or support to the Japanese invasion of China (by Mr. COFFEE of Washington); House bill 5575, Peace Act of 1939 (by Mr. HENNINGS).

Hearings will continue from Thursday, April 13, to April 26, beginning at 10 a. m. each day, with the exception of Saturdays and Sundays.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

621. A letter from the Acting Secretary of War, transmitting the draft of a proposed bill to authorize the acquisition of additional lands for military purposes; to the Committee on Military Affairs.

622. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 7, 1939, submitting a report, together with accompanying papers, on a preliminary examination and survey for deepening of the present channel at the northeasterly end of Charlotte Harbor and Peace River from Punta Gorda, Fla., to Cleveland, Fla., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

623. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 4, 1939, submitting a report, together with accompanying papers, on reexamination of Red River, La., Ark., Okla., and Tex., with a view to flood protection at Colfax, La., and vicinity, requested by resolution of the Committee on Flood Control, House of Representatives, adopted March 18, 1938; to the Committee on Flood Control.

624. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 4, 1939, submitting a report, together with accompanying papers, on reexamination of Fond du Lac Harbor and vicinity, Lake Winnebago, Wis., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted February 8, 1938; to the Committee on Rivers and Harbors.

625. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 6, 1939, submitting a report, together with accompanying papers, on a preliminary examination of deep-water channel from New Iberia to the Gulf of Mexico, authorized by the River and Harbor Act approved August 26, 1937; to the Committee on Rivers and Harbors.

626. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 4, 1939, submitting a report, together with accompanying papers, on a preliminary examination of channel leading from Broadway Road, near Cashville, Accomac County, Va., to deep water in Onancock River, authorized by the River and Harbor Act approved August 26, 1937; to the Committee on Rivers and Harbors.

627. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 6, 1939, submitting a report, together with accompanying papers, on a preliminary examination of Catskill Creek, N. Y., authorized by the River and Harbor Act approved June 20, 1938; to the Committee on Rivers and Harbors.

628. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 7, 1939, submitting a report, together with accompanying papers, on reexamination of Clearwater Harbor, Fla., including Big Pass and Little Pass, requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted August 11, 1937; to the Committee on Rivers and Harbors.

629. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 7, 1939, submitting a report, together with accompanying papers, on reexamination of Mermentau River, La., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted June 19, 1936; to the Committee on Rivers and Harbors.

630. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 7, 1939, submitting a report, together with accompanying papers, on a preliminary examination of Folly Creek, Accomac County, Va., authorized by the River and Harbor Act approved August 26, 1937; to the Committee on Rivers and Harbors.

631. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 6, 1939, submitting a report, together with accompanying papers, on a preliminary examination of Assateague Channel, Accomac County, Va., with a view to its protection and preservation; also the protection of Chincoteague Island and property thereon from erosion and storms, and of Smallers Drain, Assateague Island, Va., authorized by the River and Harbor Act approved August 26, 1937; to the Committee on Rivers and Harbors.

632. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 4, 1939, submitting a report, together with accompanying papers, on reexamination of harbor of refuge at Sandy Bay, Cape Ann, Mass., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted February 12, 1937; to the Committee on Rivers and Harbors.

633. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 4, 1939, submitting a report, together with accompanying papers, on a preliminary examination of Macum Creek at

the mouth of the Chester River, Queen Anne County, Md., authorized by the River and Harbor Act approved June 20, 1938; to the Committee on Rivers and Harbors.

634. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 4, 1939, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Platte River in the vicinity of Schuyler, Nebr., authorized by the Flood Control Act approved August 28, 1937 (H. Doc. No. 250); to the Committee on Flood Control and ordered to be printed, with two illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COCHRAN: Committee on Expenditures in the Executive Departments. H. R. 5485. A bill permitting the War Department to transfer old horses and mules to the care of reputable humane organizations; without amendment (Rept. No. 403). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CONNERY: Committee on War Claims. S. 1093. An act for the relief of Mike Chetkovich; without amendment (Rept. No. 402). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCK:

H. R. 5726. A bill to amend the Interstate Commerce Act by providing that the shipper shall not be liable for charges in certain cases; to the Committee on Interstate and Foreign Commerce.

By Mr. COFFEE of Washington:

H. R. 5727. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act to extend the benefits of such act to boommen and raftmen employed in lumbering operations on navigable waters; to the Committee on the Judiciary.

By Mr. DISNEY:

H. R. 5728. A bill to amend section 3448 of the Internal Revenue Code (formerly sec. 702 of the Revenue Act of 1932, as amended) to permit the deduction of 2 percent of taxes collected under this title as reimbursement for the expenses of collecting and reporting tax; to the Committee on Ways and Means.

By Mr. KENNEDY of Maryland:

H. R. 5729. A bill to promote safety at sea by giving added protection to the traveling public and the crews of American merchant vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. LEMKE:

H. R. 5730. A bill to amend the United States Grain Standards Act, approved August 11, 1916, and acts amendatory thereto; to the Committee on Agriculture.

By Mr. SHANLEY:

H. R. 5731. A bill to exempt certain persons from the license requirements of title VI of the District of Columbia Revenue Act of 1937, as amended; to the Committee on the District of Columbia.

By Mr. SUTPHIN:

H. R. 5732. A bill designating Good Friday in each year a legal holiday; to the Committee on the Judiciary.

H. R. 5733. A bill to provide honorable-discharge status for any war, campaign, or expedition veteran who was discharged from the military or naval forces of the United States because of minority or misrepresentation of age, and for other purposes; to the Committee on Military Affairs.

H. R. 5734. A bill for the relief of World War sailors and marines who were discharged from the United States Navy or United States Marine Corps because of minority or misrepresentation of age; to the Committee on Naval Affairs.

By Mr. THOMASON:

H. R. 5735. A bill to authorize the acquisition of additional land for military purposes; to the Committee on Military Affairs.

By Mr. VOORHIS of California:

H. R. 5736. A bill to amend the Social Security Act; to the Committee on Ways and Means.

By Mr. MAY:

H. R. 5737 (by request). A bill to authorize an appropriation to meet such expenses as the President, in his discretion, may deem necessary to enable the United States to cooperate with the Republic of Panama in completing the construction of a national highway between Chorrera and Rio Hato, Republic of Panama, for defense purposes; to the Committee on Military Affairs.

By Mr. WARREN:

H. R. 5738. A bill to increase further the efficiency of the Coast Guard by authorizing the retirement under certain conditions of enlisted personnel thereof with 20 or more years of service; to the Committee on Merchant Marine and Fisheries.

By Mr. DIMOND:

H. Res. 162. Resolution to provide for an investigation of the fisheries of Alaska; to the Committee on Rules.

H. Res. 163. Resolution to authorize the payment of expenses of investigation authorized by House Resolution 162; to the Committee on Accounts.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New Jersey, memorializing the President and the Congress of the United States to consider their senate concurrent resolution, dated March 27, 1939, with reference to establishing ownership over oil deposits occurring in tidal and submerged lands of the Nation; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARENDS:

H. R. 5739. A bill for the relief of Christopher S. Long; to the Committee on War Claims.

By Mr. BARRY:

H. R. 5740 (by request). A bill granting an annuity to Emma June Wilbur; to the Committee on Claims.

By Mr. HEINKE:

H. R. 5741. A bill granting an increase of pension to Elizabeth French; to the Committee on Invalid Pensions.

By Mr. HOFFMAN:

H. R. 5742. A bill for the relief of Leon Frederick Ruggles; to the Committee on Claims.

By Mr. JEFFRIES:

H. R. 5743. A bill for the relief of Walter C. Holmes; to the Committee on Claims.

By Mr. SCHIFFLER:

H. R. 5744. A bill for the relief of Albert Polley; to the Committee on Military Affairs.

By Mr. SHANNON:

H. R. 5745. A bill granting a pension to Ella S. Montgomery; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2465. By Mr. ANDERSON of California: Resolution passed by Monterey Chamber of Commerce, and signed by V. V. Adams, secretary, recommending the establishment of a coastal airway from Los Angeles to San Francisco over route

of Monterey and Santa Barbara airports; to the Committee on Interstate and Foreign Commerce.

2466. By Mr. BOLLES: Petition of sundry citizens of Antigo, Wis., favoring the Social Security Act exempting small nonprofit organizations from the provisions of the act; to the Committee on Ways and Means.

2467. By Mr. CROWTHER: Petition of certain citizens of Northville, N. Y., to prohibit shipment of scrap iron and all other metallic war materials, including arms, ammunition, and implements of war, from any place in the United States except to nations on the American continents engaged in war against a non-American state or states; to the Committee on Foreign Affairs.

2468. By Mr. GROSS: Resolution No. 27, session of 1939, General Assembly of Pennsylvania, attested by Elwood J. Turner, speaker, and William Ward, Jr., chief clerk; to the Committee on Foreign Affairs.

2469. By Mr. HINSHAW: Petition of Virginia Bell White, of Glendale, Calif., urging the elimination of color and racial tests from the immigration and naturalization laws; to the Committee on Immigration and Naturalization.

2470. By Mr. JOHNS: Petition of J. H. Bradley and 10 other employed administrative officials of the Modesto city schools, Modesto, Calif., heartily supporting the Federal-aid bill (S. 1305) and appreciating favorable support and action whenever the measure is before you for consideration; to the Committee on Education.

2471. By Mr. KEAN: Memorial of the Legislature of the State of New Jersey, being a concurrent resolution adopted by the house and senate, bearing upon Federal inheritance taxes; to the Committee on Ways and Means.

2472. By Mr. MARTIN J. KENNEDY: Petition of Lithgow Osborne, commissioner, Conservation Department of the State of New York, Albany, urging inclusion of $375,000 for gipsy moth control and $778,000 for control of the Dutch elm disease in the agricultural appropriation bill; to the Committee on Agriculture.

2473. Also, petition of Grand Central Lodge, No. 1043, Brotherhood of Railway and Steamship Clerks, New York City, urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2474. Also, petition of the Brotherhood of Railway Carmen of America, Blue Island, Ill., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2475. Also, petition of Lodge No. 1417, International Association of Machinists, Mount Vernon, Ill., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2476. Also, petition of Mohawk Lodge, No. 972, Brotherhood of Railway Carmen of America, Albany, N. Y., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2477. Also, petition of Lodge No. 52, International Association of Machinists, Pittsburgh, Pa., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2478. Also, petition of Tompkins Label Service, Philadelphia, Pa., concerning the McCormack bill (H. R. 6); to the Committee on Ways and Means.

2479. Also, petition of Local No. 96, International Molders Union, Brooklyn, N. Y., concerning Senate bill 281, an amendment to the Civil Service Act; to the Committee on the Civil Service.

2480. Also, petition of Sun River Lodge, No. 458, Brotherhood Locomotive Firemen and Enginemen, Great Falls, Mont., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2481. By Mr. KEOGH: Petition of the Equity Taxpayers' Association of Woodhaven, Inc., Woodhaven, N. Y., favoring Dies bill to exclude from public office any person who is communistic; to the Committee on Immigration and Naturalization.

2482. Also, petition of R. C. Utess, vice president, American Manufacturing Co., Brooklyn, N. Y., urging support of Mrs. NORTON's amendment to the Wage-Hour Act dealing with prison-made goods; to the Committee on Labor.

2483. Also, petition of the committee for the amendment of the Coal Act, Washington, D. C., favoring consideration of the Allen bill (H. R. 5119), to amend the National Bituminous Coal Act of 1937; to the Committee on Ways and Means.

2484. Also, petition of the Harmonia Council, No. 99, Sons and Daughters of Liberty, Woodhaven, N. Y., concerning the Wagner-Rogers bill for refugee children; to the Committee on Immigration and Naturalization.

2485. Also, petition of the Forest Park View Civic Association, Inc., Ridgewood, Queensboro, N. Y., concerning refugee children; to the Committee on Immigration and Naturalization.

2486. By Mr. LAMBERTSON: Petition of Mrs. S. S. Estey and 36 other Topeka, Kans., citizens, urging Congress and the President to take the lead immediately in a movement to bring about a world conference on economic conditions and disarmament, in which every nation be represented, to work out an equitable solution of conflicting national economic claims and bring about disarmament; to the Committee on Foreign Affairs.

2487. Also, petition of A. S. Strain, president of Local No. 163, General Welfare Center, and the members of this organization in Topeka, Kans., urging Congress to consider at once and enact the general welfare bill (H. R. 11); to the Committee on Ways and Means.

2488. Also, petition of Claude Brey and 18 other Jefferson County, Kans., citizens, urging Congress to give the people the opportunity to vote on whether or not we are to be plunged into another foreign war; to the Committee on Foreign Affairs.

2489. By Mrs. NORTON: Petition of the Legislature of the State of New Jersey, memorializing the Federal Congress not to enact the several resolutions seeking to establish ownership over oil deposits occurring in tidal and submerged lands of the Nation; to the Committee on the Public Lands.

2490. By Mr. PFEIFER: Petition of the committee for amendment of the Coal Act, Washington, D. C., urging consideration of House bill 5119, to amend the National Bituminous Coal Act of 1937; to the Committee on Ways and Means.

2491. Also, telegram from R. C. Utess, vice president, American Manufacturing Co., Brooklyn, N. Y., urging support of Mrs. NORTON's amendment to the Wage-Hour Act regarding convict-made goods; to the Committee on Labor.

2492. By Mr. WHITE of Idaho: Petition of certain citizens of Nezperce, Idaho, protesting against the advertising of alcoholic beverages in the press, magazines, and by radio; to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, APRIL 13, 1939

The Reverend Dr. Benney Benson, pastor, Kent Street Reformed Church, Brooklyn, N. Y., and chaplain, Kings County American Legion, offered the following prayer:

Father of all, the cross is still Thy way, although within the week debased, yet soon triumphantly exalted. The sword is still for murder. Thou shalt not kill. Preponderance of force and sword ever pit themselves against Christ and His cross. Which way, then, America? We pray for the loving heart and the moral armament, which alone may still save the world.

Believing in and converted to God in government, may our lawmakers here take Thee and no other as their sole guidance. God forbid they dare do otherwise than keep America at least from every evil trend toward collective hate and force leading to murder, because America must do justly, love mercy, and walk humbly before God. May every legislator's public attitude be identical with high personal morality.

In the name of Him who taught us to pray:

Our Father which art in Heaven, hallowed be Thy name. Thy kingdom come, Thy will be done on earth, as it is in Heaven. Give us this day our daily bread, and forgive us our

debts as we forgive our debtors. And lead us not into temptation, but deliver us from evil: For Thine is the kingdom and the power and the glory, forever. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 11, 1939, and Wednesday, April 12, 1939, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolution:

On April 5, 1939:

S. 794. An act relating to banking, banks, and trust companies in the District of Columbia, and for other purposes;

S. 1123. An act to amend paragraph 57 of section 8 of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes," approved March 4, 1913;

S. 1125. An act to provide for the appointment of research assistants in the public schools of the District of Columbia, and for other purposes;

S. 1126. An act to provide alternative methods of enforcement of orders, rules, and regulations of the Joint Board and of the Public Utilities Commission of the District of Columbia;

S. 1129. An act to amend paragraphs 31 and 33 of an act entitled "An act to amend section 7 of an act entitled 'An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes,' approved July 1, 1902, and for other purposes," approved July 1, 1932;

S. 1130. An act to amend Public Law No. 111, Sixty-sixth Congress, entitled "An act for the retirement of public-school teachers in the District of Columbia"; and

S. 1295. An act to amend section 9, article V, of an act known as "An act to amend the act entitled 'An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia,' approved June 20, 1906, as amended, and for other purposes."

On April 6, 1939:

S. 917. An act authorizing the Library of Congress to acquire by purchase, or otherwise, the whole, or any part, of the papers of Charles Cotesworth Pinckney and Thomas Pinckney, including therewith a group of documents relating to the Constitutional Convention of 1787, now in the possession of Harry Stone, of New York City.

On April 8, 1939:

S. 316. An act to authorize and direct the Commissioners of the District of Columbia to reappoint David R. Thompson and Ralph S. Warner as members of the Metropolitan Police Department of the District of Columbia.

On April 10, 1939:

S. 128. An act for the relief of Fred H. Beauregard;

S. 584. An act for the relief of John R. Holt;

S. 1019. An act to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Twelfth Olympic Games;

S. 1363. An act to repeal subsection (4) of subsection (c) of section 101 of the Agricultural Adjustment Act of 1938; and

S. J. Res. 46. Joint resolution authorizing appropriation for expenses of a representative of the United States and of his assistants, and for one-half of the joint expenses of this Government and the Government of Mexico, in giving effect to the agreement of November 9–12, 1938, between the two Governments providing for the settlement of American claims for damages resulting from expropriations of agrarian properties since August 30, 1927.

On April 11, 1939:

S. 1115. An act for the relief of Lt. Malcolm A. Hufty;

S. 1119. An act to provide an additional sum for the payment of a claim under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931," approved January 21, 1936 (49 Stat. 2212); and

S. 1174. An act for the relief of Alex St. Louis and Dr. J. P. Lake.

On April 12, 1939:

S. 60. An act for the relief of Dierks Lumber & Coal Co.;

S. 303. An act for the relief of the Ocilla Star;

S. 463. An act for the relief of the Fitzgerald Leader; and

S. 885. An act to authorize and direct the Comptroller General of the United States to allow credit for all outstanding disallowances and suspensions in the accounts of the disbursing officers or agents of the Government for payments made to certain employees appointed by the United States Employees' Compensation Commission.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED DURING ADJOURNMENT

Under authority of the order of the Senate of the 11th instant, the Secretary received on April 12, 1939, a message from the House of Representatives, by Mr. Calloway, one of its reading clerks, communicating the information that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were then signed by the Vice President:

S. 754. An act for the relief of J. G. Mayfield;

S. 1253. An act for the relief of John B. Dow;

S. 2021. An act to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes; and

H. J. Res. 246. Joint resolution making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that, pursuant to the provisions of title 20, section 43, United States Code, the Speaker had appointed Mr. COLE of Maryland, as regent of the Smithsonian Institution, to fill the unexpired term of Mr. Goldsborough.

The message also announced that the House had passed a bill (H. R. 5324) to amend the National Housing Act, and for other purposes, in which it requested the concurrence of the Senate.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4630) making appropriations for the Military Establishment for the fiscal year ending June 30, 1940, and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SNYDER, Mr. TERRY, Mr. STARNES of Alabama, Mr. COLLINS, Mr. KERR, Mr. POWERS, Mr. ENGEL, and Mr. BOLTON were appointed managers on the part of the House at the conference.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Byrnes	Green	Logan
Andrews	Capper	Gurney	Lucas
Ashurst	Caraway	Harrison	Lundeen
Austin	Clark, Idaho	Hatch	McCarran
Bailey	Connally	Hayden	McKellar
Bankhead	Danaher	Herring	McNary
Barbour	Davis	Hill	Maloney
Barkley	Donahey	Holman	Mead
Bilbo	Downey	Holt	Miller
Bone	Ellender	Hughes	Minton
Borah	Frazier	Johnson, Calif.	Murray
Bridges	George	Johnson, Colo.	Neely
Brown	Gerry	King	Norris
Bulow	Gibson	La Follette	Nye
Burke	Gillette	Lee	Overton
Byrd	Glass	Lodge	Pepper

Pittman	Schwellenbach	Thomas, Okla.	Walsh
Radcliffe	Shipstead	Thomas, Utah	Wheeler
Reed	Smathers	Townsend	White
Reynolds	Smith	Tydings	Wiley
Russell	Stewart	Vandenberg	
Schwartz	Taft	Wagner	

Mr. MINTON. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. CLARK], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Texas [Mr. SHEPPARD], and the Senator from Missouri [Mr. TRUMAN] are detained on important public business.

The Senator from Indiana [Mr. VAN NUYS] is unavoidably detained.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

TRIBUTE TO THE LATE SENATOR LEWIS

Mr. LUCAS presented a telegram, which was ordered to be printed in the body of the RECORD, as follows:

CHICAGO, ILL., *April 11, 1939.*

Hon. SCOTT W. LUCAS,
United States Senator from Illinois.

DEAR SENATOR: As a Chicagoan we knew well James Hamilton Lewis for more than 40 years. As citizen he was always active and public-spirited in national and all civic affairs. In public life, and as Senator from the great State of Illinois, he was the salt of the earth, loyal to death for his country. He was eloquent and as an orator reached heights seldom attained in his day and age. He was in the very front of his peers as a man. Few possessed his vast knowledge of letters. He ranked high as an advocate and statesman. In friendship he was superior and without a rival. We mourn deeply his demise. We express our sympathy to Mrs. Rose Lawton Douglas Lewis, his widow, in her great bereavement.

Yours faithfully,

THE IROQUOIS CLUB OF CHICAGO,
By ARTHUR J. J. WELSH, *President.*
JOHN NEAL CAMPBELL, *Secretary.*

PRESENT WORLD CONDITIONS—NOTICE OF ADDRESS BY SENATOR WALSH

Mr. WALSH. Mr. President, I give notice that upon the convening of the Senate on Monday, as soon as I shall be able to obtain recognition of the Chair, I shall speak briefly on our attitude toward present world conditions.

ROSCOE C. PRESCOTT ET AL.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 911) for the relief of Roscoe C. Prescott, Howard Joslyn, Arthur E. Tuttle, and Robert J. Toulouse, which was, on page 2, line 1, to strike out all after "*Provided,*" down to and including "$1,000" in line 13 and insert:

That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. BRIDGES. I move that the Senate concur in the House amendment.

The motion was agreed to.

COOPERATION WITH THE AMERICAN REPUBLICS

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations.

To the Congress of the United States of America:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State and the accompanying draft of proposed legislation designed to authorize cooperation with any of the other American republics in accordance with treaties, resolutions, declarations, and recommendations signed by all of the 21 American republics at the Inter-American Conference for the Maintenance of Peace held at Buenos Aires, Argentina, in 1936, and at the Eighth International Conference of American States held at Lima, Peru, in 1938.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 13, 1939.*

[Enclosures: 1. Report of the Secretary of State; 2. Draft of proposed bill; 3. Copy of report of Interdepartmental Committee.]

FLAXSEED PRICES AND THE TARIFF (S. DOC. 62)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, transmitting, in response to Senate Resolution 167 (75th Cong., 3d sess.), a report prepared in the Bureau of Agricultural Economics pertaining to prices of flaxseed, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry and ordered to be printed, with illustrations.

Mr. NYE subsequently said: Mr. President, I should like to make an inquiry concerning a matter which was laid before the Senate this morning in response to Senate Resolution 167, offered by me on July 22, 1937. The Secretary of Agriculture has submitted a report covering the flaxseed study which has been under way for the past year or more. I should like to inquire whether or not the report by the Secretary is to be printed as a public document.

The VICE PRESIDENT. The Parliamentarian advises the Chair that it will be printed in the ordinary procedure, as a document.

Mr. NYE. That being the case, I ask unanimous consent that there be printed in the document the resolution which occasioned the report, to the end that there may be a reply to the questions which were asked at the time.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of New Jersey, which was referred to the Committee on Public Lands and Surveys:

SENATE CONCURRENT RESOLUTION MEMORIALIZING THE FEDERAL CONGRESS NOT TO ENACT THE SEVERAL RESOLUTIONS SEEKING TO ESTABLISH OWNERSHIP OVER OIL DEPOSITS OCCURRING IN TIDAL AND SUBMERGED LANDS OF THE NATION

Whereas there is pending in the Congress of the United States four resolutions, all of which ostensibly seek to establish Federal ownership over oil deposits occurring in tidal and submerged lands of the Nation; and

Whereas it is believed the enactment of these resolutions to be an invasion of the rights of the several States, particularly with relation to the development and operation of seashore resorts: Therefore be it

Resolved by the Senate of the State of New Jersey (the house of assembly concurring), The Congress is memorialized not to enact the resolutions aforesaid; and be it further

Resolved, That copies of this resolution, signed by the presiding officers of the senate and house of assembly, be transmitted to the Vice President of the Senate, the Speaker of the House of Representatives, and the Senators and Representatives of the State of New Jersey in the Congress of the United States.

This resolution shall take effect immediately.

The VICE PRESIDENT also laid before the Senate a resolution of Alpha Omega Chapter of the Psi Phi Fraternity, of Washington, D. C., favoring the passage of the so-called McGranery resolution relative to the community use of public-school facilities in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also laid before the Senate a resolution of Local No. 110, U. W. O. C. of the C. I. O., protesting against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the Economic Convention of Puerto Rico, San Juan, P. R., favoring amendment of the Fair Labor Standards Act of 1938 so as to adjust its application to the peculiar conditions obtaining in Puerto Rico, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Local No. 906–B, Retail Stand Employees Union, United Retail and Wholesale Employees of America, C. I. O., of New York City, N. Y., favoring an embargo against the shipment of war materials and supplies to Japan for use in operations in China, and also the enactment of the so-called Thomas (of Utah) joint resolution (S. J. Res. 67) to revise the Neutrality Act, which was referred to the Committee on Foreign Relations.

introduced March 29, defining farm exemption. Harvesting [illegible]

He also laid before the Senate petitions of sundry citizens of the State of Alabama, praying for the enactment of the so-called Wagner-Van Nuys-Capper antilynching bill, which were referred to the Committee on the Judiciary.

He also laid before the Senate a resolution of Alpha Omega Chapter of the Omega Psi Phi Fraternity, of Washington, D. C., favoring the enactment of the so-called Fish bills (H. R. 3317 and H. R. 3318), relative to Negroes in the armed forces of the United States, which was referred to the Committee on Military Affairs.

He also laid before the Senate a resolution of Local No. G-472, Workers Alliance, of San Francisco, Calif., favoring an additional appropriation of $150,000,000 for the Works Progress Administration, which was ordered to lie on the table.

He also laid before the Senate a resolution of the Economic Convention of Puerto Rico, San Juan, P. R., favoring the granting of hearings to the business and economic interests of Puerto Rico on any question involving the extension of Federal laws to Puerto Rico, which was referred to the Committee on Territories and Insular Affairs.

Mr. HOLT presented a resolution of the City Council of New Martinsville, W. Va., protesting against the construction of a canal from Beaver, Pa., on the Ohio River to Lake Erie, which was referred to the Committee on Commerce.

Mr. MEAD presented a resolution of Typographical Union No. 9, of Buffalo, N. Y., protesting against amendment of the National Labor Relations Act at this session of Congress, which was referred to the Committee on Education and Labor.

Mr. WALSH presented memorials of several citizens of Mount Hermon, Mass., remonstrating against the sale of war materials and supplies to Japan for use in operations in China, which were referred to the Committee on Foreign Relations.

Mr. LODGE. Mr. President, I present resolutions from the General Court of Massachusetts, which I ask to have printed in full in the RECORD and referred to the Committee on Finance. It is fitting for me to say at this time that these resolutions have my hearty approval.

The VICE PRESIDENT. The resolutions will be received and referred as requested by the Senator from Massachusetts.

To the Committee on Finance:

RESOLUTIONS URGING CONGRESS TO CONSIDER AND DISCUSS THE PROVISIONS OF THE TOWNSEND NATIONAL RECOVERY PLAN, SO-CALLED, AND THE PROVISIONS OF BILLS OF SIMILAR IMPORT

Resolved, That the General Court of Massachusetts hereby urges the Congress of the United States to forthwith consider the provisions of the Townsend national recovery plan, so-called, and the provisions of bills of similar import, and to subject said provisions to a thorough discussion and open debate by its Members; and be it further

Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress, and to the Members thereof from this Commonwealth.

IMPORTATIONS OF GRAINS, FOODSTUFFS, CATTLE, ETC.

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Agriculture and Forestry Resolution No. 27 of the House of Representatives of the General Assembly of Pennsylvania, which has been sent to me by the speaker of the Pennsylvania House of Representatives, the Honorable Elwood Turner, requesting the cooperation of the Federal Government to prevent the importation of such grains, foodstuffs, and meat products as compete unfairly with American farmers.

Mr. President, this is a problem of grave concern to millions of our citizens who are now suffering unemployment because of the foreign invasion of our American markets, whose protection is gradually being lowered, resulting in fewer work opportunities and diminished production in this country.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, as follows:

Resolution 27

The American farmer, upon whose prosperity depends the prosperity of the Nation, is being deprived of his opportunity to earn a living by means of not being able to compete with the cheap imports from other countries.

Crops can be grown and cattle raised abroad at much lower cost than can be done here, where the standard of living to which the American farmer is accustomed demands a larger compensation for labor.

The importation of cheaply grown grains, foodstuffs, cattle, and meat products from abroad has done much to deny to our farmers the prosperity their efforts deserve: Therefore be it

Resolved, That it is the opinion of this House of Representatives of the General Assembly of the Commonwealth of Pennsylvania that action should be taken by the Federal Government to prevent the importation of such grains and foodstuffs, cattle, and meat products, the sale of which in the American markets contributes so largely to the economic plight of the American farmer, either by the imposition of a high tariff on such importation or the closing of our ports of entry to such articles; and be it further

Resolved, That a copy of this resolution be immediately transmitted by the chief clerk of this house to the officers of the Congress of the United States and to the Members of the Senate and House of Representatives in that Congress from the Commonwealth of Pennsylvania.

EXEMPTION OF AGRICULTURE AND HORTICULTURE FROM WAGE AND HOUR REGULATION

Mr. DAVIS. Mr. President, I ask unanimous consent to have referred to the Committee on Education and Labor and printed in the RECORD a letter I have received from Mr. J. E. Linde, president of the Berks-Lehigh Mountain Fruit Growers' Association, as well as a telegram which Mr. Linde has sent to Hon. MARY T. NORTON, chairman of the Committee on Labor of the House of Representatives.

There being no objection, the letter and telegram were referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

STATE HORTICULTURAL ASSOCIATION OF PENNSYLVANIA,
Boyertown, Pa., April 10, 1939.

Hon. JAMES J. DAVIS,
3012 Massachusetts Avenue, Washington, D. C.

DEAR SENATOR: Supplementing our telegram of today, we wish to call your attention to Norton bill No. 5435, defining farm exemption. Study of this bill will show that it will decidedly be detrimental to agriculture and horticultural interests. Fruit growers are in financial straits now, as evidenced by the large amount of orchards owned by the Federal Government in the Northwest and in many other States, as well as by the huge loans now on many orchard properties. To aid agricultural and horticultural interests, exemptions must be granted from wage and hour regulation. Rapidity of harvesting and packing does not lend itself to hours regulation by any means.

Due to perishable nature of horticultural products it is impossible to set up hour regulation to cover. Wage regulation is likewise not feasible, due to the impossibility of segregating field and processing or packing operations as they are generally performed by the same class of labor, and in some cases by the same persons.

Prices of fruit on trees are not fixed; fruit is valueless until packed and otherwise made ready for market. Therefore, the preparation for marketing is an integral part of agricultural and horticultural commodities.

Fruits are acutely perishable and seasonal. The grower must gather within days, sometimes within hours, his year's livelihood, work, and investment. In harvesting the national apple crop of 152,000,000 bushels (about 30,000,000,000 apples) there is seldom enough labor at harvest time. Accordingly, every use of the help that is available must be made. No time limit on working hours is feasible.

Apples have no "floor" under selling prices. Manufacturers generally place a kind of floor under prices, can shut down their plant when prices drop below the profit point. Apple growers have a 40-year plant which never stops, cannot be shut down. Bud development and cropping of the trees cannot be controlled. Therefore, to set up a forced wage scale which, in many years, will be very high when compared with the selling price, is to impose probability of (1) huge losses to the growers in paying out these high wages for harvesting unprofitable fruit; or (2) will result in the crops not being harvested, thereby depriving the workers of that amount of wages. It seems to me that right here is the crux of the whole problem insofar as apples, peaches, and cherries are concerned.

Your participation in and support of any bill favorable to agricultural and horticultural products, such as the Barden bill, No. 5374, is urgently requested.

Truly yours,

BERKS-LEHIGH MOUNTAIN FRUIT GROWERS ASSOCIATION,
By J. E. LINDE, *President*.

ALLENTOWN, PA., *April 10, 1939.*

Hon. MARY T. NORTON,
Chairman, House Labor Committee, Washington, D. C.

Representing growers producing 1,000,000 bushel apples and peaches, we, the officers of the Berks-Lehigh Mountain Fruit Growers Association, are strongly opposed to your bill, H. R. 5435,

introduced March 29, defining farm exemption. Harvesting, grading, packing, storing, canning, pasteurizing, drying in raw or natural state of agricultural or horticultural commodities, and delivery to wholesale market on growers' trucks should be exempt from wage and hour regulation. To attempt the substitution of your bill for the exemption of section 13 (A) 10 is highly detrimental to agricultural, horticultural, as well as consumer interests.

We suggest Barden bill, No. 5374, or its language, as suitable to us.

J. E. LINDE, *President.*
L. E. NEWCOMER, *Manager.*

PROPOSED BARTER OF ESSENTIAL WAR MATERIALS

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed by me to the Secretary of State on April 11, 1939, suggesting that in any proposed barter arrangements made with other countries as to essential materials processed cotton be included.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 11, 1939.

Hon. CORDELL HULL,
Secretary of State, Department of State,
Washington, D. C.

MY DEAR MR. SECRETARY: I note in the press that the State Department seeks to acquire from foreign nations certain essential war materials not produced in the United States in exchange for surplus American cotton.

It is, of course, important for the United States to be well equipped with all the sinews of war. Moreover, any sound proposal that will help the American cotton farmer will be approved by all American citizens.

I suggest, however, that your effort be extended so as to embrace processed cotton and thereby help the men and women working for their living in a mill. Such an arrangement, with due precautions against demoralization of the price structure, would put the man in the mill on an equal footing with the man on the farm.

The half million workers engaged in the cotton textile industry are among those hardest hit by the reciprocal-trade agreements. The plan now proposed is a barter plan whereby the State Department will make a sharp break with the present reciprocal-trade policy. It is only just and equitable that the American textile workers be among those to experience the benefits of such a new departure.

I hope that in the interests of fair play to those who live in industrial States that you will adopt my suggestion and thereby guarantee that a truly national policy will be followed.

Very sincerely yours,

H. C. LODGE, Jr.

REPORTS OF COMMITTEES DURING ADJOURNMENT

Under the authority of the order of the Senate of the 11th instant,

Mr. BYRD, from the Committee on Naval Affairs, to which was referred the bill (S. 821) for the relief of Charles L. Kee, reported it on the 12th instant, without amendment, and submitted a report (No. 261) thereon.

Mr. CONNALLY, from the Committee on Finance, to which was referred the bill (H. R. 5482) to increase the authorization for appropriations for the administration of State unemployment compensation laws, reported it without amendment and submitted a report (No. 262) thereon.

REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, reported it with amendments and submitted a report (No. 263) thereon.

Mrs. CARAWAY, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 856. A bill to authorize a modification of the project for improvement of the Ouachita and Black Rivers, Ark. and La. (Rept. No. 264); and

S. 857. A bill to authorize the construction of flood-control works on the White River between Augusta and Clarendon, and at De Valls Bluff, in the State of Arkansas (Rept. No. 265).

Mr. DONAHEY, from the Committee on Commerce, to which was referred the bill (H. R. 1776) to provide for the assignment of medical officers of the Public Health Service for duty on vessels of the Coast and Geodetic Survey, and for other purposes, reported it without amendment and submitted a report (No. 266) thereon.

Mr. MEAD, from the Committee on Commerce, to which was referred the bill (H. R. 2661) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y., reported it without amendment and submitted a report (No. 267) thereon.

Mr. OVERTON, from the Committee on Commerce, to which was referred the bill (S. 1540) to adjust the compensation of the members of the National Advisory Health Council not in the regular employment of the Government, reported it without amendment and submitted a report (No. 268) thereon.

Mr. LEE, from the Committee on Commerce, to which was referred the bill (S. 542) to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak., reported it with an amendment and submitted a report (No. 269) thereon.

He also, from the same committee, to which was referred the bill (S. 1379) granting the consent of Congress to the Mackinac Straits Bridge Authority to construct, maintain, and operate a toll bridge or series of bridges, causeways, and approaches thereto, across the Straits of Mackinac at or near a point between St. Ignace, Mich., and the Lower Peninsula of Michigan, reported it with amendments and submitted a report (No. 275) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 965. A bill to amend the act entitled "An act authorizing the Port Authority of Duluth, Minn., and the Harbor Commission of Superior, Wis., to construct a highway bridge across the St. Louis River from Rice's Point in Duluth, Minn., to Superior, in Wisconsin," approved June 30, 1938 (Rept. No. 276);

H. R. 1661. A bill granting the consent of Congress to the city of Youngstown, Ohio, to construct, maintain, and operate a free highway bridge across the Mahoning River at or near Marshall Street, Youngstown, Ohio (Rept. No. 277);

H. R. 1962. A bill granting the consent of Congress to the city of Youngstown, Ohio, to construct, maintain, and operate a free highway bridge across the Mahoning River at or near Cedar Street, Youngstown, Ohio (Rept. No. 278);

H. R. 2635. A bill granting the consent of Congress to Westmoreland County in the State of Pennsylvania to construct, maintain, and operate a free highway intercounty bridge and approaches across the Allegheny River, connecting Valley Camp in Westmoreland County and East Deer Township in Allegheny County, to connect State Highway Routes Nos. 28 and 56 (Rept. No. 279);

H. R. 3225. A bill authorizing the Department of Highways of the State of Ohio to construct, maintain, and operate a free highway bridge across the Ottawa River at or near the city of Toledo, State of Ohio (Rept. No. 270);

H. R. 3418. A bill granting the consent of Congress to the Highway Department of Davidson County, of the State of Tennessee, to construct a bridge across Cumberland River at a point approximately 1¾ miles below Clees Ferry, connecting a belt-line highway in Davidson County, State of Tennessee, known as the Old Hickory Boulevard (Rept. No. 271);

H. R. 3589. A bill granting the consent of Congress to the State Highway Commission of North Carolina to construct, maintain, and operate a free highway bridge across Waccamaw River between Old Dock and Ash, N. C. (Rept. No. 272);

H. R. 4243. A bill granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near Peru, Ind. (Rept. No. 273);

H. R. 4432. A bill granting the consent of Congress to the city of Warren, Ohio, to construct, maintain, and operate a free footbridge over Mahoning River, near Stiles Street NW., Warren Ohio (Rept. No. 274); and

H. R. 4527. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi

River at or near Rock Island, Ill., to a place at or near the city of Davenport, Iowa (Rept. No. 280).

SENATOR FROM INDIANA—PETITION OF CONTEST OF RAYMOND E. WILLIS

Mr. KING. Mr. President, the Committee on Privileges and Elections have a report to submit within the next few minutes, and I ask permission when we are ready to submit it that we may offer it, though not in the regular order.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. KING subsequently said: Mr. President, earlier in today's session I asked permission to submit (for Mr. BURKE, Mr. AUSTIN, and myself) a report from the Committee on Privileges and Elections with respect to the Van Nuys-Willis senatorial election contest in the State of Indiana. I now submit the report (Rept. No. 281).

The VICE PRESIDENT. The report will be received and printed.

Mr. KING. Mr. President, from the Committee on Privileges and Elections I have submitted a report upon the so-called Van Nuys case, involving the senatorial election in Indiana. I ask unanimous consent for the immediate consideration and adoption of the resolution which I now report, which carries out the mandate of the committee.

The VICE PRESIDENT. The clerk will read the resolution.

The resolution (S. Res. 123), reported by Mr. KING (for himself, Mr. BURKE, and Mr. AUSTIN) from the Committee on Privileges and Elections, was read, as follows:

Resolved, That the petition of Raymond E. Willis and the Indiana Republican State Central Committee for a recount and inquiry in the senatorial election in the State of Indiana, held November 8, 1938, in which Hon. Frederick Van Nuys was elected a United States Senator from the State of Indiana, be, and the same is hereby, dismissed.

There being no objection, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills:

On April 11, 1939:

S. 10. An act for the relief of the Fred Harvey Transportation Department;

S. 11. An act for the relief of Hubert H. Clark and Dr. W. C. Copeland;

S. 511. An act for the relief of Dolores P. de Williamson;

S. 545. An act for the relief of George H. Pierce and Evelyn Pierce; and

S. 745. An act for the relief of the Pacific Telephone & Telegraph Co.

On April 12, 1939:

S. 754. An act for the relief of J. G. Mayfield;

S. 1253. An act for the relief of John B. Dow; and

S. 2021. An act to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes.

EXECUTIVE REPORTS OF A COMMITTEE DURING ADJOURNMENT

Under authority of the order of the Senate of the 11th instant, Mr. HARRISON, from the Committee on Finance, on April 12, 1939, reported favorably the following-named senior surgeons to be medical directors in the United States Public Health Service, to rank as such from the dates set opposite their names:

Alvin R. Sweeney, March 7, 1939;
Harry F. White, March 12, 1939;
Francis A. Carmelia, May 19, 1939; and
Lionel E. Hooper, May 14, 1939.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

S. 2153. A bill to amend the act entitled "An act authorizing the Secretary of the Interior to pay salaries and expenses of the chairman, secretary, and interpreter of the Klamath General Council, members of the Klamath business committee and other committees appointed by said Klamath General Council, and official delegates of the Klamath Tribe," approved June 25, 1938; to the Committee on Indian Affairs.

By Mr. THOMAS of Oklahoma:

S. 2154 (by request). A bill to modify the provisions of section 10 of the act of June 30, 1834, and section 10 of the act of June 22, 1874, relating to the Indians; to the Committee on Indian Affairs.

By Mr. HARRISON:

S. 2155. A bill authorizing a preliminary examination and survey of Big Sand Creek, Miss., with a view to determining the advisability of undertaking measures for the prevention of bank caving in the vicinity of North Carrollton; to the Committee on Commerce.

By Mr. BURKE:

S. 2156. A bill for the relief of Walter Petersen; to the Committee on Claims.

By Mr. GREEN:

S. 2157. A bill for the relief of George H. Elswald; to the Committee on Naval Affairs.

S. 2158. A bill for the relief of Jeremiah Flynn; to the Committee on Claims.

S. 2159. A bill granting an annuity to Emma June Wilbur; to the Committee on Interstate Commerce.

Mr. CONNALLY. I introduce and ask to have referred to the Committee on Finance a war-profits bill. It is similar to the bill which heretofore, at the last session of the Congress, was reported favorably by the Finance Committee. I now reintroduce it and ask the same reference.

The VICE PRESIDENT. The bill of the Senator from Texas will be referred to the Committee on Finance.

By Mr. CONNALLY:

S. 2160. A bill to provide revenue and facilitate the regulation and control of the economic and industrial structure of the Nation, for the successful prosecution of war, and for other purposes; to the Committee on Finance.

By Mr. WHEELER:

S. 2161. A bill to provide for aiding the State of Montana in the removal of surplus game from overcrowded areas; to the Committee on Agriculture and Forestry.

By Mr. TYDINGS:

S. 2162. A bill for the relief of Percy C. Wright; to the Committee on Military Affairs.

By Mr. LOGAN:

S. 2163. A bill to authorize an appropriation to meet such expenses as the President, in his discretion, may deem necessary to enable the United States to cooperate with the Republic of Panama in completing the construction of a national highway between Chorrera and Rio Hato, Republic of Panama, for defense purposes; to the Committee on Military Affairs.

By Mr. ASHURST:

S. 2164 (by request). A bill to amend the Judicial Code in respect to the jurisdiction of the Court of Claims in certain cases; to the Committee on the Judiciary.

By Mr. CAPPER:

S. 2165. A bill granting an increase of pension to Martha Myers (with accompanying papers); to the Committee on Pensions.

By Mr. PEPPER:

S. 2166. A bill to promote nautical education, and for other purposes; and

S. 2167. A bill to provide for the reimbursement of certain members or former members of the United States Coast Guard for the value of personal effects lost in the hurricane of September 21, 1938, at several Coast Guard stations on the coasts of New York, Connecticut, and Rhode Island; to the Committee on Commerce.

By Mr. WALSH:

S. 2168. A bill for the relief of Walter C. Blake; to the Committee on Claims.

By Mr. SMATHERS:

S. 2169. A bill to confer jurisdiction on the Court of Claims to hear and determine the claim of Lamborn & Co.; to the Committee on Claims.

By Mr. BAILEY:

S. 2170. A bill to improve the efficiency of the Lighthouse Service, and for other purposes; to the Committee on Commerce.

By Mr. WAGNER:

S. J. Res. 114. Joint resolution authorizing the Bureau of Labor Statistics to make studies of productivity and labor costs in industry; to the Committee on Education and Labor.

By Mr. WHEELER:

S. J. Res. 115. Joint resolution to approve the action of the Secretary of the Interior deferring the collection of certain irrigation construction charges against lands under the San Carlos and Flathead Indian irrigation projects; to the Committee on Indian Affairs.

HOUSE BILL REFERRED

The bill (H. R. 5324) to amend the National Housing Act, and for other purposes, was read twice by its title and referred to the Committee on Banking and Currency.

AMENDMENT OF NATIONAL LABOR RELATIONS ACT—AMENDMENT

Mr. WALSH submitted an amendment intended to be proposed by him to the bill (S. 1000) to amend the National Labor Relations Act (Public Law No. 198, 74th Cong., approved July 5, 1935), which was referred to the Committee on Education and Labor and ordered to be printed.

AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. ADAMS submitted an amendment intended to be proposed by him to House bill 4852, the Interior Department appropriation bill, 1940, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 85, line 21, to strike out the period and insert a colon and the following: "*Provided*, That the allocation from the Emergency Relief Appropriation Act of 1937 for official project No. 505-2-73, Fruit Growers Dam and Reservoir, in Colorado, shall be immediately available for the acquisition of rights-of-way."

Mr. DOWNEY submitted an amendment intended to be proposed by him to House bill 4852, the Interior Department appropriation bill, 1940, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 109, line 21, after the word "Parks", to strike out the figure "$126,735" and insert in lieu thereof the figure "$131,735."

Mr CLARK of Idaho submitted an amendment intended to be proposed by him to House bill 4852, the Interior Department appropriation bill, 1940, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 67, after line 2, to insert the following:

"For cooperation by the Indian Service in the construction of the Arbon Valley Highway in and near the Fort Hall Indian Reservation, to connect with United States Highway No. 30 north, at a point near American Falls, Idaho, to facilitate the transportation of the products of those residing on and adjacent to the Fort Hall Indian Reservation, $240,000."

AMENDMENTS TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. CLARK of Idaho submitted amendments intended to be proposed by him to House bill 5269, the Agricultural Department appropriation bill, 1940, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page page 43, line 5, strike out "$11,819,754" and insert in lieu thereof "$12,069,754."

On page 44, line 25, strike out "$225,935" and insert in lieu thereof "$250,935."

On page 45, line 14, strike out "$139,152" and insert in lieu thereof "$199,152."

On page 63, line 3, strike out "$650,000" and insert in lieu thereof "$1,000,000."

Mr. BARBOUR submitted amendments intended to be proposed by him to House bill 5269, the Agricultural Department appropriation bill, 1940, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 15, line 3, substitute a colon for the period after "$12,000,000", and add the following language: "*Provided*, That in the allocation of funds under the provisions of this paragraph, no State shall receive an amount less in the aggregate for the fiscal year 1940 than that allocated from the appropriation for the same purpose for the fiscal year 1939."

On page 21, line 7, to strike out the figure "$3,334,095", substitute "$4,105,000", substitute a comma for the period, and add the following language: "to be expended in conformity with Budget Bureau estimates."

On the same page, lines 8 and 9, strike out the figure "$6,006,965" and substitute "$6,877,970."

On page 55, after line 8, to insert the following:

"Gypsy and brown-tail moth control: For the control and prevention of spread of the gypsy and brown-tail moths, $375,000.

"Dutch elm disease eradication: For determining and applying methods of eradication, control, and prevention of spread of the disease of elm trees known as "Dutch elm disease," $678,489: *Provided*, That, in the discretion of the Secretary of Agriculture, no expenditures from this appropriation shall be made for these purposes until a sum or sums at least equal to such expenditures shall have been appropriated, subscribed, or contributed by State, county, or local authorities, or by individuals, or organizations concerned: *Provided further*, That no part of this appropriation shall be used to pay the cost or value of trees or other property injured or destroyed."

On page 60, line 25, to strike out the figure "$4,967,401" and substitute the figure "$6,020,890."

On page 72, line 24, to strike out the figure "$642,799" and substitute "$892,570."

On page 73, lines 3 and 4, to strike out the language following the comma after the word "further", and substitute the following: "that $150,000 of the foregoing appropriation shall be used for expanding existing crop-estimating services and making more frequent reports on fruit and vegetable crops, including potatoes and sweetpotatoes."

AMENDMENT TO SECOND DEFICIENCY APPROPRIATION BILL

Mr. DOWNEY submitted an amendment intended to be proposed by him to House bill 5219, the second deficiency appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 8, between lines 19 and 20, to insert the following:

"SOCIAL SECURITY BOARD

"Grants to States for unemployment compensation administration: For an additional amount for grants to States, fiscal year 1939, for unemployment compensation administration, as authorized in title III of the Social Security Act, approved August 14, 1935, as amended, including rentals in the District of Columbia and elsewhere, $13,000,000."

NOTICE OF MOTION TO SUSPEND RULE—AMENDMENTS

Mr. HAYDEN submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4852) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1940, and for other purposes, the following amendments, namely:

On page 13, in line 21, after the word "exhibits", insert the following: "; not to exceed $25,000 for employing persons or organizations, by contract or otherwise, for special reporting, engineering, technical, legal, and other services determined necessary by the Administrator, without regard to section 3709 of the Revised Statutes (41 U. S. C. 5), and without regard to the civil-service laws and the Classification Act of 1923, as amended: *Provided*, That of the $4,500,000 hereby made available for administrative expenses of the Authority, not to exceed $1,500,000 shall be available for such expenses incurred at the site and in connection with the construction of the United States Housing Authority non-Federal projects, and shall be reimbursed, in the discretion of the Administrator, by the public housing agencies constructing such projects, and such reimbursements shall be available for administrative expenses of the Authority: *Provided further*, That all necessary expenses in connection with the management and operation of projects transferred to the Authority by Executive Order No. 7732, of October 27, 1937, as modified by Executive Order No. 7839, of March 12, 1938, may be considered as nonadministrative expenses for the purposes hereof, and be paid from the rents received from each transferred project: *Provided further*, That hereafter the funds made available for administrative expenses of the United States Housing Authority shall be available for the payment, when specifically authorized by the Administrator, of actual transportation expenses and not to exceed $10 per diem in lieu of subsistence and other expenses to persons serving, while away from their homes, without other compensation from the United States, in an advisory capacity to the Authority."

On page 35, line 11, after the word "annum", insert the following: ": *Provided further*, That hereafter the appropriation 'Development of Indian arts and crafts' shall be available for the payment

of not to exceed $10 per diem in lieu of subsistence and other expenses of members of the Indian Arts and Crafts Board, serving without other compensation from the United States, while absent from their homes on official business of the Board."

At the end of the bill insert the following new section:

"SEC. 4. That hereafter no part of this or any other appropriation for any executive department, establishment, or agency shall be used for the payment of long-distance telephone tolls except for the transaction of public business which the interests of the Government require to be so transacted; and all such payments shall be supported by a certificate by the head of the department, establishment, or agency concerned, or such subordinates as he may specially designate, to the effect that the use of the telephone in such instances was necessary in the interest of the Government."

Mr. HAYDEN submitted amendments intended to be proposed by him to House bill 4852, the Interior Department appropriation bill, 1940, which were referred to the Committee on Appropriations and ordered to be printed.

(For amendments referred to, see the foregoing notice.)

DAVID WILLS HOUSE—LINCOLN'S GETTYSBURG ADDRESS

Mr. DAVIS submitted the following concurrent resolution (S. Con. Res. 10), which was referred to the Committee on the Library:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a special joint congressional committee to be composed of three Members of the Senate, to be appointed by the President of the Senate, and three Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives.

SEC. 2. The committee is authorized and directed to visit the David Wills House, at Gettysburg, Pa., in which President Abraham Lincoln was entertained on November 18 and 19, 1863, and in which he wrote the Gettysburg Address. The committee shall make such inquiries and investigations as may be necessary for the purpose of determining (1) whether or not it would be in the public interest to acquire such house for the purpose of establishing it as a national shrine dedicated to the memory of Abraham Lincoln, and (2) the cost of acquiring such house and restoring it to its appearance as of November 18, 1863.

SEC. 3. The committee shall report to the Senate and House of Representatives, as soon as practicable, the results of its inquiries and investigations, together with its recommendations.

SEC. 4. The expenses of the committee, which shall not exceed $———, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives.

INVESTIGATION OF MONETARY AND BANKING POLICIES

Mr. TOWNSEND. Mr. President, on February 28, 1939, I introduced Senate Joint Resolution 82 calling for an investigation of the United States gold policy. On April 10 the Board of Governors of the Federal Reserve System made public an important statement recommending congressional study of monetary measures and objectives. The Board points out that the duties and powers of supervision of our banks are divided and separated, and that there is "no definite determination of authority over money and credit."

In view of the obvious importance of these matters to the country, I have drafted and now submit a concurrent resolution for appropriate reference.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 11) was referred to the Committee on Banking and Currency, as follows:

Whereas the United States now holds over half the world's monetary gold, or more than twice as much as it held immediately after the revaluation of gold in 1934; and

Whereas there is no reason to believe that the gold inflow which started in 1934 and has since continued almost without interruption will be reversed; and

Whereas there is serious doubt as to the desirability of this country's continuing the present gold policy; and

Whereas the Federal Reserve Board on April 10, 1939, issued a statement reading in part as follows: "The Board urges that Congress through appropriate committees or a joint committee take steps to determine the objectives by which monetary and banking authorities shall be guided, the validity of different plans and views on monetary and credit matters proposed or held by agencies within or outside the Government, including the Board's own positions, and the character of governmental machinery that would be best calculated to carry out the purposes of Congress in this important field. Such a broad approach would enable Congress to consider all the proposals in relation to each other, and to other important problems of our economic system. Piecemeal consideration of various proposals is a slow, cumbersome, and unsatisfactory process. Recognition by Congress of the limits within which monetary and credit action can be effective and determination of the mechanism and policies that would contribute most to its effectiveness will clear the way for consideration of broader aspects of a constructive program for further economic recovery and stability": Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That a special joint committee of five Senators, to be appointed by the President of the Senate, and five Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, is authorized and directed to make a full and complete study and investigation of the gold, monetary, and banking policies of the United States in their various aspects, including the effectiveness of our banking and monetary system in view of the present division of responsibility with reference to monetary and credit policies.

For the purposes of this resolution the special joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-sixth and succeeding Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $50,000, shall be paid one-half from the contingent fund of the Senate, and one-half from the contingent fund of the House of Representatives, upon vouchers approved by the chairman.

INCITATION TO WAR, AND FOREIGN RELATIONS

Mr. BRIDGES. I submit a resolution and ask to have it read by the clerk.

The VICE PRESIDENT. The resolution will be read.

The legislative clerk read the resolution (S. Res. 120), as follows:

Whereas acts of aggression and threats of war which constantly emanate from abroad make America's foreign relations the most delicate problem facing the American people and this Government; and

Whereas it is the will of the people that America must stay out of all wars and not again offer up millions of our youth to slaughter on European battlefields; and

Whereas Members of the Senate have laid aside all partisan differences to join the administration in a preparedness program to protect our territorial integrity and to defend, if need be, the sanctity of the Monroe Doctrine in the Western Hemisphere; and

Whereas there exists within our borders various groups, societies, and individuals who are anxious to entangle the United States in European alliances, commitments, and agreements to the end that this country might be part and party to foreign power politics; and

Whereas public statements of high officials of this Government are being used for purposes of propaganda and public incitement: Therefore be it

Resolved, That the Senate of the United States does hereby express its disapproval and forcefully condemns all inflammatory statements and press releases of the high officials of this Government which have the effect of antagonizing the peoples of other nations against us; which tend to create civil unrest; which tend to have a detrimental influence on American industry; and which create war hysteria in this country.

That it is the sense of the Senate that this Government must do all in its power to prevent American manhood from dying on the battlefields of Europe and to prevent American women and children from the hazards which modern war presents to noncombatants at home.

That the Senate urges upon the people of the United States cool and calm consideration of events transpiring in Europe to the end that they may not be lashed into war fever by militant utterances from whatever source.

Mr. BRIDGES. Mr. President, I ask that the resolution be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Without objection, the resolution will be referred as requested by the Senator from New Hampshire.

FUNERAL EXPENSES OF THE LATE SENATOR LEWIS

Mr. LUCAS submitted the following resolution (S. Res. 121), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of Hon. James Hamilton Lewis, late a Senator from the State of Illinois, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

REGIONAL RESEARCH LABORATORIES

Mr. BILBO submitted the following resolution (S. Res. 122), which was referred to the Committee on Printing:

Resolved, That the letter of the Secretary of Agriculture, dated April 5, 1939, which was transmitted to the Senate and referred to

the Committee on Agriculture and Forestry on April 6, 1939, together with a report of a survey of all research activities relating to the industrial utilization of agricultural products in the four regional areas to be served by the regional laboratories, one in each major farm producing area, and to conduct researches into and develop new scientific, chemical, and technical uses, and new and extended markets and outlets for farm commodities and products and byproducts thereof, together with the accompanying papers and illustrations be printed as a Senate document; and that 2,000 additional copies be printed for the use of the Senate document room.

BLOCK BOOKING AND BLIND SELLING—MOTION

The VICE PRESIDENT. The Chair lays before the Senate a motion made by the Senator from West Virginia [Mr. NEELY], coming over from a previous day, to discharge the Committee on Interstate Commerce from the further consideration of the bill (S. 280) to prohibit and to prevent the trade practices known as compulsory block booking and blind selling in the leasing of motion-picture films in interstate and foreign commerce.

Mr. BARKLEY. Mr. President, I suggest that the motion of the Senator from West Virginia go over without prejudice.

The VICE PRESIDENT. Without objection, the motion will go over without prejudice.

REIMBURSEMENT OF CERTAIN ENLISTED MEN OF THE NAVY

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1117) to provide for the reimbursement of certain enlisted men or former enlisted men of the United States Navy for the value of personal effects lost in the hurricane at the submarine base, New London, Conn., on September 21, 1938, which was, on page 2, line 3, to strike out all after *"Provided,"* down to and including "$1,000", on line 15, and insert: "That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. WALSH. I move that the Senate concur in the House amendment with an amendment, in line 6 of the House amendment, to strike out the words "this claim" and insert the words "these claims."

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Massachusetts.

The motion was agreed to.

THE WAR MENACE—LETTER WRITTEN BY SENATOR BORAH

[Mr. NYE asked and obtained leave to have printed in the RECORD a letter written by Senator BORAH to Marvin Claussen, Northfield, Minn., dealing with the question of war, which appears in the Appendix.]

THE COAL INDUSTRY—LETTER BY SENATOR HOLT

[Mr. HOLT asked and obtained leave to have printed in the RECORD a letter written by himself, under date of April 10, 1939, on the subject of the coal industry, which appears in the Appendix.]

THE CIVILIAN CONSERVATION CORPS—STATEMENT BY SENATOR MEAD

[Mr. MEAD asked and obtained leave to have printed in the RECORD a statement by him on the occasion of the sixth anniversary of the creation of the Civilian Conservation Corps, which appears in the Appendix.]

NATIONAL FARM PROGRAM

[Mr. DAVIS asked and obtained leave to have printed in the RECORD a letter addressed to him by Mr. Elvin H. Killheffer, of Westchester, Pa., together with his reply thereto, which appear in the Appendix.]

NATIONAL LABOR RELATIONS ACT—LETTER BY LLOYD K. GARRISON

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a letter from Lloyd K. Garrison, published in the New York Times of April 9, 1939, on the subject of the National Labor Relations Act, which appears in the Appendix.]

ELECTRIC RATES IN VARIOUS CITIES OF UNITED STATES

[Mr. BONE asked and obtained leave to have printed in the RECORD a comparison of electric rates in various cities, which appears in the Appendix.]

RESOLUTIONS ADOPTED BY NATIONAL RIVERS AND HARBORS CONGRESS

[Mr. MILLER asked and obtained leave to have printed in the RECORD resolutions adopted by the Thirty-fourth Annual Convention of the National Rivers and Harbors Congress, Washington, D. C., March 23–24, 1939, which appear in the Appendix.]

SILVER-PURCHASE PROGRAM

[Mr. TOWNSEND asked and obtained leave to have printed in the RECORD several editorials on the subject of the silver-purchase program, which appear in the Appendix.]

POSITION OF FRANCE

[Mr. HILL asked and obtained leave to have printed in the RECORD an article entitled "French Escape From Extremes Is Lesson to the United States," by Mr. Roy W. Howard, which appears in the Appendix.]

TRADE PACTS VERSUS TARIFFS

[Mr. HILL asked and obtained leave to have printed in the RECORD an article from the Des Moines Sunday Register of March 26, 1939, entitled "Trade Pacts Shown to be Worth More Than Tariff to Labor," which appears in the Appendix.]

INTERNATIONAL PROBLEMS—EXCERPT FROM WALTER WINCHELL

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an excerpt from an editorial by Walter Winchell, published in a recent issue of the New York Mirror, which appears in the Appendix.]

WHO CULTIVATES WAR?—EDITORIAL FROM THE SATURDAY EVENING POST

[Mr. NYE asked and obtained leave to have printed in the Appendix an editorial entitled "Who Cultivates War?" published in the Saturday Evening Post of April 8, 1939, which appears in the Appendix.]

ESSENTIAL RESEARCH—EDITORIAL FROM NEW YORK TIMES

[Mr. MCCARRAN asked and obtained leave to have printed in the RECORD an editorial published in the New York Times of April 13, 1939, headed "Essential Research," which appears in the Appendix.]

IMPROVEMENT OF MISSOURI RIVER—EDITORIAL FROM KANSAS CITY JOURNAL

[Mr. REED asked and obtained leave to have printed in the RECORD an editorial from the Kansas City Journal reprinted in the Topeka Journal of April 10, 1939, entitled "River Burlesque," which appears in the Appendix.]

FARM CONDITIONS IN THE MIDWEST

[Mr. WILEY asked and obtained leave to have printed in the RECORD several letters and resolutions relative to farm conditions in the Midwest, which appear in the Appendix.]

APPROPRIATIONS FOR W. P. A.—EDITORIAL FROM MILWAUKEE JOURNAL

[Mr. WILEY asked and obtained leave to have printed in the RECORD an editorial from the Milwaukee Journal of March 30, 1939, which appears in the Appendix.]

CONSIDERATION OF BILLS ON THE CALENDAR

The VICE PRESIDENT. The routine morning business having been concluded, the calendar, under rule VIII, is in order, and the clerk will proceed to state bills on the calendar.

BILLS AND RESOLUTIONS PASSED OVER

The bill (S. 326) for the payment of awards and appraisals heretofore made in favor of citizens of the United States in claims presented under the General Claims Convention of September 8, 1923, United States and Mexico, was announced as first in order.

Mr. ADAMS. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 58) providing that a calendar day's notice shall suffice in connection with suspension of a rule was announced as next in order.

Mr. McNARY. Let the resolution go over.

The VICE PRESIDENT. The resolution will be passed over.

The resolution (S. Res. 74) providing for a Committee on Civil Aviation was announced as next in order.

SEVERAL SENATORS. Over.

The VICE PRESIDENT. The resolution will be passed over.

The bill (S. 685) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes, was announced as next in order.

Mr. BARKLEY. Mr. President, that bill should go over. It cannot be taken up under the call of the calendar.

The VICE PRESIDENT. The bill will be passed over.

CLAIMS OF CROW TRIBE OF INDIANS

The joint resolution (S. J. Res. 45) to amend the act of July 3, 1926, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in claims which the Crow Tribe of Indians may have against the United States, and for other purposes" (44 Stat. L. 807) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That section 1 of the act of July 3, 1926, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in claims which the Crow Tribe of Indians may have against the United States, and for other purposes" (44 Stat. L. 807), be, and the same is hereby, amended so as to read as follows: "That jurisdiction be, and is hereby, conferred upon the Court of Claims, with right of appeal (not by writ of certiorari) to the Supreme Court of the United States by either party, notwithstanding lapse of time or statutes of limitations, to hear, adjudicate, and render judgment on the merits in any and all claims arising under or growing out of the treaty of Fort Laramie, dated September 17, 1851 (Fourth Kappler, p. 1065), between the United States and the Crow Indian Nation, and the treaty dated May 7, 1868 (15 Stat. 649), between the United States and the Crow Indians of Montana, or arising under or growing out of the agreement between the River Crow Tribe of Indians and the United States, dated July 15, 1868 (Third Kappler, p. 714); the Executive order dated July 2, 1873 (First Kappler, p. 855), or any subsequent Executive order; the act of Congress approved April 15, 1874 (18 Stat. 28), or any subsequent act of Congress or agreement with said Crow Indian Nation, including claims growing out of any cessions of land by said Indians to the United States for an inadequate consideration under mistake of fact, irrespective of any treaty stipulation entered into under such mistake of fact, which said Crow Indian Nation or any branch thereof may have against the United States, which claims have not heretofore been determined and adjudicated on their merits by the Court of Claims or the Supreme Court of the United States. Jurisdiction also is hereby conferred upon the said courts to determine whether or not any provision in any such treaty, agreement, Executive order, or act of Congress above set forth has been violated or breached by any act or acts of Congress or by any treaty made by the United States with any other Indian tribe or nation, and to render judgment for the damages resulting therefrom: *Provided*, That for complying with the terms of this joint resolution case No. H–248, in the Court of Claims, entitled 'The Crow Nation or Tribe of Indians of Montana against the United States,' decided on March 4, 1935, is hereby reinstated."

INDIAN CLAIMS BILLS PASSED OVER

The bill (S. 863) to provide for the payment of attorneys' fees from Osage tribal funds was announced as next in order.

Mr. KING. Mr. President, heretofore I have objected to a number of these Indian claims bills, pending reports from the Department of Justice, from the Interior Department, and from the office of the Comptroller General. I received this morning two or three reports; the others are in process of being formulated; and I ask that the same bills to which I have heretofore called attention be passed over.

The VICE PRESIDENT. The Chair understands that the Senator desires that Senate Joint Resolution 45, which has been passed, be passed over and that the other bills of similar purport on the calendar also be passed over?

Mr. KING. Yes. I ask unanimous consent to reconsider the vote by which Senate Joint Resolution 45 was passed.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the vote by which Senate Joint Resolution 45 was passed is reconsidered; and the joint resolution, together with the other bills referred to by the Senator from Utah will be passed over, as the Chair understands, down to and including Calendar No. 116?

Mr. KING. That is correct.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the bills will be passed over.

The bills passed over on request of Mr. KING are as follows:

S. 863. A bill to provide for the payment of attorneys' fees from Osage tribal funds;

S. 783. A bill to amend the act, as amended, entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States," approved February 7, 1925;

S. 784. A bill for the relief of certain Indians of the Winnebago Agency, Nebr.;

S. 790. A bill conferring jurisdiction upon the Court of Claims to hear and determine the claims of the Prairie Band or Tribe of Pottawatomie Indians of Kansas and Wisconsin against the United States;

S. 1222. A bill authorizing an appropriation for payment to the Osage Tribe of Indians on account of lands sold by the United States;

S. 767. A bill conferring jurisdiction on the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes;

S. 864. A bill authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims, and for other purposes;

S. 962. A bill to define the status of certain lands purchased for the Choctaw Indians, Mississippi; and

S. 498. A bill authorizing an appropriation to carry out the provisions of section 26 of the agreement with the Muskogee or Creek Tribe of Indians, approved March 1, 1901.

BILLS PASSED OVER

The bill (S. 1464) to extend the facilities of the United States Public Health Service to active officers of the Foreign Service of the United States was announced as next in order.

The VICE PRESIDENT. This bill is identical with Calendar No. 151, House bill 3537.

Mr. McNARY. Mr. President, I should like to have a brief description of the purposes of the measure.

The VICE PRESIDENT. It has been suggested that the House bill be substituted for the Senate bill; and then, if passed, the House bill will become a law and be signed by the President.

Mr. McNARY. I thought we were considering Calendar No. 128, Senate bill 1464.

The VICE PRESIDENT. That bill was reached on the calendar, but attention was called to the fact that there is an identical House bill on the calendar. Therefore, it was suggested that the Senate consider the House bill in order that it may become a law.

Mr. McNARY. Yes; but I want to discuss it before the bill is passed. I suggest that it go over.

Mr. BARKLEY. I suggest that the bill be passed over for the moment. The Senator from Rhode Island [Mr. GREEN] is not on the floor at the present time. I think he can explain the bill when he comes in.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 902) to amend the act entitled "An act authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American republics and the Philippines, and for other purposes," approved May 25, 1938, was announced as next in order.

Mr. McNARY. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 95) to amend the Civil Service Retirement Act of May 22, 1920, as amended, to extend retirement to certain employees of certain Indian schools was announced as next in order.

Mr. KING. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1706) to provide for reorganizing agencies of the Government, and for other purposes, was announced as next in order.

Mr. McKELLAR (and other Senators). Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 3537) to extend the facilities of the United States Public Health Service to active officers of the Foreign Service of the United States was announced as next in order.

The VICE PRESIDENT. This bill is similar to Senate bill 1464, heretofore passed over, and will also be passed over.

The bill (S. 1162) to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal, was announced as next in order.

Mr. KING. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The joint resolution (S. J. Res. 86) for the relief of International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of the joint resolution? If not, let it go over.

The VICE PRESIDENT. The joint resolution will be passed over.

The bill (S. 1303) to amend the Agriculture Adjustment Act of 1938, as amended, with respect to cotton was announced as next in order.

Mr. McNARY. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

INCLUSION OF PACIFIC NORTHWEST BOXED APPLES IN MARKETING ACT

The bill (S. 1096) to amend section 8c of the Agricultural Marketing Agreement Act of 1937, as amended, to make its provisions applicable to Pacific Northwest boxed apples was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2 of the Agricultural Marketing Agreement Act of 1937, as amended, is amended by adding at the end thereof the following: "(k)." Paragraphs (2) and (6) of section 8c are amended by inserting after the word "apples", the words "other than Pacific Northwest boxed apples."

BILLS PASSED OVER

The bill (S. 1796) to amend the Tennessee Valley Authority Act, 1933, was announced as next in order.

Mr. KING and Mr. BRIDGES. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

Mr. BARKLEY. Mr. President, I give notice that upon the conclusion of the call of the calendar I shall move that the Senate proceed to the consideration of this bill.

The bill (H. R. 2971) for the relief of certain Indians of the Winnebago Agency was announced as next in order.

The VICE PRESIDENT. This bill is identical with Calendar No. 101, Senate bill 784, heretofore passed over; and the House bill also will be passed over.

The bill (H. R. 3134) to amend the act entitled "An act authorizing the temporary detail of United States employees possessing special qualifications, to governments of American republics and the Philippines, and for other purposes," approved May 25, 1938, was announced as next in order.

The VICE PRESIDENT. This bill is identical with Senate bill 902, heretofore passed over, and for the same reason the House bill will be passed over.

The bill (H. R. 3367) to define the status of certain lands purchased for the Choctaw Indians, Mississippi, was announced as next in order.

The VICE PRESIDENT. This bill is identical with Senate bill 962, heretofore passed over, and for the same reason the House bill will be passed over.

PAYMENT OF ATTORNEY'S FEES FROM OSAGE FUNDS

The bill (H. R. 4117) to provide for the payment of attorney's fees from Osage tribal funds was announced as next in order.

The VICE PRESIDENT. This bill is similar to Senate bill 863, Calendar No. 88, heretofore passed over. The House bill, therefore, will also be passed over.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. What was done with Senate bill 863?

The VICE PRESIDENT. It was passed over at the suggestion of the Senator from Utah [Mr. KING], and it was agreed that all bills of that nature were to be passed over for the day.

Mr. THOMAS of Oklahoma. Mr. President, the House bill and the Senate bill are identical save in one particular. Both measures have to do with the fees of some attorneys representing a certain tribe of Indians in Oklahoma. The attorneys have a contract, approved by the Department, for 12½ percent. The House reduced the amount to 10 percent. The Senate bill carries an approval by the Congress of 12½ percent.

Last year the same issue arose; and at the last moment the House agreed to 12½ percent, but it was too late to have the conference report acted upon, so the bill did not become law. I am wondering if the Senator from Utah will not agree that this bill may be passed. I propose, however, if I may, to substitute the text of the Senate bill for the text of the House bill.

Mr. KING. I have no objection to that course.

Mr. THOMAS of Oklahoma. I then ask unanimous consent that the Senate proceed to the consideration of House bill 4117, being Calendar No. 205.

The VICE PRESIDENT. The Senator from Oklahoma asks unanimous consent to reconsider the action of the Senate in passing over House bill 4117. Is there objection? The Chair hears none.

There being no objection, the Senate proceeded to consider the bill (H. R. 4117) to provide for the payment of attorney's fees from Osage tribal funds.

Mr. THOMAS of Oklahoma. Mr. President, I now move that all after the enacting clause of the House bill be stricken out, and that the text of Senate bill 863 be substituted therefor.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The amendment was to strike out all after the enacting clause and to insert the following:

That pursuant to the terms of a contract approved by the First Assistant Secretary of the Interior July 3, 1933, between Fred Lookout, principal chief of the Osage Tribe of Indians, and certain attorneys therein named, modified pursuant to Osage Council Resolution No. 21, dated June 24, 1935, and extended for a period of 5 years from July 3, 1938, there is hereby authorized to be expended from any funds collected as a result of any suit or suits brought under said contract such sum as may be necessary to pay the fee provided for the attorneys so employed, not to exceed 12½ percent of such amount as may be recovered and collected for the Osage Tribe, as provided in the terms of the contract.

Mr. BRIDGES. Mr. President, how do the provisions of the Senate bill differ from those of the House bill?

Mr. THOMAS of Oklahoma. Some attorneys in my State have a contract to represent the Osage Indians. Their contract calls for 12½ percent attorney's fee. A contract for that amount of compensation has been approved by the Office of Indian Affairs of the Interior Department. The Senate bill carries an approval of the contract. The House bill seeks to cut down the attorney's fee from 12½ percent to 10 percent. I have moved to substitute the text of the Senate bill for the text of the House bill, the former being an approval by the Congress of the contract in the amount of 12½ percent.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. THOMAS of Oklahoma. Mr. President, I now ask the Senate bill 863, Calendar No. 88, be indefinitely postponed.

The VICE PRESIDENT. Without objection, it is so ordered.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 11) directing the Comptroller General to readjust the accounts between the United States and the State of Vermont was announced as next in order.

Mr. BURKE. Let the joint resolution go over.

The VICE PRESIDENT. The joint resolution will be passed over.

DISTRICT JUDGE, EASTERN AND WESTERN DISTRICTS OF WASHINGTON—RECOMMITTAL

The bill (S. 1554) to provide that the district judge for the western district of Washington authorized to be appointed under the act of May 31, 1938, shall be a district judge for the eastern and western districts of Washington was announced as next in order.

Mr. LOGAN. Mr. President, I ask unanimous consent that the bill be recommitted to the Committee on the Judiciary.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky? The Chair hears none.

REIMBURSEMENT OF APPROPRIATIONS BECAUSE OF DISPOSITION OF OLD MATERIAL, ETC.

The bill (S. 1016) to authorize reimbursement of appropriations on account of expenditures in connection with disposition of old material, condemned stores, etc., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That appropriations hereafter contained in annual military appropriation acts may be reimbursed from the proceeds of sales of old material, condemned stores, supplies, or other property of any kind on account of expenditures from such appropriations incident to the handling, preparation for sale, sale, and disposition of such property.

BILLS PASSED OVER

The bill (S. 841) to authorize the Secretary of War to prescribe the number of grades and ratings of enlisted men of the Army was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of the necessity of rearranging in order to regrade the various positions in the Army. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1462) to amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," was announced as next in order.

Mr. KING. Let us have an explanation of the bill. Let it go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 795) to provide for the education of all types of physically handicapped children, to make an appropriation of money therefor, and to regulate its expenditure was announced as next in order.

Mr. GERRY. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 840) to amend and clarify the provisions of the act of June 15, 1936 (49 Stat. 1507), and for other purposes, was announced as next in order.

Mr. KING. I should like an explanation of these military bills. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1681) to amend section 107 of the Judicial Code to create a mountain district in the State of Tennessee, and for other purposes, was announced as next in order.

Mr. McKELLAR. Mr. President, the Senator from Vermont desires that that bill go over, and it is perfectly satisfactory to have that course pursued.

The VICE PRESIDENT. The bill will be passed over.

AMENDMENT OF JUDICIAL CODE AS TO CLAIMS AGAINST UNITED STATES

The Senate proceeded to consider the bill (S. 197) to amend the Judicial Code in respect to claims against the United States for just compensation, which had been reported from the Committee on the Judiciary with an amendment, on page 3, line 4, after the numerals "262" and the parenthesis, to insert:

And provided further, That this section shall not apply to suits now pending.

So as to make the bill read:

Be it enacted, etc., That section 156 of the Judicial Code of the United States (U. S. C., title 28, sec. 262) be amended to read as follows:

"SEC. 156. Except as provided by section 156a of the Judicial Code, every claim against the United States cognizable by the Court of Claims shall be forever barred unless the petition setting forth a statement thereof is filed in the court, or transmitted to it by the Secretary of the Senate or the Clerk of the House of Representatives, as provided by law, within 6 years after the claim first accrues. The claims of married women, first accrued during marriage, of persons under the age of 21 years, first accrued during minority, and of idiots, lunatics, insane persons, and persons beyond the seas at the time the claim accrued, entitled to the claim, shall not be barred if the petition be filed in the court or transmitted, as aforesaid, within 3 years after the disability has ceased: *Provided*, That no other disability than those enumerated shall prevent any claim from being barred, nor shall any of the said disabilities operate cumulatively."

SEC. 2. That the Judicial Code of the United States be amended by inserting after section 156 (U. S. C., title 28, sec. 262) the following section:

"SEC. 156a. Every claim against the United States for just compensation for property taken by the United States, or for the use or manufacture by or for the United States without license of the owner thereof, of an invention described in or covered by a patent of the United States, shall be forever barred unless the petition setting forth a statement thereof is filed in court within 1 year after the claim first accrued: *Provided, however*, That if the petition contains or is accompanied by a waiver of that portion of the interest accruing between the expiration of such 1-year period and the date on which the petition is filed, it may be filed within the period prescribed by section 156 of the Judicial Code (U. S. C., title 28, sec. 262): *And provided further*, That this section shall not apply to suits now pending."

The amendment was agreed to.

Mr. ASHURST. Mr. President, doubtless it seems strange for one to speak upon a bill to which there is no objection; but this bill is a rara avis in that, if enacted, it will save money to the Government of the United States.

In this connection I ask unanimous consent to have printed in the RECORD a table showing cases wherein the amount claimed is specified in the petitions and showing the amount of interest involved—where interest is claimed—calculated to July 1, 1938.

There being no objection, the tables was ordered to be printed in the RECORD, as follows:

Table of cases wherein the amount claimed is specified in the petitions and showing the amount of interest involved (where interest is claimed), calculated to July 1, 1938

Number of case	Plaintiff tribe	Amount claimed	Interest to July 1, 1938
K-103	Arapaho and Cheyenne	$35,151,911.50	$71,208,478.74
J-8	Cherokee	8,916,170.20	14,414,475.16
L-46	do	699,793.05	103,613.44
L-257	do	10,454,994.94	22,478,239.20
L-266	do	3,750,000.00	10,593,750.00
L-267	do	319,584.89	667,564.58
L-268	do	407,655.06	
42080	do	4,581,600.00	10,575,860.00
K-334	Chickasaw	43,563.75	137,951.38
K-544	do	1,697,653.57	3,267,536.85
K-187	Choctaw	1,000,000.00	
K-260	do	6,391,603.09	
K-281	do	1,162,500.00	
H-37b	Choctaw and Chickasaw	2,883,620.00	3,770,796.50
J-620	do	12,511,039.00	20,386,697.03
H-163	Chippewa	19,076,000.00	35,250,666.66
M-135	do	511,290.00	978,871.88
L-206	Creek	270,283.71	793,282.58
L-234	do	150,000,000.00	336,000,000.00
B-415	Flandreau Sioux	475,596.00	
E-350	Klamath	995,000.00	
44294	Menominee	1,020,000.00	84,109.56
44295	do	40,447.65	130,105.03
44296	do	29,576.77	
44303	do	300,000.00	372,000.00
44304	do	2,500,000.00	
44305	do	6,000,000.00	
K-107	Nez Perce	3,266,826.22	145,648.81
L-194	Nez Perce (Joseph's Band)	500,000.00	
M-387	Pillager Chippewa	854,000.00	3,931,200.00
L-23	Quinaielt	8,500,000.00	
L-51	Seminole	1,153,022.72	
L-208	do	250,000.00	675,000.00
L-209	do	226,284.20	701,539.41
H-211	Saginaw et al., Chippewa	3,101,325.60	
M-107	Northwestern Shoshones	15,070,000.00	

Table of cases wherein the amount claimed is specified in the petitions and showing the amount of interest involved (where interest is claimed), calculated to July 1, 1938—Continued

Number of case	Plaintiff tribe	Amount claimed	Interest to July 1, 1938
C-531	Sioux	$16,830,802.51	$12,151,171.25
C-531-2	do	8,000,000.00	
C-531-4	do	8,000,000.00	
C-531-6	do	140,100.00	
C-531-7	do	189,368,531.05	715,813,047.18
C-531-8	do	7,083,770.93	23,801,470.00
C-531-9	do	100,000.00	354,000.00
C-531-10	do	15,000,000.00	58,500,000.00
C-531-11	do	40,000,000.00	98,000,000.00
C-531-12	do	1,903,023.22	1,626,902.28
C-531-13	do	62,648.89	259,366.17
C-531-14	do	105,024.14	333,976.85
C-531-15	do	96,000.00	432,000.00
C-531-16	do	475,953.71	1,628,311.54
C-531-17	do	200,000.00	408,000.00
C-531-18	do	1,650,000.00	3,089,000.00
C-531-19	do	525,000.00	882,000.00
C-531-20	do	25,000.00	42,000.00
C-531-21	do	100,000.00	172,000.00
C-531-22	do	685,254.75	1,315,688.96
C-531-23	do	1,525,000.00	2,745,000.00
C-531-24	do	1,750,000.00	3,150,000.00
M-112	Warm Springs	5,100,000.00	
E-542	Wichita et al	11,387,039.00	29,629,106.38
M-421	Winnebago	1,719,106.28	7,722,164.96
Total (61 cases)		615,953,506.40	1,498,922,593.41

Mr. ASHURST. Mr. President, I cannot too strongly commend the junior Senator from Arkansas [Mr. MILLER], who was chairman of the subcommittee of the Senate Committee on the Judiciary considering this bill, for the untiring assiduity with which he has labored to promote its passage. It is interesting to know that this is one bill which, if enacted into law, will really save millions of dollars annually to the Government of the United States.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TERM OF COURT AT KALISPELL, MONT.

The bill (S. 474) to amend section 92 of the Judicial Code to provide for a term of court at Kalispell, Mont., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 92 of the Judicial Code, as amended, is amended to read as follows:

"SEC. 92. The State of Montana shall constitute one judicial district, to be known as the district of Montana. Terms of the district court shall be held at Helena, Butte, Great Falls, Lewistown, Billings, Missoula, Glasgow, Havre, Miles City, Livingston, and Kalispell at such times as may be fixed by rule of such court: *Provided*, That suitable rooms and accommodations for holding court at Lewistown, Livingston, Havre, and Kalispell are furnished free of all expense to the United States. Causes, civil and criminal, may be transferred by the court or a judge thereof from any sitting place designated above to any other sitting place thus designated, when the convenience of the parties or the ends of justice would be promoted by the transfer; and any interlocutory order may be made by the court or judge thereof in either place."

STATUTE OF LIMITATIONS IN OFFENSES PUNISHABLE BY DEATH

The bill (S. 1773) to provide that no statute of limitations shall apply to offenses punishable by death was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That an indictment for any offense punishable by death may be found at any time without regard to any statute of limitations.

SEC. 2. This act shall not authorize prosecution, trial, or punishment for any offense now barred by the provisions of existing law.

TERMS OF UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF MISSISSIPPI

The Senate proceeded to consider the bill (S. 70) to amend section 90 of the Judicial Code, as amended, with respect to the terms of the Federal District Court for the Northern District of Mississippi, which had been reported from the Committee on the Judiciary with an amendment, on page 1, after line 10, to insert the following new section:

SEC. 2. This act shall take effect on July 1, 1939.

So as to make the bill read:

Be it enacted, etc., That the third sentence of section 90 of the Judicial Code, as amended (U. S. C., 1934 ed., Supp. III, title 28, sec. 170), is amended to read as follows: "The terms of the district court for the eastern division shall be held at Aberdeen on the first Mondays in April and October; for the western division, at Oxford on the first Mondays in June and December; and for the Delta division, at Clarksdale on the first Mondays in May and November."

SEC. 2. This act shall take effect on July 1, 1939.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CURTIS JETT

The bill (S. 38) for the relief of Curtis Jett was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Curtis Jett, who was a member of Troop I, Sixth Regiment United States Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private on July 23, 1898: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

BILL PASSED OVER

The bill (S. 505) authorizing the President of the United States to summon Sam Alexander before an Army retiring board, and for other purposes, was announced as next in order.

Mr. KING. I should like to have an explanation.

The VICE PRESIDENT. The bill will be passed over.

CONTINGENT EXPENDITURES, COAST GUARD ACADEMY

The bill (H. R. 136) authorizing contingent expenditures, United States Coast Guard Academy, was considered, ordered to a third reading, read the third time, and passed.

LOANS OF BANK OFFICIALS TO FEDERAL RESERVE BANKS

The Senate proceeded to consider the bill (S. 1886) to amend subsection (g) of section 22 of the Federal Reserve Act relating to loans of bank officials to member banks, which had been reported from the Committee on Banking and Currency with an amendment, on page 2, line 1, after the word "extended", to insert "for periods expiring not more than 9 years from such date", so as to make the bill read:

Be it enacted, etc., That the first sentence of subsection (g) of section 22 of the Federal Reserve Act, as amended (U. S. C., title 12, sec. 375a), is amended to read as follows:

"(g) No executive officer of any member bank shall borrow from or otherwise become indebted to any member bank of which he is an executive officer, and no member bank shall make any loan or extend credit in any other manner to any of its own executive officers: *Provided*, That loans made to any such officer prior to June 16, 1933, may be renewed or extended for periods expiring not more than 9 years from such date where the board of directors of the member bank shall have satisfied themselves (1) that such extension or renewal is in the best interest of the bank, (2) that the officer indebted has made reasonable effort to reduce his obligation, and (3) that such extension or renewal is accompanied by a written agreement executed by such officer requiring regular amortization payments on the principal of said obligation in amounts satisfactory to the board of directors, these findings to be evidenced by resolution of the board of directors spread upon the minute book of the bank: *Provided further*, That with the prior approval of a majority of the entire board of directors, any member bank may extend credit to any executive officer thereof, and such officer may become indebted thereto, in an amount not exceeding $2,500."

Mr. McNARY. Mr. President, I should like to have an explanation of the scope and general purposes of the amendment, if some member of the Committee on Banking and Currency can make the explanation.

Mr. TAFT. Mr. President, the Senator will recall that the Federal Reserve Act provides that all bank officials must pay their debts to their own banks within a certain period. The period has been extended once. My recollection is that about four-fifths of the loans have been paid, but the other fifth have not been paid, and the bill provides an additional extension.

Mr. BARKLEY. Mr. President, even the one-fifth who have not liquidated the indebtedness to their own banks are

materially reducing them. The bill is merely an extension in order that the officials may be given an opportunity to pay their debts.

Mr. TAFT. The bill provides that they must pay the debts from time to time in installments, so that the debts will finally be paid in full.

Mr. McNARY. I have no objection.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to extend to June 16, 1942, the period within which certain loans to executive officers of member banks of the Federal Reserve System may be renewed or extended."

PREVENTION OF PERNICIOUS POLITICAL ACTIVITIES

The Senate proceeded to consider the bill (S. 1871) to prevent pernicious political activities, which had been reported from the Committee on Privileges and Elections with amendments.

The first amendment was, on page 2, after line 4, to strike out section 2, as follows:

SEC. 2. It shall be unlawful for any person to intimidate, threaten, or coerce, or to attempt to intimidate, threaten, or coerce, any other person for the purpose of interfering with the right of such other person to vote, or to vote as he may choose, or of causing such other person to vote for or not to vote for any candidate for the nomination of any party as its candidate for the office of President, Vice President, Presidential elector, Member of the Senate, or Member of the House of Representatives at any primary or nominating convention held solely or in part for the purpose of selecting the candidate of such party for the office of President, Vice President, Presidential elector, Member of the Senate, or Member of the House of Representatives.

The amendment was agreed to.

The next amendment was, in section 3, page 2, line 25, to strike out the words "or influence"; after the word "or" to strike out the words "affecting the results of, any primary, political convention, or election" and to insert "affecting the election of any candidate for the office of President, Vice President, Presidential elector, Member of the Senate, or Member of the House of Representatives"; and on line 6, after the word "person", to insert "to state his preference with respect to any such candidates or", so as to make the section read:

SEC. 3. It shall be unlawful for any person employed in any administrative position by the United States, or by any department, independent agency, or other agency of the United States (including any corporation controlled by the United States or any agency thereof, and any corporation all of the capital stock of which is owned by the United States or any agency thereof), to use his official authority for the purpose of interfering with, or affecting the election of any candidate for the office of President, Vice President, Presidential elector, Member of the Senate, or Member of the House of Representatives: *Provided*, That nothing herein shall be deemed to affect the right of any such person to state his preference with respect to any such candidates or to vote as he may choose.

The amendments were agreed to.

The next amendment was, on page 3, after line 7, to strike out section 4, as follows:

SEC. 4. It shall be unlawful for any person employed in an administrative position by any State or political subdivision thereof, or by any department, agency, or instrumentality of any State or any political subdivision thereof, whose compensation or any part thereof is paid from moneys appropriated by the Congress or from any fund into which such moneys or any part thereof are placed, whether the payment of such compensation is made by the United States or by any department, independent agency, or other agency of the United States (including any corporation controlled by the United States or any agency thereof, and any corporation all of the capital stock of which is owned by the United States or any agency thereof), or is made by the State or political subdivision thereof, or by the department, agency, or instrumentality of the State or the political subdivision thereof by which such person is employed, to use his official authority or influence for the purpose of interfering with, or affecting the results of, any primary, political convention, or election: *Provided*, That nothing herein shall be deemed to affect the right of any person to vote as he may choose.

The amendment was agreed to.

The next amendment was, in section 6, page 4, line 12, after the word "section", to strike out "10" and insert "9", and on line 17, after the word "for", to insert "work relief or", so as to make the section read:

SEC. 6. Except as may be required by the provisions of subsection (b), section 9 of this act, it shall be unlawful for any person to deprive, attempt to deprive, or threaten to deprive, by any means, any person of any employment, position, work, compensation, or other benefit provided for or made possible by any act of Congress appropriating funds for work relief or relief purposes, on account of race, creed, color, or any political activity, support of, or opposition to any candidate or any political party in any election.

The amendments were agreed to.

The next amendment was, in section 7, page 4, line 24, after the words "any person", to insert "known by him to be", and on page 5, line 2, after the words "funds for", to insert "work relief or", so as to make the section read:

SEC. 7. It shall be unlawful for any person to solicit or be in any manner concerned in soliciting any assessment, subscription, or contribution for any political purpose whatever from any person known by him to be entitled to or receiving compensation, employment, or other benefit provided for or made possible by any act of Congress appropriating funds for work relief or relief purposes.

The amendments were agreed to.

The next amendment was, in section 8, page 5, line 8, after the words "funds for", to insert "work relief or", and after the word "purposes", to strike out "for delivery", so as to make the section read:

SEC. 8. It shall be unlawful for any person to furnish or to disclose, or to aid or assist in furnishing or disclosing, any list or names of persons receiving compensation, employment, or benefits provided for or made possible by any act of Congress appropriating, or authorizing the appropriation of, funds for work relief or relief purposes, to a political candidate, committee, campaign manager, or to any person for delivery to a political candidate, committee, or campaign manager, and it shall be unlawful for any person to receive any such list or names for political purposes.

The amendments were agreed to.

The next amendment was, on page 5, after line 13, to insert a new section, as follows:

SEC. 7. No part of any appropriation made by any act, heretofore or hereafter enacted, making appropriations for work relief, relief, or otherwise to increase employment by providing loans and grants for public-works projects, shall be used for the purpose of, and no authority conferred by any such act upon any person shall be exercised or administered for the purpose of, interfering with, restraining, or coercing any individual in the exercise of his right to vote at any election.

The amendment was agreed to.

The VICE PRESIDENT. Without objection, the clerk will be authorized to renumber the sections.

Mr. BURKE. Mr. President, I should like to have an explanation of the bill. It is an important measure, of far-reaching effect to our country; and while I favor it, I think there should be a brief explanation.

Mr. HATCH. Mr. President, I shall be very happy to make an explanation of the bill, but I took it to be the attitude of the Senate and of Senators generally that that was unnecessary at this time.

The bill incorporates many features which are in existing law. It includes some others which the Committee on Privileges and Elections considered at length and adopted unanimously.

Several features which were objectionable to many Senators, in view of certain constitutional considerations and opinions as to the power of Congress, were eliminated by the committee.

Mr. CONNALLY. Is it not true that all the provisions relating to primary elections were eliminated?

Mr. HATCH. Unfortunately, in my opinion, that is true.

Mr. CONNALLY. It is true, whether it is unfortunate or not, is it not?

Mr. HATCH. It is quite true.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That it shall be unlawful for any person to intimidate, threaten, or coerce, or to attempt to intimidate, threaten, or coerce, any other person for the purpose of interfering with the right of such other person to vote or to vote as he may choose, or of causing such other person to vote for, or not to vote for, any candidate for the office of President, Vice President, Presidential elector, Member of the Senate, or Member of the House of Representatives at any election held solely or in part for the purpose of selecting a President, a Vice President, a Presidential elector, or any Member of the Senate or any Member of the House of Representatives.

SEC. 2. It shall be unlawful for any person employed in any administrative position by the United States, or by any department, independent agency, or other agency of the United States (including any corporation controlled by the United States or any agency thereof, and any corporation all of the capital stock of which is owned by the United States or any agency thereof), to use his official authority for the purpose of interfering with, or affecting the election of any candidate for the office of President, Vice President, Presidential elector, Member of the Senate, or Member of the House of Representatives: *Provided*, That nothing herein shall be deemed to affect the right of any such person to state his preference with respect to any such candidates or to vote as he may choose.

SEC. 3. It shall be unlawful for any person, directly or indirectly, to promise any employment, position, work, compensation, or other benefit, provided for or made possible by any act of Congress, to any person as consideration, favor, or reward for any political activity or for the support of or opposition to any candidate or any political party in any election.

SEC. 4. Except as may be required by the provisions of subsection (b), section 9 of this act, it shall be unlawful for any person to deprive, attempt to deprive, or threaten to deprive, by any means, any person of any employment, position, work, compensation, or other benefit provided for or made possible by any act of Congress appropriating funds for work relief or relief purposes, on account of race, creed, color, or any political activity, support of, or opposition to any candidate or any political party in any election.

SEC. 5. It shall be unlawful for any person to solicit or be in any manner concerned in soliciting any assessment, subscription, or contribution for any political purpose whatever from any person known by him to be entitled to or receiving compensation, employment, or other benefit provided for or made possible by any act of Congress appropriating funds for work relief or relief purposes.

SEC. 6. It shall be unlawful for any person to furnish or to disclose, or to aid or assist in furnishing or disclosing any list or names of persons receiving compensation, employment, or benefits provided for or made possible by any act of Congress appropriating, or authorizing the appropriation of, funds for work relief or relief purposes, to a political candidate, committee, campaign manager, or to any person for delivery to a political candidate, committee, or campaign manager, and it shall be unlawful for any person to receive any such list or names for political purposes.

SEC. 7. No part of any appropriation made by any act, heretofore or hereafter enacted, making appropriations for work relief, relief, or otherwise to increase employment by providing loans and grants for public-works projects, shall be used for the purpose of, and no authority conferred by any such act upon any person shall be exercised or administered for the purpose of, interfering with, restraining, or coercing any individual in the exercise of his right to vote at any election.

SEC. 8. Any person who violates any of the foregoing provisions of this act shall be deemed guilty of a felony and upon conviction shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

SEC. 9. (a) It shall be unlawful for any person employed in any administrative or supervisory capacity by any agency of the Federal Government, whose compensation, or any part thereof, is paid from funds authorized or appropriated by any act of Congress, to use his official authority or influence for the purpose of interfering with an election or of affecting the results thereof. All such persons shall retain the right to vote as they please and to express privately their opinions on all political subjects, but they shall take no active part in political management or in political campaigns.

(b) Any person violating the provisions of this section shall be immediately removed from the position or office held by him, and thereafter no part of the funds appropriated by any act of Congress shall be used to pay the compensation of such person.

SEC. 10. All provisions of this act shall be in addition to, not in substitution for, any other sections of existing law or of this act.

SEC. 11. If any provision of this act, or the application of such provision to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

GRADING AND CLASSIFICATION OF FOREIGN SERVICE EMPLOYEES

The bill (H. R. 3655) to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931, was considered, ordered to a third reading, read the third time, and passed.

MACEY N. BEVAN

The bill (H. R. 590) for the relief of Macey N. Bevan was considered, ordered to a third reading, read the third time, and passed.

HALLIE H. WOODS

The bill (H. R. 534) for the relief of Hallie H. Woods was considered, ordered to a third reading, read the third time, and passed.

WILLIAM BOYER

The Senate proceeded to consider the bill (S. 919) for the relief of William Boyer, which had been reported from the Committee on Claims with amendments, on page 1, line 6, to strike out "$10,000" and to insert "$1,500"; and to insert a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William Boyer, Missoula, Mont., the sum of $1,500. The payment of such sum shall be in full settlement of all claims against the United States for damages sustained by the said William Boyer as the result of being shot by a Federal officer on June 29, 1926, near Eureka, Mont. The said William Boyer has been permanently and totally disabled by reason of such shooting: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938

The Senate proceeded to consider the bill (S. 1569) to amend the Agricultural Adjustment Act of 1938, as amended, which was read, as follows:

Be it enacted, etc., That subsection (e) of section 344 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out, in the first line thereof, the words "1938 and 1939" and inserting in lieu thereof the following: "1938, 1939, 1940, and 1941."

Mr. McNARY. Mr. President, I should like to have the Senator from New Mexico explain the bill.

Mr. HATCH. Mr. President, the bill proposes to amend the Agricultural Act of 1938, which concerns particularly the new section of Arizona, New Mexico, and California, producing cotton. In those States we did not have the 5-year cotton history which the older States had, and in the act of 1938 we made provision to protect us. This bill merely extends the same provisions to 1940 and 1941.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MACK COPPER CO.

The bill (S. 1945) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co. was announced as next in order.

The VICE PRESIDENT. This bill is identical with House bill 2595, Calendar No. 268. Is there objection to the substitution of the House bill for the Senate bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 2595) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co., which was ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection Senate bill 1945 will be indefinitely postponed.

NADINE SANDERS

The Senate proceeded to consider the bill (S. 1164) for the relief of Nadine Sanders, which had been reported from the Committee on Claims with an amendment, on page 1,

line 6, to strike out "$1,500" and to insert "$1,096.40", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nadine Sanders, Santa Fe, N. Mex., the sum of $1,096.40. The payment of such sum shall be in full settlement of all claims against the United States for damages sustained by the said Nadine Sanders on account of personal injuries received on February 13, 1937, when the automobile in which she was riding was struck in Santa Fe, N. Mex., by a Soil Conservation Service truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ALLEN L. ABSHIER AND OTHERS

The bill (H. R. 2064) for the relief of Allen L. Abshier, Verne G. Adams, Oliver D. Chattin, William K. Heath, and Harry B. Jennings was considered, ordered to a third reading, read the third time, and passed.

CREDITS IN THE ACCOUNTS OF DISBURSING OFFICERS

The bill (H. R. 2073) to allow credit in the accounts of certain former disbursing officers of the Veterans' Administration, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

WEST VIRGINIA CO.

The Senate proceeded to consider the bill (S. 289) for the relief of the West Virginia Co., which had been reported from the Committee on Claims with amendments, on page 1, line 4, after the word "Treasury", to strike out "not otherwise appropriated" and to insert "appropriated for or allocated to the Works Progress Administration"; on line 7, to strike out "$2,716.43" and to insert "$2,156.43", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury appropriated for or allocated to the Works Progress Administration, to the West Virginia Co., of Charleston, W. Va., the sum of $2,156.43, in full satisfaction of its claim against the United States for reimbursement for the cost of repairing an Acme roller owned by it which was damaged through the negligence of an employee of the Works Progress Administration on May 25, 1937, and the loss of 3 months' rental for such Acme roller: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any money of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. QUITMAN SMITH

The Senate proceeded to consider the bill (S. 431) for the relief of Mrs. Quitman Smith, which had been reported from the Committee on Claims with amendments, on page 1, line 5, to strike out "not otherwise appropriated" and insert "appropriated for or allocated to the Works Progress Administration"; and on line 8, to strike out "$2,353.70" and to insert $1,353.70", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury appropriated for or allocated to the Works Progress Administration, to Mrs. Quitman Smith, of Hattiesburg, Miss., the sum of $1,353.70, in full settlement of all her claims against the United States for personal injuries sustained and expenses incurred as a result of an accident which occurred on March 19, 1938, when the automobile which she was driving was struck by a truck driven by Dan M. Barrett, an employee of the Works Progress Administration: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THOMAS A. ROSS

The Senate proceeded to consider the bill (S. 1882) for the relief of Thomas A. Ross, which had been reported from the Committee on Claims with an amendment, on page 1, line 7, to strike out "$459.25" and to insert "$250", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Thomas A. Ross, chief boatswain, United States Coast Guard, the sum of $250, in full settlement of all claims against the United States for loss of, or damage to, personal property and effects resulting from the fire which occurred at Nome, Alaska, on September 17, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 570) to regulate interstate and foreign commerce in agricultural products; to prevent unfair competition; to provide for the orderly marketing of such products; to promote the general welfare by assuring an abundant and permanent supply of such products by securing to the producers a minimum price of not less than cost of production, and for other purposes was announced as next in order.

SEVERAL SENATORS. Over.

The VICE PRESIDENT. The bill will be passed over.

GRACE S. TAYLOR

The Senate proceeded to consider the bill (S. 1339) for the relief of Grace S. Taylor, which had been reported from the Committee on Claims with an amendment to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Grace S. Taylor, Kensington, Md., the sum of $100. The payment of such sum shall be in full settlement of all claims against the United States on account of personal injuries sustained by the said Grace S. Taylor when the automobile which she was driving was struck, on March 12, 1937, in Washington, D. C., by an automobile owned by the Veterans' Administration and operated by an employee of such Department: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. KING. Mr. President, I should like to have an explanation of this bill.

Mr. TYDINGS. Mr. President, I think probably the Senator is laboring under a false assumption. The bill provides only for the payment of $100 to a lady who was injured in an automobile wreck under circumstances which showed the Government was clearly at fault. Certainly 10 percent of a hundred dollars for preparing a case for presentation to Congress is not too much in the way of an attorney's fee. I hope that by virtue of the fact that the $100 is offered in complete settlement of all claims, and the bill involves only a hundred dollars, there will be no objection to the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

USE OF FUNDS FOR TOLL BRIDGES

The Senate proceeded to consider the bill (S. 1109) to amend the act entitled "An act to aid the several States in making, or for having made, certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes" by providing that funds available under such act may be used to match regular and secondary Federal-aid road funds, which had been reported from the Committee on Post Offices and Post Roads, with an amendment, on page 3, line 1, after the word "bridge", to strike out "shall be used by the highway department of such State for matching unobligated regular and secondary Federal-aid road funds available to the State" and to insert "from regular Federal-aid road funds shall be used for matching unobligated regular Federal-aid road funds available to the State for expenditure in the improvement of highways on the system of Federal-aid highways, and any amount so paid on account of any such bridge from secondary Federal-aid road funds shall be used for matching unobligated secondary Federal-aid road funds available to the State for expenditure in the improvement of secondary or feeder roads", so as to make the bill read:

Be it enacted, etc. That the act entitled "An act to aid the several States in making, or for having made, certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes," approved August 14, 1937, is hereby amended to read as follows:

"That in the case of each and every State, or political subdivision or subdivisions thereof, which, prior to the date of approval of this act, shall have constructed or acquired any toll bridges on the approved system of Federal-aid highways, and which has caused or shall, prior to July 1, 1939, cause any such toll bridge or toll bridges to be made free, the Secretary of Agriculture shall be, and he is hereby, authorized to pay out of the regular and secondary Federal-aid road funds apportioned to such State not to exceed 50 percent of such amount as may be approved by the Secretary of Agriculture as the reasonable value or construction cost of any such bridge whichever shall be least: *Provided*, That no payment of Federal funds shall be made on account of any such bridge which was not constructed in accordance with plans and specifications which would meet the standards required by the Secretary of Agriculture at the time such bridge was constructed, nor on account of any bridge the construction of which was completed prior to March 3, 1927: *And provided further*, That no such payment shall be made which will exceed 50 percent of the reasonable value or cost of the labor and materials which were actually incorporated in the construction of such bridge, excluding all costs of rights-of-way, property damages, and financing costs, whichever, value or cost, shall be least, and any amount so paid on account of any such bridge from regular Federal-aid road funds shall be used for matching unobligated regular Federal-aid road funds available to the State for expenditure in the improvement of highways on the system of Federal-aid highways, and any amount so paid on account of any such bridge from secondary Federal-aid road funds shall be used for matching unobligated secondary Federal-aid road funds available to the State for expenditure in the improvement of secondary or feeder roads."

Mr. KING. Mr. President, may we have an explanation of the bill?

Mr. MILLER. Mr. President, the bill merely amends the present toll-bridge act by providing that the States may use the money received under the present law to match secondary or feeder roads money. It makes no other change in the law. It merely enables the States to match the Government money that is applied on secondary or farm-to-market roads.

Mr. KING. Will the Senator assure us that it involves no drain upon the Treasury of the United States?

Mr. MILLER. No more than what is already provided for in the existing law.

Mr. KING. It does not expand the obligation of the Federal Government?

Mr. MILLER. Oh, no.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ASSISTANT TO THE SURGEON GENERAL

The bill (S. 1899) to provide for the detail of a commissioned medical officer of the Public Health Service to serve as assistant to the Surgeon General was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there shall be in the Public Health Service a commissioned medical officer of the Public Health Service, detailed by the Surgeon General of the Public Health Service, who shall be known as the assistant to the Surgeon General and who shall perform such duties as the Surgeon General may prescribe and shall act as Surgeon General during the absence or disability of the Surgeon General or in the event that there is a vacancy in the office of the Surgeon General. The assistant to the Surgeon General, while serving as such assistant, shall have a rank in the Public Health Service which shall correspond to that held by a brigadier general in the United States Army, and shall be entitled to the same pay and allowances as a brigadier general in the Army.

EXCHANGE OF PROPERTY AT TUSKEGEE, ALA.

The bill (S. 1088) to authorize the Administrator of Veterans' Affairs to exchange certain property located at Veterans' Administration facility, Tuskegee, Ala., title to which is now vested in the United States, for certain property of the Tuskegee Normal and Industrial Institute was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs is hereby authorized and directed to transfer to the Tuskegee Normal and Industrial Institute, Tuskegee Institute, Ala., title to the land described in subsection (a) of this act, now vested in the United States, in exchange for certain property, described in subsection (b) of this act, from the Tuskegee Normal and Industrial Institute.

(a) The following-described property located in the northwest corner of the northeast quarter of the southwest quarter of section 23, township 17, range 23 east, Macon County, Ala., and being all that portion of the Government reservation lying west of the old Chehaw Road:

Beginning at a point, said point being the northwest corner of the northeast quarter of the southwest quarter of said section 23, said point also being the northwest corner of that part of the Government reservation lying west of the old Chehaw Road; thence east along the north line of the northeast quarter of the southwest quarter of said section 23, same also being the north line of that part of the Government reservation lying west of the old Chehaw Road, a distance of 3.4 chains to a point in the west side of the old Chehaw Road; thence south 25° east along the west line of the old Chehaw Road, a distance of 3.34 chains to a point, said point being in the southerly boundary line of the Government reservation; thence west along the southerly boundary line of the Government reservation, a distance of 4.81 chains to the west line of the northeast quarter of the southwest quarter of said section 23; thence north along the west line of the northeast quarter of the southwest quarter of said section 23, a distance of 3.03 chains to the point of beginning, containing, in all, 1.24 acres, more or less.

(b) The following-described property located in the north half of the southeast quarter of section 23, township 17, range 23 east, Macon County, Ala.:

Beginning at a point, said point being in the northeast quarter of the southeast quarter of said section 23, and also being 3.03 chains south of the east and west half-section line of said section 23 and 10.2 chains west of the east line of said section 23, and further being in the south line of the Government reservation as at present constituted; thence south a distance of 6.81 chains to a point; thence west a distance of 11 chains to a point, said point being west 1.2 chains from the east line of the northwest quarter of the southeast quarter of said section 23; thence north a distance of 6.81 chains to a point, said point being in the southerly boundary line of the present Government reservation; thence east along the southerly boundary line of the Government reservation, a distance of 11 chains to the point of beginning, containing 7.5 acres, more or less.

MAKING TOLL BRIDGES FREE

The bill (S. 1985) to extend the time within which the States may cause toll bridges to be made free in order to qualify for aid under the act of August 14, 1937, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to aid the several States in making, or for having made, certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes," approved August 14, 1937, is amended by striking out "July 1, 1939," and inserting in lieu thereof "July 1, 1941."

RESOLUTION PASSED OVER

The resolution (S. Res. 107) opposing sales of American cotton during the present world crisis to foreign purchasers below the cost of production was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The resolution will be passed over under the rule.

APPLICATION OF EMPLOYEES' COMPENSATION ACT TO CIVIL OFFICERS

The bill (S. 1416) to make the provisions of the Employees' Compensation Act applicable to civil officers of the United States was announced as next in order.

Mr. KING. I ask that the bill be passed over.

Mr. ASHURST. Mr. President, permit me to suggest to my able friend the Senator from Utah [Mr. KING] that the junior Senator from Nebraska [Mr. BURKE] was chairman of the subcommittee in charge of this bill, and I feel sure that the Senator from Utah will agree with me that when the erudite Senator from Nebraska gives his attention to a matter his conclusions are usually persuasive. I therefore request the Senator from Nebraska to make an explanation of the bill. Although I am its sponsor, he will more readily make explanation than I.

Mr. KING. I assent to both propositions made by the Senator.

Mr. BURKE. Mr. President, the bill, which is recommended by the Department of Justice, provides that only certain Federal employees who are now excluded from coming within the provisions of the Federal Employees' Compensation Act shall hereafter come within it. I will state the example given. In a recent case a marshal and his deputy were traveling by automobile, taking a prisoner as a part of their official duties, and there was an unavoidable accident by reason of which the United States marshal was injured.

He does not come within the terms of the Federal Employees' Compensation Act, because he is not an employee but is a civil officer. If the deputy who was by his side had been the one injured, his claim would have been handled in the normal course. So, in order to present the matter, the marshal had to have a private bill filed and to have the case go through the Court of Claims. The only purpose of the bill is to correct that situation.

Mr. KING. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provisions of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (U. S. C., title 5, ch. 15), are hereby made applicable to all civil officers of the United States, who are not embraced within the provisions of any other law relating to death or disability compensation.

BILLS PASSED OVER

The bill (S. 1305) to promote the general welfare through appropriation of funds to assist the States and Territories in providing more effective programs of public education was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The bill will be passed over under the rule.

The bill (S. 1018) to authorize the procurement, without advertising, of certain aircraft parts and instruments or aeronautical accessories, and for other purposes, was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill? The bill is a very important one. If we cannot have an explanation at this time, I ask that the bill go over.

The PRESIDING OFFICER. The bill will go over under the rule.

PURCHASE BY SECRETARY OF WAR OF CERTAIN EQUIPMENT AND SUPPLIES

The bill (S. 1020) to authorize the purchase of equipment and supplies for experimental and test purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War may, at his discretion, purchase abroad or in the United States with or without competition, by contract or otherwise, such ordnance, signal, and chemical-warfare equipment, supplies, parts, accessories, or designs thereof, as may be necessary in his judgment for experimental or test purposes in the development of the best kind of equipment and supplies required for the national defense.

BILLS PASSED OVER

The bill (S. 2065) to provide for the regulation of the sale of certain securities in interstate and foreign commerce and through the mails, and the regulation of the trust indentures under which the same are issued, and for other purposes, was announced as next in order.

Mr. BARKLEY. Mr. President, that bill will have to go over.

The PRESIDING OFFICER. The bill will go over under the rule.

The bill (S. 835) to provide compensation for disability or death resulting from injury to employees of contractors on public buildings and public works was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will go over.

AMENDMENT OF UNITED STATES HOUSING ACT OF 1937

The Senate proceeded to consider the bill (S. 1275) to amend the United States Housing Act of 1937, and for other purposes, which had been reported from the Committee on Education and Labor with amendments.

Mr. McKELLAR. Mr. President, may we have an explanation of that measure?

Mr. TAFT. Mr. President, the bill proposes to amend only that section of the Housing Act of 1937 which prescribes a cost limit. The bill makes only one change. Higher cost limits today apply to cities with over 500,000 population. The proposed change would make the higher cost limits apply to metropolitan districts having a population of over 500,000. The change will affect a rather limited number of metropolitan districts. The city of Cincinnati, for instance, has a population of 450,000, but the metropolitan district of Cincinnati has a population of 750,000.

A large part of it is in Kentucky. The same conditions that now apply to higher-cost cities would, under the bill, apply to metropolitan districts of over 500,000 population. That is the only change made in the act. The higher-cost limit will therefore apply hereafter to any city under 500,000 which is a part of a metropolitan district having a population of more than 500,000.

The PRESIDING OFFICER. The amendments will be stated.

The amendments were, on page 1, line 5, after the word "metropolitan", to strike out "area" and to insert "district as defined by the Bureau of the Census", and on page 2, line 3, after the word "metropolitan", to strike out "area" and to insert "district as defined by the Bureau of the Census", so as to make the bill read:

Be it enacted, etc., That section 15, subsection (5), of the United States Housing Act of 1937 is amended by adding after the word "city" the words "or metropolitan district as defined by the Bureau of the Census", so that as amended subsection (5) will read as follows:

"(5) No contract for any loan, annual contribution, or capital grant made pursuant to this act shall be entered into by the Authority with respect to any project hereafter initiated costing more than $4,000 per family dwelling unit or more than $1,000 per room (excluding land, demolition, and nondwelling facilities); except that in any city or metropolitan district as defined by the Bureau of the Census, the population of which exceeds 500,000, any such contract may be entered into with respect to a project hereafter initiated costing not to exceed $5,000 per family dwelling unit or not to exceed $1,250 per room (excluding land, demolition, and nondwelling facilities), if, in the opinion of the Authority, such higher family dwelling unit cost or cost per room is justified by reason of higher costs of labor and materials and other construction costs. With respect to housing projects on which construction is hereafter initiated, the Authority shall make loans, grants, and annual contributions only for such low-rent-housing projects as it finds are to be undertaken in such a manner (a) that such projects will not be of elaborate or expensive design or materials, and economy will be promoted both in construction and administration, and

(b) that the average construction cost of the dwelling units (excluding land, demolition, and nondwelling facilities) in any such project is not greater than the average construction cost of dwelling units currently produced by private enterprise, in the locality or metropolitan area concerned, under the legal building requirements applicable to the proposed site, and under labor standards not lower than those prescribed in this act."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

POSTAL TELEGRAPH-CABLE CO.

The Senate proceeded to consider the bill (S. 1487) for the relief of the Postal Telegraph-Cable Co., which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Postal Telegraph-Cable Co. of New York, N. Y., the sum of $2,598.86, in full satisfaction of its claim against the United States for reimbursement of expenses incurred in rebuilding and restoring a 30-wire crossing over the Delaware River between Raven Rock, N. J., and Lumberville, Pa., which was demolished and knocked into the Delaware River by a United States 046 Army observation plane, on February 19, 1937, while engaged in making a flight over the Delaware River: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McKELLAR. Mr. President, may we have an explanation of that bill?

Mr. MEAD. Mr. President, this is a bill for the relief of the Postal Telegraph-Cable Co., as is indicated by its title. My understanding is that the bill is approved by the War Department as well as by the Committee on Claims. The bill provides for reimbursing the Postal Telegraph-Cable Co. for expenses incurred in the vicinity of Raven Rock, N. J., and Lumberville, Pa. The company's lines at that point were put out of order as the result of the crash of a United States Army pursuit or observation plane on February 19, 1937.

Mr. McKELLAR. Is it recommended by the War Department?

Mr. MEAD. It is approved by the Department.

Mr. McKELLAR. I have no objection.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

J. C. GRICE

The Senate proceeded to consider the bill (S. 891) for the relief of J. C. Grice, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$241.38" and to insert "$201.15", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. C. Grice, of Whittier, N. C., the sum of $201.15, in full satisfaction of his claim against the United States for mileage allowance for travel performed by means of his personally owned automobile during the period May 27, 1936, to January 8, 1938, while supervising certain construction projects for the Department of the Interior on the Cherokee Reservation at Cherokee, N. C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOSEPH W. PARSE

The Senate proceeded to consider the bill (S. 1688) for the relief of Joseph W. Parse, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert the following:

That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and allow the claim of Joseph W. Parse for compensation for services rendered as United States Commissioner in the eastern district of Arkansas from December 1, 1933, to November 30, 1936, inclusive, notwithstanding the fact that accounts therefor were not submitted by the Commissioner within 1 year after the rendition of such services in accordance with the provisions of the act of March 1, 1933 (47 Stat. 1383).

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SHIPOWNERS & MERCHANTS TOWBOAT CO., LTD.

The bill (H. R. 2056) for the relief of the Shipowners & Merchants Towboat Co., Ltd., was considered, ordered to a third reading, read the third time, and passed.

SALE OF OLD CARSON CITY (NEV.) MINT SITE

The bill (S. 2050) to authorize a sale of the old Carson City (Nev.) Mint site and building notwithstanding the provisions of Joint Resolution No. 18 of February 23, 1865, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the old Carson City (Nev.) Mint site and building may be sold under the provisions of the act of August 26, 1935 (49 Stat. 800; U. S. C., title 40, sec. 345b), or the act of August 27, 1935 (49 Stat. 885; U. S. C., title 40, sec. 304a), notwithstanding Joint Resolution 18 of February 23, 1865 (13 Stat. 569), providing that said site shall be reserved from public sale and shall remain the property of the United States.

BILL PASSED OVER

The bill (H. R. 5219) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1939, and June 30, 1940, and and for other purposes, was announced as next in order.

Mr. BARKLEY. Mr. President, we will take up that measure later. I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over, under the rule.

ATTENDANCE OF MARINE BAND AT G. A. R. ENCAMPMENT

The bill (S. 1574) to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Pittsburgh, Pa., from August 27 to September 1, inclusive, 1939, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President is authorized to permit the band of the United States Marine Corps to attend and give concerts at the National Encampment of the Grand Army of the Republic to be held at Pittsburgh, Pa., from August 27 to September 1, inclusive, 1939.

SEC. 2. For the purpose of defraying the expenses of such band in attending and giving concerts at such encampment, there is authorized to be appropriated the sum of $8,500, or so much thereof as may be necessary, to carry out the provisions of this act: *Provided*, That in addition to transportation and Pullman accommodations the leaders and members of the Marine Band be allowed not to exceed $5 per day each for additional living expenses while on the duty, and that the payment of such expenses shall be in addition to the pay and allowances to which they would be entitled while serving at their permanent station.

ATTENDANCE OF MARINE BAND AT UNITED CONFEDERATE VETERANS' 1939 REUNION

The bill (H. R. 3946) to authorize the attendance of the Marine Band at the United Confederate Veterans' 1939 Reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

SIMPLIFICATION OF ACCOUNTING

The bill (H. R. 4830) to amend the act approved April 27, 1937, entitled "An act to simplify accounting," was consid-

ered, ordered to a third reading, read the third time, and passed.

CHARLES L. KEE

The bill (S. 821) for the relief of Charles L. Kee was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles L. Kee, of Portsmouth, Va., the sum of $9,000, in full satisfaction of his claim against the United States for damages arising out of the loss by officers of the United States Navy on June 26, 1920, at Hampton Roads, Va., of an aircraft-planted mine invented by said Charles L. Kee and constructed by him for demonstration.

ADMINISTRATION OF STATE UNEMPLOYMENT COMPENSATION LAWS

The Senate proceeded to consider the bill (H. R. 5482) to increase the authorization for appropriations for the administration of State unemployment compensation laws, which was read, as follows:

Be it enacted, etc., That section 301 of the Social Security Act is amended to read as follows:

"SEC. 301. For the purpose of assisting the States in the administration of their unemployment compensation laws there is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of $4,000,000, for each fiscal year thereafter up to and including the fiscal year ending June 30, 1938, the sum of $49,000,000, and for the fiscal year ending June 30, 1939, and for each fiscal year thereafter, the sum of $80,000,000, to be used as hereinafter provided."

Mr. VANDENBERG. Mr. President, I have no objection to the proposed amendment of the Social Security Act, provided I may be permitted to make an observation in passing. The bill provides an authorization of $80,000,000 for the administration of State unemployment-compensation laws under title III of the Social Security Act. Heretofore for the present year the appropriation was $49,000,000. This measure proposes to increase the authorization to $80,000,000. The testimony before the committee is that only $62,000,000 is required for the current fiscal year, and that only $76,000,000 is required for the next fiscal year. Therefore I desire to call the attention of the Appropriations Committee to the fact when appropriations are subsequently sought under this authorization, that the authorization itself is $18,000,000 larger than necessary for the current year, and at least $4,000,000 larger than necessary for the subsequent year.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. McKELLAR. Will the Senator permit the Senator from Texas [Mr. CONNALLY], who seems to have reported the bill, to say a few words as to why the amount is increased?

Mr. CONNALLY. Let the Senator from Michigan continue.

Mr. VANDENBERG. Mr. President, Chairman Altmeyer of the Social Security Board, is very sure that the expenditure for this fiscal year will not exceed $62,000,000. That is the period ending, as the Senator knows, on June 30 next. His estimate for the next fiscal year is $76,000,000. But he is not so sure of that figure, because he is not sure to what extent the coverage under title III may be extended in the course of the present session of Congress. Therefore, he seeks sufficient latitude in the authorization, inasmuch as it is a continuing authorization for years to come, to cover the contingencies to which I have referred.

I ascribe no purpose on the part of the Social Security Board to get an authorization greater than is consistent with an ultimate appropriate expenditure. The expenditure, I am sure, will not be brought to the $80,000,000 simply because we make the authorization. What I am attempting to do at the moment is to make it clear on the record that, although the authorization is $80,000,000, the expectation is not that we shall have an $80,000,000 appropriation this year, but only a $62,000,000 appropriation.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. McKELLAR. I very much hope that Mr. Altmeyer and the Board will not increase the amount up to the authorization.

Mr. VANDENBERG. I wish to add a further comment regarding this particular appropriation. This is the appropriation under which the Federal Government undertakes to return to the States, for administrative purposes, 10 percent of the pay-roll tax collections for unemployment insurance. In other words, the Federal Government retains 10 percent of the collections which belong entirely and exclusively to the States, and by way of compensation to the States sends to the States funds sufficient for the administration of the laws. Even though $80,000,000, the sum total of the authorization, be returned to the States for the administration of State unemployment insurance laws, still the Federal Government will have collected $10,000,000 from the States out of pay-roll taxes, put it in its general funds, and spent it for general purposes.

Based on Mr. Altmeyer's testimony before the committee, I think he entirely agrees that the Federal Government is not entitled to make a profit upon this particular transaction. My observation would be that he agreed with the suggestion that if there is any annual balance left in the particular fund which is collected from the States and then turned back to them again, it should not go to the advantage of the Federal Treasury for Federal expenditures, but should be pro rated back to the States.

I wish to make the further observation that the expense of administration which is covered by the appropriation represents for the present year about 12 percent of the entire pay-roll tax collections. Mr. Altmeyer points out that British experience indicates that a 9-percent cost is legitimate. It seems to me that a terrifically heavy percentage of the pay-roll tax collected for unemployment benefits is detoured into administrative costs.

With those observations, Mr. President, I am prepared to allow the bill to pass.

Mr. CONNALLY. Mr. President, it is probably unnecessary for me to say anything since the Senator from Michigan [Mr. VANDENBERG] has expressed his willingness that the bill shall pass. I wish to say only that the bill is merely an authorization and is not an appropriation. The Senate will still be protected each year when it makes appropriations and prepares the appropriations to fit the cloth. It would be wholly impracticable for the Senate to have an authorization and change it from time to time to fit the appropriation. Frequently we pass bills in general terms providing that "appropriations are hereby authorized sufficient to carry out the purposes," and so forth. Then we refer the matter to the Appropriations Committee. The Senator from Michigan pointed out that the United States collects 10 percent of the pay-roll taxes. It ought to be understood why that is so. Under the Social Security Act all the pay rolls are taxed a certain percentage, but in order to compel the States to adopt systems of their own—and we might as well admit that that is what we are doing—we permit the taxpayer to reclaim, in the form of a credit, 90 percent of the pay-roll tax if he has paid it to the State. So, it is absolutely necessary to retain the taxing power to some extent in order to maintain uniformity of the system. Out of the 10 percent which the Federal Government receives are paid the expenses of the State set-up; and that is what the bill refers to.

The old authorization was only $49,000,000 annually. It was found that that was not sufficient. As stated by the Senator from Michigan, the current amount is $62,000,000. However, it is expected that next year the amount will probably rise to $76,000,000, on account of the increased coverage which it is proposed will be made under other legislation now pending in the House of Representatives. In other words, the Board will deal with more individuals, and consequently there will be some more expenses.

This matter was considered very thoroughly by the Finance Committee. Dr. Altmeyer appeared, and I think he convinced

most of the committee that the Board is undertaking to cut the costs in the State administrative agencies as sharply as can safely be done. The Committee on Finance reported the bill unanimously, with the exception of the suggestions which the Senator from Michigan makes. I do not understand that his suggestions are objections but merely a caution or warning to the Appropriations Committee that because we authorize $80,000,000 we do not mean to appropriate $80,000,000 unless the $80,000,000 may be necessary. Certainly such an implication necessarily follows. That is what the Appropriations Committee is for. We have complete confidence and trust in the Appropriations Committee and its action when that action suits our wishes.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 5219) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1939, and June 30, 1940, and for other purposes, was announced as next in order.

Mr. BARKLEY. Let the bill be passed over for the present.

The PRESIDING OFFICER. The bill will be passed over. That completes the call of the calendar.

ONE HUNDRED AND NINETY-SIXTH ANNIVERSARY OF THE BIRTH OF THOMAS JEFFERSON

Mr. BARKLEY. Mr. President, on this the one hundred and ninety-sixth anniversary of the birth of Thomas Jefferson, it is appropriate that we pause to pay tribute to his memory; for in paying tribute to his memory we rededicate ourselves to those elemental principles of Americanism to which we all subscribe.

No one man in all the stirring story of our Nation has so completely personified the ideas and ideals we call Americanism as did Jefferson.

He more than any other one man, gave us our chart of freedom.

He condensed into the preamble of the Declaration of Independence the very soul and essence of Americanism. Our civic blessings rest on that foundation.

When the constitutional fathers, in wisely laying the foundations of the state, neglected to write into the fundamental law the protection of the people against the abuse of power, he declared that "a bill of rights is what any people is entitled to and what no just government can refuse or rest on inference."

He organized the fight that secured the incorporation into the Constitution of the first 10 amendments which guaranteed the promise of the preamble of the Declaration.

When, early in our history, others sought by tyrannic acts to nullify the Bill of Rights by making it a crime for men to write or speak their honest thought, he and his followers faced and fought the bitter battle which definitively made us a democracy.

In his Life of Hamilton, Henry Cabot Lodge declares that the election of Jefferson in the peaceful revolution of 1800 permanently fixed the status of our institutions as those not only of a republic, but of a democratic republic.

More than any other one man, I think, the Philosopher of Monticello envisioned a nation of free men—free to hold opinions and to express them; free to protest publicly against governmental wrongs—free to worship God according to the dictates of the conscience—a nation without the hatreds of caste or class, a nation unified in the realization of our common aspirations as free men.

He had the courage to break new trails. He had the vision to dream new dreams and the genius to translate them into reality.

He was iconoclast enough in his generation to proclaim the then revolutionary theory that governments exist for the service of the people and not that the people exist as inanimate cogs in the machinery of the State.

Let me quote briefly from Claude Bowers' great book, Jefferson and Hamilton, in which he said:

> Such was Thomas Jefferson, who took upon himself the organization of the forces of democracy when its enemies were in the saddle, booted and spurred, and with a well-disciplined and powerful army at their back. None but an extraordinary character could have dared hope for victory, and he was that, and more. Democrat and aristocrat, and sometimes autocrat; philosopher and politician; sentimentalist and utilitarian; artist, naturalist, and scientist; thinker, dreamer and doer; inventor and scholar; writer and statesman, he enthralled his followers and fascinated while infuriating his foes.

He smiled at the timidity of those who thought that democracy would endanger property. He knew, what they did not suspect, that vested wrongs can endanger liberty; and he had the foresight to see what they could not comprehend—that when liberty is gone the rights of property are at the mercy of the tyrant.

So he conceived the statesman's task to be so to adjust the proper claims of men and money as to prevent the conflicts that shake the foundations of civilized society.

We find ourselves today in the midst of a revolution of Fascist and communistic forces, united in their determination to exterminate democracy and to wipe out liberal governments everywhere.

The challenge to the governmental system for which Jefferson fought and wrought does not come to us from across the sea in the dulcet tones of the drawing room. That challenge is based upon the charge that our institutions are incapable of serving and promoting the welfare of mankind.

That line of attack cannot be answered by bullets and bayonets on the battlefield, for force can permanently settle no principle. It can be answered, and it must be answered here, by proving here the capacity of our institutions to meet the civic and economic needs of a free people.

We Americans may differ as to policies, but on elemental principles we must stand united. We may safely fight over the passing problems of our politics, but in these days, when everything we stand for at home and throughout the world is under attack, the safety of the state demands, as never before, that we present a solid front on the essential principles of Jefferson.

Within the next few years we shall know whether the dying words of John Adams, "Thomas Jefferson still lives," are true.

EMPLOYEES OF TEMPORARY NATIONAL ECONOMIC COMMITTEE

Mr. TOWNSEND. Mr. President, in view of the fact that in a very short time the Senate will have under consideration House bill 5219, the second deficiency appropriation bill, which carries an appropriation of $600,000 for the Temporary National Economic Committee, I ask unanimous consent to have placed in the RECORD a list of the employees of the Temporary National Economic Committee, showing the place of their residence and their salaries, so that the Senate may be advised in considering the item in the bill referred to.

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Is there objection?

Mr. AUSTIN. Mr. President, is that a list of employees who are serving on the Temporary National Economic Committee?

Mr. TOWNSEND. It is a list of those serving the Senate and House Members of the committee and the committee itself. The list is complete.

Mr. AUSTIN. I do not desire to object, but I wish to make it clear what it is. The list, as I understand, covers employees on the pay roll of the Temporary National Economic Committee?

Mr. TOWNSEND. Yes.

Mr. AUSTIN. Very well; I have no objection.

The PRESIDING OFFICER. Without objection, the list will be printed in the RECORD.

The list referred to is as follows:

Employees on the pay roll of the Temporary National Economic Committee, listed by State of residence, as of period Apr. 1–15, 1939

Name	State	Salary
Abbott, Lillian	District of Columbia	$1,440
Abramson, A. C.	West Virginia	2,600
Alsup, William W	Utah	1,800
Altman, Oscar	Ohio	3,200
Anderson, Edwin	North Carolina	2,000
Ayeroff, Alex H	New York	1,620
Barron, Ethel S	Georgia	1,800
Batt, William L	Pennsylvania	2,000
Bertrand, Daniel	Vermont	4,000
Black, Robert	Iowa	1,800
Blair, John M	Mississippi	2,000
Blaisdell, Thomas C	New York	7,000
Blomquist, H. A	Nebraska	6,500
Bowman, Ward S	Washington	2,400
Bryant, Janet S	New York	1,620
Burke, Cornelia	Arkansas	1,440
Butler, Annie	District of Columbia	1,440
Campbell, Grace	Wyoming	1,620
Cardozo, Michael	New York	3,200
Cerick, Ruth Aull	Illinois	1,800
Chantland, William T	Iowa	6,000
Cheseldine, R. M	New York	3,800
Clark, Frank W	do	1,620
Clarke, David J	Montana	2,000
Conover, Harry	California	3,200
Cook, Roy C	South Carolina	2,600
Cooke, Waltzie	Kentucky	1,440
Coulter, Robert C	Wyoming	1,320
Cover, John	Illinois	7,500
Crabtree, John	New York	3,800
Cunningham, J. Frank	Texas	2,000
Davenport, Donald H	Massachusetts	[1] 25
Davis, Gloria H	District of Columbia	2,400
de Chazeau, Melvin G. (part time)	Virginia	4,400
Denton, R. Harold	Kansas	2,600
Deyrup, Thorold J	New York	2,400
Dickey, Raymond R	West Virginia	2,800
Dillon, Vivian	North Carolina	1,800
Eiker, Evelyn	New Jersey	1,620
Emelianoff, Ivan V	New York	2,600
Engelbrecht, Helmuth C	do	4,200
Eno, Lawrence	do	2,600
Evans, Jack C	California	2,600
Fates, Harold L	New York	3,200
Faulkner, Louis	Pennsylvania	5,600
Feldwerth, Dorothy	Missouri	1,680
Finn, Leo V	District of Columbia	2,600
Fitzgerald, Jeremiah A	Connecticut	1,440
Folger, Jean	Wyoming	2,280
Frost, Mary	Maryland	1,440
Gardner, Mary	South Carolina	1,440
Gates, Charles	Wisconsin	1,620
Gesell, Gerhard A	Connecticut	5,600
Glickfeld, Irving	New Jersey	2,000
Goldenthal, A. C	do	2,000
Goldstein, Ruth	District of Columbia	1,440
Gorham, James	New York	3,200
Greverus, Jane	Wisconsin	1,800
Haddock, George B	Idaho	3,800
Hall, Mabel	Georgia	2,900
Heflin, William A	District of Columbia	1,800
Himbert, Arthur	Wyoming	5,000
Handler, Milton (part time)	New York	[1] 25
Harrison, James L	North Carolina	2,000
Henderson, Leon	New Jersey	10,000
Hilger, Elizabeth	Kentucky	1,440
Holland, Joshua	California	3,200
Hopkins, Ernest J	New York	4,200
Howe, Ernest	do	7,200
Hunter, William B	California	4,600
Hurwitz, Abner	New Jersey	1,620
Hynning, C. J	Illinois	3,200
Janeway, Eliot (part time)	New York	[1] 25
Jenkins, George C	Massachusetts	3,200
Jordan, Doris	Alabama	1,440
Kades, Charles L	New York	7,500
Kaplan, Irving	Pennsylvania	5,400
Karasik, Monroe	New York	2,400
Keim, Walter G	Pennsylvania	3,800
Kelly, Joseph R. (part time)	New York	[1] 25
Kemper, James	Illinois	2,000
Kerr, Stewart	Tennessee	2,000
Klaus, Sam	New York	7,000
Knott, Grace W	District of Columbia	3,200
Koch, Albert T. (dollar-a-year man)	New York	
Koenigsberg, Samuel	do	2,600
Konemann, Fred W	Georgia	2,000
Kritt, Sophie	District of Columbia	1,440
Lacy, William S. B	Colorado	3,800
Ladendorff, Isabel	Montana	1,680
Lamb, Margaret	Wyoming	1,800
Laws, M. H	Alabama	2,000
Leary, William H., Jr	Utah	3,000
Leff, Mildred	New York	1,620
Lennon, John J	Connecticut	2,000
Lewis, Seymour D	New York	2,000
Linder, Sadie	do	1,440
Lobell, Nathan	do	2,000
Lowenstein, Allan	New Jersey	3,200
Lucas, Ernest R	Iowa	$4,600
Lundvall, Arthur	Maryland	6,400
Lyons, Barrow	New York	3,800
Madden, Helen A	Montana	2,100
Mallos, Mary	District of Columbia	1,440
McCord, Laps D	Tennessee	1,620
McEachern, Jane H	Montana	1,800
McEldowney, H. V	Connecticut	4,600
McKinley, Violet	District of Columbia	1,440
McLaughlin, Robert	Indiana	2,900
McWilliams, Loretta	District of Columbia	1,440
Mehlman, Harry	Colorado	3,200
Miller, Josephine	District of Columbia	2,100
Moore, Walter	Connecticut	1,800
Morrell, R. Coy	Tennessee	1,440
Morris, Roland	Oklahoma	1,260
Nack, Sophie	Ohio	3,200
Nehemkis, Peter R	New York	5,600
Nelson, Saul	do	4,600
Niemeyer, Dorothy	do	1,800
Normile, James	do	5,200
O'Connell, Joseph J., Jr	do	6,400
O'Donnell, Richard B	do	1,800
Offutt, Katherine P	Virginia	1,440
O'Leary, Paul M	New York	7,500
O'Neill, Mary	Nebraska	1,440
Pearce, Charles A	Ohio	4,600
Phipps, W. R	West Virginia	1,980
Poppe, Mary	District of Columbia	1,440
Prather, William G	Tennessee	2,000
Reilly, Joseph	District of Columbia	3,200
Rhoads, Joseph	Nebraska	3,800
Ritchin, Hyman B	New York	2,500
Ryshpan, David	do	3,800
Shaw, G. Ione	Wisconsin	1,620
Shore, Francis	Ohio	1,440
Sichel, Sigmund	District of Columbia	1,200
Sigmon, Wilma	North Carolina	1,440
Simpson, Kemper	New York	5,600
Smith, Catherine O	South Carolina	1,440
Smith, E. E	Virginia	1,260
Snead, Charles	Nevada	1,080
Sparlin, Carmen	Oklahoma	1,440
Sprague, O. M. W. (part time)	Massachusetts	[2]
Steffes, Adelaide W	Minnesota	1,440
Steinmetz, Mildred	Pennsylvania	2,600
Stott, Helen E	do	1,440
Stubb, Iona I	California	1,620
Talman, June	Wisconsin	1,440
Thorp, Willard L	New York	8,000
Till, Florence	do	2,000
Truitt, Paul T	Missouri	4,600
Tracy, Marian T	Massachusetts	1,620
Turner, Clifford R	New Jersey	1,800
Urdahl, T. K	Wisconsin	3,800
Usilton, Marguerite	New York	1,620
Vatter, Harold	do	2,000
Walling, Nan V	District of Columbia	2,800
Waters, John H	Maryland	1,800
Watson, Robyn	Texas	1,440
Wightman, Earl	Ohio	[1] 15
Wolpe, Joseph	Pennsylvania	2,200
Wright, William	New York	2,000

[1] Per diem.

Employees on the pay roll of the Temporary National Economic Committee, listed by State of residence, as of period Apr. 1–15, 1939—Continued

[1] Per diem.
[2] Paid only when working, at $10,000 per annum.

Personnel of committee staff as of Apr. 11, 1939

Name	State	Annual salary
Alsup, William W	Utah	$1,800
Bertrand, Daniel	Vermont	4,000
Black, Robert I	Iowa	1,800
Brackett, James R	South Dakota	4,600
Campbell, Grace	Wyoming	1,620
Cerick, Ruth Aull	Illinois	1,800
Coulter, Robert C	Wyoming	1,320
Davis, Gloria H	District of Columbia	2,400
Folger, Jean	Wyoming	2,280
Greverus, Jane	Wisconsin	1,800
Heflin, William	District of Columbia	1,800
Henderson, Leon	New Jersey	10,000
Himbert, Arthur R	Wyoming	5,000
Lamb, Margaret	do	1,800
Leary, William H., Jr	Utah	3,000
Lee, Lydia	New York	[3] 2,600
Tracy, Marian T	Massachusetts	1,620
Usilton, Marguerite A	New York	1,620

[1] On loan from Securities and Exchange Commission on reimbursement basis.
[2] On loan from the Department of Justice on reimbursement basis.
[3] On loan from Public Works Administration.

AMENDMENT OF TENNESSEE VALLEY AUTHORITY ACT

Mr. BARKLEY. Mr. President, I move, as I notified the Senate earlier in the day I would do, that the Senate proceed

to the consideration of calendar 197, the bill (S. 1796) to amend the Tennessee Valley Authority Act of 1933.

The VICE PRESIDENT. The question is on the motion of the Senator from Kentucky.

Mr. KING. Mr. President, I shall not object, but I wish to make an observation. Several days ago I intended to make a few remarks in regard to the rape of Czechoslovakia, particularly in view of the declarations made by representatives of the Nazi Government here in Washington; but out of deference to my leader here, and because important matters were under consideration, I deferred submitting those remarks. I do not desire to interfere with the consideration of the T. V. A. bill, but I should like to submit those remarks now or after the motion of the Senator from Kentucky shall have been agreed to.

Mr. BARKLEY. Mr. President, would the Senator just as lief submit them on another bill which will come up in a very few minutes?

Mr. KING. I doubt whether it will come up in a very few minutes.

Mr. BARKLEY. Of course, I have no objection to the Senator submitting his remarks now.

Mr. KING. I may submit them, of course, after the Senator's motion shall have been agreed to, but I did not want my friend from Nebraska [Mr. NORRIS] to feel that I was interfering with his bill.

Mr. NORRIS. Mr. President, the Senator from Utah certainly can make his remarks on the motion if he perfers, but would it not be better to let the motion be adopted, and then let the Senator speak?

Mr. KING. I have no objection to that course, but I did not want the Senator from Nebraska to feel, after the motion had been carried, that I was then interfering by interjecting extraneous matter.

Mr. BARKLEY. Mr. President, I have moved that the Senate proceed to the consideration of Senate bill 1796.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kentucky.

Mr. ADAMS. Mr. President, may I make an inquiry of the Senator from Kentucky?

Mr. BARKLEY. I yield.

Mr. ADAMS. There is pending on the table the second deficiency appropriation bill, House bill 5219. That bill should be disposed of at the earliest practicable moment, because various departments are running out of money. I was wondering if the Senator would make a place today for that bill.

Mr. BARKLEY. I will say to the Senator that it is my purpose to arrange that the Senator from Colorado shall be recognized, immediately upon the conclusion of the consideration of the T. V. A. bill, to move to proceed to the consideration of the second deficiency appropriation bill.

Mr. ADAMS. Does the Senator feel that when he has explained the T. V. A. bill there will be no particular controversy over it?

Mr. BARKLEY. I would not go that far. In fact, it is the bill of the Senator from Nebraska [Mr. NORRIS] and not mine. It is important, however, that it be considered and passed, for reasons which will be explained later.

SEVERAL SENATORS. Question.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kentucky to proceed to the consideration of a bill, the title of which will be stated.

The LEGISLATIVE CLERK. A bill (S. 1796) to amend the Tennessee Valley Authority Act of 1933.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1796) to amend the Tennessee Valley Authority Act of 1933.

Mr. KING. Mr. President——

Mr. BARKLEY. Mr. President, before the Senator from Utah takes the floor, I wish to make a brief statement regarding the bill now pending.

The bill was introduced by the Senator from Nebraska [Mr. NORRIS], who is more familiar with it than am I, and with the details of what has happened that makes its passage necessary.

We are all familiar with the negotiations that were carried on between the Tennessee Valley Authority and the Commonwealth & Southern Co., which owns certain utility properties in the Tennessee Valley, for the purpose of bringing about the purchase of those properties by the Tennessee Valley Authority. After very considerable and deliberate negotiations, the Government through the T. V. A. and the Commonwealth & Southern Co., arrived at an understanding and a price which, as I recall, is in the neighborhood of $78,000,000. The price agreed upon, as I understand, is satisfactory to the T. V. A. and to the private corporation that owns the property to be purchased.

This bill proposes to consolidate section 15 and 15 (a) of the existing Tennessee Valley Authority Act so as to make it perfectly clear that, in addition to the right and authority to construct transmission lines and all sorts of other public utilities such as those that are contemplated by this purchase, the Tennessee Valley Authority may also purchase them. There has been some doubt expressed as to the authority of the T. V. A. under existing law to purchase these properties. They could undoubtedly construct similar properties; nobody disputes that suggestion; but it seems to me it is the interest not only of the Government and the Tennessee Valley Authority, but also of the private property in the nature of public utilities existing in the Tennessee Valley, that, instead of encouraging construction of competing plants in localities where existing plants are adequate, the Congress ought to encourage the policy of permitting the T. V. A. to purchase existing properties wherever it can be done and wherever wisdom dictates such a policy. All the bill does is simply to make it clear that the Tennessee Valley Authority may purchase as well as construct such public-utility agencies.

It is necessary that this bill be passed in order that the contract agreement which has been entered into by the Tennessee Valley Authority and the Commonwealth & Southern Co. may be consummated. I myself do not anticipate that anyone can object to the confirmation of that agreement, no matter how violently he may be opposed to the Tennessee Valley as an original proposition, and no matter how earnestly he may feel that the Tennessee Valley ought not to compete with private utility plants already in existence. This bill, if enacted, will obviate that by making it possible, beyond any peradventure of doubt, for the Tennessee Valley Authority to engage in the purchase of such utilities as well as in their construction.

ANNEXATION BY GERMANY OF CZECHOSLOVAKIA

Mr. KING. Mr. President, a short time after Mr. Hitler had sent his military forces into Czechoslovakia and subjected it and its inhabitants to Nazi rule I had intended to submit a few remarks indicating the wholly unjustifiable if not wicked assault against a free and independent people. However, I did not find an opportune occasion to do so. Not long ago Mr. Hitler attempted to justify his aggressive policy in Czechoslovakia and made statements which were not only incorrect but absolutely untrue.

In view of his statement and the statements given to the press a short time ago by a representative of the Nazi regime here in Washington, I feel constrained to present for the consideration of the Senate some historical facts concerning Czechoslovakia and some matters leading up to the rape of an independent Republic by the Nazi Government.

Mr. President, in touching upon the Czechoslovakian tragedy I am not transgressing any proprieties, nor am I dealing with matters which are not of concern to thoughtful Americans.

If there is still anywhere a faint belief in the brotherhood of man, we cannot be any more indifferent to the fate of millions of human beings as the result of evil acts of men than we can be to the sufferings of victims of an earthquake. But, over and above that, there is another fundamental consideration which so far seems to have been lost sight of.

The society of nations as we used to know it—and as we still know it at least theoretically—is supposed to be an asso-

ciation of civilized nations possessing certain common standards of justice, culture, and morals; indeed, for a period it was considered to be a society limited in membership to Christian nations. In any event, even yet it is considered to be an elementary principle of international law that when a newly arisen state is seeking admission into this society—which is accorded by what is known as recognition—it must satisfy the other states that it meets certain minimum requirements, such as an orderly system of justice and respect for certain fundamental rights. Barbarous and semibarbarous states are not recognized, even though in the past there have been exceptions dictated by considerations of expediency. This may be termed hornbook international law.

To this principle there would seem to be a logical corollary which as yet has never been stated with sufficient emphasis.

If a state through its government has reverted to uncivilized practices, if we are dealing with what is a reversion to tribal practices, it seems obvious that other states are clearly justified in at least protesting, and even dissociating themselves from a country which denies all individual rights, does not respect the property rights of whole masses of citizens, practices torture in the form of concentration camps, and is guilty of blackmail on a mass scale.

The theory that a country's affairs are its own is true within large limits, but there are limits; and these limits have been practically reached when we are dealing with what Mr. Taylor at Evian has called "dumping of human beings upon other countries."

It may not be possible to do more than protest or recall ambassadors; but a word is also a deed, and I am unwilling to be silent, so that silence may not be construed as tacit acquiescence or moral callousness.

We all know what is going on in Germany and the martyrdom that is being inflicted not only upon the Jews but upon all decent Germans who deplore the practices of the present regimes. This area of barbarism is now extended into territory which until the other day was governed in an enlightened way.

Already it has been reported that some 10,000 political "unreliables" have been seized in Czechoslovakia by the Nazi Gestapo, and in all probability are destined for the concentration camps, with the appalling brutalities there practiced. These so-called unreliables include men of character and learning and culture, men known in all parts of Europe and in many parts of the United States because of their scholastic attainments and their liberal views and the great contribution which they have made to science and to art and to literature and to the policies of good government. I may say that many Germans living peaceably in Czechoslovakia and supporting the Czechoslovakian government, now that that government has been destroyed, are fleeing from Czechoslovakia and are not taking refuge in Germany. Not only have Czechs been seized and the Jews faced with all the torture to which the world is becoming accustomed but non-Nazi Germans are also faced with the same fate. Barbarism is spreading; the area of civilization is contracting; and this spread of the plague can leave none of us indifferent. We cannot imitate Pilate and simply wash our hands.

The British and the French, too, are now appealing to American public sentiment with the claims that they are democracies, and entitled at least to our moral support. That was the burden of Mr. Anthony Eden's speech some time ago in New York. Just how democratic these countries have always been would be an interesting subject of discussion, but time forbids. Form is not all, and the spirit counts for much more. However, just what was democratic in the procedure at Munich? Four men met, without even the consent of the parliaments of the two who must deal with parliaments, and surrendered a sturdy democracy without even giving that democracy a hearing. When the Czech Minister at Munich sought to discuss the decision delivered to him, he was curtly told that no discussion would be permitted, and that the decision was made. By whom? By Messrs. Hitler and Mussolini, who well knew in advance that the British and French were ready to surrender something that was not theirs, or were unwilling to protect Czechoslovakia against the wicked plan of the Nazi regime.

This is an interesting question, political and ethical: Even if we assume that France and Great Britain were not ready to fight, just what right, in order to protect their claimed democracy, did they have to throw to the wolves another democracy? That is a question Mr. Eden did not answer, and that is a question which may plague the British for centuries to come.

It will not entirely meet the question to say that the democracies were unprepared to fight. The French general staff said the Army was ready, and Germany could be defeated, even though the struggle would be severe. That is now admitted. But if the democracies were not ready, why were they not ready? That, again, is simply another illustration of a lack of foresight and statesmanship.

England is today governed by a Prime Minister, claimed by some to be parochial in his views, though we must assume, as we should, that he is sincere. Mr. Chamberlain, on the eve of Munich, in a broadcast said that it is a dreadful thing that England "must build trenches and prepare gas masks because of a quarrel between a people in a far-away country of which we know nothing." For a statesman, leading an empire over which the sun never sets, that is an exhibition of parochialism which is difficult to understand. This is not a quarrel somewhere in Africa, but in the center of Europe; and it was not an ordinary boundary dispute, but a question of German expansion and German hegemony, which touches Great Britain very closely, and concerns the whole world. Mr. Lloyd George indulged in a gibe at Mr. Chamberlain, after the humiliating defeat of Great Britain and France, with the statement that he was "a good mayor of Birmingham in a lean year." I can assure Mr. Chamberlain that we in America did not consider Czechoslovakia an unknown country, even though we are much farther from it than he is; and I think the remark of Lloyd George was unjust, because Mr. Chamberlain is now exhibiting the high and sturdy qualities that find expression to a great degree in the Anglo-Saxon race, particularly those who inhabit the little island of England.

Were I a Britisher, or a Frenchman, I should be very much concerned about the loss of faith of the rest of the world in their governments. May there not be a feeling that they cannot be trusted?

As a result of Munich, Czechoslovakia was deprived of Sudetenland, which never was a part of Germany. Justification for this was sought in the plea that the area is ethnically Germany, and the principle of self-determination was invoked. The territory was not wholly German, and whole Czech villages were seized; and it is well known that hundreds of thousands of Germans did not desire to live under the "blessings" of the Hitler regime. Sudetenland was occupied, and then, as we all know, the military forces of Hitler marched forward and took possession of Bohemia and Moravia and other territory within the boundaries of the Czechoslovak Republic. Only the other day the newspapers carried a report of a number of Sudeten refugees of German nationality proceeding to Canada to found there a whole village under the leadership of a former German member of the Czech Parliament, Mr. Jacksch. In other words, when Germany seized Czechoslovakia, individuals of the German race living in Czechoslovakia were unwilling to remain there under the rule and tyranny of Hitler; and they fled from a country which is now under the rule of Germany.

But if it was a farce to invoke the principle of self-determination at Munich, the German fuehrer has now abandoned even that pretext; and in destroying Czechoslovakia in its independent form following Munich, he has openly seized a whole nationality and is quickly proceeding to enslave it. It is a quest for territorial expansion unashamed and brazen in the extreme. We know that this is not the end, and that other small states are on the schedule, and will succumb if the alleged democracies continue to connive, or tacitly acquiesce, in the methods of this twentieth century robber baron. The Manchester Guardian the other day reported

that the German mobilization had originally been ordered for a move on the west and was deferred only by the Czech situation. All armored divisions, said the political correspondent of this great paper, had been mobilized and the rest of the Army placed on a war footing, prepared for a march on a 24-hour call. First targets, presumably, were to be Switzerland and Holland. Indeed, other countries may tremble, and when Lord Halifax said a few days ago that "London has washed her hands of Czechoslovakia," he hardly could realize that sooner or later the tiger would strike nearer home.

Senators will note that Switzerland, fearing the ambitions of Hitler's government, has removed to another country some of its gold reserves and is mobilizing its troops in order to prepare against the eventuality of an invasion by the Hitler regime. Even Holland, that peaceful state, has taken cognizance of the threats of war and aggression by the Nazi government and has felt constrained to increase its military force and to increase the burdens of taxation in order to meet any assault from the Nazi regime.

It is unfortunate that both London and Paris may be charged as being accessories both before and after the fact in one of the crimes of the century, the destruction of a great democracy. There is enough evidence to show that what was contemplated must have been known to both the Paris and London governments, and when now Lord Halifax says that what occurred within the last few days was not contemplated at Munich he is either disingenuous or is giving an exhibition of appalling inertness, for what has happened in the last few days is a logical development of Munich. Once the Bohemian mountains fell into the hands of Hitler there was nothing to stop his seizure of the remnants of the Czechoslovakian Republic.

Certain French circles now try to soothe their conscience with claiming that the Czechs should have fought, even if alone. I can say with much assurance that the Czechs would have fought, whatever the cost, had they had only Germany to face. But they would have been attacked on their flank by the Poles and the Magyars. To fight under those circumstances would have been criminal folly, not heroism.

But after Munich, in connection with Munich, they were assured that their truncated state would be guaranteed. Whatever the legal sophistries now indulged in by the British and French, morally those countries were obligated to protect a country which was the victim of their inertness or somnambulistic condition or lack of preparation. But now they are confessing, however, that they relied too much upon the assurances of Mussolini and Hitler, and were deceived by the promises which those men made to the French and English Governments. The Czechs, following the Munich appeasement, could not wage a war, especially when Hitler threatened the last President that, unless he yielded immediately, Prague would be bombed.

Even so, the Czech national spirit is not crushed. The Foreign Observer reports that when the Czechs realized what was coming "the people were fighting mad." Terrorism was their only means of striking back. But Hitler was prepared for that, too. Identical reports out of Berlin, Munich, Prague, and London were to the effect that Germany had mobilized 14 divisions of 200,000 men, ready to move from Dresden, Leipzig, and Vienna into Bratislava and Brunn, if the German minorities were "threatened."

It is interesting to note that after seizing this territory—Czechoslovakia—Memel was seized, and threats were made against Poland and Rumania and perhaps other countries.

An apparently small but the most cheering item in the reports was the one to the effect that the crowds in the streets of Prague booed and hissed the German troops. That means that the Czech nation may be subject for the time being to alien rule, but its spirit lives, and will renew the fight for liberty, as it fought for 300 years against Hapsburg rule. But, by the same token, that means that Mr. Chamberlain's policy of appeasement has failed, that there will be continued unrest, and that central Europe will not be on the road to tranquility until the Czechs are again masters in their own house, and Hitler and Mussolini are willing to adopt nonaggressive policies.

Because of the important part which was played during the World War by Czechoslovakia, we have been deeply interested in the progress and development of that country. It may be interesting to inquire briefly as to the origin and history and development of the inhabitants of Czechoslovakia, particularly of Bohemia and Moravia.

The Czechs and Slovaks originated in pre-Christian times from the white stock which inhabited the territory north of the Carpathians. They drifted from Galatia into what is now Bohemia, Moravia, Silesia, and Slovakia. There they increased in numbers and made important progress, industrially and culturally. They were peaceably inclined and were not antagonized by the Slav race, of which they were a part, in Russia or other parts of Europe. The territory which they inhabited was protected by mountains and contained fertile lands and important forests and timber resources.

I might add that the lands occupied by these Slavs, particularly Bohemia, have natural boundaries of hills and rivers, and, except in Silesia, which was dismembered in the eighteenth century, these boundaries remained inviolate until this ruthless and indefensible assault by the Nazi regime. From the sixth century these regions were coveted by the Germans because of their resources. They were overcome for a brief period by Charlemagne, but Bohemia and Moravia were never conquered, and while during the height of the Holy Roman Empire they were associated with the Germans, they always had their own kings and were essentially independent.

Slovakia, however, was overcome during the ninth and nineteenth centuries by the Magyars. In 1620, and during the following Thirty Years' War, Bohemia and Moravia, largely because of religious controversies, were ravished, and many Protestants exiled and their property given to Germans and other mercenaries.

However, the spirit of the people was not conquered, and they went forward with vigor and zeal in the development of their country. Success attended their efforts, and they builded a strong, progressive, and enlightened commonwealth.

From the end of the Thirty Years' War to 1918 the Czechs were under Austrian domination, but during that period their progress was uninterrupted, and they developed a great nation strong industrially, financially, and culturally. We do not forget that they gave to the world the great religious reformers, Huss and Cominsky, and by their example and teachings they aided other peoples in contiguous territories in emancipating themselves from primitive and parochial customs, policies, and philosophies. So progressive were they and so thoroughly imbued were they with the principles of democracy and liberty that, though under the Crown of Austria, they secured a reasonable degree of freedom and opportunity for self-expression and cultural, political, and spiritual development.

The Slovaks, however, by reason of the repressive rule of the Magyars, were denied opportunities for development which their genius and qualities merited.

When the World War was imminent, the Czechs exerted their influence to prevent it and were opposed to Austria embarking upon the conflict which soon enveloped most of the world. However, under the Austrian rule they were compelled to accept the decision of the Austro-Hungarian Government, although their sympathies were with the Allies. Because of their attitude toward the conflict, they were sent into the front lines to meet the first shock of opposing military forces. It will be remembered, however, that many of the Czechs formed military units and fought with the allied forces. At one time there were more than 80,000 Czechs in military units in Russia, and 30,000 in Italy, and several thousand in France, and all of these units fought courageously with the allied armies. Their services, their bravery, their ability, and their military prowess were recognized not only by the allied leaders and the allied forces but by the Central Powers, whom they were opposing.

In Russia the Czech troops held back the Germans and Bolsheviks at a critical period in the conflict and prevented the Germans from reaching the Russian treasure and important military supplies. Their conduct in opposing the Central Powers brought upon their heads the enmity of the military authorities of Germany, and doubtless inspires to this day the enmity of the Nazi regime.

Recognizing the services rendered the Allies by the Czechs and Slovaks when the war was over, the Allies acknowledged their aspirations for freedom and upon the conclusion of the war restored the old Czech kingdom to its historic boundaries, adding to it Slovakia and Ruthenia.

Senators will not forget that a large unit of the Czech Army, which had been fighting with the Allies, traversed Russia and Siberia and crossed the Pacific and the United States, pausing at Washington, where an enthusiastic reception was accorded them, and then sailed for their native land, where demonstrations of affection greeted them upon their arrival.

The new Republic of Czechoslovakia entered upon its independent course, and during the intervening years reached a high stage of prosperity and progress. It was truly a democratic government, and gave to its people liberty and the fullest opportunity for moral, spiritual, and economic development. The new Czechoslovak state possessed a population of approximately 15,000,000 people, more than one-half of whom were Czechs and the rest mainly Slovaks. The Czech portion of the state had a higly developed educational system, as well as other cultural establishments. The Slovak and Ruthenian portions, which had not enjoyed as many of the privileges and opportunities as the Czechs while they were under the Magyar rule, lacked schools and some of the establishments essential to industrial and cultural development.

Moreover, the Slovak and Ruthenian parts lacked communications and were somewhat belated in their development of social organizations.

Notwithstanding all the handicaps to which the new state was subjected, it developed new industries, balanced its budget, and maintained a surplus, and made such progress in every avenue of civilization as to have aroused the envy of some of its neighbors. Since the organization of the new state it has collaborated openly and faithfully with the League of Nations and its former sponsors and allies—France and Great Britain. It was for a time the head of the so-called "Little Entente," and its institutions were the most democratic of any country in Europe. Slovakia and Ruthenia were developed in every possible way and were supplied with hundreds of new schools, including high schools and a university. It is not inaccurate to state that Czechoslovakia was just to its minorities, and it sought to live, and did live, peacefully with all its neighbors. It had the misfortune to be a democratic nation inspired by high ideals and possessed of enterprising men and women who, by their genius and labor, brought their country to a high degree of prosperity and civilization. It was their misfortune, it seems, to have developed a great democratic state, which did not accept the ideology of communism or nazi-ism. Czechoslovakia was a bright island in central Europe—industrially, culturally, and politically. It possessed deposits of coal and other natural resources. These, apparently, were coveted by Germany.

In order to weaken the state and make it more easy prey to the Machiavellian purposes of the Nazi government, mischievous and hostile propaganda from the outside was disseminated. Persistent efforts were made to sow seeds of discord, suspicion, and unrest. In various parts of Czechoslovakia paid agents secretly disseminated baseless and fabricated stories, and fomented disorder—all aimed at the destruction of the government. These efforts were directed toward creating a situation that would be an excuse for intervention by the Nazi government.

We are familiar with the course pursued by the Nazi regime, which culminated in the destruction of the Austrian Government and its absorption by the Hitler regime. Much the same policy that weakened Austria and aided in its absorption by Germany was pursued in Czechoslovakia. The strategy seems to have been, and to be, to weaken by propaganda and other sinister and vicious means governments with which Germany and surrounding nations and governments were at peace.

Nazi-ism is an enemy of justice, liberty, and civilization. It is a cruel, devouring monster. From every land, where the voice of freedom may be heard, nazi-ism should be denounced. The forces of democracy everywhere should be united in preserving liberty against a savage and barbarous attack of a cruel and malignant foe.

Democratic nations were too inert, too complacent, to comprehend the strategy of Hitler, but unerringly he planned and plotted, and then audaciously struck down the victim.

Munich, instead of bringing appeasement, provided for the death of Czechoslovakia. The first demands at Munich constituted a sacrifice of Czechoslovak territory, and immediately thereafter, Germany, Poland, and Hungary contended for a part of mutilated Czechoslovakia. Czechoslovakia was robbed of its principal natural resources by the Munich agreement, and within the territory which was seized by the first invasion were more than 800,000 of the Czech population, who were given to the devouring wolves. This without a single protest from any of the great powers of Europe or members of the League of Nations.

There followed almost ruthless domination of the Czechoslovak Government and all of its actions, with gradually increasing and wholly unjustified demands; though the Government yielded under compulsion and threats, the process eventually proved too slow, and now the political independence of Czechoslovakia has been destroyed.

But this extinguishment, as the Department of State has aptly put it, is only temporary. A nationality as determined as the Czechs may be destroyed politically for the time being, but it cannot be ruined as a cultural entity, as the Austrian experience has amply proved. Signs are already apparent that the Czechs will renew their struggle to repair liberty and independence. It is this realization of an inevitable renewal of the struggle that is causing official and unofficial defenders of nazi-ism to attempt to place the whole situation in a false light before the American public. One of the most astonishing of such attempts was a recent interview accorded to newspapers by the chief of the German diplomatic mission in the United States, Dr. Hans Thomsen, Chargé d'Affaires of Germany in Washington. The remarks of this gentleman should not go unnoticed on the Senate floor.

Dr. Thomsen denied that the Czech coup was a seizure and claimed that it was a strictly legal proceeding "formally requested of the fuehrer by the lawful President and Premier of the Government in Prague, when the former voluntarily visited Berlin on March 14."

First of all let me say that even if this assertion happened to be correct the proceeding still would be illegal, because no president and no premier can cede his country's territory to another country as if it were a piece of their own real estate. Under the Czechoslovak Constitution, territory could not be ceded without the consent of three-fifths of the national assembly, of the Chamber of Deputies and the Senate sitting in joint session. No such session was ever held, and the proceeding is without the slightest taint of legality.

The fact remains, however, that the signatures of the President, an estimable gentleman, and of the Minister of Foreign Affairs, not the Prime Minister, were extorted by threats of force. It is now established that the German troops were on the march while the President was on his way to Berlin. When in Berlin he was informed that an immediate order to bomb Prague would be given if he did not sign at once. No sophistries of official or unofficial propagandists will disguise the fact that threat of force is force, and abandoned as Czechoslovakia was and utterly made defenseless as a result of the Munich pact, Dr. Hacha had no choice.

When Dr. Thomsen speaks of Prague as a Germanic city he is giving an exhibition of the lengths to which an undoubtedly educated and cultural gentleman feels constrained to go in the services of a government which seems to have little regard either for truth or morals. The legendary Czech Queen Libuse, in what may be called a mythological period of Czech history, sings of this city as the Czech capital and of its future greatness. Prague has always been looked upon by all Slavdom as its capital. The first general Slav congress in 1848, for that reason, was held in the city of Prague. Slav students always flocked to the city of Prague and its Czech university, to obtain education and drink there at the fountain of the Slav spirit. It is for this reason that following the seizure of Prague by Nazi troops, students in Belgrade and Sofia gave vent to their indignation by demonstrations. Every stone and monument and square in that beautiful city speaks of a great history and one which the Czechs and Slavs generally will never forget. It is the city of real culture, a Slav culture, and not a city of the "culture" of concentration camps and the burning of books.

It is not true that Prague is "the seat of the oldest of German universities." This university was founded by Charles IV, always much more proud of his status as King of Bohemia than of his dignity as Emperor, and of whom the great Czech historian, Josef Pekar, says that "educated at the court of France and having lived a long time in Italy, he brought to us (the Czechs) a higher Romanic culture, which soon made of Bohemia the foremost seat of science in the Empire and altogether of higher spiritual endeavor." And in another place Pekar declares, speaking of Charles IV: "What a number of his predecessors sought without success, he obtained single-handed: As early as 1344 he obtained from Pope Clement IV the establishment of the archbishopric of Prague—the first archbishop was the learned Arnost of Pardubic—and the founding of a university after 4 years, the first in the Empire." It is to be noted, further, that Charles IV received his crown as Emperor of the Holy Roman Empire later, in 1355. Indeed, the first care of this great man was definitely to clarify the position of the Bohemian crown legally, by the famous Golden Bull, which has always been the foundation of Czech legal claims to independence.

Under the Golden Bull, the Bohemian crown became hereditary, but upon the extinction of the dynasty the Czechs had the right to select a new king. The Emperor never had the right to designate the Czech monarch. The Golden Bull, too, confirmed Czech sovereignty in that no Czech subject had a right to appeal to non-Czech tribunals, nor to the court of the Emperor (privilegium de non appelando).

Returning to the university, it is true that the Germans for a period sought to dominate it, but this was ended as early as 1409, when King Wenceslas IV, as a result of the leadership of Czechs by John Hus, accorded, in the councils of the university, three votes to the Czechs and one to the Germans, on the ground that the Czechs are in their own home. Also university teaching in those days was in Latin.

Following this reform, and the victory of Czech nationalism, German masters and students left Prague and founded the University of Leipzig. The first rector of a university so clearly Czech became the reformer John Hus.

So much for the history of a Nazi diplomatic representative.

One further comment concerning the seizure of Czechoslovakia by Hitler's armed forces: The first act of the German Army in Prague was to seize the Czechoslovak gold-reserve fund. No wonder a prominent weekly, the New Republic, entitled its editorial on this episode "Bank Robbery in Prague." Certainly no claim could be made to this fund by Germany; and even under the present arrangement for autonomy, this fund still belonged to the Czechs and Slovaks, particularly the Czechs, by whose money other parts of the Republic were supported. To speak of this seizure as "a pledge of security and economic freedom" is indeed a cool reply, as the reporter remarked. But, then, the whole expedition is a sample of coolness which, we had thought, died out with the extinction of medieval robber barons.

I have said enough for the purposes of the record. The subject is almost inexhaustible and would require volumes. One can only register a protest and note the outstanding factors.

There is no use blinking the fact that the future holds for the Czechs, and the Slovaks, too, days of terror, oppression, and gloom. However, a nation which has survived for centuries and would not be wiped out, even in less enlightened days, will not now succumb. The Czechs will keep revived their national spirit and they will abide their opportunity and strike again, perhaps disillusioned and with less faith in protestations of alleged friends, but all the stronger because of the martyrdom they will be forced to undergo.

The saddest mistake of the Hapsburgs was their endeavor to wipe out Czech autonomy and Czech national spirit, indeed, to destroy them as a cultural entity. Mr. Hitler might have profited by this example. He has not done so, and he or his successors will pay the price. Under the mercy of Providence the Czech nation will not disappear from the roster of civilized peoples.

Masaryk concludes his Making of the State with this observation:

> In our democratic Republic freedom of conscience and toleration must not merely be codified but realized in every domain of public life. Palacky's philosophical interpretation of our history esteems the Bohemian brotherhood as its consummation. The father of our nation and our historical past alike enjoin upon us pure Christianity, the teaching of Jesus and His law of life. Democracy is the political form of the humane ideal.

There spoke a civilized personality. The ideal so marked will not disappear from this earth, and the Czechs again find themselves in the vanguard of the struggle for its realization.

I cannot conclude without a further observation concerning that great statesman, Dr. Masaryk, and his mission to the United States after our Government had entered the war. I had the honor of meeting him upon several occasions when he was here in Washington, and of conferring with him and others concerning the World War and the part which was being played by the inhabitants of the territory known as Czechoslovakia. The question was also discussed as to the steps necessary to reestablish an independent Czechoslovakian state.

I avail myself of this opportunity to pay tribute to Dr. Masaryk—one of the greatest men of his day and generation. He was a great historian, a great statesman, and a great patriot. Future generations will acclaim him as one of the immortal figures of his day and generation.

Mr. President, I believed that following the World War there would arise an independent state within the limits of Bohemia and Moravia with boundaries substantially those that mark the Czechoslovakian state.

I offered a resolution in the Senate on the 31st day of May 1918, which I ask may be inserted in the RECORD as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The resolution is as follows:

> Whereas Bohemia for centuries has struggled for independence and the realization of her nationalistic ideals and aspirations, and the people of said country, by their inherent greatness, moral worth, industrial progress, and intellectual capacity and achievements, are entitled to self-government and all the rights and prerogatives that belong to a free people and to an independent sovereign state; and
>
> Whereas in this dark hour the people of said country are striving to realize their nationalistic aspirations and to establish a government of and by and for the people of said country and to emancipate themselves from the absolutism and oppression of the Austrian and German Empires: Therefore be it
>
> *Resolved*, That the nationalistic aspirations of the Bohemian people for freedom and self-government have the earnest sympathy of the United States, and that this Nation will welcome the Bohemian people and the sovereign, independent state which they may organize into the community and fellowship of free and liberty-loving people.

Mr. REYNOLDS. Mr. President, I am exceedingly regretful that I was not in the Chamber during the entire in-

teresting address of my distinguished friend and colleague from Utah [Mr. KING].

FOREIGN POLICY OF THE UNITED STATES

Mr. VANDENBERG. Mr. President, will the Senator yield to me for the insertion in the RECORD of a few brief comments?

Mr. REYNOLDS. Certainly.

Mr. VANDENBERG. Mr. President, I am glad at last to find a vocal ex-Secretary of State with whom I can agree respecting contemporary foreign policy. Mr. Bainbridge Colby, brilliant Secretary of State in the administration of Woodrow Wilson, spoke last evening in New York City before the jubilee dinner of the Sons of the American Revolution, and the sentiments expressed by him are so completely my own in many aspects that I am asking that an excerpt from his address as reported in the New York Times be printed in the body of the RECORD in connection with these brief remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan? The Chair hears none, and the matter referred may be printed in the RECORD.

The excerpt is as follows:

[From New York Times of April 13, 1939]

A call for sobriety in the national leadership in the tense state of foreign affairs, with deference by the President to the judgment of the people and of Congress, "even if it fails to accord with his plans or prepossessions," was made last night by Bainbridge Colby, Secretary of State in the administration of Woodrow Wilson, speaking at the golden anniversary dinner of the Sons of the American Revolution at the Hotel Plaza.

The dinner was given by the Empire State Society of the S. A. R. to the national organization to commemorate the founding of the latter in New York in April 1889, and marked also the one hundred and fiftieth anniversary of George Washington's oath of office as first President of the United States.

Mr. Colby made his plea in the name of "the thoughtful and intelligent opinion of Americans," which still, he held, definitely is opposed to United States participation in any war, except to defend unmistakable national interests and American democratic institutions.

"Things have been said and done in Washington within recent weeks in connection with the various forms in which the threat of war has been projected upon public attention which all good men deplore," he said. "This is no time for stage posturing or making the welkin ring or invoking cheap applause. Strong men do not stoop to these expedients.

"I think it may be said that the country views with deep disapproval every brag that has been uttered, every idle challenge that has been spoken, every word that has been said with the obvious purpose to irritate or affront, no matter whom.

NO TIME FOR PROPAGANDA

"The American people know their courage and their strength. They have given proof of both, and there isn't much doubt in the world about either. And they don't want to be played upon or incited or propagandized. They want their country to speak the language of mature and responsible men deserving of respect and able to exact it."

Outlining the traditional policy of the country in avoiding what Jefferson called "the broils of Europe" and listing 23 conflicts on that continent since 1792, Mr. Colby warned that the statements of administration leaders gave rise to the belief that the historic position had been forsaken.

"In fact, we have become so responsive to every shift and turn of European move and counter move that we could hardly be more so if we were a puppet state in southeastern Europe, even a member of the Balkan league itself," he said.

"We in this country know next to nothing about southeastern Europe, nothing that approaches true insight into its problems or their mastery. I doubt if there is a man in Washington who understands these problems of race, religion, language, history, hatreds, rivalries, blood feuds, duplicities, ambitions, and aspirations which determine the conduct and policies of these irreconcilable fragments of national existence.

"Are we not content to be out of it and far from it? Is there any conceivable view of our national interest which compels us to jump into this cauldron or, stopping short of war, to use a phrase which lately has become familiar, even to scald our fingers in it?"

Mr. Colby deplored what he termed "the silly attempt in some quarters" to cast reflection upon the isolationist, "a man who is trying to preserve a sane view of national interest and duty." In his call for observance by the President of the national judgment he quoted the phrase of John Bright that "the trouble with great thinkers is that they so often think wrong."

"The people of the United States will undoubtedly go to war if they want to and overwhelmingly resolve to," he added. "But we have no desire to be stampeded or to be carried into ruinous and irrevocable decisions by hysteria. We do not want to be fodder for propaganda."

Mr. VANDENBERG. Mr. President, I wish particularly to make two paragraphs my own. I quote:

The American people know their courage and their strength. They have given proof of both, and there isn't much doubt in the world about either. And they don't want to be played upon or incited or propagandized. They want their country to speak the language of mature and responsible men deserving of respect and able to exact it.

Also this paragraph:

The people of the United States will undoubtedly go to war if they want to and overwhelmingly resolve to, but we have no desire to be stampeded or to be carried into ruinous and irrevocable decisions by hysteria. We do not want to be fodder for propaganda.

For myself, I would add that I do not want America to go to war at all except in the unavoidable defense of our honor or our domain.

Mr. President, if the Senator will permit me to make a further observation, I think it will interest him as well as the Senate. A dispatch from the International News Service in London today reads in part as follows:

LONDON, April 13.—Displaying a "resolution" which his foreign secretary said was shared "by most states of Europe and the United States," Prime Minister Neville Chamberlain today announced a Franco-British pledge of aid to Greece and Rumania in event of aggression and warned Germany and Italy to keep their hands off the Mediterranean.

Addressing the House of Lords a few minutes after Chamberlain had announced this dramatic new departure in British peace policy on the Continent, Foreign Secretary Halifax said:

"The judgment of His Majesty's Government is not only shared by the overwhelming mass of opinion in Britain but by most states of Europe and by the United States."

Mr. President, I want only to offer this simple observation. If there still be any doubt about it, after the post-war demonstration incident to the League of Nations, I want to say, at least for myself, that any such judgment or any such resolution on the part of the United States will have to come from a majority of 531 Members of Congress before it will have the slightest validity whatsoever. [Manifestations of applause in the galleries.]

The PRESIDING OFFICER. The occupants of the galleries will maintain order.

ATTITUDE OF CANADA TOWARD WORLD AFFAIRS

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. REYNOLDS. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. Mr. President, I desire to read a few paragraphs from a recent debate in the House of Commons of the Parliament of Canada.

Mr. BARKLEY. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. REYNOLDS. I yielded for a moment to the Senator from Minnesota.

Mr. SHIPSTEAD. I cannot yield to anyone except with the permission of the Senator from North Carolina.

Mr. REYNOLDS. If agreeable to the Senator from Minnesota, I yield to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, for the information of the Senate, I wish to say that it is hoped we may pass the bill that is now the unfinished business, and also complete today the deficiency appropriation bill, which is coming up next, so that the Senate may adjourn over until Monday. Otherwise we shall be compelled to meet tomorrow. I hope Senators will keep that in mind in developing their course of action this afternoon.

Mr. REYNOLDS. Mr. President, in pursuance of the statement made by the majority leader, I may say to the Members of the Senate that I have talked with the minority leader and, as a result of our conference with the senior Senator from Nebraska, it is mutually agreed that the bills mentioned by the Senator from Kentucky are to be passed, and that I am to have the floor immediately thereafter. I think that is the understanding.

The PRESIDING OFFICER. Is there objection to carrying out the private agreement which seems to have been made by Senators? The Chair hears none.

Mr. SHIPSTEAD. Mr. President, I wish to call the attention of the Senate to an address made by the Premier of Canada, Hon. Mackenzie King, and printed in the record of the House of Commons of the Canadian Parliament for Thursday, March 30, 1939.

Canada is our neighbor; Canadians are the same kind of people we are; and Canada has a parliamentary form of government. I think this address by the Canadian Prime Minister dealing with domestic and foreign affairs, explaining the Canadian policy in such scholarly and temperate terms, as I think such matters should always be discussed, should be made known to the Members of the Senate. Therefore, I take the pleasure and privilege of reading a few paragraphs from the address of the Canadian Prime Minister, and I ask unanimous consent that the remainder of his remarks be printed in the CONGRESSIONAL RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SHIPSTEAD. Mr. President, I now quote from the address of the Premier of Canada:

> Speaking as the Prime Minister of Canada, I wish to say that I am not prepared any more than is the Prime Minister of Great Britain to engage this country by new and unspecified commitments operating under conditions which cannot now be foreseen.
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> * * * * * * *
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> I cannot accept the view which is being urged in some quarters today, that, regardless of what government or party may be in office, regardless of what its policy may be, regardless of what the issue itself may come to be, this country should say here and now that Canada is prepared to support whatever may be proposed by the government at Westminster.

Mark that, Mr. President, the Premier of Canada says he cannot accept the view that Canada must follow the policy, whatever it may be, that Westminster may decide upon. Then he continues:

> The international situation changes from year to year, sometimes from week to week; governments change; their personnel changes; policies change. Absolute statements of policy, absolute undertakings to follow other governments, whatever the situation, are out of the question. At the same time the decisions that would be made by our Government and Parliament, like those of other governments and other parliaments, are not incalculable, not matters of chance and whim. Much, of course, would depend on the special circumstances of the day. But equally important in determining our attitude are certain permanent factors of interest, of sentiment, of opinion, which set the limits within which any feasible and united policy must be determined.
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> May I refer to some of these known, in fact, obvious factors?
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> The first factor is the one that is present and dominant in the policy of every country, from Britain and Sweden to Argentina and the United States. I mean the existence of a national feeling and the assumption that first place will be given to the interests, immediate or long range, of the country itself. The growth of national feeling in Canada has been inevitable at a time when nationalism has come to dominate every quarter of the world. It is a more defensible and enduring growth than in many other lands. It is not based on any desire for expansion or revenge. This half continent affords ample room and the material basis for the building of a great nation. It is clear that this widely scattered dominion can only be welded together by the action of a positive and distinctive Canadian patriotism. A strong and dominant national feeling is not a luxury in Canada, it is a necessity. Without it this country could not exist. A divided Canada can be of little help to any country, and least of all to itself. The national feeling has found political expression in the steady growth of self-government—at first in domestic, later in external affairs. It has stood the test and the strain of economic depression and of the local differences to which depression gives a temporary importance. We are and will remain Canadians, devoted first and last to the interests of Canada, but Canadians, I hope, who will be able to take a long-range as well as a short-range view of what Canada's interests require.
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> In many, but certainly not in all cases, this growth of national feeling has strengthened the desire for a policy which its defenders call minding one's own business and which its critics call isolationism. Assuming, it is urged, that Canadians, like other people, will put their own interests first, what do our interests demand, what amount of knight errantry abroad do our resources permit? Canada, it is contended, is not a country of unlimited powers; it has not the capacity to stand indefinite strains. We have tremendous tasks to do at home, in housing the people, in caring for the aged and helpless, in relieving drought and unemployment, in building roads, in meeting our heavy burden of debt, in making provision for Canada's defense, and in bringing our standards of living and civilization to the levels our knowledge now makes possible. There is no great margin of realizable wealth for this purpose; we must, to a greater or less extent, choose between keeping our own house in order and trying to save Europe and Asia—

We have to make the same choice—

The idea—

He said—

that every 20 years this country—

Speaking of Canada—

> should automatically and as a matter of course take part in a war overseas for democracy or self-determination of other small nations—that a country which has all it can do to run itself should feel called upon to save, periodically, a continent that cannot run itself, and to these ends risk the lives of its people, risk bankruptcy and political disunion—seems to many a nightmare and sheer madness.

That is also my view and, I believe, the view of the American people.

I desire to say that there are many persons in this country who hold the same view that the Premier of Canada holds, and I wish we had more statesmen of his caliber in the United States.

I ask unanimous consent to have printed in the RECORD at this point certain portions of the debate in the House of Commons following the portions heretofore read by me, and an editorial from the Chicago Tribune entitled "The Tories of '76 Ride Again."

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

> A second enduring factor is our position as a North American nation, and particularly our neighborhood to the United States. Geographically, that position has not changed in the past 30 or 40 years, but our appreciation of the position has changed. There was a time in the memory of all of us when friction was more in the picture than friendship, when memories of old conflicts, linefence disputes on tariffs or on boundaries or on fisheries, together with the irresponsible colonial position of Canada, and the misconceptions and sectional interests that flourished in the United States, prevented our being the good neighbors we should have been. In the past generation, and particularly in the past 10 years, there has come a great and heartening change in that relationship. We have come to know one another better. Individual contacts have increased by business intercourse, by tourist travel, by the agencies of press and radio. Government contacts have increased by the exchange of legations and visits of members of governments. The changing position in the world outside has put both our occasional and slight differences and our great and enduring common interests in their proper perspective. It is a realization of the wider implications of self-interest.
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> We have been considering at length this session, as we did at the first session of the present Parliament, one of the most notable and practical evidences of that new understanding—the new trade agreement with the United States. I shall not do more than refer to that achievement as one of the main objectives of our foreign policy, a definite contribution to stability and good will. Some people seem to imagine that foreign policy has to do only with war and is carried on only with countries overseas. It is well to remember its main objective is peace and its greatest concern is to have a good neighbor.
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> There is another phase of that relationship which was crystallized in a notable speech last summer. August 1938 is as important in North American annals as September was in the annals of Europe. In that month, speaking in Kingston, the President of the United States declared:
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> "Happily, you and we, in friendship and in entire understanding, can look clear-eyed at these possibilities, resolving to leave no pathway unexplored and no technique undeveloped which may, if our hopes are realized, contribute to the peace of the world. Even if those hopes are disappointed, we can assure each other that this hemisphere at least shall remain a strong citadel wherein civilization can flourish unimpaired.
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> "The Dominion of Canada is part of the sisterhood of the British Empire. I give to you assurance that the people of the United States will not stand idly by if domination of Canadian soil is threatened by any other empire."
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> These significant words met with instant and appreciative response from press and public in Canada. As presenting what I believed to be the Canadian attitude, may I quote part of the remarks made at Woodbridge shortly afterwards:
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> "We know that these words of assurance are the words of a friendly people and neighbor. We are glad that our common affairs have been so managed, and our mutual confidence so established, that such words can be frankly spoken and received without reserve. We realize that there is here no thought of military alliances, which are not a part of the tradition of the people of the United States nor of our own. We recognize the President's words as fresh evidence of the special neighborly relations which

have grown up between Canada and the United States, and we are glad that we are valued as a neighbor * * *.

"The people of Canada deeply appreciate all that is implied by the President's visit. At the same time they know they have their own responsibilities for maintaining Canadian soil as a homeland for free men in the Western Hemisphere. They will recognize that there is no room today for shirking these responsibilities. Indeed, the times being what they are, they will be quick to see that the assurance given by the President, has, if anything, increased rather than lessened our responsibilities.

"We, too, have our obligations as a good friendly neighbor, and one of them is to see that, at our own instance, our country is made as immune from attack or possible invasion as we can reasonably be expected to make it, and that, should the occasion ever arise, enemy forces should not be able to pursue their way, either by land, sea, or air to the United States, across Canadian territory."

What I should like particularly to emphasize is that these closer and more responsible relations with the United States have not in any way lessened the intimacy of our relations with the United Kingdom. On the contrary, this development has been paralleled by a clearer understanding by those two great countries of the ideals and interests they share together. This has found notable illustration in the paralleling of a Canada-United States trade agreement by a United Kingdom-United States agreement. There has been not merely a North American, there has been a growing North Atlantic understanding, though inevitably one involving less definite and crystallized relations and obligations. In this we in Canada have played some part; from it we have certainly derived great benefit. It is not a movement that can be hurried. It is a situation where it is for each country to decide upon its own interest, in the long run, as well as in the immediate phases.

This would appear to be an appropriate place to say a word as to Canada's relations with the countries of South America and the other members of the Pan American Union.

In these times of lessening distances, between continents as well as countries, there is a larger America in which Canadians are becoming increasingly interested. During recent months it was in fact suggested in many quarters that Canada should be represented at the eighth international conference of American states, held in Lima, Peru, in December. I can assure the House that the Government shares the view of the importance of our relations with the score of other nations which have become established in this Western Hemisphere. On geographical grounds alone we could not be uninterested in developments affecting their welfare and security. We realize that in many cases these peoples are facing problems similar to those that Canadians have to meet, and that the solutions they have found, or are striving for, have significance for us. In the economic field our trade relations are important and are capable of extensive increase.

So far as the specific suggestion of participation in the Lima Conference is concerned, I may recall that we are not a member of the Pan American Union and consequently could not have been invited to attend, since in accordance with established rules the President of Peru sent invitations only to members of the Union. Moreover, as honorable members are aware, Canada could not become a member of the Pan American Union unless and until the constitution of that body was altered, since at present its membership is restricted to American republics. It was, however, suggested that we should send an official observer.

That procedure, also, I may point out, is not feasible under the existing practice of the Union. Some question as to official observers arose at the Montevideo Conference in 1933, and the matter was later considered by the governing board. The board, after referring to the fact that since the Habana Conference of 1928 both plenary and committee sessions have been open to the general public, concluded that "there seems to be no reason for establishing a category of 'official observers.'"

These are, however, somewhat technical considerations. It would be possible to propose or have a friendly member propose that the necessary adjustments should be made in the constitution and procedure of the Union to make our membership possible. Public opinion in favor of some such course has undoubtedly increased in recent years. I do not, however, consider that it has yet become sufficiently widespread, or sufficiently informed and matured, to warrant immediate steps in that direction. It is a possibility which should be given consideration in the future, along with other means, trade and governmental, of bringing about closer relationships between our country and these countries which are destined to play an increasingly significant part in the world's affairs.

Another important factor in determining Canada's attitude and policies is our increasing interest in the affairs of Europe. Europe has become a part of the average man's life and thinking in a way that was never true before, except during the Great War, and even then in more specialized ways. The old Continent has presented in recent years a dramatic and absorbing, if, withal, at times, a terrifying spectacle, with great issues as the theme. New forces or old passions in new clothing have been driving whole peoples onward to unknown ends, with striking figures personifying their desires. War and the marching of troops, social revolution, and religious conflict have held our attention. Controversies have not been confined to council chambers or diplomatic congresses; challenges are hurled across frontiers in all men's sight and hearing. Increased press services, the films of foreign happenings, the radio and radio commentators, the books of intimate confessions written by a score of European correspondents have brought the drama to new audiences of millions. In many cases the impact has been too strong. The flaming headline, the daily sensation, the voices and pictures from the scene of conflict, the commentators' dramatization, have been too much for some people. It is perhaps fortunate that television has not yet come into popular use.

Spectators frequently do not remain wholly spectators. Their interest is engaged. They may take sides, more or less informed; human sympathies, racial sympathies, religious sympathies, class sympathies, political creeds, apprehensions of the results for their own country, may carry them into opposition or advocacy. It is not an idealistic and detached interest such as the League of Nations awakened in its prime; it is a more passionate interest, the interest of people moved to fear or to hate. And inevitably persons who feel deeply, desire to have their own country's policy directed to support or oppose one or other of these contending forces. This explains how it is in our own country there have been some who wanted support for Madrid, other for Burgos; why one defends Stalin, another Trotsky—and overwhelming numbers condemn them both; why occasionally voices are heard in defense of fascism, while many urge that we take up arms on behalf of all democratic countries; and why we have appeals to aid this oppressed religious group, or that struggling racial minority. In many cases these demands are largely an emotional release, but insofar as they do not cancel out, they constitute a force for intervention in European affairs.

I have referred to the difference between the present interest in Europe and the interest which, in earlier years, centered in the League of Nations. For a good many years we on this side of the Atlantic looked at Europe through the window of Geneva. When we thought of its problems and controversies, most of us took it for granted they would be settled by the machinery of the League and on League principles. It was assumed by the supporters of collective security through collective coercion that if force were needed, the force at the League's command would be overwhelming. The case for League action was further simplified by the abstract and general manner in which the contingency was presented; it was no particular issue with its indefinite tones, but an abstract issue. in blacks and whites, between an aggressor and his victim. Naturally everyone was against the "aggressor." But when the theory came to the testing, the League was found to lack the universality that had been assumed, and the specific disputes presented difficulties of divided national interest, or hesitation to risk war, that had not arisen in the hypothetical case of an abstract aggressor.

In the momentous incidents of the past year, the League has played little part. The assembly was in session at the height of the September crisis, but no one in Geneva or elsewhere thought of it as the effective instrument for maintaining peace. Europe had reverted to open-power politics, to dominance by the great powers. There is and will remain a divergence of views as to the responsibility for that situation. I am inclined to agree with the judgment of the Marquess of Crewe, in a recent speech in London:

"The League of Nations has been blamed, and the nations who were supposed to be able to direct the policy of the League of Nations were individually blamed, for not having taken strong action against aggressors on one or two occasions, but I am inclined to think that posterity will be disposed to blame the League of Nations infinitely more for having devoted attention almost exclusively to the penalties it could exact from those that made war rather than giving time and attention to removing the causes for which war is made. That is to say, article 16, the penalties article, was, so to speak, perpetually on the agenda of the League, although, as we know, it was not brought into play in the way many people wished, whereas article 19 remained in a dusty pigeonhole. I cannot help feeling that the present situation might have been entirely different if a different course had been taken. It might even have happened that the name of Herr Hitler would never have been heard, because the occasions which brought him into such prominence as the recreator of his country never need have arisen.

But because the League failed in this high task of world control to which it was prematurely set it does not follow that it has failed completely. The conception of the peoples of the world sitting in council together to achieve their common interests and solve their current problems is too splendid, too indispensable in this jostling world, to be allowed to die. In the anarchy and passion of today, such a center of coordination, such a focus of good will, is more needed than ever. It will have to operate on a more limited and less spectacular stage, building up its technical and social and economic activities, accustoming peoples and governments to work together, until eventually they may find it possible to use this tried and tested instrument for greater ends.

In this connection it is of special interest to observe a note which the United States Government sent to the Secretary General of the League of Nations last month:

"The League has been responsible for the development of mutual exchange and discussion of ideas and methods to a greater extent, and in more fields of humanitarian and scientific endeavor, than any other organization in history. The United States Government is keenly aware of the value of this type of general interchange and desire to see it extended.

"Encouraging as has been the progress already made, much remains to be done for the promotion of human welfare in health, social, economic, and financial fields. * * *

"The United States Government looks forward to the development and expansion of the league's machinery for dealing with the problems in these fields, and to the participation by all nations in active efforts to solve them. * * * They will continue to collaborate

in those activities and will consider, in a sympathetic spirit, means of making their collaboration more effective."

A deeper interest and a vital factor in the determining of Canadian policies is our concern for the strength and welfare of the United Kingdom. It has its foundation in ties of kinship and personal contact. It is probably true that, for most people, as years pass, the center of political gravity tends to shift from the land of their fathers to the land of their children. Probably most of those of us whose ancestors came from the British Isles stand midway in this respect between our French-speaking fellow citizens whose ancestors have been established here for 300 years and newer comers, who, in some instances, naturally think still in terms of the life and ways of the land they have left. But the feeling of personal interest on the part of Canadians generally in what is affectionately termed "the old country" is still a very strong and determining factor.

It is, of course, not the only reason why the fate of Britain gives us special concern. Ties of trade are strong. Still stronger is the admiration, which is not confined to those of British ancestry, for what Britain is and what she has given the world, the free institutions she has developed, the tolerance and ability to reconcile opposing points of view which mark her political life, the insistence upon individual liberty, the devotion to public duty and the readiness to do public service without regimentation or reward.

In times like these there is a special recognition of the fact that Great Britain, today, whatever may have been the case in the past, has no territorial ambitions, no designs on any other people's land or liberty, and that her influence is the main force in the world for maintaining peace. A world in which Britain was weak would be greatly worse for small countries than a world in which she was strong. Finally there are the historical and political ties—the allegiance to the same king; the common human interest in the holders of the crown; the free association in the same commonwealth. With Britain's strength is also associated a sense of our own security. Particularly at a time like the present, where there are evidences of a desire of world domination by force, have we reason to feel that an act of an aggressor aimed at the destruction of Britain would constitute a menace to the freedom of every nation of the British Commonwealth. All these forces combine to make concern for the security of Britain a deep-felt and powerful factor in the shaping of Canadian policy.

Any realistic survey of the Canadian scene will make it clear that these varying factors play their part in the shaping of opinion and policy in Canada. No one of them can be ignored. No one can be taken as the sole directing force. They do not necessarily conflict; they may increasingly work together. That depends on the special circumstances and on the policies of other countries than ours. That is why it is impossible in the case of our country, as of others, to give what some people seem to desire, a hard and fast statement in advance as to the action that will be taken in hypothetical future cases that may arise in this rapidly shifting world.

Within the limits I have indicated, a decision on each issue must be made. As I have said, it is for the Government to recommend and for Parliament to decide upon the course to follow. It is, however, objected that in some cases, and particularly in the event of another member of the British Commonwealth, which in present conditions means the United Kingdom, being at war, Parliament has no freedom to decide that Canada is automatically a belligerent whenever the United Kingdom is. In some quarters it is further urged that assuming this to be true, we should, in order to make freedom of choice a reality, take formal steps here and now to remove any doubt on the matter, to make it clear to the world that Canada has the right to remain neutral, not a billigerent, whether passive or active, when the United Kingdom is at war.

The constitutional relationship of the several members of the commonwealth in the event of war is not a simple question. It is not one that can be determined by quoting detached phrases from resolutions or speeches.

Here I may take the opportunity to refer to obvious misrepresentations or misconceptions based on a reference I myself made in this House in the course of the debate on the address to a statement made by Sir Wilfrid Laurier on February 3, 1910, as follows:

"If England is at war we are at war and liable to attack. I do not say that we shall always be attacked, neither do I say that we would take part in all the wars of England. That is a matter that must be guided by circumstances, upon which the Canadian parliament will have to pronounce and will have to decide in its own best judgment."

With regard to the use which has been made of this paragraph since it was quoted, I should like, first of all, to take strong exception to the failure, either accidental or deliberate, of some who have referred to it, to make use of the entire quotation and thereby make clear exactly what was meant. In justice not less to the memory of Sir Wilfrid Laurier than to myself, I wish to take strong exception to divorcing a single sentence from the statement of which it is an integral part, and still stronger exception to deleting altogether a part of a single sentence, thereby giving to the remainder a meaning which was never intended.

When Sir Wilfrid Laurier used the expression "If England is at war, we are at war and liable to attack," he was not propounding some political or constitutional theory with respect to the powers and limitations of the Government or Parliament of Canada in time of war. The remainder of the paragraph makes clear that the very opposite was what was in his mind. What he was seeking to make clear and what it is necessary should be made abundantly clear today is the danger of attack upon Canada itself which is inseparable from an attack upon Britain by an aggressor. Sir Wilfrid Laurier wished to make clear to the Canada of his day, as I feel it equally my duty to make it abundantly clear to the Canada of the present day, that when for any reason there is cause to believe that one or more nations are determined upon aggression, and may have in mind domination of other countries by force, it may be that enemy, not the parliament of this country or even its people, who will decide whether it best serves its purpose to regard Canada as liable to attack in any conflict in which it may be engaged with any other part of the British commonwealth of nations.

My immediate purpose in quoting the statement, as will be apparent from the context, was to emphasize the continuity of Liberal policy as regards parliamentary control, the view which was held then and which we as a government hold today, that in the great as in the small issues of a nation's policy, the policy of self-government which we have followed for a century makes it essential that Parliament and no other body should decide. If at that time I had been directing particular attention to that portion of Sir Wilfrid's remarks to which I have just referred, I should have quoted, as indicating still more clearly the causal connection between the two parts of that remark, a more explicit statement Sir Wilfrid had previously made in the same debate on January 12, 1910:

"When Britain is at war, Canada is at war; there is no distinction. If Great Britain, to which we are subject, is at war with any nation, Canada becomes liable to invasion, and so Canada is at war."

This statement indicates that Sir Wilfrid's conclusion was based on two assumptions. The first is set forth in the phrase, "Great Britain, to which we are subject." In other words, the assumption was that political subordination existed. The second assumption was, as I have indicated, that, given this political subordination, or, conceivably, any political connection between Great Britain and Canada, the enemy, if he so desired and could do so, was entitled to attack Canada, and so Canada was at war.

Sir Wilfrid Laurier was not a man to set bounds to a nation's growth. He would have been the last to say that its future destinies must be guided by facts or phrases belonging to a political and constitutional position of a generation before, just as he would have been the last to say we should remain indifferent to Britain's destruction or the destruction of freedom in the world.

There have been great changes since 1910. The constitutional changes are most familiar. There has been an advance from colonial subordination to equal status, the substantial achievement of responsible government in external as well as in domestic affairs. It is a development which has saved the British Empire and given a fruitful example to other peoples; it is a permanent tribute to the political genius, the practical sense, the ability to adapt and compromise, which characterize the peoples of the commonwealth, and it is, I think, generally recognized that it is a development in which Canadians have played the initiating and decisive part.

I need not do more than refer to the oft-quoted reference in the declaration of the imperial conference of 1926, to the position of Great Britain and the Dominions as "equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs," and to the specific developments which in recent years have illustrated and made definite that declaration—the changed position of the Governor General, the right of extra-territorial registration, the removal of the legislative control of the Parliament of the United Kingdom save for constitutional changes so long as we desire that limitation, the modifications as to judicial appeals, the establishment of legations, representation at international conferences and in the League of Nations, the understanding that treaties between the King in respect of any part of the commonwealth and a foreign country are made on the advice of his ministers in that part.

But it is not only the constitutional position that has changed. Canada has grown from a country of seven to a country of eleven millions; its industries have expanded beyond anything earlier imagined; the development of the mining areas of the north has turned what was a dividing waste into a source of national strength.

The World War has intervened; a war that set a boundary line between two periods in the life of mankind. Now we all know better what war means. No intelligent man or woman can assume that the world stands where it did in 1910 or in 1914–18. The war profoundly modified the balance of power both in the Old World and in the New.

The development of aviation and changes in industrial structure have further modified the strategic situation. For the British Commonwealth they have meant a diffusion of responsibility, a decentralization in defense, the greater importance of local defense, and of alternative sources of raw materials, industrial supplies, and defense equipment. Perhaps the chief significance of the imperial conference in 1937 was the general recognition of that development.

But these momentous changes, changes in the world position, changes in political relationships, changes in the defense situation, even the changes in the constitutional relations between the members of the commonwealth, do not necessarily alter the formal and legal position, the position which undoubtedly existed a generation ago, that Canada was automatically a belligerent if the United Kingdom was.

A legal situation can be changed in one of two ways, by the gradual and decisive overriding of the old letter of the law by established constitutional conventions, or by definite action by the legislative authorities which have the power to act. There are many points upon which the old legal position has been modified and made obsolete by the gradual development of divergent practice, by the steady accumulation of precedent, until the new situation has been decisively established by tacit recognition or as in 1926 by formal recital.

There is no general agreement that such is the case as regards wartime relationship. Legal experts still differ as to the conclusions that may be drawn as to the divisibility or indivisibility of the crown, and as to the range of the effect of advice tendered to the sovereign by his ministers in the United Kingdom alone. The reason why constitutional conventions have not brought clarity and agreement in this matter of war relationship is the simple and fortunate reason that no part of the commonwealth has engaged in any war in the past 20 years, aside from minor border raids, and consequently there has been no testing of practice, no accumulation of precedent.

Given this position, it is frequently suggested that action should be taken at once, whether by the parliament of Canada alone, or by the Parliaments of Canada and the United Kingdom acting jointly, to establish the right of Canada in the event of war to choose between the status of belligerency and the status of neutrality. Or as it is sometimes put, it is urged it should be established that the sole advisers of his majesty who can advise him to issue a declaration of war as regards Canada are his majesty's Canadian advisers.

In considering this question it is essential to bear in mind the limitations of any parliamentary action that might be taken regarding the exercise of ministerial advice to the crown; for example, that action should be taken by Parliament to provide that a declaration by His Majesty on the advice of his Canadian ministers will be necessary to give Canada the legal status of belligerency.

It would not be consistent with the actual facts to conclude that the original legal position in this regard had not been modified in any degree by the long and far-reaching trend of constitutional development. Equally it would be closing one's eyes to facts to imagine that action of the character suggested would solve all the anomalies or contradictions in the commonwealth relationship. It should certainly not be overlooked that declarations of war have in some measure gone out of fashion. The proposal would obviously not meet the case where no declaration of war was made. Nor can it be assumed that any such declaration would necessarily deter the enemy from taking immediate hostile action on the ground that the general relationship between the several members of the commonwealth warranted it in regarding all parts as belligerents. In this respect, Sir Wilfrid Laurier's statement still expresses a reality which we cannot ignore and for which we must make due preparation in defense.

I recognize that those who are advocating and supporting the proposal to which I have referred regard it as a logical consequence, a necessary implication, of our long evolution toward self-government. It registers the conclusion that it would not be consistent with the present relationship of the members of the commonwealth to hold that the King would act for Canada as regards war and peace on the advice of any other one of his governments, but not on the advice of his government in Canada itself. It is put forward as a recognition of the necessity of the people, the Parliament, the government of this country accepting adult responsibility for a course that so vitally affects them, rather than throwing that responsibility on other members of the commonwealth or their governments.

I do not myself think that at the present time it is either necessary or desirable to seek the enactment of such legislation. I shall not go into the legal question to which I have already referred or into the further question on which there is also a difference among the legal experts, as to whether action by the Parliament of Canada alone would suffice to establish a new position, or whether action by the Parliament of the United Kingdom would also be necessary. I have already referred to the fact that to seek legal action now might be taken to mean that it had been definitely concluded that the old legal position has not been affected by constitutional development, and to mean that today it would not be His Majesty's Government of Canada upon whose advice His Majesty the King would issue a declaration of war affecting Canada. I shall confine myself to the brief statement of two further considerations which in my mind render it undesirable to follow the suggested course.

In the first place, action to that effect, if legislatively possible, would be carried through only at the cost of passionate controversy and acute differences of opinion. Why, I ask, divide Canada to provide against a contingency that may not arise, or if it does arise, may not come until the situation has materially changed? The same consideration of the overwhelming importance of national unity which has led this Government to decline to make premature and inappropriate statements of possible belligerency prevent it from recommending action to declare possible neutrality.

But this is not the only consideration. Action of this nature at this time would be aid and comfort to any country which might be inclined to aggressive action against the democratic peoples or against the United Kingdom specifically. Such a country would inevitably draw the conclusion, whether logically well founded or not, that our seeking, under the present conditions of the world, the legal power to remain neutral, implied a definite decision to remain neutral in any and every conflict that country might precipitate. That would be a most unwarranted conclusion, a most unfortunate result. No country now has or should be given any ground for counting that in the event of aggression against the United Kingdom this country has decided to stand aloof, decided against taking an appropriate part if such a struggle were thrust upon her.

The action suggested is really not to the point. I appreciate the motives of those who urge such action, but I think they exaggerate the importance of legal forms and formulas. Canada's decision in any case that can now be envisaged will not be determined by the legal position. We would not go into a war merely because of legal uncertainty as to our power to stay out. We would not stay out of a war merely because we had provided unquestioned technical freedom to do so. Our country's decisions on such vital matters, now or later, will depend on deeper forces; they will depend on the thoughts and feelings of our people.

While another world war will, I trust, never recur, it is desirable, nevertheless, to consider some questions which would arise in the event of our participation in such a conflict. That participation could not be passive or formal, nor could it be unplanned or irresponsible. It would be necessary to consider in consultation with others involved and with regard to the objectives and operations of the enemy what would be the most effective form our action and our cooperation could take.

It is clear that the conditions determining the nature of participation in such a conflict have undergone a great change since the last war. The balance of world power has shifted, and Canada has to keep its Pacific as well as its Atlantic coast in mind. From both the military and the economic aspect, the attitude of the United States would be immensely more important for the world and for us than 20 years ago. The weapons and tactics of war have materially changed; naval conditions have perhaps not greatly altered so far as the sea reaches, but armies have become mechanized; great Maginot or Siegfried lines bar the possibility of rapid infantry advance. Airplanes have brought new resources and scope to other arms in joint operations and have in themselves given war new range, new flexibility, and new terrors. Mechanization on land and in the air and the colossal demands for supplies and renewed equipment, demands which would begin far beyond where the demands of the last war left off, greatly increase the importance of the economic factor, the indispensability of adequate supplies and staying power factors in which the democratic countries are overwhelmingly strong.

The change in the world balance of power, the change in the strategic conditions, the change in economic needs and in relative industrial capacity, have brought about a marked decentralization of defense activities in the British commonwealth. They have brought about a greater preoccupation of each part with its own defense, a greater responsibility for that defense, a greater self-containment in the provision of the means of defense. Anyone who has followed the discussion of defense not only in the United Kingdom but in Australia and South Africa, is familiar with that fact. One strategic fact is clear: the days of great expeditionary forces of infantry crossing the oceans are not likely to recur. Two years ago I expressed in this house the view that it was extremely doubtful if any of the British dominions would ever send another expeditionary force to Europe.

One political fact is equally clear: in a war to save the liberty of others, and thus our own, we should not sacrifice our own liberty or our own unity. Planning and coordination would be essential, but the necessary coordination could be made, and if this Government were in power it would be made, without sacrificing those vital ends and conditions of our existence. Profits could and would be rigidly controlled, and profiteering suppressed. But men's lives and men's wills cannot be put on the same basis as goods and profits.

The present Government believes that conscription of men for overseas service would not be a necessary or an effective step. Let me say that so long as this Government may be in power, no such measure will be enacted. We have full faith in the readiness of Canadian men and women to rally for the defense of their country and their liberties, and to resist aggression by any country seeking to dominate the world by force. There is in our people, in every part of Canada, a deep sense of duty, a power of facing realities, a tenacious courage, that would rise to any emergency.

I have spoken a good deal of war and the possibility of war. In a review of foreign affairs, under present world conditions, it is necessary to give that subject special emphasis. I do not wish, however, to go further in that direction than is absolutely necessary. There is no doubt that the outlook is disturbed. The heaping up of rival armaments, the clash of new doctrines, the concentration of power in a few hands, are factors which make it necessary to become prepared for whatever may happen. It is not possible to ignore that situation. But while there is no ground for an easy-going optimism, neither, I believe, is there ground for persistent pessimism. We should be on our guard against reckless rumors and the credulous acceptance of rumors. I do not believe in the prophecies of inevitable wars and forecasts of the inevitable collapse of civilization and a return to the Dark Ages or worse. We must not permit ourselves to drift into a fatalist and defeatist mood, which more than all else, hampers business recovery and political stability, and puts people in a mood to accept any end to prolonged tension.

It is not a break-down of civilization with which the world is faced; it is a period of profound readjustments, both domestic and international. We are living in one of those decisive periods of human history when new forces gather momentum and break through the crust of custom, when new tendencies develop with

startling speed. The relations between peoples have been upset by scientific developments which have brought them suddenly into immensely closer daily contact, before they had developed the new political machinery, the new political attitude, the new political experience and capacity that are required for living together in such close quarters. After centuries of economic struggle, we have largely conquered nature, we have succeeded in developing the material equipment for more abundant living, but while progress is being made, and made much more rapidly than many with short memories realize, the world has not yet adjusted its economic machinery to secure the full utilization of its new opportunities. These developments should be viewed as opportunities, not as calamities; any disturbances they involve may well be growing pains, not signs of decay.

May I repeat my belief that, despite the strife and turmoil and reaction of today, human society is moving forward. In our short-time judgments we are sometimes misled by a lack of perspective. We may forget or never have known what were the real conditions of a generation or a century ago, or may have idealized the past, seen it through a romantic and obscuring haze. We overlook the fact that many of the things that trouble us always existed, existed in worse degree, but were not known at all, or not known till long after the event, were merely local issues, whereas today fact and rumor and propaganda from every quarter are thrust into our eyes and ears hourly and incessantly, insisting upon our attention. And we forget also that today we judge both international conduct and social conditions with more awakened consciences, more advanced standards of measurement. It is only when we are perfectly contented with things as they are that we will be going backward.

These developments involve clashes between conflicting ideas, ideals, and ambitions. The conflict is being fought out in the open; all the world's the stage, and all the peoples have become close spectators. But, while there is the danger, it does not necessarily follow that these clashes must lead to world war. As I have said earlier, there is among the peoples a passionate desire for peace, based on a wider knowledge of what war would involve. There are objectives of the peoples have come to believe are worth striving for, but they do not necessarily consider them worth dying for. There may be nations which are prepared to take great risks to attain national ends. There is the danger of getting too near the edge of the precipice in the expectation that the opposing country will draw back first. But that danger is lessened as peoples become aware of how near to the edge they have been brought by their leaders, and as armaments are equalized and pressure creates new resistance.

There is a deep difference between the democratic and the totalitarian states. Neither type can at present expect the other to abandon the way of life that seems good to it. That difference, fundamental and important as it is, that rivalry, inevitable as it may be, does not mean that a decision must be sought on the field of battle. War would settle nothing, prove nothing, help nothing. The decisive test which faces both democracies and dictatorships is the task that faces them at home.

Countries, like our own, which have chosen the democratic way, must be prepared to stand up for their ideals, to resist the contagion or the attack of totalitarian isms of whatever color. But it is first and foremost at home that that defense must be made. Democracy is not an easy system of government to establish or to maintain. It is a system that makes great demands on the intelligence, on the tolerance, on the patriotism of the whole people. It is an active, not a passive way of life. It demands an appreciation of the value of freedom and a resolution to defend it from all encroachments. It calls for the hardest and, at the same time, most enduring form of discipline, self-discipline; for the most difficult form of cooperation, free cooperation, born of devotion to common ends. That is why not all peoples have been able to achieve it. That is also why we or any other democratic people cannot be certain of maintaining it, unless we are prepared to give to public affairs the interest and the attention that the activities of the modern community demand. We cannot hope to maintain democratic institutions unless we are ready to refrain from the temptations to intolerance, to cheap cynicism and indiscriminate criticism, and from regarding the state simply as something to be squeezed. That way lies disunion and demoralization. Often times criticism may seem too free, too reckless, too malicious, but I believe democracies will survive too free criticism much more effectively than dictatorships will survive the lack of criticism.

So far as rivalry exists, it may be hoped that it will take a more constructive, a more conclusive form. Let it be a rivalry in doing most for one's own people, not most against another people. Let it be a contest in determining which way of life does the most for the ordinary man and woman, which can best give both opportunity and security, which can most effectively raise standards of living, and standards of thinking, which can most effectively lessen human suffering and human want, which can best reconcile individual liberty and community obligation.

Recognizing that the present is one of the great epochs of transition in the history of the world, there is need, as well as opportunity, for every country to play a distinctive part. It will take time for the waves of emotion, set up by war and revolution, to calm down. Of this we may be assured, and it is something in which the humblest equally with the greatest may play an effective part; peace and security for all will be attained only as each country strives to add nothing to the dangerous flood of hate and hysteria, but seeks to add something to the world's stock of understanding, confidence, and goodwill.

[From the Chicago Daily Tribune of April 10, 1939]

THE TORIES OF '76 RIDE AGAIN

The recent testimony of Henry L. Stimson, Mr. Hoover's Secretary of State, before the Senate Foreign Affairs Committee, was a shocking demonstration of the subservience of many influential minds in this country to French and especially to British influences. Mr. Stimson and those who share his curious brand of Americanism are not recent arrivals on our shores; for much the most part their families have been rooted in our soil for centuries. And yet today the descendants are exerting all their thought and all their influence to reestablish a servile colonial attitude in America.

They are more British than the British, as is characteristic of colonials. Senator REYNOLDS asked Mr. Stimson if it were not true that Germany, Italy, and Japan today are doing precisely what Great Britain and France have done on a grander scale. It was a rhetorical question; obviously the differences are negligible. In Mr. Stimson's lifetime he has seen the greater part of Africa and substantial chunks of Asia divided between Britain and France. And yet Mr. Stimson had the hardihood (which few Englishmen would have shown) to attempt a denial of the validity of Mr. REYNOLDS' point.

"You are going pretty far back into history," said the former Secretary of State of the United States. It was the voice of a feudal dependent, bound to defend the honor of the British Crown against all who would disparage it.

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The minority views of this committee, signed by the senior Senator from Pennsylvania [Mr. DAVIS] and the gentlemen of the House, Mr. JENKINS of Ohio and Mr. WOLVERTON of New Jersey, are clear; and I commend to the Senate the reading of those minority views.

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Borah	George	King	Nye
Bridges	Gerry	La Follette	Overton
Brown	Gibson	Lee	Pepper
Bulow	Gillette	Lodge	Pittman
Burke	Glass	Logan	Radcliffe
Byrd	Green	Lucas	Reed
Byrnes	Gurney	Lundeen	Reynolds
Russell	Smith	Townsend	Wheeler
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Mr. BRIDGES obtained the floor.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. NORRIS. Has the Senator from New Hampshire the floor?

The PRESIDING OFFICER. The Senator from New Hampshire has the floor.

Mr. NORRIS. I did not know that.

Mr. BRIDGES. I yield.

Mr. NORRIS. I do not care to have the Senator yield.

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It is a simple, straightforward amendment, and I can see no objection to it, unless the T. V. A. has a wholesale program for further expansion into other territory which they want covered by this blanket $100,000,000 issue.

I hope the amendment may be agreed to. At the proper time I should like to have the yeas and nays.

Mr. NORRIS. Mr. President, as a matter of fact, I do not suppose any legal contract has been entered into between the T. V. A. and the Commonwealth & Southern. I saw the contract after the public announcement that it had been agreed to. It was not formally signed. For various reasons the parties felt that in the negotiations which Mr. Willkie had to go through in order to get all the various corporations and bondholders to agree, and in the negotiations through which the T. V. A. had to go, they might find some point where it would be advisable, or even necessary, to change the contract. If that turned out to be the fact, the amendment, if it meant anything, would merely nullify everything and kill the whole measure.

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Under existing law the T. V. A. could issue bonds and build the plants; but there is question whether they can purchase the plants when they have been built by others. It may be a doubtful question; but, in order to be sure about it, and have no doubt about it, this measure has been offered.

There are other properties which it is thought might be acquired in the same way. Everyone must admit, whether he be an enemy or friend of the T. V. A., that the method pursued by the Commonwealth & Southern, represented by Mr. Willkie, and the T. V. A., has been the method which all critics of the T. V. A. have said ought to be followed.

startling speed. The relations between peoples have been upset by scientific developments which have brought them suddenly into immensely closer daily contact, before they had developed the new political machinery, the new political attitude, the new political experience and capacity that are required for living together in such close quarters. After centuries of economic struggle, we have largely conquered nature, we have succeeded in developing the material equipment for more abundant living, but while progress is being made, and made much more rapidly than many with short memories realize, the world has not yet adjusted its economic machinery to secure the full utilization of its new opportunities. These developments should be viewed as opportunities, not as calamities; any disturbances they involve may well be growing pains, not signs of decay.

May I repeat my belief that, despite the strife and turmoil and reaction of today, human society is moving forward. In our short-time judgments we are sometimes misled by a lack of perspective. We may forget or never have known what were the real conditions of a generation or a century ago, or may have idealized the past, seen it through a romantic and obscuring haze. We overlook the fact that many of the things that trouble us always existed, existed in worse degree, but were not known at all, or not known till long after the event, were merely local issues, whereas today fact and rumor and propaganda from every quarter are thrust into our eyes and ears hourly and incessantly, insisting upon our attention. And we forget also that today we judge both international conduct and social conditions with more awakened consciences, more advanced standards of measurement. It is only when we are perfectly contented with things as they are that we will be going backward.

These developments involve clashes between conflicting ideas, ideals, and ambitions. The conflict is being fought out in the open; all the world's the stage, and all the peoples have become close spectators. But, while there is the danger, it does not necessarily follow that these clashes must lead to world war. As I have said earlier, there is among the peoples a passionate desire for peace, based on a wider knowledge of what war would involve. There are objectives of the peoples have come to believe are worth striving for, but they do not necessarily consider them worth dying for. There may be nations which are prepared to take great risks to attain national ends. There is the danger of getting too near the edge of the precipice in the expectation that the opposing country will draw back first. But that danger is lessened as peoples become aware of how near to the edge they have been brought by their leaders, and as armaments are equalized and pressure creates new resistance.

There is a deep difference between the democratic and the totalitarian states. Neither type can at present expect the other to abandon the way of life that seems good to it. That difference, fundamental and important as it is, that rivalry, inevitable as it may be, does not mean that a decision must be sought on the field of battle. War would settle nothing, prove nothing, help nothing. The decisive test which faces both democracies and dictatorships is the task that faces them at home.

Countries, like our own, which have chosen the democratic way, must be prepared to stand up for their ideals, to resist the contagion or the attack of totalitarian isms of whatever color. But it is first and foremost at home that that defense must be made. Democracy is not an easy system of government to establish or to maintain. It is a system that makes great demands on the intelligence, on the tolerance, on the patriotism of the whole people. It is an active, not a passive way of life. It demands an appreciation of the value of freedom and a resolution to defend it from all encroachments. It calls for the hardest and, at the same time, most enduring form of discipline, self-discipline; for the most difficult form of cooperation, free cooperation, born of devotion to common ends. That is why not all peoples have been able to achieve it. That is also why we or any other democratic people cannot be certain of maintaining it, unless we are prepared to give to public affairs the interest and the attention that the activities of the modern community demand. We cannot hope to maintain democratic institutions unless we are ready to refrain from the temptations to intolerance, to cheap cynicism and indiscriminate criticism, and from regarding the state simply as something to be squeezed. That way lies disunion and demoralization. Often times criticism may seem too free, too reckless, too malicious, but I believe democracies will survive too free criticism much more effectively than dictatorships will survive the lack of criticism.

So far as rivalry exists, it may be hoped that it will take a more constructive, a more conclusive form. Let it be a rivalry in doing most for one's own people, not most against another people. Let it be a contest in determining which way of life does the most for the ordinary man and woman, which can best give both opportunity and security, which can most effectively raise standards of living, and standards of thinking, which can most effectively lessen human suffering and human want, which can best reconcile individual liberty and community obligation.

Recognizing that the present is one of the great epochs of transition in the history of the world, there is need, as well as opportunity, for every country to play a distinctive part. It will take time for the waves of emotion, set up by war and revolution, to calm down. Of this we may be assured, and it is something in which the humblest equally with the greatest may play an effective part; peace and security for all will be attained only as each country strives to add nothing to the dangerous flood of hate and hysteria, but seeks to add something to the world's stock of understanding, confidence, and goodwill.

[From the Chicago Daily Tribune of April 10, 1939]

THE TORIES OF '76 RIDE AGAIN

The recent testimony of Henry L. Stimson, Mr. Hoover's Secretary of State, before the Senate Foreign Affairs Committee, was a shocking demonstration of the subservience of many influential minds in this country to French and especially to British influences. Mr. Stimson and those who share his curious brand of Americanism are not recent arrivals on our shores; for much the most part their families have been rooted in our soil for centuries. And yet today the descendants are exerting all their thought and all their influence to reestablish a servile colonial attitude in America.

They are more British than the British, as is characteristic of colonials. Senator REYNOLDS asked Mr. Stimson if it were not true that Germany, Italy, and Japan today are doing precisely what Great Britain and France have done on a grander scale. It was a rhetorical question; obviously the differences are negligible. In Mr. Stimson's lifetime he has seen the greater part of Africa and substantial chunks of Asia divided between Britain and France. And yet Mr. Stimson had the hardihood (which few Englishmen would have shown) to attempt a denial of the validity of Mr. REYNOLDS' point.

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And that was by no means France's first venture, or her last, into the business of colonial expansion. As Germany was humiliated in 1918, so France had been humbled in 1871. France sought to regain her prestige and self-respect by colonial expansion and, it might be added for purposes of contrast, was encouraged in this course by Bismarck. Accordingly, in 1887, when Mr. Stimson was 20 years old, the French seized Annam and Tonkin from China and Laos from Siam. These territories were half again as large as France and contained a population of 20,000,000, who have rebelled occasionally in the intervening years, but their uprisings have been put down by armed force.

France's imperial expansion took place chiefly in Africa. When Mr. Stimson was 11 years old the French grabbed Tunis. He was 18 when the French obtained their first foothold in Madagascar, and he was 29 when the whole island, with an area larger than that of France, was annexed. He was of voting age when the French took Djibouti and Dahomey. When the French made their secret deal for Morocco Mr. Stimson was about to become a member of President Taft's cabinet. While he was Mr. Hoover's Secretary of State he must have heard at least an occasional reference to the grab of Germany's colonies and the Arab dominions in Asia and Africa under the guise of mandates.

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Mr. NORRIS. Mr. President——

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They sat around the table and negotiated a sale. The amount agreed upon was satisfactory to both sides. Now there is no authority in T. V. A.—though it is not specifically stated—to issue bonds to purchase the existing generating systems. There is no doubt that they have authority now to buy all the transmission lines, but they have not authority to buy the generating systems. To remove any doubt, the bill has been introduced.

The critics of the T. V. A. have been saying from the beginning that we ought not to go into this territory and generate more electricity, and build more transmission lines because it is already covered and served by private lines. It has repeatedly been said that we ought to buy the private lines if we go into a certain territory. That is what the bill provides for.

There is one exception to that. One of these generating plants is on a tributary of the Cumberland River, as the report will show. While there is nothing in the law which specifically says that the T. V. A. shall not have a generating plant outside of the Tennessee River or its tributaries, yet the whole law is built on the theory that they are going to develop the Tennessee River and its tributaries for flood control, for navigation, and for generation of power.

The Tennessee Power Co. owns one hydroelectric generating plant, not of very much importance, on a tributary of the Cumberland River. The plant is located in Tennessee. I think that tributary is farther South than some of the tributaries of the Tennessee. It happens to be a tributary of the Cumberland River. I have felt that the T. V. A., under the general theory of the entire legislation, was confined to the Tennessee River and its tributaries, and I feel that an act of Congress is required to permit the T. V. A. to buy this particular generating system. The T. V. A. cannot carry out the contract, cannot buy the Tennessee Electric Power Co., unless all of its property is taken. So in order to accommodate the company, in order to make it possible for the sale to go through, the T. V. A. must buy this one hydroelectric generating plant which is southeast of Nashville in the State of Tennessee. The proposed legislation will be for the benefit of the private power company more than for the benefit of the T. V. A. The T. V. A. proposes to do what the critics of the T. V. A. have continually said should be done—buy these properties and take them as a whole, not piecemeal here and there. The bill undertakes to make provision for that.

There is another reason why the provision for $100,000,000 should remain as it is now in the bill, and why the amount should not be decreased. The same negotiators, the Commonwealth & Southern, represented by Mr. Willkie, on one side, and the T. V. A. on the other, are negotiating now with respect to similar properties in Alabama of the Alabama Power Co., which is also a subsidiary of the Commonwealth & Southern.

The same kind of a situation exists in Alabama. It is thought the negotiators can agree on the terms of sale of that property, and if they do the T. V. A. will have to issue bonds, and therefore the amount provided in the bill should be allowed to remain as it is. If the amendment of the Senator from New Hampshire should be agreed to, then such a sale would be absolutely impossible under the bill. The Senator ought to see that. He ought to withdraw his amendment. If he wants to do what the minority members of the investigating committee said ought to be done, he should withdraw the amendment.

The Senator from New Hampshire read extracts from the minority report of the investigating committee, a report signed by the Senator from Pennsylvania [Mr. DAVIS], as was stated. There was not anything in what the Senator read which had any bearing directly or indirectly on the pending bill. I shall read to the Senate from the same minority report a paragraph which applies directly to the proposed legislation and cannot apply to anything else. It cannot be construed as anything but a vindication of the pending bill. I read an extract from the same minority report, and I commend it. It is as follows:

We are of the opinion—

This is the minority speaking, and it is from the same report that the Senator from New Hampshire has read with approval, the report signed by one of our brethren, the Senator from Pennsylvania [Mr. DAVIS]:

We are of the opinion that if and when the Federal Government considers it advisable to establish publicly owned power facilities in localities already served by private companies, the Federal Government, in order to avoid duplication of such service, should purchase the properties involved at a fair price determined either by negotiation, arbitration, or condemnation.

The value of the property was determined by negotiation. The negotiators sat around the table, and finally, after many months, I think after more than a year of deliberation, consideration, and consultation, reached an agreement. The extract I read from the minority report I take it is an endorsement of the pending bill. Both sides are agreed upon the bill, and it seems to me it should be supported by anyone who wants to be fair, and who has heretofore yelled himself hoarse saying, "If you want to get this property buy it; negotiate for it and pay for it." That, Mr. President, is what we want to do, and the bill provides that it shall be done.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield.

Mr. BARKLEY. Bearing upon the Senator's statement with respect not only to the purchase of the property of the Commonwealth & Southern Co., in Tennessee, but also on the prospective purchase of property in Alabama, I wish to read a dispatch in the afternoon Washington Star, which has just come to my desk, with a New York Associated Press date line of April 13, as follows:

T. V. A. AND WILLKIE NEGOTIATORS AGREE ON CONTRACT—TENNESSEE PROPERTIES OWNED BY SUBSIDIARY OF C. & S. INVOLVED

NEW YORK, April 13.—The historic "public versus private ownership" fight between Commonwealth & Southern Corporation and Tennessee Valley Authority was one stage nearer peaceful solution today after representatives of both sides had reported they had agreed, after long negotiations, on a contract.

This pact, not to be signed until June 20, after more than a score of intermediate ratifications are obtained, provides for sale to T. V. A. and associated municipalities and rural cooperatives of electric power properties owned by a C. & S. subsidiary, Tennessee Electric Power Co.

Among other obstacles to final completion of the agreement Congress must change national law to permit T. V. A. to buy the properties, and negotiators said they feared spirited opposition to the pending Norris amendment on the part of coal interests and a group of taxpayers which alleges the State would lose from $3,000,000 to $3,600,000 yearly in taxes if the deal goes through.

However, Wendell L. Willkie, president of C. & S., praised the "spirit of amity which prevailed" during the technical negotiations here in working out details of the contract.

T. V. A. and C. & S. negotiators will meet again here, it was said, in about 2 weeks to commence negotiations for sale of northern properties of Alabama Power Co. and Mississippi Power Co., also C. & S. subsidiaries, to T. V. A.

That article corroborates what the Senator has just said, that if the amendment of the Senator from New Hampshire were adopted it would make it impossible and futile to pursue further negotiations as to the purchase of other properties in the Tennessee Valley.

Mr. NORRIS. I thank the Senator. If we are to carry out what the majority want to carry out why should we be hampered or interfered with by someone who has some malicious enmity against the T. V. A. and all its relatives?

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. DAVIS. I take it for granted, then, that the Senator endorses that part of the minority report which he read?

Mr. NORRIS. I do endorse it. I always have. I have never believed, and the T. V. A. has never believed, that any other action should be taken. The T. V. A. has leaned backward in order to buy this property rather than to duplicate it and bring on injurious competition which would injure both sides.

Mr. President, it is necessary that the proposed legislation be enacted soon unless we want to see the contract fail and

the fight continue. Take, for instance, Chattanooga, the second largest city involved in this matter. Two or three years ago it voted to issue bonds for the purchase of the distribution system and to buy power from the T. V. A. The Tennessee Electric Power Co. owned the distributing system. It owns it now. It is a part of the systems that Wilkie is now selling to the municipalities and that are to be turned over to them. The generating facilities and the transmission lines are sold to the T. V. A.

The municipality cannot wait much longer. I had a conference this morning with two representatives from Chattanooga, and I put the question squarely to them, "How long can you wait? You have voted your bonds. You have commenced the construction of a distribution system." And they said, "We will soon have to go on with the construction of a distribution system to take the place of the distribution system we are seeking to buy under this T. V. A. agreement with Mr. Willkie. Unless this is done within a very reasonable time we cannot purchase the distribution system owned by Mr. Willkie. We shall have to go on with the construction, and the result will be two distribution systems in Chattanooga, with endless competition, which will injure both the private party and the T. V. A."

Mr. WILEY. Mr. President——

Mr. NORRIS. I yield to the Senator from Wisconsin.

Mr. WILEY. I know that the distinguished Senator is a reservoir of information on the subject of the T. V. A. The majority leader read something which suggested to me a question which I should like to have answered. He suggested that there was some opposition because probably something like three and a half million dollars in taxes would be lost to the State of Tennessee, or something to that effect.

Is the set-up of the T. V. A. so arranged that the T. V. A. will take care of the tax burden, and will pay to the municipalities or to the State of Tennessee what would have been paid had not the T. V. A. gone into the picture?

Mr. NORRIS. The bill before us does not deal with the question of taxation.

Mr. WILEY. I realize that fact.

Mr. NORRIS. I have already talked with some Senators outside the State of Tennessee on the tax question. Money in lieu of taxes is provided by section 13 of the original T. V. A. Act. That section provides for the payment of 5 percent on the gross income from sales in Tennessee and Alabama, and in addition, 2½ percent on a generating plant in Tennessee which increases the power in Alabama. In reality, the operation works out so that the T. V. A. always pays 5 percent, and in some cases 7½ percent, on the gross receipts from the sale of electricity.

Mr. WILEY. Mr. President——

Mr. NORRIS. Let me finish the answer. The Senator asked me a very proper question, although I do not think it has anything directly to do with the bill before us. I know it does not. However, it is an important question, and one to which I have given much study. Something is wrong which ought to be rectified.

When the T. V. A. started to make contracts with municipalities, the contracts provided that from the income received from the sale of electricity the T. V. A. should pay to the municipality a sum of money equal to what it would have to pay as taxes if it were privately owned. That plan is being carried out in Tennessee. The section referred to, which I concede ought now to be amended, and which, in my judgment, will be amended just as soon as we obtain the necessary facts to do it, was one which I myself drafted, and which has the weakness which I can now see. When the original act was passed I assumed that the money paid by the T. V. A. to the State, and the money which the contractors and municipalities paid in lieu of taxes, would be distributed in Tennessee or Alabama in the same manner as the money would have been distributed if taxes had been paid in that area.

However, that has not been done. That is not the fault of the T. V. A. It is the fault of the States. The State receives the 7½ percent and keeps it. It does not distribute it down through the counties and districts and different taxing authorities as I thought it would. When the municipality receives the money in lieu of taxes, it keeps all of it. The money ought to go out to the counties and other taxing units in the State of Tennessee; and the State of Tennessee ought to rectify the situation by a law of Tennessee.

Mr. McKELLAR. Mr. President——

Mr. NORRIS. I yield.

Mr. McKELLAR. I suggest that at the present time the officers of the T. V. A. and the officers of the State government are undertaking to work out a plan in reference to taxation which will equalize and adjust the differences which have been mentioned by the Senator from Wisconsin. Unquestionably those matters will be ironed out by consent. I do not think there will be any trouble about the matter. The T. V. A. is now engaged in trying to work out the problem. Just a few days ago I received a letter telling of the work and stating that the solution was being expedited as rapidly as possible.

Mr. GEORGE and Mr. MILLER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield; and if so, to whom?

Mr. NORRIS. I will yield in a few moments, but not right now.

I thank the Senator from Tenessee for calling my attention to something which ought to be mentioned, and which he has mentioned. For several months I have been in negotiation with the T. V. A. on the tax problem. I have been in negotiation with private parties who want the taxing arrangements of the T. V. A. Act changed. To me, it is perfectly clear that section 13 of the original T. V. A. Act ought to be changed; and I think the solution will be reached by agreement.

The T. V. A. Board has employed tax experts. I think one of the experts is a professor in St. Louis, who occupies a chair of political economy, or something of the kind. He is an expert on taxation. Other experts have been employed from other universities. The experts have been in consultation with the taxing authorities of the States. An effort is being made to work out the problem. Good progress is being made. When both sides sit down at the table, as in the case of Willkie and the T. V. A., they will reach a fair conclusion, because they all desire to reach the same conclusion. I do not now know, and I cannot know until the experts solve the question or come to an agreement, just what would be a fair provision in the national law to meet the tax question. When the question has been thrashed out by the experts and an agreement has been reached, especially if the bill goes through and the contract goes into force—because the question will be more important then than it is now—there will be no question about the matter. Unless somebody else does so, I expect to follow the pending bill with a tax bill as soon as we can reach an agreement which will be fair.

Before I yield, let me state another thing. One other reason why section 13 is not fair on the tax question is because it applies only to Alabama and Tennessee. Take Mississippi, for example, or Georgia, or North Carolina. Under existing conditions, if the T. V. A. builds a transmission line and sells electricity in those States, the only thing that is paid in lieu of taxes in those States is the amount paid by the municipality. Mississippi, for example, has a considerable number of miles of transmission lines owned by the T. V. A. upon which no taxes whatever are paid. The municipality is the only source of money in lieu of taxation, which money is paid under the contract with the T. V. A. The T. V. A. has done everything it can, so far as I can see; and I assure Senators who have any doubts that I am just as anxious about the matter as they are. The T. V. A. officials have never exhibited to me, in any conferences I have ever had with them, any inclination to do otherwise than to meet the problem.

On the other hand, it must be remembered that there are those who are trying to throw monkey wrenches into the machinery. They are doing everything they possibly can to defeat the program, including proposals with regard to taxes which are simply abhorrent. A proposal from a great association of Tennessee says, in effect, "Let the T. V. A. property be subject to taxation the same as everybody else's property." On my desk now there is a printed amendment

intended to be offered which provides that all property of the T. V. A. shall be subject to taxation everywhere under the local laws of taxation. If we go to that extreme, Senators can see that the T. V. A. would be out of business in 3 months. It would be subject to a school-district tax. The people, realizing that the money is coming from the Federal Government, would go the limit on the taxation question. If that proposal is reasonable, then we ought to pay taxes on every post office in the United States. Under a proposal of that kind, when the T. V. A. builds a harbor, say, in Chattanooga in order to provide possibilities for shipping goods in and out of Chattanooga, or any other town in the Tennessee Valley, it would have to pay taxes on the lumber and material in that harbor on the Tennessee River.

We must remember that the property in question is the property of the United States Government. When the T. V. A. buys anything, it is directed under the law to take title in the name of the Government of the United States, and the Government owns every particle of property that the T. V. A. owns. We say the T. V. A. owns it. As a matter of fact, it only manages it for the Government; and we cannot permit that property, which we control, to be subject to local taxation of boards, commissions, counties, and other local taxing authorities, without our having any control whatever over it, unless we want the whole thing to fail.

Mr. GEORGE. Mr. President——

Mr. NORRIS. I yield to the Senator from Georgia.

Mr. GEORGE. I thank the Senator from Nebraska.

In the course of his remarks the Senator stated that he had talked with other Senators regarding the matter of taxes on properties presently owned by the Tennessee Electric Power Co., which properties it is proposed that the T. V. A. take over. I have talked with the Senator; and on the Senator's assurance, which he has publicly verified on the floor, I am content to leave the matter, because I feel that an equitable adjustment of the taxes can be made.

However, I ask to have inserted in the RECORD at the conclusion of the Senator's remarks a statement showing the five counties in Georgia which will be rather seriously affected by the transfer of the property to the Government or to the T. V. A., unless the taxes are adjusted.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? The Chair hears none, and the statement may be printed in the RECORD.

(See exhibit 1.)

Mr. HILL and Mr. MILLER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield; and if so, to whom?

Mr. NORRIS. I yield first to the Senator from Alabama.

Mr. HILL. Mr. President, the Senator from Nebraska has well said that the pending bill has nothing whatever to do with taxation in any shape, fashion, or form. However, since so much has been said about taxation, I wish to state that the Legislature of Alabama, which is now in recess, just before it recessed some 2 or 3 weeks ago, set up a special recess committee to study the matter of the taxation of T. V. A. properties and to endeavor to work out a plan of taxation in cooperation and collaboration with the officials and the experts of T. V. A. Like the distinguished Senator from Nebraska, I believe that the representatives of the T. V. A. and of the several States sitting around the table together will be able to work out a system of taxation that will be fair and equitable both to the T. V. A. and to the States and subdivisions of the States.

Mr. NORRIS. I thank the Senator. I now yield to the Senator from Arkansas.

Mr. MILLER. Mr. President, I should like to ask the Senator a question. I find by the terms of the bill that it is limited to the purchase of the Tennessee Electric Power properties. It is contemplated, as I understand the policy, that the T. V. A. may extend its purchases even into other States; and, after all, my State is within the transmission area of the T. V. A. I was merely wondering if it is necessary to confine the operations of the bill to the purchase of one particular system?

Mr. NORRIS. Mr. President, let me say to the Senator I am very glad he has brought that question up in the way he has done. The bill does not do that, but if the amendment now pending, offered by the Senator from New Hampshire, should be adopted that would be its effect exactly. That is one reason why we should not adopt the amendment under any circumstances.

Mr. MILLER. The Senator from Arkansas was out of the Chamber when the amendment was presented by the Senator from New Hampshire, but if that is the effect of the amendment I should oppose it.

Mr. NORRIS. The Senator, I think, is laboring under a slight misapprehension, because the language of the bill says "including the purchase of the electric-utility properties of the Tennessee Electric Power Co." The reason that was put in, as I explained before the Senator came into the Chamber, although I did not then say it was one of the reasons, was that there was one comparatively small hydroelectric plant in Tennessee that the Tennessee Electric Power Co. owned, and that is included in the sale.

Of course we cannot ask them to sell all their properties except that one, and I thought that without putting in that language it would be very doubtful whether the contract would go through, because they were purchasing something not on the Tennessee River or not on its tributaries. Does that make it plain to the Senator?

Mr. MILLER. Yes. The point I desire to be certain about is that by the passage of this bill we do not foreclose ourselves from purchasing other properties of other systems. Very frankly, let me say I wish to extend the system into my own State.

Mr. NORRIS. Under the law, it is possible to extend the system, limited only by the amount of electricity which can be produced within transmission distance of any generating system.

Mr. MILLER. Very well. I do not want the bill limited in its operation to any particular area.

Mr. NORRIS. The amendment now pending would limit the issue of the bonds to include only plants in connection with which a contract had been made before the bill was passed. Of course that would exclude the Senator's State, as well as Mississippi, Alabama, and Georgia, where negotiations are now under way with Mr. Willkie.

Mr. MILLER. Certainly, that being so, the amendment should not be adopted.

Mr. NORRIS. Mr. President, before I pass from the tax question, I wish to make an appeal to the Senate. When I say that I am in favor of remodeling section 13 with respect to the tax question, and that I am in sympathy with doing so, let me say that there are some demands made by taxing authorities that I think are unreasonable and which I would oppose. I do not think the Senate wants to adopt a provision which would tax post offices and turn them over to the local authorities. I do not want to have courthouses taxed, nor do I want roads taxed, which in some places where we build them would be subject to taxation if the same doctrine were applied to them.

I wish to say to the Senate that in all the conferences I have had with the T. V. A. they have shown the same disposition I think I have to meet the tax question. They want to pay what is fair in lieu of taxation. One is likely to get an exaggerated idea now because the States have not done their duty with the money they now get. There would not be any difficulty if the money were properly distributed under existing law. So they are to blame, I think, more than is the T. V. A. A proper taxing bill, if passed, would extend the power to relieve situations that are now not relieved on property outside the generating systems not in the State of Tennessee or the State of Alabama.

I ask unanimous consent, Mr. President, as part of my remarks at this point to insert in the RECORD the report of the committee, which I took a great deal of pains in drafting. I desired to be careful to state nothing but what was correct, and yet I wanted to state it all; I wanted to lay the cards on the table and let the Senate see that if we wanted to do

what the enemies of T. V. A. have said we ought to do, then we ought to pass this bill without a single vote in opposition.

There being no objection, the report (No. 189) was ordered to be printed in the RECORD, as follows:

The Senate Committee on Agriculture and Forestry, to whom was referred the bill (S. 1796) to amend the Tennessee Valley Authority Act of 1933, as amended, having had the same under consideration, beg leave to report it back to the Senate with the recommendation that said bill do pass.

The bill provides for the amendment of the Tennessee Valley Authority Act of 1933, as amended, by striking out of said act sections 15 and 15a, and inserting in lieu thereof section 15.

The purpose of the bill is to make possible the consummation of the transaction in which the properties of the Tennessee Electric Power Co. and the Southern Tennessee Power Co. are to be purchased by the various municipalities and the Tennessee Valley Authority. All of the generating properties and transmission lines are to be purchased by the Tennessee Valley Authority. All of the distribution systems are to be purchased by the several municipalities. The negotiations for the purchase of these properties have been going on for more than a year between the Tennessee Valley Authority, on the one hand, and the Tennessee Electric Power Co. and the representatives of the Commonwealth & Southern Corporation on the other, the latter in reality being the owner of the properties to be so purchased. These properties include local distribution systems, transmission lines, and generating plants. The local distribution systems, if the plan is completed, will be purchased and operated by the various municipalities. The transmission lines and generating plants will be purchased and operated by the Tennessee Valley Authority.

Under the existing Tennessee Valley Authority Act, as amended, the board of directors of the Tennessee Valley Authority are empowered to issue bonds and use the proceeds thereof for the construction of dams, steam plants, or any other facilities to be used for the generation and transmission of electric power; also for the construction or acquisition of transmission lines, and for making loans to municipalities and cooperative organizations for the purchase of existing transmission lines and distribution properties. The authority under the law to issue bonds for the "purchase" of existing generating plants is extremely doubtful. It is this defect in existing law which the proposed amendment is mainly designed to remedy. The Authority has now, under existing law, authority to issue bonds for the "construction" of generating plants, but there is no express authority for them to issue bonds for "purchasing" existing generating plants. Practically the only additional authority granted by the proposed amendment is the power to use the proceeds of the bonds for the "purchase" of existing generating plants as distinguished from the power to "construct" generating plants.

The total amount of the bond authorization is not increased. Under existing law the Authority is authorized to issue a total of $100,000,000 in bonds. Of this total, $50,000,000 is authorized under section 15 for the construction of dams, steam plants, and other properties, and for the purchase of transmission lines; and $50,000,000 is authorized under section 15a for loans to municipalities and cooperatives. The proposed amendment merely combines these two sections into one authorization of $100,000,000, the proceeds of which may be used for the purposes already authorized under existing law, and, in addition thereto, the one additional purpose of acquiring existing generating facilities.

Section 15 of the existing law provides that the bonds issued thereunder shall have all the rights and privileges of Panama Canal bonds. This provision is omitted from the proposed amendment. This omission is made because of the objection of the Treasury Department to the issuance of any more bonds having the rights and privileges of the Panama Canal bonds.

Under existing law the authority to issue bonds under section 15a will expire on the 31st day of August 1940. The proposed amendment would extend this time until the 1st day of January 1941. The Tennessee Valley Authority and the Commonwealth & Southern Corporation are now negotiating for the sale of some other properties now owned by the Commonwealth & Southern, and this extension of time is thought wise, in order to give more time for the perfection of such negotiations.

In trying to bring about the consummation of the agreement referred to for the sale of the Tennessee Electric Power Co. properties, there is one comparatively small hydrogenerating plant, located about 50 miles from Nashville, Tenn., on a tributary of the Cumberland River. This is one of the properties included in the proposed sale. While there is no express provision in the Tennessee Valley Authority Act of 1933, as amended, prohibiting the purchase of a generating plant on any stream other than the Tennessee River or any of its tributaries, it is nevertheless believed that all the powers of the Tennessee Valley Authority are confined either to the Tennessee River, or some tributary of the Tennessee River, and it is the opinion of your committee that the purchase of this one hydrogenerating plant on a tributary of the Cumberland River is not authorized under existing law. The purchase of this hydroelectric plant on a tributary of the Cumberland River is of minor importance, but it is one of the properties of the Tennessee Electric Power Co., and it would be unfair to expect the Tennessee Electric Power Co. to sell its entire system of generation, transmission, and distribution of electric current, and not dispose of this one minor generating plant. In fact, the Commonwealth & Southern Corporation, as owner of the Tennessee Electric Power Co., would not and could not be expected, in all fairness, to dispose of its other properties and have that property still remaining on its hands.

It can, therefore, fairly be stated that the proposed amendment, if enacted into law, would, in addition to the powers it now has under existing law, give to the Tennessee Valley Authority power as follows:

(1) To purchase this one generating plant on the tributary of the Cumberland River;

(2) To issue bonds and use the proceeds thereof in the "purchase" of existing generating plants, as distinguished from the "construction" of generating plants;

(3) To extend the power to issue such bonds from the 31st day of August 1940 to the 1st day of January 1941; and

(4) To eliminate from existing law the Panama Canal bond privilege now possessed by Tennessee Valley Authority bonds issued under section 15 of the Tennessee Valley Authority Act of 1933.

These are the only changes made in existing law.

Ever since the enactment of the Tennessee Valley Authority Act there has been a constant controversy existing in the courts between the Tennessee Valley Authority and the Commonwealth & Southern Corporation, representing its various subsidiaries, and a great deal of expensive litigation has been the result. The agreement reached by the Commonwealth & Southern Corporation and the Tennessee Valley Authority to carry out this sale of the Tennessee Electric Power Co. properties would end all such controversies and do away with any possible competition between the parties. The price agreed upon for the sale of these properties amounts to $78,600,000, and has been agreed to by the representatives of the Tennessee Valley Authority and the Commonwealth & Southern. The proposed legislation is, therefore, agreeable to both the Tennessee Valley Authority and the private power companies. The principal objection that has always been made by the private power companies is that the Tennessee Valley Authority should not, in conjunction with municipalities, construct competing transmission lines or competing distribution systems in piecemeal, but that the Tennessee Valley Authority should purchase an entire system, such as the Tennessee Electric Power Co., at a value satisfactory to the private owner of the property, and thus refrain from doing an injury to the owner of such private electrical property. The tentative agreement of sale which the bill in question would approve meets this objection. The bill, therefore, is designed to give protection to the private owner and amend the law so that such protection can be brought about.

Therefore, the purpose of the proposed amendment is more for the protection of the private owner of electrical facilities in the Tennessee Valley than it is for the benefit of the Tennessee Valley Authority. The price agreed upon for the sale of these properties is liberal. It is admitted by Tennessee Valley Authority officials that the price is liberal and is probably greater than the value of the property to be purchased. When it was announced after the long negotiations that had taken place that an agreement for the sale of these properties had finally been reached, such agreement was given almost universal approval by the foes, as well as the friends, of the Tennessee Valley Authority. The price was admitted to be a very liberal one even by the enemies of the Tennessee Valley Authority, and the Tennessee Valley Authority agreed to such liberal price on the theory that it would end all litigation and useless and unnecessary, as well as destructive, competition. The committee feel, therefore, that the passage of this bill will give satisfaction to all interested parties.

Sections 15 and 15a of the Tennessee Valley Authority Act, as amended, and which this bill would repeal, are as follows:

"SEC. 15. In the construction of any future dam, steam plant, or other facility, to be used in whole or in part for the generation or transmission of electric power the Board is hereby authorized and empowered to issue on the credit of the United States and to sell serial bonds not exceeding $50,000,000 in amount, having a maturity not more than 50 years from the date of issue thereof, and bearing interest not exceeding 3½ percent per annum. Said bonds shall be issued and sold in amounts and prices approved by the Secretary of the Treasury, but all such bonds as may be so issued and sold shall have equal rank. None of said bonds shall be sold below par, and no fee, commission, or compensation whatever shall be paid to any person, firm, or corporation for handling, negotiating the sale, or selling the said bonds. All of such bonds so issued and sold shall have all the rights and privileges accorded by law to Panama Canal bonds, authorized by section 8 of the act of June 28, 1902, chapter 1302, as amended by the act of December 21, 1905 (ch. 3, sec. 1, 34 Stat. 5), as now compiled in section 743 of title 31 of the United States Code. All funds derived from the sale of such bonds shall be paid over to the Corporation.

"SEC. 15a. With the approval of the Secretary of the Treasury, the Corporation is authorized to issue bonds not to exceed in the aggregate $50,000,000 outstanding at any one time, which bonds may be sold by the Corporation to obtain funds to carry out the provisions of section 7 of this amendatory act. Such bonds shall be in such forms and denominations, shall mature within such periods not more than 50 years from the date of their issue, may be redeemable at the option of the Corporation before maturity in such manner as may be stipulated therein, shall bear such rates of interest not exceeding 3½ percent per annum, shall be subject to such terms and conditions, shall be issued in such manner and amount, and sold at such prices, as may be prescribed by the Corporation, with the approval of the Secretary of the Treasury: *Provided*, That such bonds shall not be sold at such prices or on such terms as to afford an investment yield to the

holders in excess of 3½ percent per annum. Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Corporation should not pay upon demand, when due, the principal of, or interest on, such bonds, the Secretary of the Treasury shall pay to the holder the amount thereof, which is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is authorized to purchase any bonds issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of the Corporation's bonds hereunder. The Secretary of the Treasury may at any time sell any of the bonds of the Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the Corporation shall be treated as public-debt transactions of the United States. With the approval of the Secretary of the Treasury, the Corporation shall have power to purchase such bonds in the open market at any time and at any price. No bonds shall be issued hereunder to provide funds or bonds necessary for the performance of any proposed contract negotiated by the Corporation under the authority of section 7 of this amendatory act until the proposed contract shall have been submitted to and approved by the Federal Power Commission. When any such proposed contract shall have been submitted to the said Commission, the matter shall be given preference and shall be in every way expedited and the Commission's determination of the matter shall be final. The authority of the Corporation to issue bonds hereunder shall expire at the end of 5 years from the date when this section as is amended herein becomes law, except that such bonds may be issued at any time after the expiration of said period to provide bonds or funds necessary for the performance of any contract entered into by the Corporation, prior to the expiration of said period, under the authority of section 7 of this amendatory act."

The new section which the proposed bill seeks to enact into law is as follows:

"SEC. 15. With the approval of the Secretary of the Treasury the Corporation is authorized to issue bonds not to exceed in the aggregate $100,000,000 outstanding at any one time, which bonds may be sold by the Corporation to obtain funds for the construction or acquisition of dams with appurtenant facilities, generating plants, transmission lines, rural-distribution lines, and other electric-utility properties as authorized by this act, including the purchase of the electric utility properties of the Tennessee Electric Power Co., and for the purpose of carrying out the provisions of section 12a of this act. Such bonds shall be in such forms and denominations, shall mature within such periods not more than 50 years from the date of their issue, may be redeemable at the option of the Corporation before maturity in such manner as may be stipulated therein, shall bear such rates of interest not exceeding 3½ percent per annum, shall be subject to such terms and conditions, shall be issued in such manner and amount, and sold at such prices, as may be prescribed by the Corporation with the approval of the Secretary of the Treasury: *Provided*, That such bonds shall not be sold at such prices or on such terms as to afford an investment yield to the holders in excess of 3½ percent per annum. Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Corporation should not pay upon demand, when due, the principal of, or interest, on such bonds, the Secretary of the Treasury shall pay to the holder the amount thereof, which is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is authorized to purchase any bonds issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of the Corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the Corporation shall be treated as public-debt transactions of the United States. With the approval of the Secretary of the Treasury, the Corporation shall have power to purchase such bonds in the open market at any time and at any price. No bonds shall be issued hereunder to provide funds or bonds necessary for the performance of any proposed contract negotiated by the Corporation under the authority of section 12a of this act until the proposed contract shall have been submitted to and approved by the Federal Power Commission. When any such proposed contract shall have been submitted to the said Commission, the matter shall be given precedence and shall be in every way expedited and the Commission's determination of the matter shall be final. The authority of the Corporation to issue bonds hereunder shall expire January 1, 1941, except that such bonds may be issued at any time after the expiration of said period for refunding purposes or to provide bonds or funds necessary for the performance of any contract entered into by the Corporation, prior to the expiration of said period, under the authority of section 12a of this act."

It will thus be seen, from an examination of existing law and the proposed amendment, that this bill, in effect, reenacts section 15a as it now exists, in its entirety. The only changes made therein are to give authority to "purchase" existing generating plants, as well as to "construct" generating plants, and by its terms expressly authorizes the purchase of the properties of the Tennessee Electric Power Co., which corporation now owns the one hydroelectric generating plant above referred to, on a tributary of the Cumberland River. It also changes said section by extending the limitation for the issuing of such bonds, from August 31, 1940, to January 1, 1941. It also increases the amount of bonds to be issued under said section to $100,000,000, but inasmuch as the bill strikes out section 15 of the Tennessee Valley Authority Act, there is no increase in the amount of bonds which can be issued.

If this bill is enacted into law, it will decrease the amount of appropriation hereafter to be made by Congress for carrying out the objects of the Tennessee Valley Authority Act to make the Tennessee River navigable to the depth of 9 feet from Knoxville, Tenn., to the mouth of the river, because all of the purchase price of the properties included in the contemplated sale will be paid for by the Tennessee Valley Authority from the moneys received from the sale of electric power to municipalities. The largest hydroelectric plant included in the properties to be sold by the Commonwealth & Southern Corporation to the Tennessee Valley Authority is the Hales bar generating plant on the Tennessee River, a short distance below Chattanooga. This is the only privately owned dam on the Tennessee River, and in order to carry out the provisions of law included in the Tennessee Valley Authority Act it will be necessary for the Tennessee Valley Authority to purchase this dam and to increase its height, or to build another navigation dam between Hales bar and the Chickamauga Dam, located a short distance above Chattanooga. If this sale is consummated, it will therefore follow that this dam will be purchased by money received from the sale of power, instead of by appropriations from Congress. It will thus lessen appropriations necessary to be made by the price of the purchase of Hales bar dam, or, in lieu thereof, the cost of a navigation dam between Hales bar and Chattanooga. It is estimated that if this contemplated contract is consummated, moneys received from the sale of power will be increased in the neighborhood of $5,000,000 per annum, with the result that the total revenue received by the Tennessee Valley Authority from the sale of electric power would be between $11,000,000 and $12,000,000 per annum.

The appropriations hereafter to be made by Congress to give effect to the Tennessee Valley Authority Act will also be greatly lessened by the purchase of transmission lines included in the contemplated sale, all of which will be paid for out of revenues received from the sale of power.

Notwithstanding the liberal price to be paid for the properties included in the contemplated sale, both the friends and critics of the Tennessee Valley Authority, as well as the Commonwealth & Southern Corporation, the real owner of the property to be sold, are satisfied with the price agreed upon for the sale of such properties. The elimination of potentially wasteful competition in this area would be a factor of major importance. An audit of the properties to be purchased, made by the engineers of the Tennessee Valley Authority, indicated that the value of the properties involved in the contemplated sale were not worth more than $70,000,000. The difference between this sum and the total consideration of $78,600,000 agreed upon can be regarded as the cost of eliminating this destructive competition, a competition damaging and injurious both to the Tennessee Valley Authority and to the private owner of the properties to be purchased.

It is extremely important, if this contract of purchase is to be made possible, that the legislation proposed be enacted into law as speedily as possible. Some of the municipalities in the area mentioned have already taken steps to build competing distribution systems. Such attempts are being held in abeyance, awaiting the consummation of the contract between the Commonwealth & Southern Corporation and the Tennessee Valley Authority. Chattancoga is an instance which illustrates the importance of speedy action. Something over 3 years ago Chattanooga voted by an overwhelming majority to take Tennessee Valley Authority power, and, in order to do so, to issue bonds for the construction of a distribution system in Chattanooga or to buy of the Tennessee Electric Power Co., through the Commonwealth & Southern Corporation, the existing distribution system in that city. Lengthy negotiations between the municipality and the Commonwealth & Southern have not resulted in the sale of the distribution system, and the municipality has already commenced the construction of a municipal distributing plant in order that it may get the benefit of cheap Tennessee Valley Authority power. This work is being held up until it is ascertained whether the tentative contract of sale will be carried out. But the city cannot wait indefinitely, and unless the legislation proposed is speedily enacted into law, the city must of necessity go ahead with the construction of the

competing distribution system in Chattanooga, which would be to the detriment both of the city and of the Tennessee Electric Power Co.

The purchase of the properties involved in this tentative sale would bring to the municipalities of a large section of Tennessee Valley the cheap electric rates of the Tennessee Valley Authority, and thus save to the citizens of more than 100 municipalities millions of dollars in the purchase price of electric current.

Since the proposed change to be brought about by the enactment of this bill into law is agreed to by the officials of the Tennessee Valley Authority, is satisfactory to the private owner of the properties to be purchased, and is likewise agreeable to the public generally, and since the bill's enactment would reduce by many millions of dollars future appropriations to be made by Congress, your committee believes the speedy enactment of the bill into law is very desirable.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. NORRIS. I yield.

Mr. LUCAS. I regret that I was not in the Senate Chamber to hear the entire discussion of the able Senator from Nebraska on this very important subject; but I am concerned with the taxation question, which has been debated briefly since I have been in the Chamber.

I should like to ask the Senator whether or not the record discloses at the present time how much money the local municipalities would lose in local and State taxes in the event that the T. V. A. took title to all these properties?

Mr. NORRIS. The Federal Government or the T. V. A. do not take title to distributing systems. The Senator understands that they do not own distributing systems; they own the generating plants and transmission lines.

Mr. LUCAS. I understand that, but I understood from the Senator's remarks that this bill purported to take over certain property,

Mr. NORRIS. I see the Senator's point, and it is very pertinent. It is a sort of three-sided contract. Certain property is owned by the Commonwealth & Southern through two or three subsidiaries in this case, but one that owns the generating systems is the Tennessee Electric Power Co. That company owns the distributing systems as well as the transmission lines and the generating systems. The contract made by the T. V. A. does not take over the distributing system; it takes over the generating plants and the transmission lines.

But the municipalities, the larger ones, at any rate, such as Nashville and Chattanooga, and so on, which were represented in the conferences which were held, will take over the distributing systems. So the title to any distributing systems never goes to the T. V. A. If the municipalities do not take them over—and there is no compulsion on them, although it is thought they practically all will take them over—if they do not take them over, the Commonwealth & Southern will still own them, but will have no generating plants left when the contract goes into effect. Therefore, the contract provides that as to any municipality that does not buy a distributing system the Commonwealth & Southern will still operate as they do now, with the exception that they will buy power from the T. V. A. over the transmission lines that they will have sold to the T. V. A. to supply them with electricity to carry on municipalities that do not buy distributing systems.

Mr. LUCAS. I think I follow the Senator's thought, but, if the Senator will pardon me, I should like to ask a further question, in order that I may get the matter straight in my own mind. There are certain properties under this bill that the Federal Government will take title to, as I understand, upon which taxes are now being assessed by local communities in the various States.

Mr. NORRIS. Yes.

Mr. LUCAS. I should like to know whether or not the record discloses at this time the total amount of such taxes?

Mr. NORRIS. No.

Mr. LUCAS. Can the Senator give me any estimation as to the total amount of taxes that are now being assessed by local communities which would be taken away?

Mr. NORRIS. No. Even if we do not pass this bill, under the language of section 13 of the act of 1933 generating systems would pay 5 percent of the gross receipts of sales, and the T. V. A. wherever it sells to a municipality requires that municipality to be paid in lieu of taxes the same amount that they would be paid if the systems were privately owned. So that the tax question is not serious, outside of a few counties which happen to be located where a great deal of their territory is overflowed by the construction of dams, which is true in several counties. In such cases it is a very difficult problem to solve. The T. V. A. is now working with various State authorities and officials, on such problems. As the Senator from Alabama has said, the Legislature of Alabama appointed a special committee to confer with the T. V. A.

I was told yesterday that in addition to that the T. V. A. had already called to meet with them a conference of the Governors of the seven States involved. When these parties agree—as they think they will do in the course of a month or so—and when they have all this study made, I propose, if somebody else does not do so, but I have told them I would, to introduce a bill amending section 13 of the original act so as to carry out a tax scheme that will be fair to the Federal Government and to the States and localities.

Mr. LUCAS. I take it, then, from the Senator's remarks, that he agrees that there is a real emergency in certain counties with respect to taxation that goes to local communities.

Mr. NORRIS. There are now a few cases of that kind. Much of that difficulty could have been avoided if the States had done their duty, and had distributed the money they received. In some places it would have been full payment. In some places probably it would have been too much; but the States have not done it. That is one of the duties they have to perform. When this contract goes through, if it does, there will be quite a number of additional cases of that kind. I admit that the problem then will be more acute than it now is. But I desire to pledge to the Senate that so far as I am able to influence the matter—and I think it is coming out all right; I have never seen any objection on the part of the T. V. A.; they want to solve this difficulty we shall have, if this deal goes through, before the present session of Congress adjourns, an amendment of section 13 will rectify all the evils that now exist.

EXHIBIT 1

Amount of taxes paid by Tennessee Electric Power Co. for the year 1938 to the following counties and the State of Georgia

	Property tax	Other taxes	Total
Catoosa County	$1,022.15	$1.00	$1,023.15
Dade County	103.52	1.00	104.52
Fannin County	53,786.72	223.88	54,010.60
Murray County	26.00	1.00	27.00
Walker County	2,889.30	1.00	2,890.30
State of Georgia	10,684.92	5,000.00	15,684.92
Total	68,512.61	5,227.88	73,740.49

Mr. McKELLAR. Mr. President, before a vote is taken on the amendment of the Senator from New Hampshire, I desire to say that I am very much opposed to the amendment, and hope it will be voted down. It is wholly unnecessary and wholly impracticable, because the contract has been agreed upon but not yet executed, waiting upon this bill; and the bill would entirely fail of its purpose if the amendment were adopted.

I also desire to say that time is of the essence of this contract; and I hope the Senate will pass the bill this afternoon, because it is intensely necessary that these power companies and the T. V. A. get together and perform the contract they have already agreed upon. It is very necessary. Time is of the essence of the contract; and I hope we may have a vote at this time.

Mr. KING. Mr. President, when the Senator from Nebraska [Mr. NORRIS] had the floor, I rose to ask him a question. I now do so.

From the statement made by the Senator, I got the idea—perhaps my interpretation was wrong—that the Government of the United States is the owner of the T. V. A., that

title is in the United States, and that there seems to be no limitation upon the authority of this imperium in imperio, this new agency of the Government, to extend its operations outside of the Tennessee Valley. What I am inquiring about is, what are its territorial limits. May it go into some other State? May it attempt, with the charter it has, to develop power plants in the Ohio Valley, or in other parts of the United States; or is it limited exclusively to the Tennessee Valley?

Mr. NORRIS. The Tennessee Valley Act provides that the T. V. A. may carry electricity anywhere within transmission distance of any of its generating plants. That may require it to go into another State, or through another State into a third State, if such a narrow condition should exist, as it does in some places.

Answering the other question, the T. V. A. Act provides in specific terms that all property taken by the T. V. A. shall be taken in the name of the United States Government. I am speaking of the statute from memory. I have not looked at it or read it recently, but I do not think there is any doubt about that statement being true.

Mr. KING. I repeat, Is the authority in that act sufficiently broad that the T. V. A. may go into Ohio, Illinois, or Missouri and construct generating plants, and then extend its activities into other States?

Mr. NORRIS. No; they could not build a generating plant on the Ohio River, or any of the Ohio River tributaries, other than the Tennessee River, which of course itself is a tributary of the Ohio. They have no authority to go beyond the Tennessee River or its tributaries.

The limitation on the sale of electricity is based on an entirely different theory, and that is the ability of man to transmit electricity. That, however, is very nearly settled by the amount of electricity that is demanded, and the amount the T. V. A. can produce. If they produce the maximum amount under the law they cannot go very far out of the Tennessee Valley in supplying it, because the demand is going to take up all of it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. BRIDGES].

The amendment was rejected.

Mr. BRIDGES. Mr. President, I send to the desk another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, after line 13, it is proposed to insert the following new section:

SEC. 2. Section 13 of the Tennessee Valley Authority Act of 1933, as amended, is amended to read as follows:

"SEC. 13. After the date of enactment of this act the Tennessee Valley Authority and all of its property shall be subject to State, municipal, county, and other local taxation in the same manner and to the same extent as private corporations are taxed."

Mr. BRIDGES. Mr. President, we have heard a good deal of discussion this afternoon about taxation of these properties, and even the distinguished senior Senator from Nebraska [Mr. NORRIS], who, I think, will accept the title of grand champion of the T. V. A. in Congress, admits that something is wrong. Therefore I am offering an amendment which in a very simple manner will subject the properties of the T. V. A. to taxation by municipal, county, and State authorities.

To substantiate what I have to say on this subject I refer to a communication from the Tennessee Taxpayers' Association which I shall read, and I call the attention of the Senators from Tennessee to this communication:

TENNESSEE TAXPAYERS ASSOCIATION, INC.,
Nashville, Tenn., March 18, 1939.

DEAR SENATOR BRIDGES: Congressional consideration and appropriate action appear to be required if the people of Tennessee are to obtain a sound, equitable solution of one of the serious problems confronting them.

In brief, the problem requiring your aid in its solution is this: Privately owned electric utilities have been one of the large taxpayers in 93 of Tennessee's 95 counties and in more than 140 of the municipalities. Approximately 90 percent of these properties have been or are being purchased by the Tennessee Valley Authority and the related local electric distributing agencies which are being created.

The purchase of these utility properties by public agencies brings our State and local government in Tennessee face to face with the problem of replacing the $3,500,000 of annual revenues which will be lost through the exemption of these properties from taxation unless remedial legislation is promptly enacted.

The taxes now being paid on properties which have already passed or will pass to the Tennessee Valley Authority (as distinguished from those passing to municipal distributing agencies) will require replacement in 76 of the 95 counties. In a number of counties the revenues lost represent from 15 to 40 percent of the county's entire property tax revenue. And in Tennessee, as in most of the States, property tax is the principal revenue dependence of local government.

Since Tennessee's constitution makes our counties and municipalities largely and fixedly dependent upon this property tax, the utility-tax problem facing the people of our State resolves itself into choosing one of two alternatives. These are:

(1) Increasing heavily the taxes levied upon homes, farms, and other taxable property of rural and urban people in order to present consumers of electric current with a second and in this case an artificially created reduction in electric rates; or

(2) Securing from the Tennessee Valley Authority and the municipal electric distributing agencies a continuation of the tax payments which have heretofore been made by the privately owned electric utilities. State executives in Tennessee have been told by T. V. A. engineers that the present T. V. A. rate structure probably provides a margin sufficient to cover a continuation or replacement of all State and local taxes now being paid by the privately owned electric utilities.

Under an existing Federal statute the State of Tennessee is now receiving a sum equal to 5 percent of the gross proceeds of the sale of T. V. A. current produced at Norris Dam, in Tennessee, and 2½ percent of that portion of the sales of current produced at Muscle Shoals Dam in Alabama, through certain overseasonal flows due to Norris Dam feedings. These payments now amount to but around $10,000 a year. At most, in 1945, after all Tennessee dams are completed and the product sold, these payments, according to T. V. A. engineers, will amount to only about $625,000 a year. Even at the eventual top level, these payments will replace only about 18 percent of the present revenue losses of State, county, and municipal government in Tennessee.

The insertion in Senate bill 1796 and in H. R. 5068 of mandatory provisions for continuing to State, county, and municipal government all the present tax payments on those electric utilities sold to the Tennessee Valley Authority would assure the citizens and taxpayers of Tennessee of an equitable solution of the grave problem now pending.

A copy of the 20-page report prepared by this association to present the significant factors of this problem is being sent to you under separate cover today. It is hoped you will give this report a careful reading upon its receipt.

Your usual thoughtful consideration of this problem—which is not confined to Tennessee—and your cooperation in prescribing and applying a sound and adequate solution will be appreciated by the citizens and taxpayers of Tennessee, and, we feel sure, by those of the other States similarly affected.

Yours truly,

C. W. BAILEY, *President.*
WM. R. POUDER, *Executive Secretary.*

Mr. President, that very clearly states the problem of the farmers and home owners of Tennessee, when they see property after property taken without returning taxation, and the provisions made at present are entirely inadequate. Therefore, my amendment now presented, making the T. V. A. properties subject to local, county, and State taxation is a simple solution. I commend it to the Members of the Senate, and I commend it to the Senators from Tennessee, who should have at heart the interests of the farmers and home owners and taxpayers of that State.

I ask for the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. BRIDGES].

The amendment was rejected.

Mr. KING. Mr. President, I should like to ask the Senator from Nebraska a question. I had thought to offer an amendment providing that the bonds which may be issued for the acquisition of the properties in contemplation should not be guaranteed by the United States but should rest solely and exclusively upon the T. V. A. and its property. Does the Senator understand that the Government of the United States would be back of these bonds as a guarantor?

Mr. NORRIS. Yes. The bill does not change existing law in that respect one iota. It reenacts word for word the law in reference to the bond question. The property is the property of the Government of the United States, and the theory is that the Government of the United States ought to guarantee the bonds, although the law has been on the statute

books as applied to the T. V. A. ever since we amended the act in 1935. That has been the law. The pending bill makes no change whatever in existing law in that respect.

Mr. KING. Assume we passed the pending measure and there were a default in the payment of the bonds by the T. V. A.; then resort could be had to the Treasury of the United States, and the Government would have to pay?

Mr. NORRIS. Yes; just the same as in the case of any other bonds. I do not know what will actually happen. Bonds have already been issued under the authority given, but I do not know whether the Government retained them or sold them. It could sell them, and I presume it does sell them, as it does any other bonds.

Mr. KING. Of course, if the Government should sell, the guaranty of the Government would accompany the bonds and enure to the advantage of the vendee.

Mr. NORRIS. That would insure the sale of the bonds at as low a rate of interest as that paid in the case of any other Government bonds. Therefore it would save to the T. V. A., which is the Government of the United States, a large amount of interest on any bonds which might be issued.

Mr. KING. Then, obviously we are incurring a national obligation, though it is in futuro, not in presenti, of approximately $100,000,000.

Mr. McKELLAR. Mr. President, the Tennessee Valley Authority already has power to issue bonds to the extent of $100,000,000. This is merely a substitute for that authority, so as to cover what they desire to do; that is, purchase properties of private companies.

Mr. KING. But I understand that, while the bond authority exists now by virtue of a preceding act, no bonds have been issued to take up the $100,000,000, and now it is contemplated that bonds in the amount of at least $74,000,000 of the authorized issue of bonds which are to be guaranteed by the Government, shall be issued in order to acquire the property in contemplation.

Mr. NORRIS. I do not know the exact amount, but it is not $74,000,000. It is about $44,000,000. If they make another contract in Alabama—and I assume the Alabama properties are in the same situation with those in Tennessee—they would issue some more bonds, up to $100,000,000.

Mr. KING. I relied on a statement of the able Senator from Tennessee [Mr. McKELLAR], who seems to know just about as much on this subject as the Senator from Nebraska knows, and that is stating a great deal. The Senator from Tennessee said to me that it was seventy-four to seventy-eight million dollars.

Mr. McKELLAR. Mr. President, the Senator misunderstood me. The $78,000,000 is the price which the various cities in Tennessee will pay for the private companies. The T. V. A. does not pay for all of them. Chattanooga will pay for the one in Chattanooga, and various other cities will pay for theirs; but the T. V. A. gets a part of it.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SECOND DEFICIENCY APPROPRIATIONS

Mr. REYNOLDS obtained the floor.

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Colorado?

Mr. REYNOLDS. I yield.

Mr. ADAMS. Mr. President, as I understand, there is nothing before the Senate. I therefore move that the Senate proceed to the consideration of House bill 5219, the second deficiency appropriation bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 5219) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1939, and June 30, 1940, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

The first amendment of the Committee on Appropriations was, under the heading "Title I—General appropriations—Legislative," on page 2, after line 2, to insert:

SENATE

For miscellaneous items, exclusive of labor, fiscal year 1939, $75,000.

EUROPEAN CONDITIONS AND AMERICA'S FOREIGN POLICY

Mr. REYNOLDS. Mr. President, I was in the Chamber for a short time today when the distinguished Senator from Utah [Mr. KING] addressed himself generally to the situation in Europe. I was exceedingly regretful that I was not present to listen to all the Senator said, which I am confident was interesting. However, I shall take the opportunity tomorrow of reading in full the Senator's remarks.

I was present when the Senator from Utah made interesting reference to what had been going on in Czechoslovakia, and when he also interested those who were present with remarks concerning other incidents in Europe. Before proceeding with what I have to say, which is in a sense parallel to the remarks of the Senator from Utah, I wish to state that I was not at all surprised, nor was anyone else in this Chamber who knows anything about the European situation surprised, when we read in the newspapers that Hitler had taken more territory which did not belong to him, and that Hitler had taken out of the banks of Czechoslovakia from eighty-five million to ninety million dollars in gold, money which belonged to the Czechoslovakians.

I may add that I was not surprised, and no one within the sound of my voice here today was surprised when we read about Mussolini going into Albania, because everyone who is familiar with the European situation knows that for the past several years Mussolini has been preparing to do the very thing he did do by lending a great amount of money to Zog and his government. As a matter of fact, he loaned a great amount of money to Albania when it was a Republic, and when Zog was President of the Republic, long before the assembly, the Albanian Congress itself, proclaimed him King. Furthermore, we all know that Mussolini had spent millions of dollars in drilling into oil pockets and in developing the mineral resources of the country and in reclaiming several hundred thousand acres of land. We all know that after King Zog ascended the throne the Italian Government continued to put money into Albania. After all, in view of events that have recently taken place in Europe, revolving around the so-called Berlin axis, it was perfectly natural for Mussolini to take over Albania, because by taking over Albania he has truly made of the Adriatic an Italian lake. Eastward, only about 175 miles distant, is the Greek border, and only a few miles farther is about the most important commercial city of Greece, and that is Salonika. That leads to Turkey, of course, in which both the totalitarian states and the democracies are interested. It might be interesting to note in passing, Senators, that that great man, Ataturk, who did more for Turkey than any other man since Turkey was established as a nation, happened to be born in Salonika.

Mr. President, it was not a surprise to us that Mussolini took Albania, because looking east from it is Bulgaria, and to the north, or left of it, is Yugoslavia.

I make mention of that situation, Senators, for the reason that I wish to bring to the attention of the Senate a matter to which I have repeatedly referred in the Senate Chamber and outside of the Senate Chamber, that the people in the world who are most excited about what is going on in Europe are the people of the United States, and the reason why the people of the United States are so excited, and are going crazy and losing their balance with respect to what is going on in Europe, is because in this country innumerable persons are bringing about excitement within the minds of the American people. I am glad that at least one person in the world agrees with my statement. I am rather proud and happy to be able to bring to the attention of this body the name of a man who is a world traveler, who is one of the finest newspapermen that we have in America today, and that man is none other than Mr. Roy W. Howard. Mr. Howard is an executive of the Washington Daily News. I

understand he is an executive of a national organization which is interested in the publication of a chain of newspapers. I happen to know Mr. Howard personally, having met him in the Philippine Islands in 1935, at which time a number of my colleagues on the floor were in the Philippines, among them being the Senator from Utah [Mr. KING.]

I picked up the Washington Daily News as I came into the Senate Chamber, and I saw the following in its issue of today, Thursday, April 13, 1939. The heading is: "Europe Less Jittery—Roy W. Howard Says United States Would Be Wiser to 'Play Back' Instead of 'Running Interference.'"

Those are expressions used in football parlance.

The article is dated Paris, April 13, and reads:

An optimistic view of the European situation was professed by Roy W. Howard, of the Scripps-Howard newspapers, in an interview printed today in the Paris edition of the New York Herald Tribune.

Mr. Howard, who recently visited six major capitals of Europe—Rome, Berlin, Moscow, Warsaw, London, and Paris—was interviewed as he embarked for the United States on the *Ile de France*.

"As far as I have been able to observe," he was quoted as saying, "the French and British people, who are closest to the danger zone, appear less jittery, less inclined to hysteria, than certain ultra-vocal elements at home."

Mr. Howard continues:

"For the moment, I think, Americans can contribute more to peace by keeping their shirts on than by taking their coats off.

"If belligerent statements from America were confined to those who expect to do the actual fighting in the event of war, there would be some eloquent silences from the other side of the Atlantic that would be less jarring on European ears than some of the sounds now being wafted over the ether waves.

"It is probably inevitable that the United States should be mixed up in some fashion in this war game, but it seems to me that it would be smarter for us to play back for a while instead of running interference, as some American politicians and some American editors appear to be doing."

In other words, Mr. President, Mr. Roy W. Howard, eminent and prominent newspaper editor and correspondent, says that the only people in the world who are jittery, the only people upon the face of the earth who are running wild with hysteria about war, are the people of the United States of America. I believe that statement to be true. As a matter of fact, if I may be permitted to say this without its being construed as a personal reflection or without being criticized, I was talking with a lady this morning who represents the New York Post, and who is here for the day. We were discussing the same situation. I said to her, in view of the fact that she had been in Europe last fall, that it was my observation that we today are giving more time and attention to European affairs, to controversies over there, than are the people who are closest to the scenes where war perhaps will come in a year or two.

Mr. President, in proof of that which I have just said I wish to call attention to what I read in a newspaper this morning. As is my custom before leaving my house in the morning I endeavor to glance, as do the other Members of this body, over the columns of the newspapers, because a great deal of the information which we derive from day to day we must glean as we run, because of the innumerable duties we have to perform here, at least a great many of us, particularly those of us whose States are close to the National Capital, and whose populations are large. From 100 to 125 people a day call upon us, and it takes a considerable amount of time to greet our friends courteously, and to give them as much time as they gave us when we were running for office. And we must not forget them.

This morning I read the Times-Herald. In order that I may create no ill feeling on the part of the other Washington morning newspaper, I may add that I am also a subscriber to the morning Post, and also I read it. I have before me page 10 of the Times-Herald. I am merely trying to prove my case. This is the editorial page. I find here two columns devoted to an editorial entitled "Mr. Roosevelt's foreign policy."

Then I find a cartoon depicting "Death," a cartoon occupying three columns. It depicts "Death" extending an invitation to Uncle Sam again to wade Europeward for the purpose of becoming involved in another World War.

Below that, occupying three columns, I find the Voice of the People. Of the six articles addressed by writers of the Times-Herald to the editor of Voice of the People, four are concerned with the European situation; all of which, it will no doubt be agreed, goes to prove the statement I have just made, and which I have made on innumerable occasions, to the effect that the people of the United States of America are exercising themselves more energetically—and foolishly, I might add—relative to the European situation than are the people who reside on the banks of the Seine in France or on the banks of the Thames in England itself.

I go further than that. I ask any Senator who is present this afternoon to pick up tonight the local Washington newspapers, the New York newspapers, or the newspapers from his home town and look under Voice of the People, or in the column in which the readers of the respective home-town papers write to the editors thereof. It will be found that four out of six, or eight out of ten letters written to the newspapers are concerned with the foreign situation; all of which goes to prove that we truly are affected with war jitters. In other words, we are giving so much thought to the subject that we cannot sit still. We cannot think about our business at home. Instead of looking after our knitting in these trying times, and endeavoring to help our President and the officers of this administration, we are doing what? The American people are devoting all their thoughts to European matters.

I have had only about 5 minutes to glance through this particular newspaper. On page 8, in the extreme left-hand corner, I find a dispatch from the city of New York, by Mr. Bainbridge Colby, former Secretary of State of the United States. To the right, to prove how jittery we are, and how serious the war jitters have become, I find to my sorrow a dispatch from Los Angeles, dated April 12, 1939, headed "Ends Life to Avoid War. Fear Drove Boy of 17 To Hang Self, His Mother Believes."

I know that every Member of this body, regardless of his political affiliations, is primarily interested in keeping the United States out of war. Regardless of political affiliations, we all of necessity must admit that war hysteria in the United States is doing more damage to the United States than anything else at this hour.

I am extremely happy this afternoon. I know that none of my colleagues is envious of me in that happiness, because this is a body of unselfish men. I am extremely happy, particularly because I saw in the Washington Daily News of today a statement by a Member of this body whom we all admire, a man for whom we all have and will ever maintain the deepest affection, an affection as deep as that which was portrayed for our beloved comrade who has passed to the Great Beyond, and whose seat now is being occupied by the junior Senator from the State of Indiana [Mr. MINTON]. I speak of our beloved and departed friend, Hon. James Hamilton Lewis, of Illinois.

The man of whom I am about to speak is the senior Senator from one of the great States of the West, the Senator from Idaho [Mr. BORAH]. I desire to read what the Senator from Idaho said. I know Senators will listen to his words, because they are profound. When he speaks in this body we all listen, because we know that his words are the words of wisdom, like the words which fall from the lips of that great American, that great statesman, GEORGE W. NORRIS, to whom we have just listened.

I am not flattering the Senator from Idaho. I am not trying to curry favor with the Senator from Idaho. However, I am taking advantage of repeating as often as I can the name of the Senator from Idaho, because I know that his name and his words carry weight, not only in this body but throughout the entire length and breadth of the United States.

I am bringing his statement to the attention of the Senate in the form of a letter recently written by him. I share

his opinion. I have stated innumerable times the very same things which the Senator from Idaho says.

I wish to read:

Senator BORAH, Republican, of Idaho, denounced European democracies today and advised youth that any war arising from the issues of the current crisis would be "sordid and imperialistic."

This is the Senator from Idaho talking.

Senator BORAH expressed his views in a letter to students of St. Olaf College, of Northfield, Minn., who asked advice of the veteran isolationist and member of the Senate Foreign Relations Committee, because of "the growing war menace."

Senator BORAH said the issue in any war would not involve the question of democracy or totalitarianism. He contended that the European nations were all alike in their dealings in international affairs.

A SPOILS TREATY

"It was the democracies of Europe which wrote the secret treaties by which all the spoils were divided even before the (World) War was closed," Senator BORAH said. "It was the democracies of Europe which wrote the Versailles Treaty, not a peace treaty, but a spoils treaty. It was the democracies which for twenty-odd years refused to make any changes in the Versailles Treaty looking toward peace.

"These European powers, whatever may be their idea of ideology or political views, pursue one and the same course when they come to deal with international affairs. They all alike violate treaties, disregard the most fundamental principles of right, pursue methods which inevitably lead to war, and then call upon the United States, Canada, and other nations to save them from their own intolerable and vicious methods."

FIGHT HERE

This Nation abhors the doctrines of nazi-ism and communism, Senator BORAH said, but American youth should deal with them when they become a menace in this country and not abroad.

That is good advice.

Senator BORAH counseled youth to "investigate for yourselves as to the real issues which threaten to involve us in another European war.

"A thorough investigation will disclose to you that a more sorbid, imperialistic war could hardly be imagined than this war, should it unfortunately come," he said.

"HAD THEY FOLLOWED * * *

"Reflect for a moment how much better the condition of the world today would be had the spoils of the victors never been incorporated in the Versailles Treaty and all had followed the far-seeing statesmanship of the then President of the United States.

"The courageous Prime Minister of Canada, Mackenzie King, said a few days ago—

This is the Prime Minister of Canada now speaking, Mr. President.

" 'The idea that every 20 years this country, which has done all it can to run itself, should feel called upon to save periodically a continent which cannot run itself seems to me a nightmare and sheer madness.' Again he said: 'In a war to save the liberty of others, and thus our own, we should not sacrifice our own liberty or our own unity.' "

The Senator from Wisconsin [Mr. LA FOLLETTE], who is now presiding over the Senate, will recall that this afternoon the able Senator from Minnesota [Mr. SHIPSTEAD], who is now in the Chamber, read extracts from a speech delivered in the Parliament of Canada by the Prime Minister of Canada in which the Prime Minister of our neighbor to the north said, in effect, "Let us look after our own knitting; let us take care of our own chickens; let us look after our own sons and daughters; let us concentrate our thoughts upon our own industry; let us confine our activities to mental and physical needs and the desires and the benefit of the citizens of Canada." The Prime Minister of Canada said, in effect, "Let Great Britain take care of herself; we are tired being called upon every 20 years to send the youth of our land, the sons of our Canadian mothers, to Europe to save the so-called democracy of Great Britain."

That was not the Senator from Idaho [Mr. BORAH] speaking; that was not I speaking; that was not the able senior Senator from Minnesota [Mr. SHIPSTEAD] speaking; that was the Prime Minister of Canada speaking, who says that today it is the duty of Canada to take care of Canadians and let Mr. Chamberlain and the Parliament of Great Britain take care of the 49,000,000 people constituting the population of the British Isles.

Here we are exercising ourselves—about what? Exercising ourselves now because we cannot get into a war. The war hysteria in this country has become so strong as a result of propaganda from abroad that the truth about the matter is that our people have been thrown into such a state of great unrest that they almost want to go to war.

Now, let us see about that. Let us face the facts, Senators. Let it be understood now that you and I and all of us are interested in only one thing under God's sun, and that one thing is to keep the United States out of war. I want to keep it out. I will never cast a vote to embroil America in war.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. MINTON. I should like to ask if the Senator knows of any Senators on the floor who want us to go to war?

Mr. REYNOLDS. Not a soul.

Mr. MINTON. Does the Senator know of any Members of the House of Representatives who want us to go to war?

Mr. REYNOLDS. Not one.

Mr. MINTON. Then who is it who wants us to go to war?

Mr. REYNOLDS. That is what we are trying to find out.

Mr. MINTON. Is it anybody in official life who wants us to go to war?

Mr. REYNOLDS. Not that I know of.

Mr. MINTON. Then, who is it that wants us to go to war?

Mr. REYNOLDS. I read some articles—and I assume the Senator knows that there are some activities on the part of units or groups in this country who are doing their best to get the United States of America to declare that it will join its physical and moral forces with Great Britain and France in case they have a war.

Mr. MINTON. How about the bund?

Mr. REYNOLDS. I will say to the Senator I am opposed to any organization in this country preaching any doctrine that is contrary to American doctrine. I am highly in favor of the passage of the resolution introduced in the other House of Congress by the Honorable JOHN J. DEMPSEY, of New Mexico, and in this body by that great patriot, the Honorable TOM CONNALLY, of Texas, which would expel from our shores any alien who by word of mouth seriously advocates the overthrow of the United States Government. In that connection I wish to take this opportunity to congratulate the membership of the other House upon passing that resolution without a single dissenting vote.

Mr. MINTON. I will ask my friend from North Carolina if he considers the bund one of the un-American organizations?

Mr. REYNOLDS. I certainly consider un-American any organization that advocates anything other than 100-percent Americanism.

Mr. MINTON. The Senator is familiar with the bund. What does he say about the bund?

Mr. REYNOLDS. I am not familiar with the bund. All I know about the bund is that the bund had a meeting in New York and 27,000 packed Madison Square Garden at a dollar apiece, and on the outside there were about 27,000 opposed to the Nazis and to the Fascists. That is all I know about it, and immediately after the holding of that bund meeting, with 27,000 people present, I suggested that American patriotic societies, not only in New York, but in Chicago and Los Angeles, where bund organizations and the Communist organizations have been meeting, hold patriotic meetings to outbalance and to overcome the results of what might have remained in the minds of the people throughout the entire United States who had read of the meeting held by and under the control and supervision of organizations of that sort.

Mr. MINTON. Mr. President, does the Senator know whether it is a fact that the oath of allegiance to the bund organization, whatever it is, requires them to accept Hitler as their leader?

Mr. REYNOLDS. I have not the slightest idea.

Mr. MINTON. Suppose that that were true; would the Senator put the bund in the category that he condemns?

Mr. REYNOLDS. Of course, I would.

Mr. BONE. Mr. President, will the Senator yield?

Mr. REYNOLDS. Certainly.

Mr. BONE. I may not be able to make any contribution to the thought the Senator is expressing, but if any Member of the Senate has any illusions as to whether or not many people are hell-bent on putting us into war all he needs to do is to read the current issues of the newspapers and magazines, for there is apparently a very studied effort on the part of a large group in this country to thrust the United States of America into the conflicts of Europe by force of arms. That has been apparent, and a meeting recently held in New York is typical of the kind of junk that is coming out of the press of America. We are advised by this meeting, headed by some very well-known gentlemen, that we now confront the choice between liberty and slavery. In other words, we are going to become slaves unless we get into the European war that is now brewing.

Mr. REYNOLDS. And fight right now.

Mr. BONE. "We should let the little fellows over there" in Europe, say these gentlemen in New York, "know that we accept the challenge, and that if they want a fight they can have it." In publication after publication these articles shriek bellicosity. Then, this story winds up by using terms like this about Americans who have not the "guts" to fight:

> During the last 6 months the word "democracy" has become a byword for cowardice, for downright stupidity, for a complete lack of that leadership which has the courage of its own decision, and for deliberate betrayal of every given promise—if that act of treason—

Act of treason? For God's sake, is anyone guilty of treason because he does not want to go into another war in Europe and send our boys there to be butchered?

That is the sort of propaganda that is being smeared all over this country in thousands of pages day by day. Any Senator who suggests that the Senator from North Carolina is not correct in view of this volume of propaganda that is being poured out cannot read.

Mr. REYNOLDS. I thank the Senator very greatly for his contribution.

Mr. MINTON. Mr. President——

Mr. REYNOLDS. Before yielding to the Senator from Indiana, I want to ask the Senator from Washington to favor me and to favor the American people by inserting the article to which he has referred into the RECORD as a part of his remarks as a contribution to my warning to the American people.

Mr. BONE. I will say to the Senator it is not an article; it is merely a story in the newspapers similar to thousands of others.

Mr. MINTON. Mr. President——

Mr. REYNOLDS. I yield to the Senator from Indiana.

Mr. MINTON. I have developed to my satisfaction, of course, that the Senator from North Carolina does not know of anyone in official position who wants to send the United States into war. Of course the newspapers are powerful in this country; we all know that; but they do not vote on whether or not this country shall go into war.

Mr. REYNOLDS. No.

Mr. MINTON. The Senator from North Carolina, the Senator from Washington, the Senator from Indiana, and the other Senators will have something to say about that. So, the Senator from North Carolina says he does not know anybody in this House or anybody in the other House or anybody in the administration who wants to drag the United States into war. I want him to tell us who it is in authority who wants to do that?

Mr. REYNOLDS. Oh, certainly, I do not know of anybody in the Congress who wants us to go to war. Nobody would want us to go to war, because the Members of this body have in mind the mothers of America who would have to send their sons to war. However, I wish to say again, in support of what the Senator from Washington [Mr. BONE] has just stated, that everybody here who can read knows as well as I do that propaganda is being spread everywhere in this country for the purpose of getting us interested in again saving the so-called democracies of Europe.

We talk about a referendum. I think the Senator from Washington [Mr. BONE] is the one who circulated here a proposal for referendum, which would grant the American people the right to vote; that is, to say whether or not they would send their sons and pay their money to go over to Europe to save a lot of ungrateful people who now owe us $13,000,000,000. I inquire if the Senator from Washington is the one who did that?

Mr. BONE. Mr. President, will the Senator yield?

Mr. REYNOLDS. Yes; I gladly yield to the Senator from Washington; I should like to have his contribution.

Mr. BONE. I cannot claim for myself credit for having circulated it, but I would not absolve myself from responsibility for being one of its sponsors. I believe sincerely in the principle. I do not want the boys of America to be involved in another crazy venture overseas. We went over there once and "came home in a barrel," and the next time the boys will not come home to anything as tangible and real, for there will be no republic here then.

Mr. REYNOLDS. And I am told as to the ones who were killed over there, that the Frenchmen made us pay for the holes in which they were buried. That is how much gratitude they had.

I wish to say that, as a matter of fact, I have about made up my mind to support the resolution to which I have referred, because I think that the American people, the ones who provide their sons as cannon fodder, and the men who pay the taxes for war, should have something to say as to whether or not we shall enter into another foreign war.

Mr. BONE. Mr. President, will the Senator yield?

Mr. REYNOLDS. Yes; I yield.

Mr. BONE. The Senator, I am sure, and everyone else who is thinking coldly and objectively about this question, will find something to challenge them when they analyze the opposition to the referendum proposal. It comes from very high places. Why is it that men in high places object to a bill that will give the mothers and fathers of America an opportunity to vote on a measure that would permit them to have something to say about whether their boys shall go to Europe or Asia to fight in a foreign war? That proposal is being fought from very high places. That ought to have some significance to Americans who are doing any thinking. If men in high public places do not want war, if they want to keep our boys from foreign shores, then, in God's name, why are they fighting that kind of a proposal? When Senators answer that question in their own minds we shall have much more enlightenment on this question than we now have. I say to the Senator from Indiana that if he wants to know who is fighting these proposals, let him read the newspapers and he will ascertain whence the opposition comes.

Mr. MINTON. Mr. President——

Mr. REYNOLDS. I yield to the Senator from Indiana.

Mr. MINTON. Where are they being fought—in the newspapers?

Mr. BONE. Our own Government officials, this administration, fought that issue.

Mr. MINTON. Who is doing so? Name him.

Mr. BONE. We have the Secretary of State objecting to it, if you please. I am astonished that the Senator from Indiana should ask that kind of a question.

Mr. MINTON. Objecting to what?

Mr. BONE. Objecting to the referendum that the Senator from North Carolina has mentioned. I am astonished that the Senator from Indiana is not aware of that.

Mr. MINTON. I should be in favor of any referendum that the Senator from North Carolina is for. [Laughter.]

Mr. REYNOLDS. I thank my good friend very, very much.

In that connection, Mr. President, I have a suggestion to make. We can act on such a referendum more quickly, and we can save the American people money, by doing this: Let us provide that only American mothers shall have a right to vote as to whether or not they will send their sons to death, whether or not they will sentence their sons to be murdered. If Senators will accept that amendment, it will not take us long to hold such a referendum, and not another boy will ever be sent from America to Europe to be killed for the benefit of ungrateful people, and not another son will ever

be sent over there to be buried beneath the soil of France, or anywhere else, at the cost of the American Government.

Mr. President, a moment ago the Senator from Georgia [Mr. GEORGE] requested that I yield to him. I could not do so at the time, because the Senator from Indiana had requested that I yield prior to the time I noticed the senior Senator from Georgia. I am glad now to yield to the Senator from Georgia.

Mr. GEORGE. Mr. President, I merely wish to say that undoubtedly there has been propaganda in this country—very widespread propaganda and very subtle in its nature—to get us into war; that is, to create the war sentiment and mold the war mind here in the United States. The issue of peace and war, however, lies right in this body and in the body at the other end of the Capitol. It ought to be made abundantly clear and plain that we do not propose to carry the country into war; that when that issue arises, there are those of us here, humble though we may be, who will not vote to have the country go into war.

Mr. President, I desire to take occasion to say that anyone, whether in high or in low place, who gives assurance to European nations that this country is ready to go to war and will go to war, is simply misleading European nations, because the Congress of the United States and the American people have no idea of again engaging in a foreign war. They are highly resolved, I think, upon that course.

Mr. President, there is no need to gloss over the matter. Within less than a week the President of the United States, in bidding good-bye to the people of my own State, said: "I will see you again at Thanksgiving if we do not have war." That declaration, made by the President of these United States, will arouse and has aroused a genuine fear throughout this Nation that somebody has afforded some encouragement to the distinguished English statesman who today said that the United States was in full sympathy with, or fully shared, the expressions that had just been made in the House of Commons by the English Premier.

Mr. President, I speak very humbly here; but when the issue arises I will stand back of this desk and cast my vote against any participation in any war anywhere that means carrying our boys to foreign soil; and I believe Congress will do the same thing. The issue at least is here in the Senate and in the House, and it ought to be made abundantly clear to the American people and to the peoples of Europe that we do not propose to enter into any European war.

I thank the Senator from North Carolina for permitting me to make that statement.

Mr. PEPPER. Mr. President, will the Senator from North Carolina yield to enable me to ask a question of the Senator from Georgia?

Mr. REYNOLDS. I yield for that purpose.

Mr. PEPPER. I wonder if the Senator from Georgia understood or if anyone could have understood the President to have been referring to the question of whether or not war might come in the world generally, or in Europe generally, and not necessarily war to which the United States would be a party.

Mr. GEORGE. I do not know; but I will say to my friend from Florida that my mail today is full of appealing letters from mothers and fathers who did understand the President to suggest that he would be back unless "we" went to war; and I say that undoubtedly America is entitled to know how we in this body stand, and so is Europe.

Mr. PEPPER. Mr. President, the Senator does not deduce, does he, from any conduct on the President's part that the President is attempting to lead the American people into a war?

Mr. GEORGE. Mr. President, I am making no statement with reference to the President's purposes or motives; but the American people have not forgotten that many months ago the President at Chicago said that the thing and the only proper thing to do with certain aggressor nations was to quarantine them. The people of these United States have not forgotten declarations which have been repeatedly made by men in high official position; and consequently when good men and women, fathers and mothers, read the statement of the President, issued last Sunday, that "I will be back here at Thanksgiving unless we have war," they were excited; they were disturbed; and I am justified in my place in saying that I will not vote for war.

Mr. PEPPER. Mr. President, I think it is important that the country should have some idea of what the President could have meant when he spoke of quarantining certain nations.

What happens in case of a quarantine? Is it an aggressive or a negative action with respect to the quarantined person or place? Is it consistent with quarantining a given area that people may simply let it alone, and dissociate themselves from it? I mean, is that a possible interpretation of the President's statement in regard to quarantining aggressor nations?

Mr. GEORGE. It may be a possible interpretation of the President's statement; but I want to go further right now and say that I will not vote for any measure which will enable the President of the United States to declare who is the aggressor, to say nothing about quarantining the aggressor, because, in my judgment, when we take that stand, we shall take a step toward war.

Mr. PEPPER. Mr. President, does the Senator from Georgia make no distinction as to what our commercial relations should be between, for example, Germany and Italy at the present time and England and France?

Mr. GEORGE. Mr. President, our commercial relations are one thing, and they are governed by such laws as deal with and establish our commercial relationships; but I do say that we should take no part in any European war. In my honest judgment, there is at this time the least possible excuse that has existed at any time in our history for the United States to engage in a war with nations of Europe.

Mr. PEPPER. Mr. President, does the Senator make a distinction between the exertion of our moral force, and perhaps the conduct of our commercial policies, and physically entering into actual participation in a war with men and guns?

Mr. GEORGE. Mr. President, certainly I do; but I do not make any hair's-breadth distinctions that will not stand up. I now say that when we name the aggressor, and when we insist upon treating the aggressor as an aggressor, we have taken the first step toward war, and within 6 months the streets of American cities will again resound to the marching feet of American boys unless we here in the Congress have the courage to say that we do hold the issue of peace or war, and that we will not go to war.

Mr. PEPPER. Mr. President, is it a permissible inference that unless we perhaps do lend our moral strength, and perhaps some of our assistance less than physical participation in war, toward stopping the aggressors, the deplorable situation which the Senator imagines may come about upon the face of the earth, and that surely we shall do nothing to minimize that probability if we just stick our heads in the sand in the way that it is supposed the ostrich does, and do not contribute anything toward peace by our own efforts?

Mr. GEORGE. Mr. President, the Senator may make whatever contribution he believes he is able to make; but, so far as I am concerned, I will not support any measure which gives anyone under our form of government the authority to name and designate and declare aggressor nations in quarrels with which we are not directly concerned; that is, when our interests are not directly involved. I myself do not care to argue the question, because I know that when this country undertakes, as between all belligerents, to name the aggressor, then this country will take a step toward war. I do not propose to have my country take such a step, if I can prevent it. To the utmost of my power I will fight against the United States going into war, and I will fight against our being dragged into a state of war. I think that I am discharging my obligation to the American people in saying that I recognize my responsibility here to determine in a humble way and in small part the issue of peace and war.

I venture the statement, Mr. President—and I venture it without fear or hesitancy—that if we let Europe alone there will be no war.

Mr. BONE. Mr. President, will the Senator from North Carolina yield to me?

Mr. REYNOLDS. If the Senator will pardon me for just a moment, I have heard on numerous occasions from people who are well read, from people who spent last year in Europe; I have heard from them by letter and by word of mouth; and, incidentally, if Senators will pardon a personal reference, when I was in Europe in November and December I was told by everyone who was in the "know," to employ the parlance of the street, what the Senator from Georgia has just stated, that if we will keep out of European affairs and let Europe alone there will be no war in Europe, and if there is a war in Europe, then war will be declared on American soil, because Europe will never go to war unless England and France know that we are going to furnish them the materials of war and back them up to the hilt, to the limit.

I wish to answer the question the Senator from Florida has directed to the senior Senator from Georgia.

Mr. PEPPER. Will the Senator yield?

Mr. REYNOLDS. I desire to answer the Senator's question first, the question that was not answered by the Senator from Georgia.

Mr. PEPPER. Mr. President——

Mr. REYNOLDS. If the Senator will pardon me, I have the floor.

The PRESIDING OFFICER. The Senator from North Carolina declines to yield.

Mr. REYNOLDS. And I wish to have the privilege of answering the Senator, if he will pardon me.

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER. The Senator from North Carolina declines to yield.

Mr. PEPPER. I thought perhaps I could simplify the Senator's responsibility, because he is not answering me, since I have not attempted to make any suggestion.

The PRESIDING OFFICER. The present occupant of the Chair will protect any Senator in his right to the floor. Does the Senator from North Carolina yield to the Senator from Florida?

Mr. REYNOLDS. Gladly, Mr. President.

Mr. PEPPER. Am I to understand the Senator from North Carolina to say that he will not in any case agree to American soldiers being sent beyond American soil?

Mr. REYNOLDS. On no occasion would I send a son of an American mother to Europe to fight for any other government of the world.

Mr. PEPPER. May I ask the Senator whether in case the Monroe Doctrine were violated the Senator would agree that American soldiers might be sent——

Mr. REYNOLDS. That is altogether a different proposition. I am a firm believer in the Monroe Doctrine; and I go further than that; I say that, as a firm believer in the Monroe Doctrine, I would stand by those who believe that we should protect the Western Hemisphere.

Mr. PEPPER. Do I understand the Senator from North Carolina to say that if it were necessary in order to defend the Monroe Doctrine to send soldiers of the United States to South America, he would be agreeable to such a course?

Mr. REYNOLDS. Of course, that would depend largely upon the conditions which brought about the sending of our soldiers to the south. In view of the fact that we have gotten into that subject, and that the Senator mentioned our keeping our heads in the sand, let us be reasonable. I know the Senator is.

The Senator from Florida spoke of the Monroe Doctrine. In that doctrine we embody the thought and make the assertion to the world that here in the Western Hemisphere, where are located Canada—and the President of the United States included Canada—and the United States of America, the West Indies, Mexico, Central and South America, we have given notice to the world that this is our playground, this is our territory, this is our slice of the melon of the world, and we are the big boy with the big stick over here. That is what we are telling the world. To show the inconsistency of the attitude we now assume, with one breath we say, "This is our country, boys. Stay over where you are. If you come over here we will beat hell out of you." [Laughter.] That is what we are telling the world. In the same breath we are telling Japan that she cannot create for herself an empire in the East. We are telling her that she cannot do that which we have already done.

Mr. PEPPER. Mr. President, does the Senator favor letting Japan take the Philippine Islands?

Mr. REYNOLDS. The Philippines have been the greatest liability the United States has ever had. Consisting of hundreds of islands, with a population of about 16,000,000 people, they have cost the taxpayers of the United States millions upon millions of dollars. We have built fine roads for the Filipinos. We gave them such educational advantages and facilities in the form of schoolhouses as no other country of the oriental world has ever had the opportunity of enjoying. We have there constructed great fortresses and military posts; we have developed oil wells and great gold mines with American capital. We have been very generous with our investments there, and we have been very generous to the Philippine people, who are a fine people. But I do not think that we as a nation have any business in attempting to rule the world. That is the position I take in reference to that.

Mr. LUNDEEN. Mr. President, will the able Senator yield?

Mr. REYNOLDS. I yield.

Mr. LUNDEEN. Does not the Senator think that we ought to settle the real-estate titles of Europe and the boundary disputes in Europe? Does not the Senator think that when people get to quarreling about a boundary line in Europe, whether the line ought to be in one place or another, we should take our heads out of the sand and stick our noses into the fire and settle the dispute? Ought we not to go right over there and settle the real-estate titles and 2,000-year-old boundary disputes of Europe? Ought we not go over there and say how things are to be done in the Old World? They have not been able to settle their quarrels for more than 2,000 years. We thought we were settling them during the World War, but we did not settle them very well. Should we not go over there and try to settle them just once more? Or how many times should we go over there?

Mr. REYNOLDS. In further reference to the Philippines, I like the Filipino people. I think they are a very fine people. I know a great many fine Filipinos. I was there with the Senator from Indiana [Mr. MINTON], I was there with the Senator from Kentucky [Mr. BARKLEY]——

Mr. BARKLEY. Mr. President——

Mr. REYNOLDS. I beg pardon; not with the Senator from Kentucky [Mr. BARKLEY] but with the Senator from Utah [Mr. KING].

Mr. BARKLEY. I would have been delighted if I had been there with the Senator.

Mr. REYNOLDS. I thank the Senator very much. I am sure that if the Senator had been there with me he would have had a wonderful time, because I did not get a great deal of sleep, and the things I enjoyed, knowing the Senator as I do, I am sure he would have been right along with me enjoying. [Laughter.]

Mr. President, I like the Filipino people. I know some very charming Filipinos, some very fine Filipinos. I know the President of the Philippines, President Quezon. I was in the Philippines and witnessed the inauguration of the first President of the independent Filipino Commonwealth. I wish to say to the Senator that, despite the fact that I respect the Filipino people, despite the fact that I wish that we were rich enough to support them eternally, despite the fact that I wish that we had sufficient money to send them millions upon millions of dollars every year—perhaps, from the pockets of the taxpayers of the United States—I would not take from the bosom of the humblest American mother

her son and send him to the Orient or to Europe to save the Philippines or any other country.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. CLARK of Missouri. Would not the Senator be willing to send that son to the Congo, or somewhere else in Africa? The Senator did not mention the Congo.

Mr. REYNOLDS. Why should we send our money to the Filipinos? Why should we have our sons spill their blood for the Filipinos? I like the Filipino people. So do other Senators who have been there. They have learned to like those people. But, Senators, I ask the question, which is being asked today by the American people, Why should we worry ourselves to death about the other people in the world when we ought to be doing just what the Prime Minister of Canada said he was doing for his people? We ought to be taking care of the people of the United States. That is what we ought to be doing, instead of worrying about the people in the Philippines, or worrying about what is going to become of Chamberlain, or the people in London or the people in France. We had better be worrying about what we can do to help the people of the United States.

Mr. President, I sometimes think we have gone crazy. There are 11,000,000 people out of employment in the United States. In addition, there are 26,000,000 people who are working only part time. In addition to that, there are 3,000,000 people on the W. P. A. rolls. In addition, there are 300,000 youngsters, fine boys, in the C. C. C. camps.

In addition to that, there are 4,000,000 people working for the Federal Government, the 48 State governments, the more than 3,200 counties, the more than 10,000 municipalities, and the more than 20,000 political subdivisions in the United States. And here we are, with an indebtedness of $40,000,000,000, worrying about what is going to become of the poor Filipinos, or what is going to become of the boys over in London or those in Paris. My God, have we gone crazy?

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. LUNDEEN. In confirmation of the able Senator's statement, I will say that I had occasion to place in yesterday's RECORD, or that of the day before, the figures of the American Federation of Labor for the last 10 years, by months, as to unemployment, and they wind up with the figure for February 1939, of 11,470,000. The Hamilton Institute of New York gives the present figure of unemployment at 12,882,000, which is still higher.

Mr. REYNOLDS. I thank the Senator, but I want to be very conservative in my statement.

Mr. LUNDEEN. The statement of the Senator is amply borne out by the greatest bureaus that we have for determining unemployment. I do not know the exact figure on unemployment of our own congressional census, but it was nearly 11,000,000, and that certainly provides ample opportunity for the scope of our legislative talents. We have all we can do to attend to the job over here, and I should hope that we have the good ordinary common sense to attend to our own business.

Mr. REYNOLDS. But, Mr. President, have we?

Mr. BONE. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. BONE. I have always entertained a very high regard for the able and distinguished Senator from the State of Georgia [Mr. GEORGE], but when on this floor a moment ago he uttered sentiments that I think are very close to the hearts of the people of America, the average human beings in America, my admiration and respect for the Senator from Georgia deepened immeasurably.

I can only say, sir, that when he utters such sentiments there speaks a man. Thank God, there are in the Congress of the United States those who have the moral courage and the statesmanship to rise in this body and speak as he has spoken before we are met with another slogan such as "He kept us out of war," and other sentiments of that character, at a time when a man may utter his views without going to jail; for if this wild hysteria continues, it may not be safe for even a United States Senator to utter sentiments such as have been uttered this afternoon by the Senator from North Carolina [Mr. REYNOLDS] and the Senator from Georgia [Mr. GEORGE].

Mr. President, if this mania for interfering with other people's business continues, it will not be safe even for a Member of the Congress of the United States, who speaks for the people of his State, to stand in his place and utter sentiments of this kind.

Mr. REYNOLDS. Pardon me; but I want to warn the Senator now that he had better guard his remarks, because if he uses too strong language on the floor of the Senate or elsewhere in his endeavor to try to keep the United States out of the European trouble the first thing he knows he will be labeled a Nazi or a Fascist. The Senator had better be careful! [Laughter.]

Mr. BONE. Mr. President, it is highly revealing to discover on the pages of American history that have been written in the past that only a few years ago we were arming Germany, the Germany we appear now to hate so much. We were arming Germany in the air with our own American airplane facilities.

The committee upon which the able Senator from Georgia serves developed the fact that private American munitions manufacturers were at that moment sending hundreds of the finest American military airplanes into Germany.

On November 3, 1934, nearly 5 years ago, Mr. Bryce Oliver, now a prominent radio commentator in the city of New York, wrote a very enlightening article in the Macfadden Weekly, which was headed: "United States and Britain Arm. Munitions Makers Sow Dragon's Teeth as They Prepare to Sell 2,500 Battle Planes to the Hitlerites for 'Defense Only.'"

We were at that time arming Mr. Hitler in the air and creating this Frankenstein monster that now apparently rises to torment so many people. Those of us in the Munitions Committee who dared stand on the Senate floor and protest were chided, and not always gently, sir, by Members of this body, for being alarmists.

Mr. President, I ask unanimous consent that the article to which I have referred, which is now nearly 5 years old, written by Mr. Bryce Oliver at that time, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Macfadden Weekly of November 3, 1934]

UNITED STATES AND BRITAIN ARM GERMANY FOR AERIAL WAR—MUNITION MAKERS SOW DRAGON'S TEETH AS THEY PREPARE TO SELL 2,500 BATTLE PLANES TO THE HITLERITES FOR "DEFENSE ONLY"

(By Bryce Oliver)

WASHINGTON.—Shocking as they were—those grim revelations of the Senate munitions inquiry—there was other evidence, even graver in character, which has been suppressed in fear and trembling of a world-wide conflagration.

It is concerned with official American recognition of certain contracts, under which American and British firms are swiftly rearming Germany in violation of the Treaty of Versailles, to which both nations are signatories.

And the reason for the suppression of the evidence lies in the certainty that France, whose fears of a German military renaissance have been jeered by the great mass of uninformed, will take panicky measures to enforce article 198, section 3, of the Versailles Pact, and at the same time pin the black badge of perfidy on the United States and England.

Morally, all signatories to the treaty are obligated to enforce the article, which declares: "The armed forces of Germany must not include any military or naval air forces. Germany may, during a period not extending beyond October 1, 1919, maintain a maximum number of 100 seaplanes or flying boats, which shall be exclusively employed in searching for submarine mines."

But one part of the suppressed evidence—a secret that strained the poker faces of seven Members of the United States Senate—discloses that with the full knowledge of the United States Government, American and British firms are straining every sinew to equip a vengeful German Government with a war fleet of 2,500 fighting airplanes by the early part of spring next year.

Fantastic, almost unbelievable though it is—this outright disclosure of contracts, numbers, and program—it is nevertheless backed by documentary evidence so unimpeachable that the very vigor of the hard-cash, cold-blooded treachery it implies must inevitably force that evidence into the excitement-charged hearings of the munitions inquiry.

AIDS FOR HITLER

Because it shows that the war plans of Adolph Hitler are supported by American and British industrialists with the full knowledge of this Government!

The State Department, also the Departments of Commerce and War, have so far taken the view that it may be all well enough to expose the greed of private munitions manufacturers—all of them intensely eager to make millions out of mass killing—but that it is a decidedly different matter to expose the tacit approval of the Departments of State, War, and Commerce.

Disagreements over this view were responsible for the tense conferences behind closed doors, which occasionally preceded the open hearings of the munitions inquiry last September. Committee members were seen to emerge from these conferences in varying moods—two or three angered and set-faced; others genial, or grave, or hesitant—all in accordance with their individual outlooks. All of the Cabinet and department officials they left behind, however, were tense and ready for almost anything.

Some of the documents the Members of the Senate were induced to suppress referred to arms for the wars of China. The Members of the Senate agreed readily enough that nothing could be gained by inflaming Chinese factions to new and bitterer strife.

One important document, relating to the sale of war materials to Argentina, might result in "assassinations," it was announced at the open hearing. This suppression also was agreed to readily by the members of the committee, who—it seems fair enough to disclose this much—were shocked more than they ever admitted in public by the evidence that the graft had reached so high as the Argentine gentleman concerned with the suppressed document. The graft—and it seems reasonable that this explanation should be made—reflected against someone considerably more important than the Argentine admiral (Ismael Galindez) whose feelings were so hurt by the remarks of Senator BONE that his nervous Government made formal protest to Washington.

Oh, if Argentina only knew!

DOCUMENTS SUPPRESSED

But these documents have been suppressed, and so far as the Senate committee is concerned, they may remain suppressed. That is not the case, however, of evidence tending to show tacit Government approval of contracts to supply the Hitler government with the necessities of a war that the whole world fears. The next bracket of the inquiry, which will begin early in December, may be concerned very seriously with that situation.

There were some cryptic utterances, the import of which was startling, that were made either at the inquiry or in direct connection with the inquiry.

Jungo Geirk, international spy and war provocateur for munitions makers, declared in his elaborately guarded home at Monticello, N. Y.:

"I would not dare to tell all. It would bring war to five nations, including the United States."

In the open hearings, Senator BENNETT CHAMP CLARK, hard-hitting, hard-bitten chip of the old block from Missouri, charged that the rise of Hitler (with his candid war program) had been financed by French munitions manufacturers—the same who pooled profits with the German manufacturers from the sale of death dealers during the World War to both Germany and France.

On September 14 came that part of the inquiry that caused the world to wonder what form of murder collusion was now in the air. An hour before the hearings started in the Senate caucus chamber, members of the committee gathered in the office of Senator GERALD P. NYE, wide-eyed, always amazed farm boy from Cooperstown, N. Dak., who is chairman of the committee—and is getting an earful.

There came Senator HOMER T. BONE, of Tacoma, Wash., sarcastic, wily, antagonist of the Power Trust and pillar of the Roosevelt strength in the Northwest; and stony-faced CHAMP CLARK; and careful WALTER F. GEORGE, of Georgia; and another westerner, James P. Pope, of Idaho; also ARTHUR H. VANDENBERG, of Michigan.

One by one they strolled along the long corridors of the Senate Office Building and into the office of Senator NYE. And following them came suave Cordell Hull, Secretary of State, and Daniel Calhoun Roper, Secretary of Commerce, a boy from South Carolina who made good in the Democratic Party and may now be considered the cleverest politician—not excluding Roosevelt's man Farley—in the administration.

Something of world import went on behind the door that closed behind them all. Newspaper correspondents sought the answer. All that appeared clear in the subsequent open hearing in the Senate caucus chamber was that there was an evident reticence whenever certain topics were reached. Something was being censored.

Was it the cablegrams which had passed between New York and Buenos Aires in relation to submarine sales to Argentina? Was it the testimony with regard to sales to China? Apparently not. Clearly, it had something to do with Germany and the Nazi ambitions. The hearing brought into the limelight the international war provocateur, Jungo Geira, and his relations with the du Ponts of Delaware.

SIGNIFICANT STATEMENT

Late in the day, Senator NYE attempted to make the secret conference appear innocent. He issued a statement:

"The committee desired this conference in order that it might present to them (the Secretaries of State and Commerce) certain information and facts regarding matters not yet presented in the investigation and to request the cooperation of their departments in the development of factual exhibits.

"As has been the result in the past, the departments offered their complete cooperation."

It may now be told for the first time that the subject of the conference was certain roundabout, exceedingly careful questioning of witnesses, which occurred 3 days after the conference, at the hearing on Monday, September 17, when the principal witnesses were Donald L. Brown, president of Pratt & Whitney, makers of Wasp and Hornet airplane motors (a subsidiary of the Government-subsidized United Aircraft & Transportation Corporation); Francis H. Love, president of another United Aircraft subsidiary, the United Aircraft Exports, Inc., and—

A silent witness—a secret folio of documentary evidence that lurked in the background!

GERMAN BUSINESS THRIVING

The hearing itself showed with fair clarity the fact that the United Aircraft business in Germany had increased tremendously following the Nazi accession to power. It was also disclosed that United Aircraft had licensed the Bavarian Motor Works in Germany to manufacture the American-type airplane engines.

But what of that? The Bavarian Motor Works, although one of the three largest companies of the kind in Germany, could only turn out about 250 engines a year.

And—Donald Brown, president of Pratt & Whitney, is testifying: "Our information is that they (high-speed airplane engines shipped to Germany from the United States) are for commercial purposes, and I shall add that there was not an engine shipped until it was released by the Navy Department in Washington."

Members of the Senate committee did not blink as this statement was made. But they must have experienced a strain.

Strained? Senator BONE puffed thoughtfully at his big cigar; NYE's eyes widened still further; BENNETT CHAMP CLARK's face was set in hard lines; VANDENBERG's eyes were seen to harden and narrow; and GEORGE pursed his lips.

These Members of the United States Senate had seen, only a few days before, evidence that the Department of Commerce, the Department of State, and the War Department had information that the engines were intended for war planes.

Two thousand five hundred of them by early spring of next year and a fleet big enough to sweep the skies of all Europe within 18 months.

"Has the thought been in your mind," Senator VANDENBERG asked Mr. Brown in the open hearing, "that you were aiding the rearmament of Germany?"

"NOT FOR MILITARY USE"

"Our information was that the shipments were not for military purposes," replied the president of Pratt & Whitney.

But the United States Government had other information at the time—had been in possession of it since last April. It had also been informed that the Sperry Gyroscope Co. was straining to deliver automatic pilots and the like to Germany; that manufacturing rights had been sold to the Askania Works in Germany for the production of fire-control instruments; that the American firm of Curtiss-Wright was also getting in on the business; and that representative of Vickers, Ltd., of England, and representatives of American concerns now in Berlin had come to agreements on exports to Germany and possible eastern allies.

It was so deadly clear that the link between Pratt & Whitney and Vickers was through the business both were doing through the Bavarian Motor Works!

But the evidence was withheld—for the time being. Secretary Hull had stated openly that he was opposed to the rearming of Germany, but the insurmountable truth exists that the Government had been informed that Goering, who is Hitler's air minister, is so completely in the saddle that every little bit of foreign exchange that Germany can scrape together is at Goering's disposal for the accumulation of a war fleet that will make Germany the complete mistress of the air.

If this German air fleet (power by United States—fuselage by Germany) should ever strike, Heaven help the generations of Americans and English yet unborn, who would have to meet the cost.

Mr. LUNDEEN. Mr. President, will the able Senator yield?

Mr. REYNOLDS. I yield.

Mr. LUNDEEN. In that connection I wish to remind the Senate that we gave Mussolini interest rates of approximately one-tenth of 1 percent, but when do Americans get money for one-tenth of 1 percent? We did that in connection with the refunding agreement. Mussolini was in charge of the Italian Government at that time. That is an illustration of what we have been doing for Europe, but just what are we willing to do for the 12,882,000 unemployed we have here in America? And if we wish to provide the comparatively small amount of $50,000,000 to employ them, to get them to work, under an emergency plan, the W. P. A., we run into much difficulty. However, we do not hesitate to appropriate nearly $2,000,000,000 for war this year. War for what? War to settle real-estate titles in Europe? Wars

to settle the boundary disputes of an old and quarreling world.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. LODGE. Is it not also true that 2 years ago the Congress passed a bill making available to Germany helium gas, a resource which is only found in this country?

Mr. REYNOLDS. Yes; it is. I thank the Senator very much for his contribution.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. MINTON. We made it possible for them to buy it only if the Secretary of the Interior and some others would let them have it, and they have never let them have it.

Mr. REYNOLDS. That is true.

Mr. MINTON. And that, in my recollection, was for commercial purposes only.

Mr. LODGE. It is to the credit of the Secretary of the Interior that he has not allowed that gas to be exported.

Mr. MINTON. The Senator did not say anything about the Secretary of the Interior.

The PRESIDING OFFICER. The rules provide that Senators desiring to interrupt the Senator who has the floor shall first address the Chair.

Mr. LODGE and Mr. MINTON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Carolina yield; and if so, to whom?

Mr. REYNOLDS. I yield to the Senator from Massachusetts [Mr. LODGE] in that he asked me to yield first, and I understand that the Senator from Indiana desires to question the Senator from Massachusetts. I have no objection.

Mr. LODGE. Mr. President, of course it is true, as the newspapers have stated, that the Secretary of the Interior very correctly has not allowed any helium gas to go abroad, but it seems to me that the place where that decision should have been made was right here in Congress, and that we should not have abrogated our authority and delegated the power over so precious a resource.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield to the Senator from Illinois.

Mr. LUCAS. Perhaps I should not inject myself into this very interesting debate; but as I have listened one question has been turning over and over in my mind, and I believe the Senator from North Carolina can clarify the matter for me, because he is an inveterate reader of newspapers, magazines, and books, and keeps close touch with what is going on in the city of Washington.

I am sorry other Senators are laughing, because I assure the Senator that I made the remark in the best of faith.

A moment ago the Senator from Georgia [Mr. GEORGE] referred to the statement made by the President of the United States when he left the State of Georgia, which was a very important statement. I should like to ask the Senator from North Carolina if he knows whether or not the President of the United States has in any way attempted to clarify or qualify the statement since it was made.

Mr. REYNOLDS. I will say to the Senator that I have heard a number of persons mention the statement of the President of the United States; and I have heard that the statement of the President of the United States has been the subject of an editorial in the columns of the Washington Post of day before yesterday. I had not read the editorial, and last evening I endeavored to obtain a copy of the Washington Post editorial, but was unsuccessful. I have been told that mention of it was made in the New York Times of yesterday. I was unsuccessful in obtaining a copy of that newspaper; so this morning for the first time I had brought to my eyes in printed form an editorial in today's Times-Herald, issue of Thursday, April 13, 1939, entitled "Mr. Roosevelt's Foreign Policy," which I should now like to read. I thank the Senator for having brought the matter to my attention, because I had intended to comment on the editorial.

This is an editorial, by the way, from the New York Daily News. I understand that the Times-Herald quite frequently uses editorials from the New York Daily News. The editorial reads as follows:

The letter which leads today's Voice of the People column is representative of several letters we have received of late. Here is the answer—

Before reading the editorial I should bring to the attention of the Senate the letter which appeared in the New York Daily News and was reprinted in the Times-Herald. According to my recollection, the author takes to task the editor of the New York Daily News for criticizing, in a sense, the President of the United States when, in fact and in truth, as I recall, the editorial policy of the New York Daily News has heretofore been favorable to our administration.

I take note of your editorials questioning the President's foreign policy, particularly that Tuesday one expressing uneasiness over the President's remark, "I'll be back in the fall if we don't have a war."

What's the matter with you? Are you abandoning your long-time policy of supporting F. D. R. and the New Deal? I think you owe your readers an explanation.

The explanation follows in the paragraphs of the editorial:

As concerns the New Deal on the home front, we continue some 95 percent loyal and sympathetic.

We think the major New Deal reforms were overdue and that they were initiated about as efficiently and effectively as could have been expected.

I am quite in accord with that statement. I think the administration is to be congratulated.

More than that, we think the President has educated great numbers of Americans to a new conception of social and economic problems in the modern world.

He is to be congratulated upon that, because, as the editorial stated, the New Deal reforms were overdue.

The allegedly good old days are gone, seemingly forever—days when, for example, a newspaperman didn't mind being fired or resigning from one paper, because there were plenty of newspaper jobs, and maybe better ones, to be picked up in Denver, Fort Worth, or even across the street in New York.

There are fewer jobs now.

The Senator from Minnesota [Mr. LUNDEEN] mentioned the unemployment question a moment ago.

The editorial continues:

Loss of a job is a serious matter to most people. Provision for old age is beyond the control of many workers. The conviction that Government must do something about these problems, which are too big for the individual, yet hit him where he lives, has been Mr. Roosevelt's greatest contribution to American thinking, we believe.

We admire the governmental machinery Mr. Roosevelt and his supporters have set up—

Those of us who are in accord with the editorial will no doubt take this opportunity to thank Captain Patterson, the editor and publisher of the New York Daily News, for his compliment to our President and to the administration.

We admire the governmental machinery Mr. Roosevelt and his supporters have set up to put these and other dynamic ideas into operation—Social Security Act, Wagner Act, Soil Conservation Act, T. V. A. Granting that they can be improved as time passes, we believe their cores are sound. We distrusted work relief at first, but have been converted to the Roosevelt view that it is better than the dole.

We admire the President on various other counts—for one, his genius as an orator, coupled with his tremendous radio personality.

It is when the President concerns himself with foreign affairs that we become perhaps timorous, perhaps wise—time should tell.

There is a subhead, The Road to War. That brings us to our subject this afternoon, which subject is today weighing more heavily upon the hearts of the mothers of this country than it has for more than 20 years. I now warn the mothers of America that if the war hysteria continues, their sons may be buried over yonder. The mothers of America are the ones who ought to be thinking about this subject.

We have long feared that President Roosevelt had something of a Woodrow Wilson complex; that his tendency was to forget that he was elected President of the United States only, not President of the world.

At this point I wish to say that I think we ought to rid ourselves of our superiority complex, which causes us to think that we are so much better and smarter and wiser

than any other people in the world, that we have a right to regulate the morals of the other peoples of the earth, and to tell them what to do, and how to regulate their territorial surveys. So far as I am concerned, I say, let us put our own house in order before sweeping out the cobwebs or the filth of other domiciles.

Mr. LUNDEEN. Mr. President——

Mr. REYNOLDS. I yield.

Mr. LUNDEEN. What was the sentence about being President of the world?

Mr. REYNOLDS. The editorial says:

We have long feared that President Roosevelt had something of a Woodrow Wilson complex, that his tendency was to forget that he was elected President of the United States only, not President of the world.

Since the memory of man runneth not back to the contrary Europe—

And everybody knows this—

Europe has been a continent where the strong customarily seized the lands, crops, cattle, homes, and frequently the women of the weak.

Let me pause to ask, Why should we become excited about what is going on in Europe? Those who are students of history know as well as I do that the very thing which is taking place over there today has been taking place over there for hundreds of years, and it will continue as long as the world lasts. So I, for one, am not going to become excited about what is going on in Europe. However, I am becoming excited about what is going on in this country. The strong will continue to seize the lands, crops, cattle, homes, and frequently the women of the weak.

The editorial continues:

As long as Europe continues an overcrowded continent (four times the population of the United States, with only 100,000 square miles more land area)—

Students of geography will remember that the 100,000 square miles more of land area includes the peninsula of Spain and the Scandinavian countries—

we think the strong will continue to prey on the weak.

Whenever one of these things happens, Mr. Roosevelt says—personally or through the "official spokesman" or Sumner Welles or Secretary Hull—that it is a terrible thing, and that the United States cannot isolate itself from the criminalities of Europe's power politicians.

The editorial continues:

Mr. Roosevelt reached a climax in this course Wednesday when he adopted a Washington Post editorial as expressing his own views.

This is, in part, an answer to the inquiry of the Senator from Illinois [Mr. LUCAS].

This editorial from the chronically anti New Deal Post was a typical "get in there and fight on the side of England and France" utterance. Interestingly enough, the President is getting most of the support for his lecturings of Europe from papers and persons that have damned the New Deal on the home front from the beginning.

We do not suppose Mr. Roosevelt believes he is leading the United States into another European war.

That is a good supposition, because anybody and everybody knows that Mr. Roosevelt is not intentionally doing so. No one would intentionally do so.

Neither did Wilson suppose his repeated notes to Germany would eventually land 2,000,000 American fighting men in France to battle for a cause which was none of their business.

We believe Mr. Roosevelt sincerely hopes that by sounding off in concert with England and France he can bluff the dictators out of further aggressions against small European nations. What worries us is the possibility that some day the American people may have to make good this bluff with boys, blood, and gold.

The editorial concludes:

Therefore we deplore the President's present foreign policy and dread its possible consequences. We cannot feel any other way about it.

Mr. President, I ask leave to have printed in the RECORD at this point an article from the news columns of the Washington Times-Herald of today, and a letter published in the same issue of the newspaper under the heading "Voice of the People."

There being no objection, the article and letter were ordered to be printed in the RECORD, as follows:

[From the Washington Times Herald]

COLBY PLEADS FOR "SOBRIETY" IN WAR CRISIS—EX-SECRETARY OF STATE CALLS UPON PRESIDENT TO "CONSULT PEOPLE WITH RECEPTIVE MIND"

NEW YORK, April 12.—Bainbridge Colby, who was Secretary of State in the Cabinet of Woodrow Wilson, pleaded tonight for "sobriety in our national counsels and in our national leadership" during the current European crisis.

In an address before the Sons of the American Revolution, celebrating the fiftieth anniversary of their foundation, Colby asserted that "we want the President to consult with the people and their Representatives in Congress with open and receptive mind, and to respect their judgment even if it fails to accord with his plans or prepossessions."

RESPONSIVE TO EUROPEAN SHIFTS

The United States, he said, has now "become so responsive to every shift and turn of European move and countermove that we could hardly be more so if we were a puppet state in southeastern Europe, even a member the Balkan league itself."

"Are we not content to be out of it and far from it?", he asked. "Is there any conceivable view of our national interest which compels us to jump into this cauldron or, stopping short of war, to use a phrase which has lately become familiar, even to scald our fingers in it?"

AMERICANS OPPOSED TO WAR

Despite intensive propaganda, he continued, "the thoughtful and intelligent opinion of Americans, easily seeing through the efforts of the propagandist, is still definitely opposed to our entrance into any war except one to defend our clear, unmistakable, and vital national interests and our democratic institutions."

"And one thing more," Colby added, "We do not want to make mistakes. They are unnecessary. But if they must be, we want to make new ones."

VOICE OF THE PEOPLE

* * * * * * *

A MESSAGE FOR ALL

Today I watched the sunlight as it illuminated a glorious nation. It is the smile of God, not only on our country but on all countries of the vast universe. That smile of sunlight does not suggest war, but peace to all people.

The countries have been confused for many years. Now to you—you who are trusted by the people to govern for them their country and your country, take it as a sacred trust. Remember within that country are human beings and homes; yes, homes which are shrines, so humble yet beautiful, for many have truly labored a lifetime to attain them. Do not shatter them by war. All nations have learned that war is a monster. God has so graciously given us life and beautiful country, good earth. Utilize it for the progress of the Nation and let us conduct ourselves as cultured people by peace and trade with all nations, not jangling like school boys—our minds are now mature.

In our last war countries were shattered, lives broken, for what? There is no answer. And after 20 years there are cries of pain from the wounded and dying.

To the presidents, dictators, and kings: the progress, safety, and happiness of your people is in your keeping. God has given you brilliant minds. Prove to the world that you are using that talent well. Your diplomats are messengers of good will and fair play. What a small yet marvelous word, concentration the word, converse concerning it. Fair play is the answer to the problems of all nations. It is never too late to observe conditions and merge in a worthy cause of peace.

I challenge you presidents, dictators, and kings—prove to your people that you are worthy of the great trust and honor of your people, that you are worthy of the great trust and honor of your subjects. The money used in financing war—is that fair play, giving money to a monster which may destroy you? No; fair play would be utilizing it in making beautiful and promoting the health and prosperity of your nation.

Written by supreme inspiration to a troubled world.

BARBARA FOSSETT.

Mr. REYNOLDS. Let us reflect for just a moment in reference to our foreign policy, and then I shall answer the question which the Senator from Florida [Mr. PEPPER] asked the Senator from Georgia [Mr. GEORGE].

When Hitler went over and took land in the way that sometimes the boys in Texas and in North Carolina used to move a fence with the aid of a shotgun, instead of doing it legally by way of the surveyor—that is all that Hitler did—what do we find about our foreign policy? When he did that, Mr. Sumner Welles issued a declaration of war and, on top of that, he put a 25-percent penalty upon every importation from Germany to this country. That is what Mr. Welles did. That is our foreign policy. What did John Bull do? Why, John Bull at that time had a trade committee in Berlin negotiating to do more trading with Hitler;

and John Bull looked across the Atlantic and laughed up his sleeve, and said, "What fools they be!" We were cutting off and destroying our trade at a time when we need foreign commerce; and every time we did it John Bull's trade increased.

Now, answering the Senator from Florida, he mentioned a speech of the President of the United States.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Kentucky?

Mr. REYNOLDS. I do.

Mr. BARKLEY. May I inquire whether the Senator from North Carolina hopes to conclude his remarks this afternoon?

Mr. REYNOLDS. I will say to the Senator that I am going to occupy about 10 minutes. I have a resolution here which I desire to have read; and then I desire, as I now give notice to the Senate, to complete my remarks on Tuesday.

Mr. PEPPER. Mr. President, at what time will the Senator speak on Tuesday?

Mr. REYNOLDS. I shall be here at 12 o'clock.

Mr. BARKLEY. In view of that statement, am I to understand that the Senator is willing to suspend now?

Mr. REYNOLDS. As soon as I have my resolution read.

Mr. BARKLEY. It is perfectly obvious that we cannot make any headway today on the bill that is supposed to be before the Senate; and if we cannot, and the Senator from North Carolina can conclude his remarks for the day——

Mr. REYNOLDS. I could hardly conclude this afternoon. I will say to the Senator from Kentucky that I am going to conclude in about 10 minutes, because I have an appointment to meet a delegation from my State of North Carolina in my office, and I deem that rather necessary, because the Senator from North Carolina comes up for reelection 6 years from now, and I shall keep that fact in mind for the next 6 years. [Laughter.] I will further say to the Senator from Kentucky that during those 6 years the Senator from North Carolina is going to do everything he can to keep the United States out of war.

Mr. BARKLEY. What is the Senator's wish about proceeding further at this time?

Mr. REYNOLDS. I wish to consume about 10 minutes of time, and then I shall ask to be permitted to conclude on Tuesday.

Mr. KING. What about Monday?

Mr. REYNOLDS. I shall be out of the city on Monday.

Mr. BARKLEY. Then I shall make no suggestion now.

Mr. NEELY. Mr. President, will the Senator from North Carolina yield to me to propound a question to the Senator from Kentucky?

Mr. REYNOLDS. Certainly.

Mr. NEELY. Does the Senator from Kentucky intend to abandon all hope of proceeding with the deficiency bill this evening?

Mr. BARKLEY. Yes; and I will further say that it is my purpose to move an adjournment until Monday.

Mr. REYNOLDS. Mr. President, answering the question of the Senator from Florida [Mr. PEPPER], he referred to a statement made by the President of the United States some time ago, at which time the President employed the words "quarantine the aggressor." I desire to say to the Senator that at the time I heard that statement—I think it was some time in October, was it not?—I put this interpretation on it: I could not bring myself to believe that the President of the United States meant that we should quarantine aggressors by way of applying sanctions, because everybody knows that sanctions lead to war. That is the very reason why in 1935, when the British fleet was in the Mediterranean, and when Anthony Eden, the Foreign Minister, tried to get us to join Great Britain in the application of oil sanctions against Mussolini in Ethiopia, we refused to do it, because we knew it would lead to war. So what did I tell the people over the United States? I told them what I believed. I told them that the President meant that we were going to quarantine aggressor nations by simply staying away from them; and I illustrated that by the fact that if I lived in a block of houses, and down the street in one house was a case of typhoid fever, instead of going to my work by way of that house I would quarantine that house by going in another direction. That is the interpretation I put on the President's remarks when I spoke to the people of the United States. I found that that was the answer which the people of the United States wanted, and I gave them what they wanted.

In answer to the Senator's question to the Senator from Georgia in regard to stopping the aggressor nations, I desire to ask the Senator from Florida what he thinks we should do because Mussolini, like a great, big, eighth-grade bully, walks into the kindergarten playground and takes the marbles away from a boy in the kindergarten. What does the Senator from Florida think we should do? And so I ask, what does anybody think should have been done when Hitler went over and robbed the bank at Prague of $84,000,000 of gold that belonged to the Czechoslovakian people?

Mr. President, in conclusion for the afternoon, I desire to bring to the attention of the Senate the subject so frequently mentioned by the most beloved Member this Chamber has ever had, our departed friend, Hon. J. Hamilton Lewis. He constantly reminded the American people of the gratitude of the allied so-called democracies, the gratitude of socialistic France and imperialistic Britain. He reminded the American people of the foreign debts; and I desire to offer at this time a resolution, which I send to the desk and ask to have read.

The PRESIDING OFFICER. Without objection, the resolution will be read.

The Chief Clerk read the concurrent resolution submitted by Mr. REYNOLDS (S. Con. Res. 12), as follows:

Whereas a number of European nations owe the taxpayers of the United States a sum aggregating $13,000,000,000 in unpaid debts, arising out of the participation of this Republic in the World War; and

Whereas the national debt of this Republic now stands at the staggering total of $40,000,000,000, in comparison with a national debt of less than $2,000,000,000 immediately preceding its entry into that conflict; and

Whereas the people of the United States are now taxed beyond all reason; and

Whereas this Republic could make excellent use of the huge sum due it by those European nations now in default upon their indebtedness to the American people, who, in addition to the other enormous tax burden which they have to bear, are compelled to make good the installments that their European debtors refuse to pay as they fall due on June 15 and December 15 of each year; and

Whereas one of the controlling causes of the present deplorable condition of international affairs is the cold-blooded refusal of many nations to observe in a faithful manner the solemn international engagements entered into by them; and

Whereas each of the European countries now in default on its war debt to the United States signed a solemn compact with this Republic to pay its debt in specified form; and

Whereas the action of the United States in allowing the countries aforesaid to break their solemn compacts in this regard has unfortunately given great encouragement to international dishonesty and other forms of lawlessness; and

Whereas the forbearance of this Republic in the face of the refusal of its European debtors to pay according to the contracts solemnly entered into by them, has not purchased for it the good will of the nations in question, but on the contrary has earned for itself their contempt; and

Whereas a powerful attempt is now being made by the leaders of these defaulting nations to lure the United States into a second World War on the false issue of saving democracy, thus following the precedent by which this Republic was befooled into the first World War, out of which it gained nothing, but on the contrary lost a sum which competent authorities have set at $100,000,000,000; and

Whereas a century ago President Andrew Jackson demonstrated to all concerned that this Republic would not tolerate international defaulting, when he compelled France to pay her debt to the United States by adopting fearless American diplomacy in the face of her declining to pay; and

Whereas it has long been the practice of the Government of the United States to send abroad special envoys to handle important matters at issue between it and foreign governments; and

Whereas Mr. William Griffin, editor and publisher of the New York Enquirer, has performed an outstanding national service by his long and constant advocacy of the collection of these war debts, in his newspaper, on the public platform, and in other ways; and

Whereas Mr. Griffin has visited Europe on several occasions, and has discussed these war debts with leading men there, including Mr David Lloyd George, former Prime Minister of England; Mr. Winston Churchill, former Chancelor of the Exchequer of England; M. Albert Lebrun, President of France; Lord Robert Cecil, president of the League of Nations Union and former Minister of Blockade; and Count Galeazzo Ciano, Foreign Minister of Italy; and

Whereas Mr. Griffin, by reason of his grasp of this subject; his familiarity with the workings of European statecraft; his knowledge of European feeling (gained at first hand by conferences and talks with such outstanding figures as M. Albert Lebrun, President of France; Mr. David Lloyd George, former Prime Minister of England; M. Ignace Paderewski, former Premier of Poland; Mr. Eamon de Valera, Prime Minister of Ireland; Lord Robert Cecil, President of the League of Nations Union and former Minister of Blockade; Mr. Winston Churchill, former Chancelor of the Exchequer of England; His Holiness Pope Pius XI; Count Galeazzo Ciano, Foreign Minister of Italy; Mr. Anthony Eden, former Foreign Minister of England; and M. Georges Bonnet, Foreign Minister of France); his devotion to Jacksonian statesmanship; his service to this Republic in his long and ceaseless advocacy of the collection of these war debts; and his engaging personal qualities and varied abilities, is a man possessed of exceptional qualifications to act in the capacity of special envoy to Europe on the part of this Republic for the purpose of assuring the collection of the debts aforesaid: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That Congress would view with the utmost satisfaction the immediate appointment of Mr. William Griffin by the President of the United States as special envoy to Italy, England, Germany (for the Czechoslovakian debt), France, and the other nations now in default to this Republic, for the purpose of carrying out the all-important diplomatic mission aforesaid.

The PRESIDING OFFICER. Is there objection to the presentation of the resolution? The Chair hears none.

Mr. REYNOLDS. Mr. President, I ask that the resolution be referred to the proper committee.

Mr. BARKLEY. Mr. President, to what committee does the Senator desire to have the resolution referred?

Mr. REYNOLDS. I asked that it be referred to the proper committee.

The PRESIDING OFFICER. The resolution will be referred to the Committee on Foreign Relations.

Mr. BARKLEY. Mr. President, all the legislation thus far enacted and all steps taken by the Congress on the subject of the European debts have originated in the House of Representatives in the Ways and Means Committee, and in the Senate in the Finance Committee, and it strikes me that the Finance Committee is the committee to which the resolution just presented should be referred.

The PRESIDING OFFICER. The Chair would like to call the attention of the Senator from Kentucky to the fact that the resolving clause calls for the appointment of a special envoy. Therefore, the present occupant of the Chair was of the opinion that the resolution should go to the Committee on Foreign Relations.

Mr. BARKLEY. Of course, there is no law which authorizes the appointment of such a bill collector as the one referred to in the resolution. It is essentially a financial matter, and not a matter of dealing with our foreign relations. Personally, I do not care to which committee the resolution may be referred, because I am a member of both the committees I have named; but, at the same time, I do think it ought to go to the Committee on Finance. I have no personal interest in the matter.

Mr. CONNALLY. Mr. President, I dislike very much to disagree with the Senator from Kentucky; but, also being a member of both the committees to which he has referred, I think the resolution should go to the Committee on Foreign Relations. Clearly, whether what the resolution calls for is authorized or not—and that might be a good reason for sending it to either one of the committees named—it certainly relates to the appointment of an ambassador, and expresses concern about the appointment of Mr. Griffin.

The PRESIDING OFFICER. The Chair is ready to rule on the question.

Mr. REYNOLDS. Mr. President, in that connection, it must be remembered that for some time we employed an ambassador at large, Mr. Norman Davis. I am asking that at least we let the gentlemen abroad know that we have not forgotten the fact that there were due us as of January 1938, to be precise, $12,892,022,720.62. Perhaps if we are lucky, we can get the 62 cents. [Laughter.]

I wish to have embodied in the RECORD immediately following the resolution, as a part of my remarks of this afternoon, a statement issued by the Secretary of the Treasury as of January 31, 1938, in the form of a memorandum from the sheets of the books of the Secretary of the Treasury, showing the indebtedness of foreign governments to the United States as of the date of the memorandum.

Mr. President, in closing my remarks, I ask that there be published and embodied in the RECORD an editorial of Saturday, April 8, 1939, entitled "Easter and Neutrality."

In conclusion, I desire to have embodied in the RECORD a very able article which I just had opportunity to peruse while my resolution was being read at the desk, an article from the pen of Gen. Hugh S. Johnson in regard to the statement of the President of the United States when he left Warm Springs, at which time the President said, "I will be back on Thanksgiving if there is no war in Europe."

I now yield to the Senator from Minnesota.

The PRESIDING OFFICER. If the Senator will permit the Chair, there are several matters to be disposed of.

The Chair still believes that the resolution should be referred to the Committee on Foreign Relations, and so refers it.

Without objection, the sundry matters which the Senator from North Carolina requested to have inserted in the RECORD will be embodied in the RECORD.

The matters referred to are as follows:

Statement showing total indebtedness of foreign governments to the United States, Jan. 31, 1938

Country	Total indebtedness	Principal unpaid	Interest postponed and payable under moratorium agreements	Interest accrued and unpaid under funding and moratorium agreements
Funded debts:				
Austria	$26,005,480.99	$25,980,480.66		$25,000.33
Belgium	440,576,360.97	400,680,000.00	$3,750,000.00	36,146,360.97
Czechoslovakia	165,638,603.61	165,241,108.90		417,494.71
Estonia	18,039,718.13	16,466,012.87	492,360.19	1,081,345.07
Finland	8,350,481.00	8,198,489.98	151,991.02	
France	4,121,120,502.59	3,863,650,000.00	28,636,500.00	218,834,002.59
Great Britain	5,263,719,066.73	4,368,000,000.00	131,520,000.00	764,199,066.73
Greece	33,868,484.24	31,516,000.00	449,080.00	1,903,404.24
Hungary	2,316,268.35	1,908,560.00	57,072.75	350,635.60
Italy	2,019,907,055.68	2,004,900,000.00	2,506,125.00	12,500,930.68
Latvia	8,300,896.27	6,879,464.20	205,989.96	1,215,442.11
Lithuania	7,429,514.65	6,197,682.00	185,930.46	1,045,902.19
Poland	252,159,819.66	206,057,000.00	6,161,835.00	39,940,984.66
Rumania	63,971,892.36	63,860,560.43		111,331.93
Yugoslavia	61,663,515.63	61,625,000.00		38,515.63
Total	12,493,087,660.86	11,231,160,359.04	184,116,884.38	1,077,810,417.44
Unfunded debts:				
Armenia	22,705,400.00	11,959,917.49		10,745,482.51
Nicaragua	487,544.98	289,898.78		197,646.20
Russia	375,742,114.78	192,601,297.37		183,140,817.41
Total	398,935,059.76	204,851,113.64		194,083,946.12
Grand total	12,892,022,720.62	11,436,011,472.68	184,116,884.38	1,271,894,363.56

Above is a copy taken from page 23 from memorandum sheets from the Secretary of the Treasury, Washington, D. C., showing the indebtedness of foreign governments to the United States, up to January 1938.

Since this statement was made Finland has paid on account of above $232,935.50.

Hungary has also reduced their amount $9,828.16.

The indebtedness of Germany is not shown in above statement.

Lest we forget, the above figures should be stamped on the memory of every man and woman in every one of our 48 States. Thus, making it conclusive that our great Uncle Sam will never again act as Santa Claus to any ungrateful country.

Courtesy: Clarence T. Doty, Jacksonville, Fla.

[From the Washington (D. C.) Daily News, April 13, 1939]

ONE MAN'S OPINION

(By Hugh S. Johnson)

RICHMOND, VA.—Months ago the President was going to "quarantine" the aggressor nations. That didn't go over so well and for a time seemed to be forgotten. Then he began to talk about measures more than mere words but less than war. That seemed to mean economic, but not military war. That didn't click. The next glimpse at possible policy was more obscure. Did "some boob"

mistakenly think he heard in a confidential White House conference that "our frontier is on the Rhine"? Or did Mr. Roosevelt never say it?

It doesn't make much difference. It is clear now what the President has been planning. The Warm Springs farewell—"if we don't have a war (before Thanksgiving)"—has been interpreted by Mr. Eugene Meyer's Washington Post to be a warning to this country and the world that the President's policy is forceful intervention, if necessary, on the side of England and France and against the gangster nations. This interpretation the President has specifically endorsed as "very good, very clear, and very honest." He ordered it embalmed in amber "for posterity."

You may or may not agree with Mr. Roosevelt in this cavalier pronouncement for posterity which, while so gaily uttered, is as resonant as the bells of hell with doom and tragedy. You may not agree, but you must admit that at least it put an end to the long guessing contest or the game of missing words. It is frank and fearless—"very clear, very honest," if not "very good." It says right off the reel that if war starts in Europe the President proposes to put us in it—not merely on the business front but on the bloody front.

There are many who believe that this is a bluff. You can't bluff international relations in these days unless you are ready, able, and willing to make good your bluff. If this bluff works and "Hit" and "Muss" back down, Mr. Roosevelt will gain great kudos. If it doesn't work, we have bought a war. That is some gamble. But Mr. Roosevelt is a great gambler. He has shot craps with destiny ever since 1933—$20,000,000,000 worth of debt and experimentation for the stake of recovery and prosperity—and lost every time.

This is the greatest gamble of all—twenty, forty, sixty, God knows how many more billions—the very heart of all that has been won here in wealth and welfare by 150 years of toil and sacrifice—a possible mountain range of human wreckage so great that no one can measure it. Roll the bones and let the whole pot ride!

It puts a columnist kibitzer on a tougher spot than Mr. Ickes could fancy in his most vengeful dreams. When the responsible head of the Nation begins a gambling game with a bunch of gangsters with guns on both sides of the table, what is a man who doesn't believe it is time either to gamble or to bluff going to do? Should he support the gesture on the long chance of its working? Or should he tip off the hand by pointing out there is nothing in it?

Forcible intervention is war—and it is nothing less. Mr. Roosevelt can't take this country into war unless it wants to go. No man can take a democracy into war unless it is excited almost to the point of a frenzy to attack. We are very far from that.

Once the die is cast, once this country is engaged in modern war, no citizen, whether soldier or scribbler, has any choice, he must support the President's words and actions as though they were his own. But until that time of dictatorship to the uttermost there is no such duty on any man.

[From the Brooklyn (N. Y.) Tablet, April 8, 1939]

EASTER AND NEUTRALITY

On Wednesday the Foreign Relations Committee of the United States Senate opened hearings on added neutrality legislation. At these meetings issues are taken up which will involve the future of the American people. Already the forces dedicated to internationalism and subversive ideology are working might and main to involve the United States in Europe's troubles. The fact that open meetings were voted, over the protest of many officials, indicates that the demands of the people are making an impression.

Members of the Senate and House do well to note some of the indications of opposition to the driving of Americans unto the European slaughter fields again. In 1 week we see these healthy reactions:

1. Most Reverend John Duffy, D. D., bishop of Buffalo, told the common people of his diocese that if the United States is maneuvered into a war and has atheistic Russia as an ally, he will tell the Catholic youth not to join in any such hypocritical and destructive conflict.

2. Mr. Mackenzie King, Prime Minister of Canada, addressing the Dominion House of Commons last week said:

"The idea that every 20 years, this country, which has done all it can to run itself, should feel called upon to save periodically, a continent that cannot run itself, seems to many a nightmare and sheer madness."

Note this well. Canada is part of the British Empire; it has little or no naval or army defense, yet it will not permit its sons to be sent across the sea to fight in another war. Mackenzie King has made a great contribution to peace, a contribution which completely exposes the machinations of the Washington politicians, miscalled Democrats, who even oppose American citizens voting as to whether they should or should not fight in Europe for countries to whom we owe nothing but who owe us much in money and gratitude.

3. Gregory MacDonald, one of the best informed and most astute writers of Great Britain in a superb article in the Catholic Times, of Liverpool, pointedly asks will Great Britain permit the United States to drive her into another war. Mr. MacDonald writes:

"We know very little of the strength and ferocity of the propaganda circulating from the United States around the dominions. In this business the British Empire is under attack from some very curious quarters. The American press is full of articles and cartoons insulting not only Mr. Chamberlain but also King George VI. The danger is that we shall be forced into a war during which the belligerents will have to go to New York for gold loans, thereby restoring international usury under a lending center, while politically all the belligerents will lose, leaving the revolution the universal victor."

The writer warns the Empire against Moscow and New York with their campaigns of hate, revolution, gold, and power seeking. What a revelation!

4. A corps of American writers expose bitterly forced attempts, and foreign-minded zealots, to get the United States into war. In the American Mercury for April, Dr. Charles Beard, the educator, sharply criticizes the foreign policy of the Washington administration. Believing it is leading us in the direction of war, Dr. Beard proposes that we give up any thought of acting in concert with any European or Asiatic power; that we quit "lecturing" and "hectoring" the dictator nations; that we act specifically—and alone—to preserve at all times our national American interests.

Professor Beard's conclusion is: "To entangle ourselves in the mazes and passions of European conflicts and tie our hands to British and French manipulators on the remote contingency of a German and Italian domination in the Atlantic seems to me to embrace immediate calamities when the possibility of security and peace in this hemisphere is clearly open to us."

5. In the same issue of the American Mercury, William Henry Chamberlin, a student of international events, asserts our foreign policy is not only leading us toward war in Europe but is placing us in the middle of a far eastern conflict. In "Hands Off Japan," Mr. Chamberlin asserts that if we do not get into a war with Japan it will be solely the result of an assertive American policy. The danger of war is wholly on this side of the water. Mr. Chamberlin concludes:

"Any war between Japan and America, whatever the immediate provocation, will be the result of a conscious or unconscious determination on America's part to intervene in Asia as it intervened in Europe in 1917. And the issue of any such war will be fought out in Asiatic waters."

One might continue these quotations, but it is unnecessary. The American people are telling the Foreign Relations Committee in no uncertain terms that they insist their Government bar any alliances with European powers, that they pledge the world not one American life and that no battleship be permitted to go to Europe to engage in war, that they put an end once and for all to the campaign of hate and vituperation being directed against foreign nations, who are not our enemies, by American warmongers, revolutionists, internationalists, emotionalized racialists, and money changers.

Easter time is the time of peace. The Saviour of Mankind triumphed over the forces of hate, of war, of grasping wealth. Faith defeated force. The world was shown official murder did not succeed. What better time can there be for exercising peace? What better occasion could be used to inculcate peace-mindedness?

Let us stand as one for the defense of our native land. We believe in adequate defense against invaders who fortunately are not visible at this time. We believe in setting our own house in order. The foreign ideologists are a far greater menace to the country than any distant land. The millions of unemployed, the half-starved, poorly housed, and unclothed masses are our problems. Want amidst plenty, ill-distribution of wealth, and the spread of hate are issues facing us. The United States can save democracy only by putting its own house in order. Moral rearmament, spiritual progress, unity for America and American ideals, will alone spell peace. Fight, but for peace.

FOREIGN AFFAIRS AND WAR

The PRESIDING OFFICER. The Senator from North Carolina yields to the Senator from Minnesota, the Chair understands.

Mr. LUNDEEN. Mr. President, I have asked the able Senator to yield to permit me to present for the RECORD a scholarly and carefully written editorial from the New York Post of April 12, entitled "Time to Think," and very pertinent to the subject of war under discussion this afternoon. I ask that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Post of April 12, 1939]

TIME TO THINK

Reason, as General Johnson wisely observes, will keep us out of a European war.

Emotion may drive us in.

Many Europeans say that certain leading Americans are more emotional, even hysterical, than any responsible statesmen in Europe.

That's why the Post again suggests standing off a bit from the headlines and the maps, the saber rattling, and the dire prophecies—to observe the European picture through the clear spectacles of reason rather than the flame-tinted ones of emotion.

For our own good. For Europe's good, too.

Trace back the pattern of the past 2 years of European crises. One significant fact stands out:

With all the bluster and bluff of the dictators, with all their fist-shaking in the direction of the democracies, not once have

they ventured to threaten a vital link in either the British or French imperial chains.

Not once!

It seems difficult to believe that. But let's see.

In Austria? Neither Britain nor France cared when Hitler absorbed it. It was, let us not forget, a dictatorship before that.

In Czechoslovakia? Hitler marched in there with British and French acquiescence.

In Ethiopia? Britain did not impose the oil sanctions which could have stopped Il Duce.

In Spain? British and French creation of the "nonintervention policy" was direct aid to Franco.

In Memel? That overwhelmingly German city was reclaimed by Hitler with no word of protest.

Go over the list. In no case was there any threat to a vital British or French interest.

Nearest to such a threat were Mussolini's claims in Tunisia and Djibouti. But while Il Duce shouted about them, only 2 weeks ago—

When he moved, he didn't move in that direction.

He moved toward Albania, carefully clear of British spheres of influence, and a country which, for 10 years, had been under Mussolini's thumb.

Now, Prime Minister Chamberlain warns Il Duce not to seize Corfu.

In this case, there is a real menace to the British "lifeline."

If the past is any guide to the future, Mussolini won't move in on Corfu.

If he does, he will, for the first time, really be imperiling the British Empire.

And then we shall see how much determination remains behind the lion's growls.

This is not to say that Hitler and Il Duce will not some day overstep the limits, and plunge Europe into war.

They may do just that. But if we remember the care which both those dictators have shown in keeping clear of the Franco-British buzzsaw—it is fair to assume that they are not in any hurry to provoke war.

The gentlemen who see Europe in flames by next Saturday; the statesmen who keep our own Nation in jitters with their casual expression of fears; the rash souls who think Europe's age-old problems can be solved if only "we go over and clean things up"—

They only unloose their emotions to threaten the reason of all of us.

Let us remember that America is still at peace.

Let us remember, too, that the United States has not yet solved the problems of peace.

They will not be solved by war.

SECOND DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 5219) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1939, and June 30, 1940, and for other purposes.

Mr. BARKLEY. Mr. President, I ask unanimous consent that if, as, and when the unfinished business shall be again taken up, the committee amendments be disposed of first.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AUTHORIZATION FOR REPORTING AND SIGNING BILLS, ETC.

Mr. BARKLEY. Mr. President, I also ask unanimous consent that during the recess or adjournment of the Senate following today's session, the Vice President be authorized to sign bills and resolutions; that the committees of the Senate be authorized to report bills and resolutions and nominations, and that the Secretary of the Senate be authorized to receive messages from the House of Representatives.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, a treaty, and a convention, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Herbert I. McEndarfer, to be postmaster at North Liberty, Ind., in place of C. L. Worster, transferred, which was ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

CUSTOMS SERVICE

The Chief Clerk read the nomination, heretofore passed over, of Florence Clarke Lynch, of New York, to be appraiser of merchandise in customs collection district No. 10, with headquarters at New York, N. Y.

Mr. KING. Mr. President, heretofore I have objected to the consideration of this nomination. I shall vote against the nomination, but I shall have no objection to it being considered and acted upon now. I have made some inquiry with respect to the duties of this very important office. There are more than 800 persons skilled in the law, and particularly in the interpretation of our customs and tariff laws, who will be under the jurisdiction of the person who will fill this position. She is an estimable lady. She has had, however, no experience in this class of work. The position needs a person who is familiar with all matters connected with the customs rules, and the laws relating to imports and duties, and interpretation of our tax laws. This estimable lady, in my opinion, is not qualified for this important position.

Mr. President, the present case affords to us an illustration of patronage appointment, instead of appointment based on merit. I desire to make that statement in justification for my objection to the confirmation of the nomination.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Florence Clarke Lynch to be appraiser of merchandise in customs collection district No. 10? (Putting the question.) The ayes have it, and the nomination is confirmed.

DEPARTMENT OF JUSTICE

The Chief Clerk read the nomination of Norman M. Littell, of Washington, to be an Assistant Attorney General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES PUBLIC HEALTH SERVICE

The Chief Clerk proceeded to read sundry nominations in the United States Public Health Service.

Mr. BARKLEY. I ask unanimous consent that the nominations in the United States Public Health Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

COAST GUARD OF THE UNITED STATES

The Chief Clerk proceeded to read sundry nominations in the Coast Guard of the United States.

Mr. BARKLEY. I ask that the nominations in the Coast Guard of the United States be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Coast Guard are confirmed en bloc.

IN THE NAVY

The Chief Clerk proceeded to read sundry nominations in the Navy.

Mr. BARKLEY. I also ask that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Navy are confirmed en bloc.

That completes the calendar.

ADJOURNMENT TO MONDAY

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn until Monday next.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate adjourned until Monday, April 17, 1939, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 13, 1939

REGISTER OF THE LAND OFFICE

Albert S. Brown, of Utah, to be register of the land office at Salt Lake City, Utah. Vice Thomas F. Thomas.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO ORDNANCE DEPARTMENT

Capt. Raymond Hendley Coombs, Field Artillery, with rank from August 1, 1935.

TO QUARTERMASTER CORPS

Maj. Oscar Kain, Infantry, with rank from August 1, 1935.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Lt. Col. Herbert Raymond Odell, Field Artillery, from April 1, 1939.

Lt. Col. Reginald Bifield Cocroft, Coast Artillery Corps, from April 1, 1939.

Lt. Col. Clyde Andrew Selleck, Field Artillery, from April 1, 1939.

TO BE LIEUTENANT COLONELS

Maj. Harry Lee Bennett, Signal Corps, from April 1, 1939.

Maj. John Cheney Platt, Jr., Signal Corps, from April 1, 1939.

Maj. James Lindley Hatcher, Ordnance Department, from April 1, 1939.

Maj. Charles Winship Jones, Infantry, from April 1, 1939.

Maj. Paul Nutwell Starlings, Infantry, from April 3, 1939.

TO BE MAJORS

Capt. Dale Clarence Hall, Ordnance Department, from April 1, 1939.

Capt. John Martin Clark, Air Corps (temporary major, Air Corps), from April 1, 1939.

Capt. John James Downing, Signal Corps, from April 1, 1939.

Capt. Rowland Charles William Blessley, Air Corps (temporary major, Air Corps), from April 1, 1939.

Capt. Arthur Thomas, Air Corps (temporary major, Air Corps), from April 1, 1939.

Capt. Edward Albert Kimball, Infantry, from April 3, 1939.

PROMOTIONS IN THE NAVY

MARINE CORPS

Lt. Col. Archie F. Howard to be a colonel in the Marine Corps from the 1st day of April 1939.

The following-named majors to be lieutenant colonels in the Marine Corps from the 29th day of June 1938:

Robert C. Anthony	William W. Rogers
Robert L. Montague	Curtis T. Beecher
Victor F. Bleasdale	

Maj. Bert A. Bone to be a lieutenant colonel in the Marine Corps from the 1st day of September 1938.

Maj. Harold D. Campbell to be a lieutenant colonel in the Marine Corps from the 5th day of September 1938.

Maj. William H. Harrison to be a lieutenant colonel in the Marine Corps from the 1st day of October 1938.

Maj. John P. Adams to be a lieutenant colonel in the Marine Corps from the 1st day of December 1938.

Maj. Alton A. Gladden to be a lieutenant colonel in the Marine Corps from the 1st day of February 1939.

The following-named captains to be majors in the Marine Corps from the 29th day of June 1938:

Augustus W. Cockrell	Randolph M. Pate
William O. Brice	Lucian C. Whitaker
Francis M. Wulbern	Raymond P. Coffman
Edwin A. Pollock	James M. McHugh

The following-named captains to be majors in the Marine Corps from the 1st day of July 1938:

Rupert R. Deese	Clayton C. Jerome
James P. Riseley	George J. O'Shea
Harry E. Dunkelberger	

Capt. Charles C. Brown to be a major in the Marine Corps from the 1st day of September 1938.

Capt. Eugene H. Price to be a major in the Marine Corps from the 1st day of September 1938.

Capt. John C. Donehoo, Jr., to be a major in the Marine Corps from the 5th day of September 1938.

Capt. Lyman G. Miller to be a major in the Marine Corps from the 1st day of October 1938.

Capt. William M. Mitchell to be a major in the Marine Corps from the 1st day of December 1938.

Capt. Howard R. Huff to be a major in the Marine Corps from the 1st day of January 1939.

Capt. William W. Orr to be a major in the Marine Corps from the 3d day of January 1939.

Capt. Gregon A. Williams to be a major in the Marine Corps from the 1st day of February 1939.

Capt. Monroe S. Swanson to be a major in the Marine Corps from the 1st day of April 1939.

Capt. William W. Paca to be a major in the Marine Corps from the 1st day of April 1939.

Pay Clerk Thea A. Smith to be a chief pay clerk in the Marine Corps, to rank with but after second lieutenant, from the 11th day of March 1939.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 13, 1939

APPRAISER OF MERCHANDISE

Florence Clarke Lynch to be appraiser of merchandise in customs collection district No. 10, with headquarters at New York, N. Y.

ASSISTANT ATTORNEY GENERAL

Norman M. Littell to be an Assistant Attorney General.

UNITED STATES PUBLIC HEALTH SERVICE

TO BE MEDICAL DIRECTORS

Alvin R. Sweeney	Francis A. Carmelia
Harry F. White	Lionel E. Hooper

COAST GUARD OF THE UNITED STATES

TO BE DISTRICT COMMANDERS

Sigval B. Johnson	Ward W. Bennett
Irwin B. Steele	Martinus P. Jensen
Frank E. Allison	

APPOINTMENTS AND PROMOTIONS IN THE NAVY

TO BE CAPTAINS

Howard K. Lewis	Alfred T. Clay
Francis P. Traynor	James B. Will
Howard B. Berry	Herbert W. Underwood
Webb Trammell	Miles P. Refo, Jr.
Oliver L. Wolfard	Edgar M. Williams
Harry L. Merring	Herbert O. Roesch
James C. Byrnes, Jr.	Alfred G. Zimermann
Edgar R. McClung	Howard S. Jeans

TO BE COMMANDERS

John H. Keefe	Harold J. Brow
Evan G. Hanson	David Rittenhouse
Benjamin O. Wells	Orie H. Small
Harold F. Ely	Elmer B. Robinson
Bronson P. Vosbury	James M. Connally
Junius L. Cotten	Arthur E. Bartlett
Hayden H. Smith	Henry C. Flanagan
Albert L. Hutson	Allen D. Brown
Miles R. Browning	Gerald L. Schetky
Robert L. Mitten	George C. Dyer
Herbert R. Sobel	Wilbur V. Shown
Edmund D. Duckett	Leonard Doughty, Jr.
Clyde C. Laws	Vernon F. Grant
Lester M. Harvey	Carl L. Hansen
John F. Warris	Volney O. Clark

James L. Fisher
Martin R. Derx
Smith D. A. Cobb
John W. Rogers
Allan P. Flagg
Benjamin W. Cloud
Vaughn Bailey
Newcomb L. Damon
Harold F. Fultz
Learned L. Dean
Ralph S. Barnaby, an additional number in grade.
Andrew Crinkley
Arthur L. Karns
Ratcliffe C. Welles
Alfred J. Byrholdt
Charles A. Goebel
James D. Barner
Lucien M. Grant, an additional number in grade.
John W. Roper
Harry B. Slocum
Charles E. Coney

TO BE LIEUTENANT COMMANDERS

Beverley R. Harrison, Jr.
Kenneth P. Hartman
Orville F. Gregor
Lee R. Herring
Eugene C. Rook
Robert L. Campbell, Jr.
George C. Towner
William A. Hickey
Thomas U. Sisson
Ralph E. Wilson
Merle A. Sawyer
Leo A. Bachman
William M. Cole
James W. Smith
Elmer E. Yeomans
William G. Michelet
Wallace M. Beakley
Hallsted L. Hopping
Maurice M. Bradley
Lester K. Rice
Stephen G. Barchet
Shirley Y. Cutler
Rae E. Arison
Bob O. Mathews
Ephraim R. McLean, Jr.
Walter V. R. Vieweg
Richard F. Stout
Willford M. Hyman
James G. Sampson
Clyde W. Smith
Charles W. Wilkins
Bernard L. Austin
Joseph M. P. Wright
Norman W. Ellis
James R. Pahl
William J. Longfellow
George W. Patterson, Jr.
Joseph A. Callaghan
Howard L. Collins
James S. Laidlaw
Adrian M. Hurst
John W. C. Brand
William V. Davis, Jr.
John N. Opie, 3d
Aurelius B. Vosseller
Gordon M. Stoddard
Marcel E. A. Gouin
John M. Kennaday
Thomas H. Templeton
Edwin R. Wilkinson
Homer B. Hudson
Horace C. Robison
John B. Moss
Thomas H. Hederman
Valentine L. Pottle
William G. Pogue
Philip D. Lohmann
William D. Brown
Warren D. Wilkin
Wayne N. Gamet
Everett W. Abdill
Willis E. Cleaves
Edward W. Young
Robert C. Sutliff
Adolph H. Oswald
William A. Bowers
David L. Nutter
John A. Morrow
Harry A. Dunn, Jr.
John H. Brady
Henry F. Agnew
William J. Mullins

TO BE LIEUTENANTS

Louis F. Volk
John O. Miner
Bafford E. Lewellen
Frank G. Raysbrook

TO BE LIEUTENANT (JUNIOR GRADE)

Rodney J. Badger

TO BE MEDICAL DIRECTOR

Benjamin H. Dorsey

TO BE MEDICAL INSPECTOR

John B. O'Neill

TO BE DENTAL SURGEONS

Herman P. Riebe
Eric B. Hoag
Rae D. Pitton
Clifford T. Logan
Alvin F. Miller
James L. Purcell
Ralph W. Malone
Frank K. Sullivan
Arthur Siegel
Hector J. A. MacInnis
Alfred Dinsmore
Edward H. Delaney

TO BE PAY DIRECTOR

Trevor W. Leutze

TO BE ASSISTANT CIVIL ENGINEERS

Charles H. Neel
Ira N. Curtis

TO BE CHIEF BOATSWAIN

William R. J. Hayes

TO BE CHIEF MACHINIST

John W. Perdue

TO BE CHIEF PHARMACIST

Vernon T. Palmer

TO BE CHIEF PAY CLERK

Charles A. Batchelder

POSTMASTERS

CALIFORNIA

Felix G. Young, Desert Center.
Clota Boykin Bowen, Midland.

LOUISIANA

Golden D. Mizell, Forest Hill.

MASSACHUSETTS

Raymond V. McNamara, Haverhill.

NEW YORK

Daniel A. Driscoll, Buffalo.
Gilbert W. Rosenquest, Jamaica.

OKLAHOMA

William A. Jenkins, Beggs.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 13, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Once again, our Father in Heaven, Thou dost move us into another day. In these alternations of duty and thought, action and rest, may we realize Thy blessed providence. We pray that it may call us to our appointed tasks, filling the hours with steady, faithful service, full of interest and wise endeavor. Let us not fail to see the beauty of God in the patience, the purity and tenderness of Jesus the Christ. What strength He renders the seeking heart! filling it with contentment and hope. He will give rest in adversity; He will teach us how to feel the poetry of Nature, the sweetness of human relationships, and the satisfaction of duty. Fill our hearts with such peace that we shall be ashamed to murmur and complain. Turn our thoughts to the joy that the day holds; its opportunities, its privileges, and its triumphs. In the holy name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On March 28, 1939:

H. R. 3100. An act for the relief of Capt. Francis H. A. McKeon.

H. J. Res. 110. Joint resolution to authorize Commander Henry Coyle, United States Coast Guard, to accept the decoration and diploma of the Marine Medal of Class 1 (gold), conferred upon him by the Government of Greece.

H. J. Res. 163. Joint resolution providing for the participation of the United States in the celebration of the twenty-fifth anniversary of the opening of the Panama Canal.

On March 29, 1939:

H. R. 767. An act for the relief of Benjamin Weisenberg.

H. R. 950. An act to exempt all vessels of the United States of less than 200 tons gross registered tonnage from the provisions of the Officers' Competency Certificates Convention, 1936 (being International Labor Conference Treaty, Convention No. 53, adopted by the International Labor Conference at Geneva in 1936).

H. R. 1430. An act for the relief of Hyman Ginsberg.

H. R. 1836. An act for the relief of Jack Nelson, a minor.

H. R. 2079. An act for the relief of Charles T. Wise.

H. R. 2192. An act to extend the time for commencing and completing bridges across Cross Bayou, Twelve Mile Bayou, and Caddo Lake in Caddo Parish, La.

H. R. 3090. An act for the relief of C. R. Henderson.

H. J. Res. 150. Joint resolution to amend the joint resolution entitled "Joint resolution to provide that the United States extend to foreign governments invitations to participate in the Third International Congress for Microbiology, to be held in the United States during the calendar year 1939."

On April 1, 1939:

H. J. Res. 250. Joint resolution making an additional appropriation for the fiscal year 1939 for expenditure by the United States Employees' Compensation Commission in accordance with section 16 of the Emergency Relief Appropriation Act of 1939.

On April 3, 1939:

H. R. 3791. An act to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress.

H. R. 4425. An act to provide for reorganizing agencies of the Government, and for other purposes.

On April 5, 1939:

H. R. 3801. An act to extend the time for retirement of cotton-pool participation trust certificates.

On April 12, 1939:

H. R. 3577. An act to amend the Canal Zone Code.

H. R. 3790. An act relating to the taxation of the compensation of public officers and employees.

RESIGNATION FROM COMMITTEES

The SPEAKER laid before the House the following resignation from committees:

The Clerk read as follows:

APRIL 13, 1939.

Hon. WILLIAM B. BANKHEAD,
Speaker of the House, Washington, D. C.

DEAR MR. SPEAKER: Please accept my resignation from the following committees, effective immediately: Census; Election of President, Vice President, and Members of Congress; Mines and Mining; Patents; Public Buildings and Grounds.

Thanking you for your consideration in this matter, I am,

Respectfully,

MIKE MONRONEY.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

COST OF GOVERNMENT

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. The rawest deal ever handed a generation of children, our children and children yet unborn, who must pay for our wastefulness, is shown as follows. Here is a record of what we have done for the past 6 years:

1933, unemployed, 11,000,000; 1939, unemployed, 10,500,000; 1933, taxes, $2,000,000,000; 1939, taxes, $5,000,000,000; 1933, cost of government, $3,000,000,000; 1939, cost of government, $9,000,000,000; 1933, public debt, $20,000,000,000; 1939, public debt, $40,000,000,000.

Where are you going to get the money? You and we are not putting up the money for the Government spending spree itemized above; we are merely spending the money, running up bills against an empty pocketbook, and leaving the debts for our children to pay. It is babies in cradles and the girls and boys now in grade schools, in high school, and in college who will need to face the bill collector and settle up, or else be drowned by national bankruptcy. We, their parents, are spending for them a steadily mounting heritage of back-breaking debt or else heart-breaking bankruptcy. Is it not time to call a halt?

The New Deal is responsible for this terrible condition. Let us correct it here in Congress and do it at once, ere it is too late. Economize in our Government extravagance and waste.

DESECRATING THE NAME OF DEMOCRACY

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, today at Charlottesville, Va., a group of 100 persons from St. Louis will disembark from a train to make a pilgrimage to Monticello to participate in the Jefferson Day exercises there. This delegation of St. Louisans will come to Washington on Saturday and place a wreath on the site of the Jefferson Memorial now being erected beside the Tidal Basin in West Potomac Park. Among the guests of honor will be Sumner Welles, Under Secretary of State, and Mayor Bernard F. Dickmann, of St. Louis.

Mr. Speaker, I have a grave suspicion that there is something deeper than patriotism and greater than love of the principles for which Thomas Jefferson is cherished by all Americans that prompts this pilgrimage by at least part of these gentlemen from St. Louis. I have a suspicion that this pilgrimage was inspired by those interested in promoting the $30,000,000 Thomas Jefferson Memorial, which they have been trying to put over for more than 4 years in the city of St. Louis, and for which this Congress has never appropriated a thin dime. In the published list of those from St. Louis who are making the trip are 28 city officials and employees, several bank officials, a half dozen politicians, and a few attorneys. Among those who are making this trip to honor the memory of Thomas Jefferson are James A. Waechter and Joseph W. Hannauer, both former members of the board of election commissioners in St. Louis and who were removed from office by the late Governor Guy W. Parks after exposures of gross incompetency and colossal frauds in the elections in St. Louis. Mayor Bernard F. Dickmann, you will recall, is the nominal head of the Joseph F. Dickmann Real Estate Co., of St. Louis, which was recently suspended not only by the St. Louis Real Estate Exchange but also by the Home Owners' Loan Corporation for dealing through straw parties in properties owned by various defunct banks in the city of St. Louis. His brother, Otto Dickmann, vice president of the real-estate concern, is also in the party.

As I have previously remarked upon this floor, the St. Louis Post-Dispatch in an investigation made during September 1936 developed the proof that fraud had been committed in each and every one of the wards in St. Louis where a bond-issue election to support this Thomas Jefferson Memorial was held. There is no question that the ballot boxes were liberally stuffed to return a victory at the polls for the promoters.

In the last few weeks the entire Nation has been amazed at the crime, graft, corruption, and law evasions which have been exposed in the baliwicks of Boss Tom Pendergast, of Kansas City.

A courageous Federal judge started the ball rolling there, about 3 years ago, when he ordered the Federal grand jury to move on the criminals and grafters. The work of the Federal courts was supplemented later by courageous action on the part of lower courts, but it remained for Elmer Irey and his Intelligence Division of the Bureau of Internal Revenue to bring Boss Tom to the bar of justice.

Kansas City is a den of vice and iniquity; but what about St. Louis? When the lid is blown off in St. Louis the echo will be heard across the length and breadth of the continent. And some pretty big shots will get caught.

In order that we may have a permanent record of those who are reported to be making this journey to Washington and the grave of Thomas Jefferson at Monticello, in the name of democracy, I submit for the RECORD the list as published in a St. Louis newspaper.

LIST OF ST. LOUISANS WHO WILL MAKE PATRIOTIC PILGRIMAGE TO MONTICELLO

More than 100 St. Louisans will leave St. Louis by special train at 4 p. m. Wednesday on a patriotic pilgrimage to Monticello, near Char-

lottesville, Va., home of Thomas Jefferson. Those who have informed Mayor Bernard F. Dickmann they will make the trip include:

Joseph A. Bardenheier, president, Bardenheier Wine & Liquor Co.
Edward D. Barker, vice president, Simpson & Barker, Inc.
Ludwig Baumann, city forester.
Thomas H. Berkley, city building inspector.
F. A. Bertram, assistant secretary-treasurer, Stix, Baer & Fuller Co.
Harry Billman, president, Rock Hill Stone & Gravel Co.
John H. Boogher, attorney.
Lawrence Boogher, assistant vice president, Boatmen's National Bank.
Philip Bouckaert, president, Bouckaert Packing Co.
R. M. Bristol, W. P. A. expeditor.
Edmund Burke, general agent, General American Life Insurance Co.
A. W. Butterfield, president-treasurer, George W. Jones Oil Co.
George W. Chadsey, director, department of public safety.
Ralph W. Coale, city assessor.
John F. Clancy, attorney.
Arthur T. Cochrane, chief building inspector, department of public safety.
Edward J. Coffey, general manager, Binkley Coal Co.
James Conzelman, director of athletics, Washington University.
Eugene D. Cronk, partner, Boyd, Cronk & Co.
Lloyd Crump, vice president, James R. Kearney Co.
John P. Cullinane, partner, Cullinane Bros. Undertaking Co.
Michael J. Cullinane, city registrar.
Carl P. Daniel, vice president, Daniel & Henry Co.
Joseph M. Darst, director, department of public welfare.
Fred H. Deibel, president, Elam Grain Co.
Otto J. Dickmann, vice president, Joseph F. Dickmann Real Estate Co.
Oliver W. Dorr, secretary, Dorr & Zeller Catering Co.
James V. Dunbar, vice president, Tower Grove Bank & Trust Co.
B. W. Durham, Mercantile-Commerce Bank & Trust Co.
John J. Dwyer, city treasurer.
Bart Dyer, Dyer & Moon Produce Co.
Myles P. Dyer, president, Dyer-O'Hare Hauling Co.
Thomas N. Dysart, president, chamber of commerce.
John P. English, city recorder of deeds.
Thomas L. Farrington, vice president, Lawton-Byrne-Bruner Insurance Agency.
James P. Finnegan, prosecuting attorney.
Samuel W. Fordyce, attorney.
George C. Foster, attorney.
Louis S. Freund, vice president, Walter Freund Bread Co.
Dr. E. C. Fuench, physician.
Fred A. Gerber, manager, wholesale division, Wiles-Chipman Lumber Co.
John F. Gillespie, attorney.
A. E. Gilster, president, Scudders-Gale Grocer Co.
William Gleason, photographer, city of St. Louis.
Dewey S. Godfrey, attorney.
Walter J. Grolton, superintendent, City Hospital No. 1.
L. Jean Gualdoni, street commissioner.
A. H. Handlan, president, Handlan, Inc.
Joseph W. Hannauer, president, Hannauer Real Estate Co.
Robert E. Hannegan, attorney.
George C. Hannaway, vice president, T. J. Moss Tie Co.
Chester L. Harvey, manufacturer's agent.
W. L. Hausman, manager, Barrow, Wade, Guthrie Co.
Clarence D. Henry, secretary, Hess & Culbertson Jewelry Co.
M. E. Holderness, vice president, First National Bank.
F. S. Hummel, bank examiner.
Everett D. Hunkins, president, Hunkins-Willis Lime & Cement Co.
Milton N. Johnson, general manager, Ford Motor Co.
Louis H. Jostes, vice president, Beck & Corbitt.
James R. Kearney, president, James R. Kearney Corporation.
Joseph F. Kelly, president, Joseph F. Kelly, Inc.
Col. L. C. Kingsland, patent attorney.
Fred Klingbeil, upholsterer.
Fred M. Luth, sewer contractor.
J. J. McCarthy, manager, Standard Brands, Inc.
Lawrence McDaniel, city excise commissioner.
Frank J. McDevitt, director of streets and sewers.
R. C. McGrath, manager, Hotel Melbourne.
Powell McHaney, lawyer.
James H. Mason, Mason Printing Co.
Sidney Maestre, president, Mississippi Valley Trust Co.
E. C. Muckerman, vice president, Manchester Bank of St. Louis.
John J. Nangle, lawyer.
Robert C. Newman, insurance.
F. Edward O'Neil.
L. J. O'Neill, secretary-treasurer, Rice-O'Neill Shoe Co.
Charles P. Orchard, president, Orchard Paper Co.
Robert W. Otto, attorney.
Walter W. Payne, manager, Prudential Insurance Co.
E. H. Paffrath, assistant sewer commissioner.
E. E. Pershall, chairman, T. J. Moss Tie Co.
L. A. Pettus, division engineer, sewers and paving, city of St. Louis.
F. S. Pickels.
James H. Platt, special representative, Anheuser Busch, Inc.
Victor P. Roach, supply commissioner.
Carl E. Roessler, manager, Jefferson Hotel.
A. R. Ross, associate to president of board of public service.
Joseph Reardon, auditor building department, city of St. Louis.
John Ruprecht, secretary, Frank Ruprecht Quarry Co.
Burris Schumacher, lawyer.
Thomas J. Sheehan, collector of internal revenue.
Lawrence G. Sherrill, vice president, Coal Sales Corporation.
Dr. Carroll Smith, physician.
E. J. Stocking, vice president-sales manager, Hobbs Western Co.
John B. Sullivan, secretary to Mayor Dickmann.
Charles K. Summersby, warden, city workhouse.
A. T. Terry, Sr., lawyer.
Andrew P. Titus, president, Illinois Terminal Railroad.
Raymond R. Tucker, smoke commissioner.
James A. Waechter, lawyer.
Richard H. Waltke, president, Waltke Investment Co.
Philip J. Watson, Jr., president, Terminal Railroad Association.
E. H. Wayman, city counselor.
Frank Webb, president, Tower Grove Quarry.
Charles A. Welsch, building commissioner.
Randolph Wohltman, manufacturer's agent.
Harry E. Wuertenbaecher, agent, Penn Mutual Life Insurance Co.
Homer F. Ziegler, vice president, Anheuser Busch, Inc.

May the Lord God of Hosts deliver us from the kind of democracy represented by Bernard F. Dickmann, James A. Waechter, and Joseph Hannauer.

KEEPING OUT OF EUROPEAN AFFAIRS

Mr. LORD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. LORD. Mr. Speaker, I have before me a newspaper clipping that gives parts of a speech delivered by Mr. Bainbridge Colby, Secretary of State under President Wilson in 1920. In this speech he chides our Government and our officials and advises them to be careful about what they say about foreign countries and telling the people of those countries how to maintain their governments. Only a few days ago Italy informed us that it was our part to mind our own business and keep out of these affairs of Europe. They also informed us that they may possibly come over here for a little visit if we do not mind our own affairs. Germany has likewise in no uncertain terms in their press expressed their displeasure of our meddling.

We were warned by that great statesman, George Washington, to keep out of foreign affairs and entangling alliances. It would seem to me if we are to enforce the Monroe Doctrine it is up to us to keep out of European affairs. [Applause.]

I ask unanimous consent to insert the article to which I have referred in the RECORD and to extend my own remarks.

The SPEAKER. Is there objection?

There was no objection.

BAINBRIDGE COLBY CALLS FOR SOBRIETY IN UNITED STATES LEADERSHIP

NEW YORK, April 12.—Bainbridge Colby, Secretary of State in President Wilson's Cabinet in 1920, declared tonight that "much has been said that ought not to have been said and for which there is no excuse" in connection with European events. He called for "sobriety in our national counsels and in our national leadership."

"From what we hear today," he said in an address prepared for the fiftieth-anniversary dinner of the New York branch of the Sons of the American Revolution, "it seems that we have come a great way from our historical position that our interests are distinct from those of Europe and peculiarly our own. * * *

"What we want is * * * the sobriety which holds leadership steady on the high plane of pure motives and high moral courage. We want the President to consult the people and their Representatives in Congress with open and receptive mind, and to respect their judgment even if it fails to accord with his plans or prepossessions. * * *

"I think it may be said that the country views with deep disapproval every brag that has been uttered, every idle challenge that has been spoken, every word that has been said with the obvious purpose to irritate or affront, no matter whom."

COOPERATION WITH AMERICAN REPUBLICS (H. DOC. NO. 251)

The Speaker laid before the House the following message from the President of the United States, which was read, and with the accompanying papers referred to the Committee on Foreign Affairs and ordered printed:

To the Congress of the United States of America:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State and the ac-

companying draft of proposed legislation designed to authorize cooperation with any of the other American republics in accordance with treaties, resolutions, declarations, and recommendations signed by all of the 21 American republics at the Inter-American Conference for the Maintenance of Peace held at Buenos Aires, Argentina, in 1936, and at the Eighth International Conference of American States held at Lima, Peru, in 1938.

FRANKLIN D. ROOSEVELT.

EXTENSION OF REMARKS

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short article on the Philippine supply of chromium.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert a short editorial.

The SPEAKER. Is there objection?

There was no objection.

Mr. RUTHERFORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter from a Philadelphia manufacturer on reciprocal-trade agreements.

The SPEAKER. Is there objection?

There was no objection.

NATIONAL ECONOMIC COMMITTEE

Mr. SABATH. Mr. Speaker, I call up House Resolution 159.

The Clerk read as follows:

House Resolution 159

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of Senate Joint Resolution 90, a joint resolution to amend the joint resolution approved June 16, 1938, entitled "Joint resolution to create a Temporary National Economic Committee." That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 1½ hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment the Committee shall rise and report same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. SABATH. Mr. Speaker, does the gentleman from Michigan desire any time on the rule?

Mr. MAPES. I do.

Mr. SABATH. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. Speaker, this resolution makes in order Senate Joint Resolution 90. It provides for 1½ hours of general debate and then the resolution is to be considered under the 5-minute rule of the House. The resolution extends the time of the Economic Committee that was created in the last Congress. It provides for an additional $600,000 to enable that committee to proceed with its important work.

The chairman of the Committee on the Judiciary, the gentleman from Texas [Mr. SUMNERS], and the minority member of that committee appeared before the Committee on Rules and testified, urging consideration of this resolution to make possible the adoption of the Senate joint resolution, which extends the life of this committee and makes funds available for its work. I have never been impressed to such an extent as I have been with the presentation made in connection with this committee's work.

Mr. Speaker, ladies and gentlemen, I know you are desirous of hearing direct from the chairman of the Committee on the Judiciary, who is also a member of the Economic Committee. Consequently I will not take any more of your time, reserving the balance of my time, however, if need be, to answer the gentleman from Michigan.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. RICH. The gentleman speaks about the good work this Economic Committee has accomplished. Will the gentleman tell us of some of the things that have been accomplished by this committee under the expenditure of funds which they want to increase from $500,000 to $1,500,000?

Mr. SABATH. To the gentleman from Pennsylvania, I can only say that he must not have heard me when I said that the gentleman from Texas [Mr. SUMNERS], chairman of the Committee on the Judiciary, and a member of the Economic Committee, who so ably presented the case before the Rules Committee, can explain more fully and more thoroughly what has been accomplished by this committee than I can, because the gentleman from Texas is an active member of that committee.

As to spending money, knowing the gentleman from Texas as I do, I have the utmost confidence that any committee of which he is a member will not be permitted to expend a single dollar unless it is absolutely necessary and for the best interest of our country.

Mr. RICH. I thank the gentleman. We will be glad to get that information. We hope that when they are going to spend $600,000 additional that we will get something, and we will put this country back into good economic condition, because it is in terrible condition now.

Mr. SABATH. I will say to the gentleman that the Republican member of the committee, who is now present, appeared before the Rules Committee favoring the extension of time and the appropriation of the additional money.

I disagree with the gentleman from Pennsylvania that conditions in our country are so terrible. Only a few days ago I read a report, I believe it was in the Wall Street Journal—not that I am a subscriber to that paper, although I presume the gentleman looks upon it as a Republican Bible—which reports that for the years 1937 and 1938, 2,200 corporations in the United States averaged a profit of 8½ percent, 2 percent greater than even in the banner years of '27 and '28 under Republican administration. Those gentleman during those days were permitted to do things to the country—not for the country—which made it necessary that we appropriate large sums of money to feed the unemployed. His party is responsible for the unemployment today. If inflation had not taken place in 1927, '28 and '29 these tremendous expenditures on our part, about which the gentleman from Pennsylvania complains every day, would not have been necessary, and his party, or those who control his party, have been responsible for the conditions we seek to correct.

Mr. RICH. Will the gentleman yield further?

Mr. SABATH. I yield.

Mr. RICH. We had 12,000,000 unemployed 6 years ago. You have got 12,000,000 unemployed now. You have spent twice the amount of our income. You have increased our national debt 100 percent—from $20,000,000,000 to $40,000,000,000. If you can get any satisfaction out of a condition of that kind, then for goodness' sake take us back to the good old Republican days with the full dinner pail, where we had happiness and contentment and joy in America, where we will continue under the Stars and Stripes and not under any more New Deal administration. [Applause.]

Mr. SABATH. I will say this: The gentleman from Pennsylvania is the only Republican I know of who wants to go back to the happy Republican days of 1929 to 1933. I always enjoy the 1-minute speeches of the gentleman from Pennsylvania, and I know it is with a grain of humor that he propounds with monotonous regularity the questions, "Where is the money coming from?" and "When are we going to cut the national debt?" He knows the answers as well as I; but for political reasons, he cannot acknowledge them. Because we all love and admire the gentleman from Pennsylvania, we have not taken notice of his potshots at the administration; but, now that there is a little time to spare, I would like to make a short reply.

Mr. Speaker, first of all, there is the cry that the Nation staggers under a $45,000,000,000 national debt, and that the country is headed for ruin. I wonder if the gentleman can reconcile that charge, flung far and wide through Republican newspapers, with the fact that the credit of the United

States is better than that of any nation in the world. How does it happen, if these charges are anything more than deliberately inspired scares, that the Government today pays a lower interest on its bond issues than ever before in history?

Here on one hand we have banks bulging with money, gold and silver stocks of the Government at a record high of over $15,000,000,000, national credit as good as any nation's has ever been; and yet, on the other hand, we are confronted with the concerted efforts of the Republican Party, Wall Street, and the controlled newspapers, all trying to hammer the conviction home to the masses that we face economic chaos. So far, crying "Wolf!" has been the extent to which the Republican Party has cooperated with us in our honest endeavors to restore confidence and bring back prosperity.

If criticism is to be the weapon, it is easy to turn it against the Republican Party. There are questions the gentleman from Pennsylvania would be hard put to answer. I might ask whether his memory harkens back to the criminal inflation of 1927, 1928, and 1929, and for his justification of Wall Street's mulcting of millions from investors during that period, with the Republican Party acting the part of an indulgent parent.

Does he remember how the banks, insurance companies, benevolent associations, trust companies, and building and loan associations were systematically loaded with worthless stocks? There are men and women today who look for aid from this administration because the Republican Party allowed its Wall Street boys to steal from them their lifetime savings. Can the gentleman forget a Republican President, Herbert Hoover, who brought to our people the greatest depression the world has ever known? Does he remember, as I remember, the idle factories and plants, the breadlines and civil disorders?

In August 1929 I was ridiculed when I warned President Hoover and the then president of the Stock Exchange, Mr. Whitney, that danger lies ahead. How can the Republican Party ever forget what followed? With the richest Nation in the world, a nation of fabulous wealth and produce sufficient to support the world's peoples, the Republican Party ended up by plunging that Nation into a catastrophe so great that we still struggle to escape its consequences. That crash is responsible, and solely responsible, for today's national debt. The Democratic Party fell heir to the worst mess any party has ever thrown the country into. We might have done as the Republicans did, and let the hungry go unfed, but that isn't the Democratic way. We preferred to see the national wealth used for the benefit of the people rather than wasted by Wall Street. You Republicans bemoan the expenditure of a billion dollars for the relief of the unemployed. Would you prefer to see the national wealth dissipated, as it was in 1929, with losses of billions of dollars a day?

At least we have something to show for the money we have spent. To a great extent we have relieved unemployment, with millions now working who had lost hope under the Republicans. We have taken the hungry, fed them, given them employment, afforded them with ample national defense (at the cost of billions which otherwise would not have been spent), and introduced into American politics for the first time in history a broad program of social betterment.

Answering the gentleman's question as to where we shall get the money, let me say again that conditions are improving, that manufacturers are making more money today than they made even in 1927 or 1928, as reported in the Wall Street Journal and other papers. If the gentlemen on the left would cooperate with the administration, if you would prevail upon these big industries to cooperate, if you were sufficiently interested in the welfare of America to work with the administration, an administration that is honestly and sincerely desirous of aiding the legitimate business and the country and put it again on a solid basis, prosperity would be brought back to the Nation much more speedily.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. VOORHIS of California. In addition to mentioning the reduction of unemployment, I am sure the gentleman will be glad to add to those figures the 600,000 young people who each year are added to the number of people who need jobs. Without, therefore, the program of the New Deal there would be that much additional unemployment during each year of this period. Further, the thing that has been attempted in the last few years, to bring about a balance between the consuming power of the people of this country and the power to produce is the very thing that has been opposed and blocked at every stage it could be blocked on the other side of the aisle.

Mr. SABATH. I thank the gentleman from California for answering these gentlemen on the left. I know he is an earnest student of conditions, and I always welcome his support in explaining conditions, knowing that it should be of some benefit to our Republican friends. They do not, unfortunately, desire to be benefited. All they desire is to play politics at the expense of the country. If they would try to help us instead of blocking our efforts they would be doing something for the country.

Mr. BENDER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. BENDER. Will the gentleman explain his statement that conditions are improving, that business is improving? If this be so, why has the President asked for $1,500,000,000 for the W. P. A. begining on July 1 of this year?

Mr. SABATH. He asked for this additional appropriation because he is interested in the masses, he is interested in the unemployed, people who suffer unemployment through conditions brought about by the Republican Administration. President Roosevelt will not permit people to go hungry in this country. He is doing everything in his power to bring about a condition whereby after this $1,500,000,000 is utilized there will be no need for additional appropriations along this line.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. CARTER. As I understand it this Committee on National Economics has been in existence for some time.

Mr. SABATH. It is a joint committee; yes.

Mr. CARTER. It was appointed a number of months ago.

Mr. SABATH. Yes.

Mr. CARTER. Have they made any progress report, or what can the gentleman give in justification of a continuation of this committee?

Mr. SABATH. I may say to the gentleman from California that the chairman of the committee is here and ready to enlighten the House. If the gentleman will listen to him as I did when he appeared before our committee I know the gentleman will be immensely pleased with the work the joint committee has already done. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Texas such time as he may desire.

COMMITTEE ON LABOR

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the Committee on Labor may have the privilege of sitting during the sessions of the House today and tomorrow.

Mr. RICH. Mr. Speaker, reserving the right to object, can the majority leader advise us whether the House Committee on Labor is going to hold any hearings on the Wagner Act and the National Labor Relations Board?

Mr. RAYBURN. They are trying to hurry through the measure that contains amendments to the Wage-Hour Act in order that they may reach hearings on the controversy with reference to the National Labor Relations Act.

Mr. RICH. Then we may expect that the House Committee will hold hearings on the N. L. R. A.?

Mr. RAYBURN. They have already voted unanimously to hold hearings on amendments to the National Labor Relations Act.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

NATIONAL ECONOMIC COMMITTEE

Mr. MAPES. Mr. Speaker, I yield 15 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I am not going to follow the course of those who preceded me and talk politics. The gentleman from Chicago, Judge SABATH, chairman of the Rules Committee, had a very difficult time trying to apologize for what has happened to the country under the present administration during the last 6 years. For the sake of the argument, I shall accept his apology. The resolution before the House is a matter that should not be viewed in a political way.

Last year the President demanded that an executive committee be set up to do the work which this Economic Committee is doing. Due to the position taken by some good, common-sense, Jeffersonian Democrats in the House and in the Senate with the cooperation of the minority, the President was not permitted to accomplish that which he demanded. As a compromise there was created a joint committee, part of whose membership was taken from executive departments as designated by the President, three Members from the Senate and three Members from the House. There was much fear at that time as to whether or not this committee, which was called the Economic Committee, or monopoly committee, would become a witch-hunting agency and upset business still further—put more fear into business, if possible, than existed at the time. I, too, had that fear and so expressed myself on the floor of the House, but I am happy to say that under the leadership of Senator O'MAHONEY and his colleagues from the Senate, and the gentleman from Texas [Mr. SUMNERS] and his colleagues from the House, the investigation has been conducted in a much better way than anyone anticipated it would be.

The bill creating this Economic Committee provided that the life of the committee should expire with this Congress; so, on January 3, 1941, this committee dies a natural death unless it is continued. But you can take it from me that an effort will be made to continue it.

The question has been asked whether or not this Economic Committee has made any official report of its doings. The answer is that it has not. It is true that there is some kind of report in the making, and that with this additional $600,000 the country is buying a "pig in a poke." We are told that the studies of the committee are midway between beginning and end and that without this money any constructive efforts on the part of the committee will be thwarted. In short, we are asked to come up with a $600,000 ante in order that we may see the Economic Committee's hand.

Let me impress the fact that this is no minor investigating committee, because it has a full-time staff of 268 persons and a part-time staff of 160 persons, making a grand total of 428. Under existing law, the President controls four-fifths of the money appropriated for this work, and if this resolution is forced through without the amendment I have suggested he will still have like control.

The resolution that is before us today authorizes the appropriation of an additional $600,000, $100,000 more than we appropriated a year ago to do the complete job. I am sure every Member of this body trusts the committee. I would trust the gentleman from Texas, Judge SUMNERS, at any time anywhere to spend this money properly. I, therefore, go further and insist that the committee members from the House and Senate have something to say about it. This committee does not need any wet nurse.

Mr. WALTER. Will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Does not the gentleman recall it was represented to our committee that commitments had been made by the committee for the expenditure of the amount sought in this resolution?

Mr. MICHENER. Yes; I was getting to that. As I stated, I am ready to trust the committee. This bill was introduced first by Judge SUMNERS and in the Senate by Senator O'MAHONEY.

Mr. REES of Kansas. Will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Do I understand this Economic Committee made commitments to spend the money before it was appropriated, allowed, or authorized?

Mr. MICHENER. I think this committee, acting as many committees, bureaus, and commissions do, especially when they are proceeding under Executive authority, assumed that when it came to Congress and made a demand it would get the money. That is a habit these agencies have.

Mr. REES of Kansas. That is quite an assumption.

Mr. MICHENER. That is the only answer I can make.

Mr. Speaker, the resolution pending before the House provides that the figures mentioned in the original law shall be stricken out and there shall be substituted in lieu thereof figures carrying an additional $600,000, making a total appropriation of $1,100,000 for the committee. When this resolution was introduced, and before hearings were had by the Judiciary Committee, it asked for $2,000,000, not $600,000. Senator O'MAHONEY, five or six professors, the heads of various executive departments, and economists from the departments, who are conducting this investigation, appeared before the Judiciary Committee, and by questioning we developed the fact that they could not use more than $600,000 during the life of the committee, which expires on January 3, 1941.

Whether or not commitments have been made for all of this money I do not know, but we were advised that $600,000 would be sufficient to permit the committee to complete the work now outlined and make its final report in keeping with the terms of its authority. I do not favor additional appropriation without the Congress controlling the expenditure of the money.

I yield to no man in this body in my belief in economy. I have voted for every measure that has been brought in here during the last few years, without exception I believe, where the question of common-sense economy was involved. We have set up this committee which has been conducting these studies. It has not made a lot of fuss. It has not disturbed business. The committee tells us it is going to make a report that is worth while if we give it sufficient money to finish the report. For my part I do not want to oppose any course that will not permit the committee to make its report and wind up its activities. I did oppose the $2,000,000, and the Judiciary Committee opposed it. As a result it was stricken from the resolution and a redrafted resolution providing the $600,000 was presented and is before us today. Understand clearly, this Economic Committee asked for $2,000,000, but the majority of the Judiciary Committee has approved but $600,000.

Mr. Speaker, when the resolution is read for amendment I am going to offer an amendment, and I wish the Members would pay close attention to it. In the first place, the resolution is drafted differently from any resolution that has ever come from the Judiciary Committee. We did not draft it that way. The only excuse anyone will give for the way this resolution is drafted is that it was done that way in the Senate and sent over here. Some of our members were reticent about disturbing Senate language, regardless of how awkward it is. The amendment which I shall offer will be found in the minority report which has been filed. I ask all of the Members to get a copy of the minority report and read this amendment which I shall offer.

First, the amendment improves the draftsmanship and makes the resolution intelligible, without going through the mechanical process of striking out and inserting. In short, the law can be understood without recurring to the original enactment. Second, it provides that an additional $600,000 be appropriated and that said sum shall be immediately available for expenditure by the committee in carrying out its functions. In other words, because a supine Congress in the last session yielded to the whip and the lash of the administration and surrendered to the President the right to dictate to this investigating committee as to its activities is no reason

why the present Congress should not reassert its independence and again recognize its confidence in its own committee. The country has reacted most favorably to every independent act of the present Congress. The fact that we made a mistake a year ago is no justification for a repetition of the same error.

I take it that inasmuch as the administration wants this authority, there will not be sufficient votes to defeat the resolution. However, it seems unthinkable that this House should authorize the spending of an additional $600,000 of the taxpayers' money and specifically provide that the poor, subservient committee might be trusted with $120,000 of the amount and the President be allotted $480,000. I think it outrageous that this committee, headed by Senator O'MAHONEY and Representative SUMNERS of Texas, should be compelled to go to the White House with hats in hand and get permission from the President to carry on this investigation. If this had not been done a year ago, it would be shouted out of this House today. The only reason that the proposition is before us is because the administration does not want to yield this prestige.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Pennsylvania.

Mr. RICH. I should like to ask the gentleman two questions: First, what has been done with the $500,000 that has already been given to the committee?

Mr. MICHENER. The report made to the committee by Senator O'MAHONEY, and those who appeared with him, was that they have used this money in making certain investigations which they have not yet perfected. I am quite sure the gentleman from Texas [Mr. SUMNERS], who is on the Economics Committee, and the gentleman from Tennessee [Mr. REECE], who is also on that committee, will be able to explain fully the work done.

Mr. RICH. The second question is this: Is not the $600,000 additional we are asked to give this committee an enormous sum when we consider the amounts we have given other investigating committees of the House; for instance, to investigate W. P. A., $75,000? To a lot of the investigating committees we have given only $25,000. It seems to me this $600,000 is an enormous sum.

Mr. MICHENER. There is no question that it is a large amount; but I may say to the gentleman that the Judiciary Committee was opposing $2,000,000, and, as one member of the committee, I was much gratified to be able to cut the amount down to $600,000. I may say further that I am wondering what the W. P. A. workers and those demanding relief are going to think of an additional appropriation of $600,000 to pay the salaries of these investigators, economists, and what have you, especially when a half million dollars has already been used up without so much as any kind of beneficial report resulting. Experience tells us that there is very little chance of any constructive legislation ever resulting from these investigations.

I regret that my time has expired, and may I close with this question: Is this Congress justified under all the circumstances in authorizing this additional expenditure, and again affirming its belief that it can better trust the President as to the work in hand rather than its own committee? [Applause.]

[Here the gavel fell.]

Mr. MAPES. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, during the remarks of the gentleman from Illinois, the chairman of the Committee on Rules, a question arose as to the present state of the country in comparison with what it was a few years ago. For your consideration I bring you some pertinent comment on that point made on March 17, 1939, in the hearings of the Committee on Appropriations on the supplemental W. P. A. appropriation bill:

> Mr. LUDLOW. Colonel, how was it before there was any Federal relief?
>
> Colonel HARRINGTON. I only know in a general way. * * *
>
> Mr. CANNON. Of course, at that time the need was not so great. We have now the greatest destitution in the history of the United States.
>
> Colonel HARRINGTON. That is correct.

I may add the observation that the chairman of the Committee on Rules later supported the position of the gentleman from Missouri [Mr. CANNON] in the debate on the bill. [Applause.]

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Speaker, I just wanted to address myself in connection with this bill for a couple of minutes to a question that was asked awhile ago by the gentleman from Ohio [Mr. BENDER] with regard to why the President is requesting funds for the W. P. A. for next year.

The reason he is doing this is the same reason the continuance of this committee is of great importance.

The gentleman from Illinois [Mr. SABATH] gave figures on the earnings of the corporations of America during the last couple of years, which figures cannot be successfully challenged. Our difficulty has not been basically with the earnings of industry, it has been with the purchasing power of the masses of the people of this Nation. The reason the President will ask for this money is twofold: First, because he is concerned about the welfare of the great mass of people in this Nation, many of whom have been literally pushed beyond the periphery of our modern industrial economic system by forces over which they have no control themselves.

Mr. THOMAS of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. In a minute I will be glad to yield.

Our principal job is so to adjust their buying power and those economic forces as to bring them back into the circle of that economic system.

The second reason the President will ask for additional funds is that it has been found by the experience of all industrial nations over a period of time that except where a net increase in the buying power of people is being brought about, either through governmental action or otherwise, industry itself is unable to distribute sufficient purchasing power to the people of any nation to enable them to take off the shelves the very goods industry produces. I could give reasons for this, and one of these days I hope to have an opportunity to do so, but I do not have time now. All I wish to say at the present time is that if this committee can be instrumental in showing how that can be done without increasing the public debt—and it ought to be able to be done without increasing the public debt—they will have contributed the most valuable single piece of information, perhaps, that has ever been contributed in the history of this country.

Mr. BENDER. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. In just a minute I shall be pleased to yield.

Another reason the President will have to ask for this additional sum is that the distribution of income in this country is so unequal that the very people who own industry find that this unequal distribution of income is such that the people to whom they must sell do not have the buying power that they need to absorb these goods. This is the main problem. It has to do with the tax structure and has to do with the existence of monopoly. One main reason agriculture cannot get a decent income from its products is that monopoly industry takes too large a percentage of the fluid buying power of the country. If you want to get rid of W. P. A., and if you want to get rid of unemployment, you have to have a means of preventing too much of the total buying power of this country going into the hands of this group, in order that more of that buying power may go into the hands of agriculture, small business, labor, and our older people. One of the things we ought to do without fail before this session ends is to provide an effective, direct, general Federal pension law for our older people.

These are the reasons the President asked for this committee and these are the reasons we need a continuation of the work of the committee. They are also the reasons why it is our duty to provide for useful employment for our unemployed people in the next year.

Mr. BENDER. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. BENDER. The gentleman has spoken of the President's policies and I would like to ask the gentleman this question. Has any President ever had more power for a longer period of time than this President to demonstrate the value of his ideas and his ideals and his doctrines?

Mr. VOORHIS of California. I believe so, but I would not get into any argument about that and in answering the gentleman I will say this much: I believe in 1937 we made a great mistake. I am not laying any blame on any particular person or any group of people, but I think that a tremendous blunder was made in 1937 when we failed to sustain continuously the buying power of these people and tried to curtail too quickly. I think if that had not been done we might well have balanced the Budget before this.

Mr. BENDER. Is it not a fact that bread lines are getting longer and the percentage of poor people is growing; in fact, as demonstrated by the Gallup poll, where 52 percent of our people are within 6 months of the bread line and 19 percent of them are already in the bread lines?

Mr. VOORHIS of California. Let me answer the gentleman's question.

Mr. BENDER. Yes.

Mr. VOORHIS of California. Inevitably, until you correct these difficulties in the economic system which I have pointed out, first, the necessity of an increase in the total volume of money in this country to correspond with the increase of productive capacity—and that increase must be brought about through some monetary adjustment—and until you adjust the distribution of income in this country so that you have an economic system with freedom to your businessmen to produce and then have customers to take these goods off the shelves, you are going to continue to have this same situation.

The President of the United States, had he really been supported vigorously all through this time, would have accomplished far more than he has, and I say this without necessarily implying that I agree with him about everything.

Mr. BENDER. Has not Congress supported him vigorously?

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. VOORHIS of California. I thank the gentleman.

Mr. BENDER. Has not Congress cooperated with him vigorously right along?

Mr. VOORHIS of California. The gentleman knows very well that in the last few years that has not been the case; and, furthermore, may I say that America is face to face with a very difficult and serious problem. She is face to face with the coming to fruition of the developments of machine industry, of technological improvements that proceed so rapidly that it is very difficult for bodies like this one to keep up with them.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. In a moment.

The problem of the President was not, and is not today, only the problem of congressional support. Our problem, yours and mine, and the President's, and everybody else's, is the problem of attempting to understand this problem and of getting the people of America to understand it; and in order to solve it, we are going to need the patriotic support of every group of people in this country—every single one. We are going to have to have business groups that sincerely want to be appeased and are interested in national welfare; we are going to have to have labor groups that want very much to solve their difficulties and differences and are interested in national welfare; and we are going to require a Congress which will earnestly consider these big problems and not bicker about small ones.

I now yield to the gentleman from Pennsylvania.

Mr. RICH. In speaking of industry taking on employment, before the recently enacted laws it required about 40 percent of the operation of an industry to enable industry to break even in its overhead. With the labor laws that we have passed in the last 4 or 5 years, they require industry to operate at the point of 60 percent in order that they may break even before the stockholders get any return on their investment; and we are in the situation, so far as our manufacturers are concerned, that there is today no opportunity for them to get ahead; no incentive to do business or invest capital. Business is going in the red. It cannot make any money; when it does, taxes eat it up. How do you expect business to improve and be able to take on these people when the laws that we have enacted, such as the National Labor Relations Act, or the Wagner Act, social security, are putting such a damper on business that they cannot even make a start, and men with money will not go into business? They are afraid to go into any business, especially when you persecute them and call them all kinds of names, most of it unwarranted.

Mr. VOORHIS of California. I want to answer the gentleman's question. The difficulty, in my opinion, is not with the laws, although I do not think they are perfect, and I think some of them should be improved, but the difficulty basically is that if business was given complete freedom today they have enough idle plant capacity right now that would require a considerable increase in consumer purchasing power to use up the present capacity; and therefore I come back once again to the statement that the problem basically is a problem of adjusting the buying power of the American people on the one hand and their power to produce on the other. [Applause.]

Mr. RICH. Let me ask the gentleman this question: Has the gentleman ever run a business concern; has the gentleman ever been in business and met a pay roll?

[Here the gavel fell.]

Mr. MAPES. Mr. Speaker, I stated prior to the remarks of the gentleman from California [Mr. VOORHIS] that I had no further requests for time, but his talk has provoked requests, and with the permission of the chairman of the Committee on Rules I would like to yield my colleague from Michigan [Mr. HOFFMAN] 5 minutes.

Mr. SABATH. That is quite satisfactory.

Mr. MAPES. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an editorial from a Pennsylvania newspaper and excerpts from a letter from the Michigan Federation of Labor received this morning.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the gentleman from California [Mr. VOORHIS] is always talking about purchasing power. I suppose the gentleman will concede that the man who works in the factory and draws wages has purchasing power.

Mr. VOORHIS of California. That is correct.

Mr. HOFFMAN. And I suppose the gentleman will also concede that someone must operate that business.

Mr. VOORHIS of California. That is correct.

Mr. HOFFMAN. And at the same time that person must get at least enough from those who buy the manufactured products to meet the pay roll and pay for the material.

Mr. VOORHIS of California. Evidently.

Mr. HOFFMAN. That much—pay for materials, money for the pay roll, for taxes—the employer must have, even though there is none left for dividends.

The gentleman's party has been in power for the last 6 years. It has had practically all the money for which it has asked. It has had more by billions of dollars than the taxpayers have been able to pay into the Treasury of the United States. You have borrowed more than $21,000,000,000 and have distributed that money the way you wanted to.

For more than 6 years you have not only, through taxation—and I refer now to the Social Security Act—taken from the employer but the wage earner as well billions of dollars which you promised to hold for him for old age and unemployment benefits, and have squandered it on current running expenses, but you have almost doubled the national debt by borrowing additional sums, which you have wasted and

squandered; and the net result is, as you are forced to admit, a complete failure to better the condition either of the individual or of the Nation.

Now, what has been wrong with your plan? As the gentleman in substance said a moment ago, the greatest need of this country is a better understanding on the part of the President of our country's problems. After all of these experiments, after all of these expenditures, does the President not know the remedy? Has he forgotten that he told us we must live within our means? That we must economize? That excessive taxation and Government regulation would mean the end of constitutional liberty, the end of economic prosperity?

Is there no one on the gentleman's side who can tell the President a few of the self-evident, fundamental facts of life? That wind and hot air will not create either employment or purchasing power? That a ceaseless, restless moving about on vacations from one place to another and a hatching of crackpot schemes, the application of exploded theories, and an utter lack of the application of common sense will never restore us to the position of a normal, prosperous nation?

We have had 6 years of it. Will it take another 6 years of the same kind of foolishness, or will it take 60 years more, for the gentleman's party to learn what is the trouble with our country, to understand the remedy which in the end must be applied?

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. VOORHIS of California. The fact that some of this money is not raised by taxes is important, because that means that that amount of money has been had beyond the contribution to the customers of American business, which has not been raised by taxes.

Mr. HOFFMAN. Very well. If you do not raise it by taxes, where do you get it?

Mr. VOORHIS of California. It was borrowed, and the point I make is that I do not believe it should be borrowed.

Mr. HOFFMAN. Then the gentleman would tax them more?

Mr. VOORHIS of California. No.

Mr. HOFFMAN. Where would you get the money if you would not borrow it? Where would you get it—print it?

Mr. VOORHIS of California. I believe it is important in any modern industrial nation for the government of that nation to exercise its prerogatives and bring into circulation enough money to compensate for the increased productive capacity.

Mr. HOFFMAN. The gentleman's party, the majority in the Congress, has put on the books three laws, the Social Security Act, the Wagner Act, and the Wage and Hour Act, and the unemployment today is as great as it was before they were enacted; each has tended to increase unemployment, and the purchasing power, according to the gentleman's own statement, is lower, and according to the statement just read by the gentleman from South Dakota [Mr. CASE], and according to Mr. Harrington, who is head of W. P. A., the people are now in the greatest state of destitution in the history of our country.

Let me read that testimony from page 189 of the hearings before the Subcommittee of the Committee on Appropriations of the Seventy-sixth Congress, first session. Colonel Harrington was asked as to how the unemployed and the unemployables were fed in certain sections and he was then asked by Mr. LUDLOW how it was before there was any Federal Surplus Commodities Corporation or before there was any Federal relief. He replied:

> I only know in a general way. * * * They were fed by the Salvation Army, and in some cases by municipal soup kitchens.
>
> Mr. CANNON (Democrat of Missouri and a member of the Subcommittee on Appropriations). Of course, at that time, the need was not so great. We have now the greatest destitution in the history of the United States.
>
> Colonel HARRINGTON. That is correct.

In connection with the President's statement made not so long ago that a third of our Nation was ill-housed, ill-clothed, and ill-fed, is not that a wonderful record for the gentleman's party to point to? After the expenditure of all those billions of dollars and 6 years of arbitrary, unlimited power, are you not proud of that record?

You are not only "getting nowhere fast," but you have put the skids under us as a people and as a nation and you greased them well, so that our destination, which is increased unemployment, greater destitution, economic chaos, waste, and extravagance, is approaching at an ever-accelerated pace.

Listen to this statement from the Michigan Federation of Labor, received this morning:

> The Unemployment Compensation Commission of Michigan is faced with a crisis due to lack of funds in the Social Security Board to meet the administration expenses. According to information I have, the State administration may have to close down early in May for lack of funds unless the Social Security Board receives an additional appropriation.
>
> * * * * * * *
>
> Several major industries expect to lay off some of their employees within the next 2 weeks and it will increase the load of the Unemployment Compensation Commission.

Another one of the results of your administration of quack remedies by quack doctors.

As a result of the legislation which you have enacted and the almost criminal manner in which the taxpayers' money has been used; as a result of the restrictions placed upon industry which, in the end, must pay the taxes, an ever-increasing number of individuals and corporations are forced to cut down the number of jobs which they can give.

And why cannot industry longer employ these men? Go out and talk, as I have, with the men who formerly successfully operated the smaller factories who are now fighting for their existence. Go into the towns, into the small cities, and you will learn the facts, which you never can learn by sitting here.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I decline to yield. What do you find? You find that the Wage and Hour, the Social Security, and the Wagner Acts, and your John Lewis and your C. I. O. and sit-down strikes have ruined the men who heretofore have given employment, and still you refuse to lessen the pressure on these men, who, if given a fair, square deal, an even break, always have and would today lift us out of this depression. I notice in this morning's paper that John L. Lewis intends to call a general strike in the soft-coal industry if the wages he demands are not paid, and the hours and working conditions that he demands are not acceded to. Everyone knows that the coal miners need money, everyone knows that they cannot draw a cent of wages unless the operators can at least break even. Everyone knows that as you shove the price of coal up you lose your market and that is what you have done, and so today, down in West Virginia they are asking for public funds to support the miners, who are forced out of work by the legislation that you have passed the Guffey Coal Act.

I do not know of my own knowledge whether the operators of these coal mines are making an unjust profit nor whether the men who work therein are underpaid. But I do know that, unless the operators can mine and sell the coal at a price high enough to pay the wages demanded, no one will work in that particular industry; and I do know that if the wages for mining the coal, added to the other costs, are so high that it is cheaper to purchase coal in some other place or use some other fuel, then again those miners will be idle, the mines will be closed.

True, the laboring man should have a living wage, but the man who owns and operates a mine, a factory or a mill, he, too, must have a living wage.

Let me quote this editorial from the Somerset (Pa.) Daily American of April 12, 1939, which reached my desk this morning and which discloses not what may happen but what has happened, and which points out in no uncertain manner what all must do to aid in solving the trouble:

> It must have been quite a shock to United Mine Workers' leaders to receive the news from Governor Holt, of West Virginia, that there were no funds available out of which to pay relief to miners

idle through the inability of the union and the operators to agree upon wages and working conditions to govern them during the ensuing 2 years, and that if there were available funds, "it would be socially and economically unsound to provide at public expense financial assistance to those who voluntarily refrain from working."

The words of Governor Holt remind of the attitude of Governor Coolidge, of Massachusetts, who later became President, when he was dealing with the Boston policemen's strike.

They also call to mind the words of Grover Cleveland when he said that it is not the duty of the Government to support its citizens, but it is the duty of its citizens to support the Government.

The idleness of the coal mines of West Virginia, and the same is true of Somerset County and all other mining sections, is due to the voluntary action of the mine workers.

Their preference to gratify the vanity and promote the political ambitions of John L. Lewis is the chief reason why bituminous miners are idle.

Were the employees of any mine to sit around the council table with their employers, they could probably go to work within a few days and make more money than they have seen in their pay envelopes since the depression began.

That is what happened after the Jacksonville agreement.

The miners forgot Mr. Lewis and his bargain, agreed with the men who knew the terms on which coal could be marketed, and went to work.

After all, the first devotion of every American is to his country, to his fellow citizens. The highest duty of each of us is to make such contribution as we are able to the general welfare. Any wage agreement that promotes idleness among workers in any craft is detrimental to the common good.

Labor leaders who ignore the highest duties of Americans are not fit to lead Americans.

When there are more than 11,000,000 idle workers in the United States for reasons beyond their control, it behooves each of us to do his part toward accepting proffered employment and providing employment.

Industry multiplies industry; like always breeds like.

The consumer who produces an equivalent for that which he consumes provides for the needs of other consumers and thus contributes to the general welfare.

The idler who adds to the number of idle workers not only contributes to the miseries of his fellows but menaces the civilization under which he enjoys all his material blessings.

When any group sets up conditions of labor that are detrimental to the general welfare it absolves from allegiance all patriotic citizens.

The results of coercion and intimidation in Russia, Italy, and Germany are the results that will follow similar practices in America.

The attempted coercion of mine operators into acceptance of uneconomic agreements for the operation of their mines belongs in the same category as Fascist, Nazi, and Communist coercion in Europe.

Governor Holt has exhibited a fine sense of justice in refusing to lay upon industrious citizens of his State the support of those citizens who regard their obligations to John L. Lewis superior to their obligations to America.

John L. Lewis and his C. I. O. would not only "kill the goose that lays the golden egg" but they would kill every kind of a goose that lays any kind of an egg, and in doing that they are playing into the hands of the Communists, whose theory is that no man should own anything nor make a profit, no matter how industrious, how saving he may be. [Applause.]

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. MAPES. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, I think I should have a critical eye on these increased expenditures. I have read the explanation of the bill. It seems to be the old story of an attempt to bolster up the old idea of the commodity dollar. I wish to ask the chairman of the Rules Committee to explain this language:

And to hear and receive evidence thereon, with a view to determining, but without limitation.

What is meant by "to determine, but without limitation"?

Mr. SABATH. Mr. Speaker, the gentleman possesses enough intelligence——

Mr. GIFFORD. No; I do not have sufficient intelligence to understand that.

Mr. SABATH. The gentleman possesses enough intelligence that it is unnecessary for me to explain the meaning of that verbiage. I think it speaks for itself. The gentlemen knows what the word "limitation" means. Of course, it does not always apply to him, but as a rule we know the word, and the meaning is generally recognized.

Mr. GIFFORD. I will read it to the gentleman. I knew he could not explain it. Of course, he could not—

With a view to determining, but without limitation, the causes of such concentration and control.

I yield for some bright Member to tell me what that means as applied to this particular portion of the act.

Of course, there will be no limit to the sums that will be required to keep this Commission going if it is without limitation in the scope of its inquiry. I ask the House to consider the last expressed instruction "to adjust the purchasing power of the dollar." It is the old rubber dollar plan that is to be further investigated. We have had nothing but that for some time. I do not like to see this money possibly wasted on such an unparalleled authority granted to search for that impossible solution "that government can prove itself greater than natural economic laws."

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, as there is no opposition to the rule, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. SUMNERS of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the joint resolution (S. J. Res. 90), to amend the joint resolution approved June 16, 1938, entitled "Joint resolution to create a Temporary National Economic Committee."

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the joint resolution (S. J. Res. 90), with Mr. LEAVY in the chair.

The Clerk read the title of the Senate joint resolution.

The CHAIRMAN. Without objection the first reading of the joint resolution will be dispensed with.

There was no objection.

The CHAIRMAN. The gentleman from Texas [Mr. SUMNERS] is recognized for 45 minutes.

Mr. SUMNERS of Texas. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, this proposed authorization has to do with an important work that the Temporary Economic Committee is undertaking. I suppose everybody will agree that in this country we are more or less at the crossroads and must determine very soon which direction we shall go. There are a large number of people in this country who believe that the desirability, feasibility, or possibility of controlling our economic activities by competition is ended. The total of those holding these views are many. They think that method is out of date. There are other people who do not agree with them. Regardless of the views which we have, we all appreciate the importance, the necessity of making that decision soon.

It has already been mentioned in the discussion of this bill that in the last Congress the President sent a message to the Congress asking that there be established a committee composed of agents of the executive branch of the Government to make certain investigation. As a final development Senator O'MAHONEY and myself and representatives of the executive branch of the Government had a number of conferences. As a result of those conferences the bill, which it is proposed here to amend, was agreed upon and finally became law, providing for the creation of this committee, fixing its duties, and so forth. That committee was composed of six members from the executive agencies and six members from the legislative branches of the Government.

You are all familiar with the scope of the responsibility which was given to that joint committee. If it had been a matter which I could have controlled in the first instance, it would probably have been conducted entirely by the legislative branches of the Government. At least the joint committee, if I may so designate it, should have been given control of the expenditure of the funds. But we are not dealing with this matter as in the first instance. Besides

I am by no means certain that the arrangement which we may not agree with in theory is not proving to have been fortunate in our peculiar circumstances at this time. I am certain in my judgment that however that may be we should not change it now after we have organized and proceeded thus far under the law which the Congress enacted. My good friend from Michigan [Mr. MICHENER], for whom I have great respect and friendship, is going to offer an amendment to provide that this additional authorization shall be expended entirely by the committee. For the reasons which I have indicated I hope that amendment will not be agreed to. The Congress, in passing the original legislation, provided that four-fifths of the $500,000 should be expended under allocations made by the President to the executive agencies charged with the responsibility of making the investigation in the first instance, and $100,000 to be expended by the committee as a whole.

Under that act, passed by the Congress, that money has been largely expended. There are two reasons why the amendment proposed by my good friend from Michigan [Mr. MICHENER] should not be adopted. In the first place, whatever may be the theory, there is pretty general satisfaction in the country as to how the business of this committee has been carried on. That is quite important. In the second place, the adoption of this amendment would mean scrapping a great deal of the organization and a great deal of the work already done, because under our legislation these departments charged with making the investigation have organized their forces and have spent most of a half a million dollars carrying out the commission of the Congress. Do not forget that. Whatever may be said, these executive agencies are acting under the authority and the mandate of the Congress. I would like to have that understood. I will repeat it. I want you to remember this when you come to vote on the amendment which will be offered by the gentleman from Michigan [Mr. MICHENER] that the activities which have taken place have taken place under the authorization and direction of the Congress of the United States.

It is our money that has been spent while they have been working at a job which the Congress directed them to perform. It is not urged here that they have not done the job well. These agencies have organized their staffs as we have authorized and spent this money as we intended. The work is not finished. As a practical proposition I submit to each of you individually if you had the responsibility of conducting this investment and were proceeding through an organization which you had set up, would you stop in the middle of the investigation, having spent a half million dollars, tear up your original organization and make it necessary to create a new organization and start anew, losing time, wasting money, and probably lessening efficiency? You would not do it.

The next thing I bring to your consideration is the composition of the committee. As I have indicated, I think it has been very fortunate in our present circumstances that the committee was constituted as it was; in other words, I think it is a good thing that there have been six members from the legislative branch and an equal number from the executive branch sitting side by side and working together in this particular investigation. I will tell you why I think so, and it was to me a very interesting thing, the departments of the Government are beginning to untangle themselves and to move toward a resumption of their normal functioning. In the beginning of this administration the people of the country, recognizing that we confronted a great emergency, by common consent concentrated emergency power in the Executive to deal with the emergency situation. In my judgment, that would have happened regardless of who was President, regardless of what party was in control of the House or the Senate. It is a sort of instinctive thing that takes place among our people under our system of government which makes it possible for us to escape the necessity of having to have a dictator when conditions require a quicker set-up and stronger power than our institutions normally afford. This is a very interesting fact. There is another which is equally interesting. I think unquestionably that anybody who has kept his senses recognizes that the time must come—in fact it is here—when we must begin the resumption of normal functioning of our institutions. These distinct but coordinate branches of the Government are not accidents, they are the vital organs through which our system of government functions.

The legislative branch of the Government during these last 6 years has not been functioning normally, and when I say this it is not in criticism of anybody. Everybody who understands the fact knows this is true, and if he understands anything about the nature of our system of government and the natural laws which govern it he knows also that we have got to go back to normal functioning or lose the power normally to function. It is rather fortunate, in my opinion, as I have indicated, that in the transition period, this period of readjustment, it has come about that three Members of the House and three Members of the Senate are sitting together with representatives of six executive agencies of the Federal Government doing a particular job through which we get a better understanding of each other, a better appreciation of each other, establish a sort of interchange of mutual understanding and respect, a better chance to do teamwork dealing with the big problems of government. I am happy to say that the thing has worked out differently from what I feared it would, due as much to the spirit and cooperation of the Executive as to the legislative personnel.

I am very much interested in this situation, in this hopeful demonstration of what happens to the attitude and efficiency of people when they pool their intelligence, their experience, their judgment, and their effort in a common cause. We have got to have a lot of that if we run through without a smash. Whether we be Democrats or Republicans, I do not believe anybody who has got practical sense fails to recognize the fact that the job ahead of us is going to require all that the Democrats and all that the Republicans of all the departments can do to solve it. [Applause.] We fight out our political battles here and in the country. That is to be expected.

It is a good thing to have somebody in opposition. It is a sort of check and balance. Not only is that true here but it is true with reference to the work of the executive branch of the Government and the legislative branch of the Government; and the executive branch of the Government had just as well understand—I mean if there is anybody who does not understand it—they had just as well understand that the Congress is going to begin to perform its normal constitutional functions as the legislative branch. It must do it. It has to do it or lose its power to function, because power will not remain where it is not used. This is not said in criticism of everybody. I tried to make it clear that this condition generally out of which we are moving would have developed whether the Republicans had had the Presidency or whether the Democrats had had the Presidency, because it had to happen to deal with our situation. But it is necessary now that the legislative branch of the Government come into its full responsibility, because the President himself is going to need all that an independent, patriotic, cooperating legislative branch of Government can do; and we are going to need all that we can do plus all the Executive can do, and plus all that the people can do. For this reason I believe it is rather fortunate that this particular committee right at this more or less pivotal point when there is too much misunderstanding has been made up of these six men from the executive branch and six men from the legislative branch.

I think the whole country owes a great deal to Senator O'MAHONEY for his activity with regard to this matter; and let me say now that the spirit of the executive agencies of the Government connected with these matters has been as fine as anybody could expect. I am glad to say that they conceded that the legislative branch of the Government ought to have equal representation—I mean the men who were designated to do this work. We have gotten along all right over there in the work of the committee.

They did bring in the suggestion that about $2,000,000 be authorized. Neither Senator O'MAHONEY nor myself nor my

to see whether or not the criminal statutes should be

colleagues, the gentleman from Missouri [Mr. WILLIAMS] or the gentleman from Tennessee [Mr. REECE], favored that amount. We all talked it over, and we did not do it in any combative, fussy sort of way. We and our colleagues of the executive branch of the Government talked it over and came to an agreement that we would not ask for more than $600,000. We agreed in the Judiciary Committee of the House, the Democrats and the Republicans on that committee—and we have the finest committee in the world, bar none—we agreed, Democrats and Republicans agreed, that we would just ask for this $600,000.

As to the work we have done: I assume that most of you know in a general way from the newspapers the character of the investigation that has been conducted, and you know from the newspapers the character of the investigation that it is contemplated will continue to be conducted. Whether this committee will do this work properly only the future can determine, but the fact is that this committee is charged with the most important responsibility perhaps, considering the economic condition of the country and the decisions the committee will have to make—of any similar group of people working in the Government today.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. WALTER. The gentleman is far too modest. He gives the credit to Senator O'MAHONEY. The credit should go to the gentleman himself.

I think we all realize that our distinguished chairman, the gentleman from Texas [Mr. SUMNERS] is the man to whom this House owes the credit for having the situation exist as it does today. May I ask the gentleman whether or not it is in the contemplation of the committee to look into the manner by which the American Can Co. is driving out of business every small manufacturer of containers in America today through the distribution of machinery that costs from $5,000 to $7,000 for the sealing of cans? Obviously, a small manufacturer cannot compete with the American Can Co. Today the American Can Co. is able to go to every purchaser of containers, with the offer of the use and the free servicing of this very expensive machinery and it is able to secure the cream of this business.

Mr. SUMNERS of Texas. I appreciate very much the compliment of the gentleman.

With regard to that particular investigation, I would not like to speak with any authority because I am not authorized; but I may say to the gentleman it is contemplated that the whole field of practice in trade and industry will be investigated, so that when we come to deal with it we will have a complete picture of the economic life and the functions of its machinery in this country so far as business is concerned.

Mr. HEALEY. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Massachusetts.

Mr. HEALEY. I think some of the Members are anxious to learn what time this committee will make a report of its activities. I mean approximately.

Mr. SUMNERS of Texas. I may say to the gentleman it is contemplated that very soon a sort of preliminary report will be made with reference to what the committee has done and possibly some suggestions made as to remedial legislation; but the final report will be deferred until the conclusion of the investigation. May I say further, I believe the business interests of the country feel rather gratified that this sober, serious work is being done now so that when we enter upon a program we will do it deliberately, with the facts fully understood, and what has to be done will be accomplished with a surgical instrument as distinguished from a meat ax.

Mr. MICHENER. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Michigan.

Mr. MICHENER. I agree with what the gentleman stated so far as the business interests of the country are concerned. May I add further that the fact the gentleman from Texas [Mr. SUMNERS] is a member of the committee is one of the contributing factors to that feeling.

May I ask the gentleman this question: The committee asked for $2,000,000 in the original resolution. Then it was developed it could not use this $2,000,000 during the life of the committee as now authorized. Is it the gentleman's judgment that in the next Congress or before that time the committee will come back and ask for a continuation of life with an additional appropriation?

Mr. SUMNERS of Texas. I cannot answer as to what the committee will do, but I do not hesitate to answer the gentleman's question so far as my own attitude is concerned. My own attitude is to crowd this investigation as rapidly as it can be made thoroughly. I do not now see any reason why at the conclusion of the expenditure of this money we should not have been able to make sufficient investigation to give the country a picture of the conditions as we find them and to make such recommendations with regard to legislation as the facts indicate.

Mr. MICHENER. That being the situation, does the gentleman have any serious objection to going back to the usual form and giving the committee discretion in the spending of this additional money, the same as every other investigating committee in all history has had?

Mr. SUMNERS of Texas. As an original proposition, I would not, as I tried to explain; but I suggest to the gentleman from Michigan, who is a good businessman as well as a good lawyer, that when you have an investigation in progress, and that investigation, whatever your theory may be, seems to be going along well under a law and an authority which the Congress has given I would not change. There is good teamwork; we have spent a half a million dollars getting the thing started, building up our organization in the departments. The work is far progressed. In my opinion, in such a situation it would not be good judgment, it would not be good legislation to change in the middle of the investigation. This investigation is being conducted under the authority, the direction, and as fashioned by the Congress. Nothing which the executive agencies which we told to do this work have done would justify this change. It would not help the development of the proper interdepartmental feeling of copartnership in a common responsibility which is ours or a proper teamwork if we are to win through. We have spent a half million dollars. These executive agencies have their organizations at work. They are doing a good job. We ought not to change the situation.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. May I ask the gentleman if Senator O'MAHONEY did not say to our committee that in his belief the $600,000 would be sufficient, and that a final report would be made, say, at the beginning of the next Congress?

Mr. SUMNERS of Texas. I believe Senator O'MAHONEY did say that. I am sure that Senator O'MAHONEY entertains the hope that will take place and I believe he thinks it can be done. In my opinion, Senator O'MAHONEY will do what he can to bring about that result.

Mr. MAY. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Kentucky.

Mr. MAY. I understand this investigation is perhaps not meeting with strenuous opposition from business and industry, at least legitimate business, and that probably it will result in a report which will ultimately bring about legislation correcting a good many evils in the way of trust conditions. There is another angle to it, however. May I ask the gentleman from Texas whether or not his committee has made any study of this particular feature. We have in the Department of Justice what is called an antitrust department, or branch of that service. Certain public officials at the head of that department or connected with that department have recently been starting prosecutions against large industries that are supposed to be in an unlawful trust or combination, or engaging in some vicious practice. As a result of these criminal prosecutions that have been instituted, they have been procuring judgments by which these practices can be regulated. Does the gentleman think he should look into that situation

to see whether or not the criminal statutes should be resorted to in order to coerce business into submitting to certain decrees?

Mr. SUMNERS of Texas. I do not know the scope of this investigation. However, it really does not contemplate in the first instance an investigation of departmental practices discharging their particular constitutional responsibilities.

I want to make this additional statement: Under the present arrangement these executive agencies are able to utilize a great deal of their accumulated information and a considerable part of the time of members of their staff.

In the absence of any further questions, I believe I shall reserve the balance of my time.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Montana.

Mr. O'CONNOR. I fully agree with the gentleman's statement that we are at the crossroads and must pursue one course or the other, and try to have Congress assume its functions in this country, without dictation from bureaucrats. The thought has come to me that we have too much government by the departments, too much bureaucratic government, so to speak. In other words, if you submit a bill to a committee the first thing the chairman usually asks is, "What report is there from the department concerning this bill?" Ordinarily, if the report from the department is adverse that ends the bill. The same thing is practically true if we are seeking an appropriation for something in our district about the necessity for which we know a great deal more than anyone here in Washington. If the Bureau of the Budget states it is not in accordance with the plans of the President, as a rule the application is denied.

The thought occurs to me that Congress is not exercising its function when it permits a department of the Government to dictate what laws shall be passed or shall not be passed.

Mr. SUMNERS of Texas. May I say to the gentleman that sometime, with the indulgence of the House, I will be glad to present for your consideration some ideas I have on that subject? I agree we have too much governmental responsibility concentrated in Washington. As long as we have more governmental responsibility in Washington than we can take care of through our ordinary machinery functioning as it was contemplated it should function, I do not see any other way to take care of the overhead than to create these departments and bureaus and turn over to them powers we wish they did not have. I do not want to get into that subject now, however.

Mr. HARE. In view of the gentleman's statement there——

Mr. SUMNERS of Texas. Not that one. I do not want to pursue it further.

Mr. HARE. I will ask this question then, changing it around: I understand the legislative members are sitting in with the executive members of the committee now under consideration. I should like to know for my personal information, because of the high regard I have for the ability of the legislative members of the committee, Are the legislative members actually or theoretically sitting in with the other members of the committee?

Mr. SUMNERS of Texas. Does the gentleman mean in making the investigation in the first instance?

Mr. HARE. Yes.

Mr. SUMNERS of Texas. No; not making the investigation in the first instance; but I do not want to stop there because that would give the wrong impression. It is the responsibility of the executive agencies to make the exploration in the field under their set-up and then to bring the witnesses and the facts and submit them to the full committee. Certainly at that point and at that time and in that capacity the legislative members take full responsibility with their colleagues from the executive branch, and we get along very well, too, I may say to the gentleman.

Mr. HARE. May I ask whether or not the legislative members have some voice in determining the field of exploration by the committee?

Mr. SUMNERS of Texas. Yes. [Applause.]

[Here the gavel fell.]

Mr. GUYER of Kansas. Mr. Chairman, I yield 5 minutes to my colleague the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I realize that in following the distinguished gentleman from Texas, the chairman of the Committee on the Judiciary, I am facing a rather difficult task. I, as well as other Members of the House, have implicit faith in the chairman of that committee, as well as its membership.

I am not here this afternoon to oppose the work of this investigating committee. I believe such an investigation is justified, and assume they are doing a good piece of work. However, I do not think it should be necessary to spend a million dollars to secure the information this committee seeks. If the departments of our Government would properly function, the work of the committee would not be such a stupendous task. I am firmly convinced that it is not right for us to place most of this appropriation in the hands of a Chief Executive for the direction of its expenditure.

This bill provides for the authorization of $600,000 for a Temporary National Economic Committee to continue its investigation, started about a year ago. This Congress authorized the expenditure of a half million dollars for this purpose at that time. The committee said it would be enough. It should have been. Now, they tell us it will take $600,000 more to continue the investigation. As a matter of fact the first resolution introduced on this subject asked for $2,000,000. It seems to me that the situation is almost an indictment upon Congress itself—when, in view of all the departments and expensive bureaus we have created—it now becomes necessary to spend more than a million dollars to make investigations as to whether or not there have been certain infractions of the law, whether or not regulations have been violated, and to what extent, and then determine what legislation, if any, should be passed. I know the investigation is an important one—but a million dollars is a lot of money.

We are told it is necessary to go outside the departments of our Government and employ some 460 investigators to help determine these questions. One of our distinguished Members told us just a few moments ago that there had been violations of the law by a certain great monopoly. Then he asked whether or not this committee expected to investigate the case. Why not file a complaint with the Department of Justice and have that particular concern subjected to an immediate investigation?

In passing, let me call your attention to another thing—the committee has spent $500,000. We have no report of that expenditure. Nothing to tell us what has or has not been done. They say "We do not have a report ready, but you have read the newspapers and know we are conducting an investigation that is worth while." They also tell us that they have not only spent the $500,000, but have also promised to spend the additional $600,000 which we are considering today. The distinguished chairman says he hopes the additional $600,000 will be sufficient—but mind you, if we are here next year, you will find that another expenditure will be required in order to continue the work of this committee.

Mr. GUYER of Kansas. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. REES of Kansas. So, in one hour and a half this afternoon, you are going to spend $600,000 or a little more than half a million to continue one more investigation. I do not know how many investigations this Congress seems to need, but I would like to say again that it seems wholly unnecessary that Congress should have to go outside of its departments and spend so much money to secure this information.

A few days ago we agreed to spend several thousand dollars to investigate the manner in which employees of our own Government are administering the fund provided for the relief workers of this country. Every few weeks we appropriate money to make investigations of various kinds, most of them being warranted, but extremely expensive.

We have another situation with reference to the expenditure of this fund. The act provides that four-fifths of it shall be spent by the Chief Executive. In other words, Congress provides for the investigation. Congress provides for the appointment of the committee and then places $480,000

of this money in the hands of the Chief Executive so that he may direct the use of it where he chooses.

I am interested in what the gentleman from Texas had to say, and I want to agree with him in one of his statements——

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield for a question.

Mr. DONDERO. What reason is given for the committee itself not expending the money provided for in this resolution?

Mr. REES of Kansas. Oh, the only reason given for the committee not expending it is because they are doing just like we have done in other cases—appropriated money and then handed it over to the Chief Executive. We have done it over and over again. I believe if Congress appropriates the money, it ought to provide for the expenditure of it. This resolution gives four-fifths of the fund to the Chief Executive and says in substance "You are better qualified to handle this money than even the members of the committee or of Congress itself." I do not know of any other reason. As a matter of fact, it is only an excuse as I view it.

I agree with the chairman of the committee when he said a while ago that the time has come—I believe it is long past—when Congress ought to assert itself and do a little legislating of its own. It can then be responsible for some of the things that are done. Congress has depended upon someone else to tell it what it should or should not do, rather than use its own judgment. Certainly, we are not proud of our present situation. Let us for once get back on our feet and reassert ourselves and assume the responsibilities as Members of Congress.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. Yes; for a question.

Mr. MASSINGALE. Commenting on the use of the money that has been appropriated by the Congress heretofore, the gentlemen certainly understood the chairman of the committee when he stated that the Executive had more than pleased the legislative branch of this committee in the division of these funds. There is no criticism about that, is there?

Mr. REES of Kansas. I do not know about that. I do not know how well pleased this committee has been, but I am saying to you that if Congress is going to appropriate the money for this investigation and provide a committee for that purpose—it ought to direct the expenditure of it, and not place it in the hands of anyone else. I think the gentleman will agree with me on that principle. He cannot give me any particular reason why $480,000 should be handed to the Chief Executive and say to him, "Mr. President, we are handing this to you because you are better qualified, in our judgment, to handle the money, rather than have the Representatives of the Congress of the United States, who, after all, are going to be responsible for the investigation that is made, handle the money."

Mr. MASSINGALE. If the gentleman directed that to me as a question——

Mr. REES of Kansas. No; I did not. I said I think the gentleman would agree with me on that question.

We are going ahead and spend the $600,000 just like we have spent money right along. Hardly anyone has spoken against it. This Congress has been increasing appropriations and authorizations rather than reducing them. We are going to treat this measure in the same way. We will probably spend more money for the same purpose, but somewhere sometime we are going to have to begin cutting our expenditures. Members of Congress, this is a good place to trim an authorization a little. At least let us adopt the amendment of the gentleman from Michigan, providing that Congress for once shall spend the money it authorizes, and not let it go into the hands of anyone else.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. GUYER of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, after making one or two observations I desire to submit a question to the distinguished gentleman from Texas [Mr. SUMNERS]. In recent months I have been very much impressed with certain facts setting forth past performance which have appeared in print. For instance, the appalling absence of new capital going into our industrial system, or, as some prefer to call it, our capitalistic system, and which I think gives us a yardstick for measuring the blood stream of this system, which has built our country to what it is today. I think that this investment of new capital directly relates to unemployment and our relief problem. It deals with the question of savings in our banks and our whole banking and monetary system. I refer all who are interested to the amazing statement of the Federal Reserve Board issued April 8, 1939, and in the form of an appeal addressed to the the chairmen of the House and Senate Banking and Currency Committees. According to the annual reports of the Securities and Exchange Commission, we, in the year ending June 30, 1935, put into our capital structure new capital amounting to only $205,000,000; in 1936, $327,500,000; in 1937, $890,000,000; and in 1938, only $457,000,000. So far this year we are putting in an insignificant amount. For 2 or 3 years prior to those I have quoted, we put into our capital structure practically nothing in the way of new capital—for plant expansion and working funds—dropping as low as $161,000,000 in one year. I am here referring to the investment of new capital largely used for expanding plant and equipment and increasing working capital—old and new operations.

We find from the Alexander Hamilton Institute and the American Federation of Labor, on pages 4091 and 4092 of the CONGRESSIONAL RECORD, the appalling, staggering figures, with reference to unemployment, running from 1930 down to February 1939. On pages 4129 and 4133 of the RECORD we find that our people have in excess of $50,000,000,000 in savings.

I get the distinct impression that we are in this country folding up and moving out of the capitalistic system upon which we have depended in prior years. Government ownership, insurance, subsidy, and management are moving in. I am not saying that the book is being closed and locked, but I am saying that it is folding up, and the question I wish to ask the geneleman from Texas is this, if it is within the ethics of the committee to divulge such information at the present time? Have the gentleman and his committee, so far as they have gone in this investigation, uncovered or discovered elements which he feels will in due course, after Congress acts or fails to act, straighten out this situation and put us in a more hopeful day than the last decade indicates? I make this inquiry in the light of the April 8, 1939, release of the Federal Reserve Board and with its sincerity and all of its implications.

Mr. SUMNERS of Texas. Mr. Chairman, I would not take the responsibility of indicating now that the committee will be successful in discovering the solution of the situation to which my distinguished friend has called attention. I do believe that each member of the committee fully appreciates the tremendous importance of the fact the gentleman has referred to. Personally I consider that the exploration of that field or the possibility of making discovery in that field would aid considerably in the solution of the problems confronting the committee, as it appeals to me. That is as far as I can venture in my reply.

Mr. CRAWFORD. Mr. Chairman, I wish to thank the gentleman for his frankness and his answer. Again referring to the statement of the Board of Governors, I must, after reading its observations, along with previous statements by it made under date of March 11, 1939, and in recent Federal Reserve bulletins, come to the conclusion that the Board feels there is need for a sweeping inquiry into matters not being covered by the gentleman's committee.

The Board in its last release is very emphatic and goes so far as to say that it would welcome a reexamination of its own conclusions and a study of the factors that obstruct the flow of money through the channels of investment, production, and distribution. If the Banking and Currency Committees of the House and the Senate fail to respond to

the urgent and repeated requests of the Board of Governors, it might be quite in order for the gentleman's committee to act promptly and aggressively and thus endeavor to lend such assistance to the Board as it deems vital and important to all the people. If we do face a situation wherein Congress will not respond to the urgent requests of the Board, then certainly we have no right to further criticize the Board for such disastrous happenings as may occur. The Board has given us fair and ample warnings and has appealed to us for assistance and consideration. We should act and do it now.

Mr. GUYER of Kansas. Mr. Chairman, I yield now to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Chairman and my colleagues, there are two vital problems confronting this Congress which are so vast in their significance and so important in their scope that they overshadow all other business before us. These problems are so serious that we could well devote a part of every day to discussing them and it is unnecessary to go beyond the sixth letter in the alphabet to come to either one of them. I refer to the foreign policy of the United States and to the farm program of this country. Until and unless we arrive at a sound and sensible understanding of these two problems and openly advise our constituents what our continuing policies will be concerning them, this country cannot go forward to the economic prosperity and domestic tranquillity which we all seek.

Our most important challenge, of course, is that demanding that each of us does his part to keep America out of war, to keep this Congress immune to the propaganda of warmongers and internationalists with whom this country is again seething, and to work out an open, honest, and stable foreign policy which will avoid all forms of entangling alliances and protect us against a repetition of the hideous experiences of 1917. We must seriously and soberly dedicate ourselves to a reaffirmation of America's traditional policy of nonintervention and we must stubbornly resist the scare cries of alarmists and excitable exhibitionists who are trying to coax us into an inflammable state of mind and to inject us into the war-making controversies of other continents.

And next to the problem of protecting our peace comes the problem of developing a sound and sensible farm program for this country which will give equality of opportunity to the farmers of America. By giving equality to the farmers of this Nation we shall have restored an honest purchasing power to one-third of the population of America, and by restoring agricultural prosperity we shall have developed a national-defense program which will aid us not only in guarding against enemies from abroad but which will protect us against the invasions of inimical ideas from within this great country of ours.

This Congress is vitally interested in this number one domestic problem of the United States. I am sure that it recognizes that the time has come when suitable farm legislation must be written into law and that all of us are eager to solve the farm problem since it remains as the first step which must be taken in any program to successfully recover from our 9-year-old depression.

Consequently, I am inserting in the RECORD this afternoon in connection with this talk an interesting letter which I have recently received from an actual dirt farmer in South Dakota whose comments and conclusions merit the study of every Member of this House.

I am one of the co-authors of the cost-of-production farm bill introduced in this session of Congress and which, in my opinion, will give American agriculture the first honest break it has had since 1926. Many of you agree with me; some of you honestly disagree. Regardless of your position at this time, my colleagues, I think you will find it thought-provoking to read Mr. Hansen's analysis as you will find it attached to these remarks and, after that, I hope you will join in signing the petition now on the Speaker's desk bringing the cost-of-production bill before this House for consideration and debate.

This Congress must not adjourn with the agricultural problem remaining unsolved—by getting the cost-of-production bill before us for action and amendment we will be taking a definite step toward the solution of the number one problem of America.

Today's disastrous farm prices bear their own testimony that the present-day farm policies of curtailed production at home, combined with enlarged imports of farm products from abroad have not given the farmers a fair break. Since economic prosperity cannot come to labor and industry until the producers of new wealth—our farmers—are given a decent and fair income so they can buy the products of labor and industry, it is high time after 9 years of stalling that we start back on the road to prosperity by destroying this depression at its roots through a sensible solution to the farm problem. To this end, I am sure you will be interested in the following letter which was written to me by Peter V. Hansen, of Salem, S. Dak., who is neither a professional farm organizer nor an agricultural theorist, but who is an actual farmer with a sound mind and a strong back, and he exercises both of these assets in the interests of self-improvement by both working his own farm and studying the economic situation into which the products of his labors must be sent after he completes each harvest:

COST OF PRODUCTION CLUB,
SALEM, S. DAK., *March 29, 1939.*

Hon. KARL MUNDT,
Washington, D. C.

DEAR MR. MUNDT: I have had numerous requests for copies of H. R. 2377, known as the cost-of-production bill, which was introduced by you in the House of Representatives in the early part of the present session, and I would be very pleased if you would send me a few copies, so that I can fill those requests.

It is very interesting to read the statement made by Secretary of Agriculture Henry Wallace, that the cost-of-production plan would cost the consumers $1,000,000,000 a year. Does that statement convey the message to the Members of the United States Congress that the farmers of this country are feeding the people in the United States at an annual loss to the farmers of $1,000,000,000, and if it does, how long does the Congress intend to let a condition like that prevail?

It is not my intention in this letter to unduly criticize what has been done or tried in the past. I am merely stating the true facts and conditions as they are in the hope that it may help correct the fallacious agricultural theories which are—and have been for 6 years—advocated by bureaucrats and importers of foreign agricultural products.

I have always believed that as a nation we should keep an inventory of what we have on hand of various products needed to sustain the Nation; consequently I am one of the many who each month furnish the Government with a report on crops, prices paid to the farmers, and conditions relating to and affecting crops. Each month I receive in return from the Department of Agriculture a summarized report covering the State of South Dakota and also the whole United States.

I am sending to you a little edition—covering the month of February—which I also receive each month, and I ask you to give it your most careful study. In this little edition you will find three tablets giving various figures, and you will notice that the period used as a base for the first two is that of 1909 and 1910 to 1914, while the base period used in the tablet on page 8 is that of 1924 to 1929.

On page 2, under the heading "Prices down," I ask you to read the third paragraph, which says: "The index of grain prices was unchanged during the month, but at 66 percent of pre-war it was 23 percent, or points lower than on February 15, 1938." I want you to bear this in mind for a moment and then take a look at the table at the top of page 3. (See exhibit I.) This table has the pre-war base period of 1910–14 as 100. Then we find at the bottom of the column marked "Prices received," the figure 92 for the month of February 1939. We have just read the statement on page 2 that grain prices during the same month were only 66 percent of pre-war prices; to bring the figure up to 92, it would be necessary that some farm products brought prices well above 100; this, however, has not been the case, as we will discover by reading the table at the bottom of page 3, under the heading "Prices of farm products." (See exhibit II.) In column 2, under the heading "February average, 1910–14," we find the prices paid during that period, and in column 5, under the heading "February 1939," we find the prices paid during that period, but the figures given in this last column are considerably above the prices paid to the farmers in South Dakota; in fact, most of these figures are identically the same as the market quotations in Minneapolis and Chicago. Now let us compare the figures given in the last column under "Parity prices, February 1939," and we will see how hopelessly far from being a help to the farmers the new A. A. A. is. I should like to have you observe on page 3, under "Employment," that on February 1, 8,914,000 people were employed on the farms in this country. Three million more would be added to this figure if the farmers were paid a price equal to cost of production. I have work for two men the year round, but I cannot afford to hire one. I should also like to have you observe the table appearing on page 8. (See exhibit III.) This table has for a base period the years of 1924–29 used as 100. Note carefully the title of the items listed in this table; note that the national income for 1939 is given as 90.3 percent of that of the base

period; that nonagricultural income is given as 92.3 percent of that of the base period; that the purchasing power of nonagricultural income per capita for food is given as 100.2 percent of that of the base period; and please also note that the cost of food (the farmers' product) is given as 74.6 percent of that of the base period. Under the heading of "Wheat" we get the information (see exhibit IV) that the prospects are that we will have a carry-over of 285,000,000 bushels of wheat by the 1st of July; this will no doubt be called a surplus; but is it? It amounts to a little more than 2 bushels of bread grain for each person in the United States. This is not even a reasonable reserve for a nation as big as ours; without an adequate supply of food our national defense will weaken quickly in case of actual combat, for even today, under our New Deal, a soldier fights on his stomach. Suppose we should have a year like 1936, and at the same time a major war should materialize, and we had only a carry-over of 285,000,000 bushels of wheat, why, we would curse the day we ever took an acre of wheat out of production. In reading this little edition this thought comes to my mind: "Who is trying to fool who?" All the bureaucrats and all the so-called agricultural experts in Washington, D. C., cannot fool the farmer; when he looks at his records and his pocketbook he knows where he is at. He is dealing with actual facts, not theories. Let me submit a few of the practices that are being carried out under the new Farm Act.

In 1937 one of the soil-conservation committeemen in this (McCook) County discovered that he could make a good thing out of the benefit payments if he worked it right, so he persuaded a number of his friends and relatives to sign up on the new farm program and had them take the soil-conserving acres out on his farm, and when the check came they signed it over to him, he had his whole farm laying idle, he had no farming expense and collected about $1,000 in benefit payments. How did that system conserve the soil on the farms of his friends and relatives?

The same year a young man in Hanson County rented eight farms with a total of 1,200 acres, and this is what he said, "I will just spread my seed out thin so it will reach and then run over it light with the tractor, if I get a half a crop fine and dandy, but at any rate I will get $800 from the Government."

This year one of our neighbors has rented a total of 800 acres and he is making exactly the same statement as the young fellow in Hanson County did except he will get about $1,000 from the Government, he does not intend to try to do a good job, he intends to do his work as cheaply and lightly as he can, just to qualify for the benefit payment. Nothing is more damaging to the soil than that kind of farming. There used to be a keen competition among the farmer-tenants as to who could do the best job farming, because the best farmer could generally rent the best farm, and that was a healthy condition, but now under this prolonged home-made depression and the new farm program, that healthy condition has almost completely disappeared. In 1932 we were promised prices in excess of cost of production, and since then we have been promised parity prices, but instead of getting either one, we have been getting advice from a bunch of bureaucrats and so-called experts, who want to tell the farmers how to farm, the farmer who has a lifetime of practical experience to his credit, the farmer who has the benefit of his father's and his father's father's experience before him, still these bureaucrats, who no doubt would starve to death if they had to live and make their living on a farm under the same conditions (financially and otherwise) as the average farmer has to do, still these gentlemen want to tell the farmers how the farming should be done, and what is the reason farming does not pay out. In this little table below I will show just why farming does not pay its way.

1938

Product	Acres	Normal crop in bushels	Parity price per bushel	Market price paid to producer in the fall
			Cents	*Cents*
Rye	20	300	90	31
Oats	65	1,625	50	12
Barley	135	4,050	67	24
Corn	85	1,445	80	32

HOW IT PAYS OUT

Product	Total crop	Total parity value	Total marketing receipt	Farmers' loss
	Bushels			
Rye	300	$270.00	$93.00	$177.00
Oats	1,625	812.50	195.00	617.50
Barley	4,050	2,713.50	817.20	1,496.30
Corn	1,445	1,156.00	505.75	650.25
Total		4,952.00	1,600.95	3,341.05

In the above I have given a true illustration of what happened to me in 1938, and what is true in my case is equally true in regards to every other farmer in this community. We farmers do not care about what political-minded farm leaders tell Congress; we do not care what all the bureaucrats and so-called farmer experts tell Congress; we are dealing with actual facts. Henry Wallace stated that the cost-of-production bill would cost the consumers of the country $1,000,000,000 a year. May I submit to you that the present farm program is costing the consumers (the taxpayers) that much or more in direct taxes and many times that amount indirectly in various manners, and the program does not bring the results which it was claimed by its sponsors it would. We farmers have patiently carried out the program advocated by Henry Wallace for 6 years, and it is a proven failure as far as we common farmers are concerned; if Henry Wallace does not have the good grace to admit that the new A. A. A. has utterly failed to place agriculture on a self-sustaining basis, is the United States Congress going to continue to sacrifice the American farmers just to save someone's face? The economic truth is that the price of everything sold except agricultural products is based on the cost of production; business can function in no other manner; it is the economic law of business; and the same economic law applies to agriculture. There is no substitute for cost of production; the so-called parity price is a myth if it is not equal to at least cost of production, because out of his parity price the farmer would have to pay some 20 to 25 hidden taxes that have been handed down to him in the price he pays for what he buys, and after he has paid these hidden taxes he does not have a parity price; on the other hand, if a cost-of-production price is guaranteed to the farmer by law these hidden taxes would be included in the cost of production and in this manner be carried all the way through the cycle to be absorbed by the general public, and the farmer would be paying only his just share.

I could write on this subject the rest of my life, but let me conclude by saying this: We farmers want Congress to pass a cost-of-production bill that can stand on its own merits without being bolstered up on huge annual appropriations of the taxpayers' money, and if Congress will do that, within a short time we farmers will take at least 1,500,000 unemployed out of the breadlines. Compare that with the W. P. A. appropriations and the appropriations needed under the present farm program. We will do our duty to our country if we are given an opportunity, but we do not want subsidies, and we do not want what the Honorable Miss SUMNER from Illinois the other day so aptly called "a substitute for justice." It is no longer satisfactory to state that the present condition is due to causes over which we have no control, that it is caused by international strife. The present prolonged depression is a home-made product, and it is within the power of Congress to put an end to it if it sees fit.

Squarely on the shoulders of the present Congress rests the responsibility of the continuance of this depression, for the continuation of a condition which compels the bread producers of this Nation to stand in the bread lines, a condition which compels healthy men and women to humiliate themselves and bow their heads in shame while they are asking for a little surplus or relief, a condition under which thousands of healthy men are eating their hearts out when they look at their hungry children, who are hungry only because their father is denied a job. The question is, Will the Seventy-sixth Congress do its own legislating, or will they let themselves be dictated to by bureaus and executive offices? All that is needed—and it was so aptly and plainly shown by Senator THOMAS of Oklahoma on the floor of the Senate on January 27, this session—is for Congress to give to the people of the United States an honest dollar that is worth 100 cents regardless of whose pocket it is in, and give the farmers a minimum price by passing the cost-of-production bill and the depression will be permanently over inside of 6 months.

Will the Congress do this? We hope so, but we are fearful that it will again let itself be influenced by selfish bureaucrats. Then let it be known to the members of the majority party that with them lays the responsibility of the outcome of this session—that they cannot borrow or tax this country back to prosperity, and that no party can continue to play politics with the misery of the masses and survive and stay in power. Pope, from Idaho, and McGill, from Kansas, played politics with the farmers' freedom, and Pope and McGill were retired by the farmers.

Respectfully and sincerely yours,

PETER V. HANSEN,
Secretary, Cost of Production Club.

The following exhibits are taken from the booklet entitled "Agriculture Situation," for March 1939, published by the Bureau of Agricultural Economics of the United States Department of Agriculture, and referred to in the letter from Peter V. Hansen, State secretary of the South Dakota Cost of Production Club. Figures and comments from this March booklet cover the agriculture situation for the month of February 1939.

EXHIBIT I. *Index numbers of prices received and paid by farmers*

[1910–14=100]

Year and month	Prices received	Prices paid	Buying power of farm products [1]
1938:			
February	97	126	77
March	96	125	77
April	94	125	75
May	92	125	74
June	92	124	74
July	95	123	77

[1] Ratio of prices received to prices paid.

EXHIBIT I. *Index numbers of prices received and paid by farmers*—Continued

Year and month	Prices received	Prices paid	Buying power of farm products [1]
1938—Continued.[1]			
August	92	122	75
September	95	121	79
October	95	121	79
November	94	121	78
December	96	120	80
1939:			
January	94	120	78
February	92	120	77

EXHIBIT II. *Prices of farm products*

[Estimates of average prices received by producers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and States]

Product	5-year average, August 1909–July 1914	February average, 1910–14	February 1938	January 1939	February 1939	Parity price, February 1939
Cotton (pound)—cents	12.4	12.3	[1] 8.0	8.3	8.2	15.6
Corn (bushel)—do	64.2	60.1	51.7	45.1	43.9	80.9
Wheat (bushel)—do	88.4	89.2	86.6	57.1	56.9	111.4
Hay (ton)—dollars	11.87	12.02	8.71	6.79	6.78	14.96
Potatoes (bushel)—cents	69.7	66.3	[1] 54.2	64.4	64.6	8.54
Oats (bushel)—do	39.9	39.8	30.0	26.3	26.2	50.3
Soybeans (bushel)—do	[2]	[2]	92.5	71.9	68.9	
Peanuts (pound)—do	4.8	4.9	3.4	3.4	3.4	6.0
Beef cattle (hundredweight)—dollars	5.21	5.11	5.80	6.68	6.86	6.56
Hogs (hundredweight)—do	7.22	7.12	7.74	6.96	7.21	9.10
Chickens (pound)—cents	11.4	11.1	16.0	14.0	14.2	14.4
Eggs (dozen)—do	21.5	23.7	16.4	18.8	16.7	[3] 27.6
Butterfat (pound)—do	26.3	27.4	30.5	25.2	24.9	[3] 33.8
Wool (pound)—do	18.3	18.5	[3] 20.3	20.0	20.2	23.1
Veal calves (hundredweight)—dollars	6.75	6.77	8.23	8.30	8.73	8.50
Lambs (hundredweight)—do	5.87	5.95	6.63	7.33	7.37	7.40
Horses (each)—do	136.60	137.00	89.00	82.00	83.10	172.10

[1] Revised. [2] Prices not available. [3] Adjusted for seasonality.

EXHIBIT III. *Measures of domestic demand*

[1924–29=100]

	January				Percent change		
	1929	1933	1938	1939	1938–39	1933–39	1929–39
National income	104.4	60.0	89.2	90.3	+1	+50	−14
Nonagricultural income:							
Total	104.7	63.3	91.2	92.3	+1	+46	−12
Per capita	100.7	58.8	81.0	81.5	+1	+39	−19
Factory pay rolls:							
Total	105.0	40.8	75.9	84.2	+11	+106	−20
Per employed wage earner	101.3	63.2	84.8	92.5	+9	+46	−9
Industrial production:							
Total	111.4	60.9	74.9	94.6	+26	+55	−15
Factories processing farm products	107.8	90.9	86.2	106.5	+24	+17	−1
Other factory production	114.1	44.9	65.3	88.2	+35	+96	−23
Construction activity:							
Contracts awarded, total	99.2	18.2	43.0	71.1	+65	+291	−28
Contracts awarded, residential	86.9	7.2	23.3	48.4	+108	+572	−44
Employment in production of building materials	96.5	34.5	58.3	61.5	+5	+78	−36
Cost of living:							
Food	98.9	60.3	77.3	74.6	−3	+24	−25
"All other items"	98.4	82.5	86.2	85.8	[1]	+4	−13
Purchasing power of nonagricultural income per capita:							
For food	101.8	97.5	104.8	109.2	+4	+12	+7
For "All other items"	102.3	71.3	94.0	95.0	+1	+33	−7

[1] Less than ½ of 1 percent.

NOTE.—All indexes adjusted for seasonal variation except "Cost of living."

EXHIBIT IV

WHEAT: STOCKS

Wheat stocks in the United States totaled 656,000,000 bushels on January 1. This was 123,000,000 more than at the beginning of 1938, and 284,000,000 more than on January 1, 1937. Stocks of all classes of wheat except soft red winter were larger this January than last, and much larger than the small stocks on January 1, 1937.

The January 1 figures indicate domestic wheat disappearance for the July–December 1938 period totaled 382,000,000 bushels, as compared with 386,000,000 during the same months of 1937. Exports were 45,000,000 bushels, compared with 41,000,000 in the like period of 1937. Assuming total disappearance for the full year at 700,000,000 bushels plus exports of 100,000,000, the United States carry-over of wheat on July 1 next will be about 285,000,000 bushels. This would compare with 153,000,000 bushels carry-over on July 1, 1938. It would be the largest carry-over since 1933.

Mr. GUYER of Kansas. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. REECE], a member of the committee.

Mr. REECE of Tennessee. Mr. Chairman, in view of the comprehensive statement made by the gentleman from Texas, the distinguished Chairman of the Committee on the Judiciary [Mr. SUMNERS] and a member of the temporary National Economic Committee, I feel it is not necessary for myself or any other member of the committee to consume any considerable amount of time. The gentleman from Texas has explained the organization of the committee and the manner in which it is undertaking to perform the duties which Congress has imposed upon it.

Regardless of what may have been our views with reference to the manner in which the money should have been allocated when the original resolution was before the Congress, I feel that it would now be a mistake for us to undertake to effect a change. The committee has adopted its agenda. It has set into being the organization through which the work of the committee is being performed. This work is well advanced. It has been done acceptably, I think, to the country and to the business interests with which the study has come in contact. The committee is in entire harmony with reference to the manner in which the executive departments of the Government represented on the committee have functioned. For us now to undertake to change the organization after the work is so well advanced would not be in the interest of efficiency, and, in my judgment, would greatly handicap the committee. If the entire amount involved in this resolution should be given to the committee, I feel the committee would undertake to go ahead with the work and with the organization as it is now constituted. So I feel that the resolution as reported by the Committee on the Judiciary should be passed.

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. REECE of Tennessee. I yield.

Mr. TAYLOR of Tennessee. I think it would be interesting to the Members of the House to know who these representatives of the departments are and what departments they represent.

Mr. REECE of Tennessee. The personnel of the committee as constituted is printed in the Congressional Directory. In addition to the congressional representatives on the committee, the Department of Justice is represented by Mr. Thurman W. Arnold; the Securities and Exchange Commission, by Mr. William O. Douglas; the Federal Trade Commission, by its former chairman, Mr. Garland S. Ferguson; the Department of Labor, by Dr. Isador Lubin; the Treasury Department, by Mr. J. J. O'Connell; and the Department of Commerce, by Mr. Richard C. Patterson, Jr. I believe those gentlemen and their alternates constitute the representatives of the executive departments.

I wish to emphasize, as the gentleman from Texas [Mr. SUMNERS] stated in his presentation, the committee has found the representatives of the executive departments conscientious and desirous of working in harmony with the committee as a whole. There has been no friction between the representatives of the executive departments and the legislative representatives on the committee. As one member representing the legislative branch, I am gratified with the course that this important study has taken. While it is impossible and improper for the committee to undertake to make a full report of its study and its findings to the Congress until the study has been completed, I for one feel that the Congress itself will be satisfied with the work of the committee when the work has been completed and its report has been made to Congress.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. REECE of Tennessee. I yield.

Mr. REES of Kansas. I wish the gentleman would tell the House in just what respect there would be great disruption by reason of the adoption of the amendment which will be offered by the gentleman from Michigan [Mr. MICHENER]. In what respect will it disrupt the work of the committee?

Mr. REECE of Tennessee. The first function of the committee was to decide upon a program and set into motion an organization to accomplish that program. The committee did this. Its program is well advanced. If the amendment should be adopted, it might be necessary for us to change the organization which is conducting the studies for the committee. There is only one way by which that difficulty might be circumvented in case the amendment which is going to be offered by the gentleman from Michigan should be adopted, and that would be for the committee to allocate the money in the same manner in which it has been allocated in the first half of the study.

Mr. REES of Kansas. But is that not a question that is in the hands of the committee?

Mr. REECE of Tennessee. But the resolution having been adopted in the form in which it was originally, a certain responsibility was placed upon the executive departments which would not have been placed upon them and which would not now devolve upon them if the amendment should now be adopted, and by reason of the authority contained in the original resolution the committee has been able to avail itself of personnel and services of the executive departments which it would have been unable to do had the authority and responsibility contained in the original resolution not been placed upon the executive departments by the resolution itself.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. REECE of Tennessee. I yield.

Mr. ROBSION of Kentucky. Well, you have got a set-up to make the investigation, and they have proceeded to make the investigation and are in the middle of the investigation. Now, if the amendment offered by the gentleman from Michigan should be adopted, that investigation would have to start de novo, or the new committee would have to accept the organization that is now functioning, would it not?

Mr. REECE of Tennessee. The gentleman is entirely correct. The team which is making the study is already in the harness and is performing satisfactorily. Now, why change the resolution so as to make it necessary to unharness this team and hook up a new one? It would not be in the interest of efficiency, and I should regret very much to see the proposed amendment adopted by the House. I do not think it would be in the interest of the study which the committee is so earnestly trying to make in the manner desired by Congress and by the country.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. REECE of Tennessee. I yield.

Mr. CRAWFORD. Can the gentleman advise us when the hearings will be printed so we can begin to study what has been done?

Mr. REECE of Tennessee. The hearings are now in the process of being printed and are expected to be available in a very short time. The preliminary report of the committee is in process of formulation and it is the hope of the committee that it may be presented within 1 or 2 weeks' time.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. REECE of Tennessee. I yield.

Mr. O'CONNOR. Concerning this investigation generally, is not the committee pursuing the course of investigation, paralleling the investigations, that are being made by the Federal Trade Commission with reference to monopolies, and so forth?

Mr. REECE of Tennessee. The committee has been able to obtain a great deal of beneficial information from the files and the experiences of the Federal Trade Commission, but I may say, having in mind particularly the statement of the gentleman from Kansas, this committee is not undertaking to run down violators of the law, or to ascertain if the departments of the Government are doing their duty, or to investigate particular businesses. We are undertaking to make a study of the whole economic situation, and the economic influences which are shaping our economic and industrial system with the view of our findings serving as a basis for legislation in the future.

Mr. O'CONNOR. Is not this statement true: That under the law, it is the duty of the Federal Trade Commission to investigate all monopolistic practices of all concerns, and to prosecute in the name of the United States all violators of all unfair practices in business?

Mr. REECE of Tennessee. Only in a general way. It may not be the duty of the Federal Trade Commission to make the comprehensive investigations of monopoly in general which the gentleman has in mind. [Applause.]

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK of Arizona. Mr. Chairman, I recall the discussion on this measure in the last Congress when the study was first ordered. Although some at that time expressed the hope that this effort would not throw more fear into business than already existed, it was pretty generally agreed that monopolistic practices are prevailing today and we would be derelict in our duty if we did not study the situation with the view of finding a remedy. Of course, I shall vote for this bill in order to continue the investigation in the same safe manner in which it has been thus far conducted.

While I am discussing the bill I want to reveal some of my own thoughts in regard to the present-day question of Government regulation of business and the probable uneasiness which, it is claimed, may result. I have listened this afternoon to remarks made here on this bill, and also to remarks made practically every day in this chamber, concerning the relation of government and business. Surely a man from Mars, listening in on these proceedings, would get the idea that the present administration is deliberately persecuting, bedeviling, and destroying business, and that the sole purpose of such a study, as this bill would continue, is to disturb the minds of businessmen, thus hampering them in their daily business and further wrecking the prosperity of the country. Would not such a visitor, who reads the CONGRESSIONAL RECORD or listens to the proceedings in the House, get such an impression? What I would like to know is, Is it really the purpose of the party in power in the Government at this moment to fight business, cripple business, and destroy prosperity? Do the gentlemen who have implied as much really believe it?

There are some things I would like to know. First, has there been any business prosperity in this country within the last 6 years? I have heard it said that business earnings have been great, and I have also heard it said on the floor of this House that profits have been nil. Which is true? Is it possible that both statements are true? If so—and I believe it is the case—it must be that certain businessmen have made earnings, large earnings, and other businessmen have made little or no earnings. Is that not the real truth of the matter?

I have an impression which may be right or wrong, and I should like to be corrected if I am wrong, that a certain few big businesses have been prosperous, and many small businesses have made no profits. If such is a fact, what should this Government do? I believe that we should ascertain the truth and attempt to change that situation. We ought to find why the small-business man has made no profits, and why the few big business concerns have made undue profits. That, I take it, is the very purpose of this commission. I believe that monopoly prevails to such an extent that a few big businesses are making enormous profits, and that is partly at the expense of the small-business man; although I do believe that monopoly profits are at the expense of the American people generally.

We have not been very effective in legislating against monopoly. A great Democrat once said, "Private monopoly

is intolerable and indefensible." That attitude might be said to be the Democratic Party attitude, but a study of Republican platforms will reveal that that party has also repeatedly declared opposition to private monopoly. Irrespective of parties, the great mass of American citizens hate private monopoly. However, all of my lifetime, in spite of antimonopoly laws, the American people have been victimized by private monopoly. I sincerely hope that the investigation which this bill continues will open the way for some sort of remedy.

Let me make it clear that I am not opposed to reasonable business profits. My personal theory favors the free play of private enterprise and individual initiative in American economic life. It is a question of degree with regard to profits. Judging by experience, monopoly profits invariably become exorbitant profits, and powerful monopolies finally control the Government, making necessary a choice by the people between private control and public control of our industrial society. I believe and hope it is possible to continue our so-called capitalistic system and free enterprise with only enough of governmental regulation to safeguard the public interest. To do that we must guard against two extremes, namely too much power by private monopoly or too much power by governmental bureaucracy. I agree with Thomas Jefferson, in part, when he said "That government is best which governs least," only I would have said "That government is best which governs the least that is necessary."

What businessmen are so disturbed by the investigation which this bill makes possible? Perhaps a part, if not all, of the fear is caused by a guilty conscience. Unless our commission is made up of tyrants using their power because of the lust for power—which is certainly not true of those I know on the committee—no public-spirited, socially minded businessman has any reason to be disturbed by this act of government. If there be antisocial businessmen who only stay sufficiently within the law to avoid going to jail, and who carry on legalized plunder of the American people, I maintain that such businessmen ought to have the fear of government, the "fear of the Lord," or the fear of the wrath of the American people thrown into them.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. WILLIAMS].

Mr. WILLIAMS of Missouri. Mr. Chairman, after what has already been stated by the distinguished chairman of the Committee on the Judiciary and a member of the Economic Committee, and my colleague, the gentleman from Tennessee [Mr. REECE], who is also a member of the Economic Committee, it is not necessary, in my opinion, to discuss the matter further.

As has been stated here, if it were an original proposition there might be some question about the amendment that has been proposed by the gentleman from Michigan, but we have already passed the act setting up the committee and authorizing the investigation. That resolution contains a positive provision of law requiring certain departments of the Government, naming them, to appear before the committee or its designee and present evidence by examination of witnesses, and so forth; and the law provides further that the evidence presented by each of these agencies shall cover the subject matter of this inquiry which is within its administrative jurisdiction under existing law or which may be assigned to such agencies by the committee. The fact is and the fact remains that the committee has assigned the work of the investigation to the executive departments of the Government. This being true it seems to me there should be no objection to the executive department allocating the money to carry on this work, and the appropriation simply provides that this be done. That is all there is in it. The act provides that they shall do certain things. In addition to that, this committee has already set up the machinery, and as provided under the original act itself, has directed the various executive departments to make the investigation and to make reports to the committee. They are the ones that are doing the work.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield.

Mr. REES of Kansas. Can the committee tell the House why this committee could not use this money for the same purposes, directed through the same channels and in the same direction it is being used now, if it sees fit to? I fail to understand why or how there should be any disrupting of the committee or its work if it used the money for the same purposes and in the same direction it is being used now. Why could it not be done under the proposed amendment?

Mr. WILLIAMS of Missouri. That is what I am trying to tell the committee. Because the original act set out certain duties that were to be performed by the executive departments of the Government. I see no reason why that plan should be changed. The committee has been set up, has been organized, and the work is going on in accordance with that plan. To my mind this is the only way in which it can efficiently, economically, and properly function. I think the gentleman himself must realize that the Members of Congress on that committee have not the time while Congress is in session to make these investigations themselves, that this work must be delegated to somebody; and the act itself as well as the committee has delegated it to the executive departments of the Government, naming them: Four departments of the Government and two commissions. They are carrying on that work, and I can see no objection in view of that arrangement of having the money provided by which the executive departments are paid through the Executive.

Mr. REES of Kansas. One more question if the gentleman will permit.

Mr. WILLIAMS of Missouri. Certainly.

Mr. REES of Kansas. Then the mistake was made in the first instance in the passage of that act?

Mr. WILLIAMS of Missouri. I am not going to say that in view of the act itself. If the gentleman wants to contend that a mistake was made by providing that the executive branch of the Government should cooperate with the Congress I cannot, of course, agree with that; I do not agree with that at all.

Mr. REES of Kansas. That is not the question. The question is the putting of money into the hands of the Executive to spend; that is the question.

Mr. WILLIAMS of Missouri. I do not concede that any mistake was made in the first place in the act we passed, and in view of the way in which the Economic Committee has functioned. I do not concede that.

Mr. GUYER of Kansas. Mr. Chairman, I yield 1 minute to the gentleman from Montana [Mr. THORKELSON].

Mr. THORKELSON. Mr. Chairman, I believe it is about time to discard our "good neighbor" policy for one of aggressiveness so that we may regain our self-respect and the respect of our neighbors.

The Treaty of Versailles should be the most convincing evidence of failure of English, French, and American statesmanship, for, in spite of it, and whether we like it or not, it is clearly evident that central European powers are about to determine their own boundaries, as they have always done in the past. I am sure that many realize this now, and no doubt it will soon be recognized by the State Department. The Secretary of State, the Executive, and others should, therefore, stop sending notes of protest and criticism to other nations, for it is not only useless but it may also be offensive and a cause for war.

It is clearly evident that the President and the Secretary of State are not trying to maintain peace, but are instead intent upon joining forces with Great Britain in its opposition to Germany. Their hatred for Hitler is so great that it will require the utmost effort of Congress to maintain peace. What is behind this vindictive attitude? No protest was made to Russia when hundreds were facing the firing squad. No protest was made to Japan in the murder of innocent and defenseless Chinese, including people in our own missions. Little protest was made when they sank the *Panay* and killed American citizens. No protest was made to Mexico when American property was confiscated. No protest was made to Italy when Ethiopia was invaded.

Little has been said in our newspaper about the recent invasion of Albania, and the State Department has conveniently forgotten to send a strong protest to Mussolini. So why all this hatred toward Hitler? The answer is very simple. The money changers have been driven out of Germany, and it is a cause for war to the money changers in America and England. It is the same gang that forced us into the World War, and they are now willing to sacrifice more American lives to save their gold and their contemptible principles. They are willing to leave our west coast open to attack from Japan in order to revenge the purge in Germany. It is time for Congress to take charge and guide the destiny of our Nation for the common defense and the general welfare of our people. Congress should insist that the Executive, the Secretary of State, and others refrain from shaking their fists at nations on the other side of the Atlantic. We have not been deprived of property. We have not been insulted. As a matter of fact, our people have been treated courteously by all European nations except Russia.

Let us use common sense. We are merchants, and depend upon the sale of merchandise for our livelihood, so why place punitive restrictions or embargoes upon exports to some particular nation as an indication of our displeasure? Let us sell to anyone that can pay cash on delivery and carry it from our ports in their own ships. The best way to stay out of war is to keep our own ships and our people out of war zones and our Government in Washington.

I believe our mania for introducing neutrality, peace, and take-the-profit-out-of-war legislation is not only useless but affords no assurance of peace, and may on the contrary bring about war.

I am opposed to all wars, and particularly to those wars in which we pull someone else's chestnuts out of the fire. I realize that transportation of troops today may be very costly as compared to 21 years ago. Modern warfare from the air and from submarines will no doubt send many transports and their cargoes to unmarked watery graves. We must not, therefore, get excited or be influenced by misleading propaganda. It is better to turn to the editorial page and read the owner's and publisher's names. After having done so, you may be in a better position to determine the value of the news.

Let us not be deceived. The international bankers forced the United States into the World War by misleading and pernicious propaganda published in newspapers controlled by their money, and repetition of 1914 will be attempted today if general war breaks out in Europe. This propaganda has already begun. I quote from a column in a Washington paper:

> When the *Lusitania* was torpedoed Mr. Baker (Newton D. Baker, Secretary of War during the Wilson administration) said, "The shock of this disaster * * * literally overwhelmed America and public opinion never recovered from it."
>
> And Mr. Baker concluded with a warning for the future—future at the time Mr. Baker wrote, but now the present: "The lessons of history indicate that in any future situation it will be similarly difficult to induce our people to keep from seeking such relief when they begin to suffer too cruelly as the result of wars in which they have no part."

Let us look back 20 years. If we had kept out of the war zone, and if our people had remained at home, nothing could have happened to arouse public sentiment for war, because none of our people's lives would have been jeopardized. It is a certainty that if we persist in walking into the line of fire, some of us may get killed, and that is literally what happened to passengers who insisted on crossing the Atlantic in ships owned by nations at war.

There is one point we must remember. The requirement for molding public opinion so that it will be receptive to war is preparation of the right kind of propaganda. This was started in 1914, by the international money barons, and disseminated in news mediums owned and controlled by themselves. So the statement of Mr. Baker is not based wholly upon facts, because the sinking of the *Lusitania* was not the cause for our declaring war—it was instead the successful ending of a well-prepared campaign, which definitely lined us up with the Entente when we declared war on Germany.

We, like many other nations, have reached a period when we must decide for ourselves the course to take and the position to occupy in the international family of nations. We have much at stake at home and should, therefore, not be concerned with Europe and its changing boundaries. We should instead look forward to a day when we may be compelled for our own safety to consolidate North America, including all islands, from the Panama Canal north, for the greater protection of the United States and of the Panama Canal.

Our most dangerous enemies are those who advocate socialism and communism, and it would be much more sensible on our part if we closed our borders to them. These people and their philosophy will in time destroy us as they have destroyed nations in Europe. The time is coming when all of us must be 100 percent American instead of half this and half that. Our enemies are here, and evidence of their presence may be found in stagnant industry, closed business, and unemployment. The power of this enemy is evident in federally owned corporations which are now destroying private industries. It is further evident in privileged ownership and control of the Nation's gold, and our worthless domestic managed currency system.

Further evidence that we tolerate communism may be found in our attitude toward Mexico, which deliberately, without fear or consideration, confiscated American property. We do not find fascism or nazi-ism in Mexico, but we do find communism there, and the home of Leon Trotsky. Can it be possible that this is the reason for our "good neighbor" attitude toward Mexico, for which we sacrificed national prestige in failure to protect our own and a friendly nation's investments?

It is certainly high time for Congress to set the Federal Government right, and for its Members to act as statesmen instead of "rubber stamps." The State Department should be corrected in respect to its foreign policy, and be required to cancel trade pacts and restore our home markets to domestic producers, and that includes our farmers, both North and South. Other Federal departments should be required to cooperate with business so as to allow industry to resume operation in a normal manner. Congress should appoint a board of its own Members to aid in this work, because it is quite evident that the bureaucrats have failed and can no longer be trusted. Our present chaotic condition should be sufficient evidence of failure, even to the most ardent supporter of the administration's vacillating policies.

Congress cannot escape responsibility. This should be clearly evident to my colleagues if they will recall the philosophy of those who appear before our committees. I have often heard witnesses say: "We leave this to you Members of Congress. You enact the legislation and you must appropriate the money if you want us to do this work. We cannot do it without authority from Congress. It is your responsibility, not ours." As a matter of fact, they infer, "It is your baby."

In view of this opinion, is it not much more sensible for us to resume our rightful position in the Government and direct the destiny of our Nation, instead of hiring stooges to act for us? As it is now, Congress has shifted responsibility of the Government upon the Executive and his appointees. These gentlemen inform us that they are not responsible, but Congress is. A deplorable state, indeed, for Congress, by unconstitutional legislation, has shifted a great part of its power to the executive and Government departments, but commonly these congressional appointees do not have the constitutional authority, and neither are they willing to assume responsibility for the power foisted upon them. It all ends in a muddle—no one responsible, not even Congress itself. The ship of state, therefore, will be sailing about aimlessly until Congress is willing to accept its duty or is forced by the people to take command.

I dislike the role of a critic, yet even at the expense of appearing as one, I am constrained to call my colleagues' attention to past and present propaganda, which is for no other purpose than to prepare the United States for participation in the next European conflict. The President and

others within the administration do not only favor, but seem to welcome such participation on our part. I refer first to an editorial in the Washington Post, April 11, which everyone should read, and I then quote from the same paper of April 12:

"I'll be back in the fall, if we don't have a war."

These words, spoken by President Roosevelt to the group assembled at Warm Springs to see him off for Washington, were seemingly wholly unpremeditated.* * * And no President was ever more skillful than Mr. Roosevelt in making the most of every opportunity to give a positive direction to public thinking on important issues. * * *

In using the collective "we" the President told Hitler and Mussolini, far more impressively than he told Warm Springs, that the tremendous force of the United States must be a factor in their current thinking. He told the axis powers that the administration is far from indifferent to their plottings. He made it plain that a war forced by them would from the outset involve the destinies of a Nation which, as they fully realize, is potentially far stronger than Germany and Italy united * * *.

April 12: President Roosevelt stamped with his hearty approval yesterday a newspaper editorial calling for a "preponderant show of force" by democratic nations to halt the dictators and prevent war. * * *

The President ordered the editorial inserted in the minutes of his press conference, saying it was very good, very clear, and very honest. He said it had not been inspired by him but that he had almost fallen out of bed when he read it yesterday morning.

I can readily understand the source from which the editorial in the Post originated, and the motive for such propaganda, but there is not one sound reason why we should display a "preponderant show of force." It is absurd to threaten, and the adage, "Don't pull your gun unless you're going to shoot," is always true. Further, a nation with a national debt of over $40,000,000,000 is not in a position to engage in war and carry it to a successful conclusion.

In public intercourse I have found only certain minorities interested in Europe and bent upon revenge. In Congress there is little or no sentiment for war, with the possible exception of a few who intermittently shake the swastika to distract attention. As a matter of fact, the President and a few of his sympathizers are the only gentlemen I have found to be suffering from a war complex. We have nothing of interest in Europe over which we should feel concerned. On the contrary, we have much at home to give us concern; so let us attend to our own business. If the President, if the Washington Post, or any other war-minded newspaper has something at stake in Europe, let them explain this to us and stop beating the war drums. Congress alone has the power to declare war. Our Nation should not be stampeded into war, as it was 22 years ago, to save the international Shylocks, for we still remember the loss of life and property.

It is well for Congress to bear in mind that there is a group of people who are very much interested in congressional activities. They are very much interested in war and peace, and they have good reason for it because they pay the bill. This group has been derided by the present administration. It has been neglected by Congress. War has been waged upon it by the Federal Government and its departments. Every day I hear someone accuse business of being dishonest, crooked—accused of everything under the sun. It is now time for this to stop, because it is just plain damn foolishness. It is time that the President, that Congress, that the Supreme Court, and all other Federal departments be reminded that they have always been nourished by and are now depending upon industries for their maintenance.

It is well for the Government to bear in mind that when industries are destroyed the Government is also destroyed. To accuse our business people of being dishonest, crooked, and not square with the Government is ludicrous. No one dares to deny that these people, who include about nine-tenths of our population, certainly have a right to keep a part of their earnings. There is not one reason in the world why the Federal Government should act like pirates and take the last cent away from them. But that is what the Federal Government is doing. It is high time that business quits or the Federal Government quits. It must be one or the other. It is up to the people themselves to decide if they want to continue a republican form of government, with free operation of industries, or whether they want to change and adopt a dictator, a communistic government, and federally owned and operated business. We cannot have both, so it must be either private ownership of business under our own Government, or it will be Federal ownership of business under centralized government. That is obvious.

I want to give business a break so that our idle people may become employed in private industries. For the past 7 years there has been no encouragement to business, and this in itself should be sufficient evidence to Congress that we are a Nation without a responsible leader, and it is also my reason for suggesting that Congress resume its rightful position and take charge of the Nation's destiny.

The Clerk read as follows:

Senate Joint Resolution 90

Resolved, etc., That subsection (a) of section 6 of the joint resolution entitled "Joint resolution to create a Temporary National Economic Committee," approved June 16, 1938, is amended by striking out "$500,000" and inserting in lieu thereof "$1,100,000."

Mr. MICHENER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MICHENER: Page 1, strike out all of section 1 and insert in lieu thereof the following:

"That section 6 of the joint resolution entitled 'joint resolution to create a Temporary National Economic Committee,' approved June 16, 1938, is amended by adding a new subsection to read as follows:

"'(c) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the additional sum of $600,000, or so much thereof as may be necessary, to carry out the provisions of this resolution. That said sum shall be immediately available for expenditure by the committee in carrying out its functions.'"

Mr. MICHENER. Mr. Chairman, this amendment has been pretty thoroughly discussed during general debate; however, there is a misapprehension on the part of some of those who have discussed it, notably the gentleman who just preceded me, the gentleman from Missouri [Mr. WILLIAMS]. He is evidently confused as to what the Executive has to do with this matter. He is evidently confusing some language in the resolution originally passed, which is law today, but which has no bearing whatever upon the expenditure of money.

The expenditure of money is allocated in a specific section of the original resolution. In other words, $500,000 was appropriated to be spent by a joint congressional committee. The sum of $400,000 of that amount is reserved to the President and $100,000 of that was to be spent by the committee. The specific purpose of that language was to prevent this committee from doing anything the President of the United States did not want done in this investigation.

It has been argued by my good friend from Tennessee [Mr. REECE] that the committee is set up and that my amendment will disorganize things. Mr. Chairman, this amendment cannot disorganize anything. I am quite sure the gentleman from Texas [Mr. SUMNERS] will not insist the amendment which I have offered will in any way disorganize the work of the committee, unless the President wants something done that this committee does not want to do, or vice versa. In that case, and in that case only, can this amendment disorganize. In short, the committee will control rather than to delegate the control of the committee to the President.

If this resolution passes they will continue to work, and this $600,000 is only presumed to pay them for the rest of this Congress. If the amendment which I have offered is agreed to, the only change it will make is that the committee will control the spending of the money rather than the President. I ask anyone who debates this amendment in reply to what I say to challenge that statement, if it is not true. No, Mr. Chairman; the truth is the continuance of the innovation in policy is a matter of expediency. An obedient Congress yielded a year ago. We are asked to reaffirm this surrender of power.

Mr. HOOK. Will the gentleman yield?

Mr. MICHENER. If the gentleman has some information that will add to the controversy, we shall be very glad to have it.

Mr. HOOK. If the gentleman is convinced that his proposition is right, now, why did he not advance it at the time of the passage of the original act?

Mr. MICHENER. If the gentleman had been on the floor of the Congress, if he had known anything about it, if he had read the speeches or heard the debate, he would know that the matter was thoroughly discussed at that time. I took the same position then as I take now. Had he read the report on this resolution, both minority and majority, he would not ask such a question. Is there anything else the gentleman would like to ask?

Mr. HOOK. That has been decided by this Congress.

Mr. MICHENER. The gentleman from Michigan has a habit of coming in here and talking about things he knows very little about. If he will advise himself before he comes on to the floor, he will not take the time of the House discussing irrelevant matters.

Mr. HOOK. For the information of the gentleman, may I say I do not need any advice from the gentleman from Michigan, because I could not get anything from that source, anyway.

Mr. MICHENER. I am sure I could not give any advice to the gentleman from northern Michigan.

Mr. HOOK. That is mutual.

Mr. MICHENER. Because it is very difficult for anyone to understand his viewpoint. But let us get back to the matter under discussion.

This amendment accomplishes exactly what the resolution as reported by the committee accomplishes, plus the last sentence in the amendment, which would make the $600,000 available to be spent under the direction of the investigating committee rather than under the dictation of the President.

If the House should desire to lodge in the President the right to determine how this money is to be spent by this committee, then if the last sentence in the above amendment is stricken out that purpose will be accomplished and violence will not be done to good draftsmanship in the preparation of legislation. I think that this is the first time that the Committee on the Judiciary has ever reported out legislation drafted in the form that Senate Joint Resolution 90 is drafted. The only excuse the committee gives is that the Senate used this form. No member of the Judiciary Committee of the House has approved this form as a matter of draftsmanship.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan [Mr. MICHENER].

Mr. Chairman, I very much hope the amendment offered by the gentleman will not be agreed to. May I make an observation which ought to be persuasive. There are present in this chamber now the three Representatives of the House of Representatives on this committee, Mr. WILLIAMS, of Missouri, Mr. REES of Kansas, and myself, and upon our responsibility as your agents and as members of this committee, we ask you not to agree to the amendment offered by the distinguished gentleman from Michigan. We have been assigned a job which we think is a pretty important job and we are acting as your agents, we do not want the proposed amendment.

Under the present arrangement we are getting along all right with the executive agents of the Government. We feel that to pass the Michener amendment would disturb the organization and interfere with the harmony and efficiency and the work of that committee. We put the responsibility on you, if you pass the amendment.

Mr. REECE of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to my distinguished friend.

Mr. REECE of Tennessee. Since the work of the committee is done under and by the direction of the committee, the money which is expended must of necessity be spent in carrying out the program the committee itself has adopted, and therefore, in the last analysis, the committee has full control of the subject.

Mr. SUMNERS of Texas. We are getting along pretty well on the job you asked us to do. That is the point I make. I do not think we ought to do, on either side of the House, anything in this serious matter that would look like playing politics.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Massachusetts.

Mr. HOLMES. How much of this increased appropriation will be used to carry on the probe this monopoly committee is going to make of the oil business?

Mr. SUMNERS of Texas. I may say to the gentleman that I believe it is the next thing on the agenda, but I cannot answer his question.

Mr. HOLMES. I understand from the chairman of the committee, according to the Associated Press, that you have a new procedure by which you are going to investigate this particular monopoly, and if the procedure proves successful, it will be extended to investigations of other industries.

Mr. SUMNERS of Texas. I may say to the gentleman briefly that it is contemplated, I believe, that we will bring into the picture earlier in the proceedings statements from those who are being investigated. I mean, we put into the record along with the testimony being developed by the executive agencies the testimony which persons who are being investigated want to submit. That is contemplated, I understand.

I tell you now, in all seriousness, we must not play politics with this thing.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Michigan.

Mr. MICHENER. Does the gentleman indicate that I am playing politics?

Mr. SUMNERS of Texas. No; I do not indicate that. I would not be so sure about it, but I will not indicate it. [Laughter.]

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. HOLMES. I hope the gentleman will not have the thought that I am trying to play politics.

Mr. SUMNERS of Texas. No; none of you; no, you are not playing politics.

Mr. THORKELSON. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Montana.

Mr. THORKELSON. Is this committee to investigate monopolies in industry, private business?

Mr. SUMNERS of Texas. To find out all about the situation, if possible.

Mr. THORKELSON. Are you also going to investigate government monopolies in this country?

Mr. SUMNERS of Texas. Well, I do not know; but I do not believe it is contemplated.

Mr. THORKELSON. I think it is a serious question.

[Here the gavel fell.]

Mr. MARTIN of Colorado. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am going to vote for this resolution appropriating $600,000 more for the antimonopoly investigation, but I am going to do it with a reservation of a doubt as to what the investigation will accomplish or what will be accomplished by the legislation, if any, that grows out of it.

I have been watching the development with which this antimonopoly committee is dealing for, say, 50 years, maybe a little better than 50 years. If any antimonopoly law was ever worth the paper it was written on, I am not able to call to mind just now what it was. The fact of the matter is that under these antimonopoly laws monopoly has flourished like a green bay tree. When the first antimonopoly law, the Sherman antitrust law, was passed 50 years ago, monopoly was an infant in its swaddling clothes. Now it doth bestride this narrow world like Colossus, and little business peeps about under its huge legs to find itself a dishonorable grave.

When the Sherman antitrust law was passed, 50 years ago, the $100,000,000 corporation, measured against its background, was a skyscraper. It loomed up over the commercial and industrial field of the country like the Empire State Building. Now we have the $5,000,000,000 corporation, under 50 years of antitrust laws and of antitrust-law enforcement. Now we have about 200 interlocking supercorporations in this country that own and control the wealth of the country.

I had the privilege of sitting in the old Supreme Court room nearly 30 years ago when the Supreme Court dissolved the Tobacco Trust and dissolved the Oil Trust, and I believe it dissolved the Steel Trust—dissolved them into bigger and better trusts than we had before. Since these laws were first passed we have developed business systems in this country that are absolutely destroying independent business. We did not have the chain-store system 50 years ago, we did not have the manufacturer-distributing system 50 years ago, and we did not have a lot of things 50 years ago that we have now. When I look back over that 50 years, I cannot help feeling right down in the bottom of my heart that no great people on earth ever lost so much ground in the same space of time.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I do not have time to yield.

One chain-store system in this country operating 18,000 stores means that 18,000 independent businessmen have been swept into the gutter. The great manufacturing systems are destroying all their own retailers over this country through having their own distributing system. All this has grown up under antimonopoly laws. What would you do about it?

I sat as chairman of a subcommittee holding hearings on a bill to prevent unfair competition by manufacturers against their retailers. The evidence did not show merely unfair competition: it showed that the manufacturers were absolutely destroying their retailers in the United States. The committee turned the bill down, saying, "This bill will disturb business. This is not an opportune time to pass this kind of legislation." It makes a man wonder where you would get if you brought in any legislation here to deal with an economic system that is practically all monopolized, as it unquestionably is in this country.

A gentleman over on the other side of the aisle said this committee would probably want to have its life extended in 1941; that after 2 more years it would want another extension; and this brings up another flaw in our system of dealing with these situations. There would be nothing unusual in that. It takes a couple of years to make one of these big investigations; then it takes 2 or 3 years more to pass the legislation; then the courts must have 2 or 3 years; and by the time the law gets in operation the technique of the system has changed and moved out from under the law. The patient is dead by the time the doctors agree.

The gentleman from Texas says that we are at the crossroads regarding this matter of monopoly. It seems to me we have been at the crossroads ever since I can remember. On the basis of past performance, we will still be at the crossroads when the dust of years has accumulated on the results of this investigation.

During the hearing I referred to, on the bill to prohibit unfair manufacturer-dealer competition, a witness before the committee against the legislation was arguing the saving to consumers effected by the manufacturer-owned distributing system as against retailer handling. I interrupted him to say that I was not solely concerned with the matter of saving dimes or even dollars to consumers; that what concerned me most was the final results in citizenship and in social conditions in this country of these systems; what might happen in a great national economic crisis when the people in all these towns and cities wake up some day and say, "We don't own anything in this town."

The witness proceeded with his prepared statement, but the witness succeeding him referred to my statement and said that in his opinion I had raised the real issue in these national chain and manufacturer systems. Of course, he went on to show that the pending bill would not work.

Every main street in the country is becoming a mere link in a national chain hooked up to a handful of skyscrapers in a few big cities. The main streets in every town now look alike. The same familiar names on the signs. An independent manufacturer in my home city, employing several hundred men, said that the big fellows in his line have been trying to buy him out or break him for years.

We have the big three in the meat-packing industry; we have the big three in the automobile industry; we have the big four in the tire industry. Is there a monopoly in steel? If not, how does it come that 59 different steel companies made an identical bid, down to a cent, to the Navy? Identical grades of oil are the same price at every filling station in the United States, and there is never any war. I have paid exactly the same price for the same grade of oil, wherever I bought it, for 25 years. There is no competition anywhere except for business. There is no competition in prices.

At bottom, I am an individualist. I believe in individual initiative and independent business. But where is independent business? There is no independent business in the United States. Even the so-called independents are at the mercy of the manufacturer, the chains, the great mail-order systems, and banks. They exist on sufferance.

Hearings before the Interstate Commerce Committee showed that the automobile dealers in the United States, the tire dealers, and the oil and gas dealers, are regimented; that they have no control over their business whatever. They simply operate under revocable licenses and are ruined by the thousands annually. The great wholesale field in all lines of merchandise has been wiped out. The community builder in all towns and cities of the United States has passed out of the picture. He has been succeeded by the hired man of the great national commercial and industrial systems. As these systems have originated and grown, Government, National and State, has attempted to regulate and control them. I have gone along with this. There is no individualism left and I have governed myself accordingly.

Governor Landon, in the first speech he made some months after the campaign of 1936, made a statement which has been in my mind a good deal. He said, in substance, that if we are confronted with a choice between private control of the economic life of the country and public control, we would, of course, take public control, but that neither system makes for democracy. I can agree with that statement in toto, without it solving my problem. He could have left the "if" off. We are confronted with a choice, and so I find myself voting for public control and leaving it to the man who comes after me to decide whether it makes for democracy, and what to do about it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. MICHENER].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 53, noes 82.

So the amendment was rejected.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to comment briefly on this large expenditure of money, which will not last very long because of the large number of employees to be paid. We will have to keep appropriating for this same purpose.

I was greatly interested in the reassuring statement of the committee made at the beginning. I want to compliment the chairman of the committee, because the public was informed that it would not be a committee that would seek startling publicity, but would be a really serious committee that would not create any further fear or panic in business. I presume the President felt that the country was really breaking away from its moorings, and desired to find some new law to hold it to its former stable position.

The little boy asked his father, "Father, if the earth is round, how is it that people do not fall off it?" "Oh," he said, "that is because of the law of gravitation." "Well, daddy," he said, "how did they stick on the earth before they passed that law?" [Laughter.]

I suppose you feel now that you must have some such law as that because we are, indeed, falling off. You have put on this committee a lot of new dealers who have been

the cause of the falling off. It has not only a majority of the congressional Members, but you have added many from the present departments of this Government, still imbued with the doctrines of the Tugwellian era. Of course, these enthusiasts were first called to present their views to this commission. I remember reading of the first witness who came before you with such an array of astounding figures.

I recall that he told this monopoly committee that if you made $500,000 this year and you only made $100,000 the next year you actually had a loss of $400,000. The man who promulgated that amazing doctrine is to be the next new member of the Securities and Exchange Commission. Such views are certainly of doubtful reassurance. However, what bothers me is that it is desired to investigate monopoly, and certain conditions are imposed, but these words are added, "without limitation." Evidently this committee can take up anything the President may suggest, and he can take it off the scent at any time, since these department members will have control. If the findings seem to be going against the administration measures, you know what he will do. This Commission will probably be forced to follow only the trails outlined by new dealers.

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. TAYLOR of Tennessee. I would like to ask the gentleman if he does not consider the bureaucratic trust we have in Washington as the biggest and most vulgar monopoly in the country?

Mr. GIFFORD. It is the greatest monopoly of control ever seen in this Nation. They will bring in recommendations for more laws which will require more bureaus to harass business. It is perfectly evident that this is a further endeavor of Government to change natural economic laws. I repeat what I have often said before—economic laws are greater than any laws of government or of men. This administration has been trying to change these economic laws now for the last 6 years with most unfortunate results. The committee up to date has conducted itself in a careful, considerate manner for these days. They assured us that they were not seeking culprits and would not do something that would disturb confidence. But it is all too plain that if the trail does lead in the wrong direction the committee's work will be diverted to new fields of investigation.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 2. Subsection (b) of such section is amended by striking out "$100,000" and inserting in lieu thereof "$220,000"; and by striking out "$400,000" and inserting in lieu thereof "$880,000."

The CHAIRMAN. Under the rule the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LEAVY, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration Senate Joint Resolution 90, and, pursuant to House Resolution 139, he reported the joint resolution back to the House.

The SPEAKER. Under the rule the previous question is ordered. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EXTENSION OF REMARKS

Mr. IZAC. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by Carl Gardner, national commander of the Regular Veterans' Association, on Army Day.

The SPEAKER. Is there objection?

There was no objection.

Mr. KELLY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein an article from the New York Tribune referring to a bill that I have introduced.

The SPEAKER. Is there objection?

There was no objection.

NEUTRALITY

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to proceed for half a minute and to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HAWKS. Mr. Speaker, in view of the tremendous interest manifested in the subject of neutrality, I desire to incorporate in these remarks a statement made by my colleague the gentleman from Wisconsin [Mr. KEEFE] this morning to the House Committee on Foreign Affairs on the subject of neutrality.

The question of neutrality occupies a dominant place in the present concerns of the men and women of America, and I think it is safe to say that the position which this present Congress will adopt on this important question, and the answer which we give concerning it to the people of America, will be of tremendous importance to the future welfare of our country and our people.

Because of the extreme concern manifested by large numbers of my constituents on this question I am thankful that the committee has permitted me to present some reflections on this subject, which I know represent the thought and purpose of a great majority of the people of America.

The whole question of neutrality and its maintenance in time of international stress is one involved with sharp conflict of opinion, and yet, in its fundamentals, the neutrality policy of this Nation was definitely and thoroughly established when under our Constitution we became a sovereign nation.

Without the necessity of legislative declaration of that policy I find it best defined in the Farewell Address of Washington, which address, I believe, should be read and reread by citizens throughout the length and breadth of this land.

The advice given to the people of America in that address is as important and as true today as it was at the time of its utterance, and clearly enunciates, in my humble judgment, the foundation upon which any neutrality act must be grounded. It will be recalled that Washington advised:

> Justice toward all nations—avoidance of inveterate antipathies against particular nations, and passionate attachments for other nations.

He further advised against the insidious wiles of foreign influence and clearly pointed out the "ingratitude of nations." He definitely indicated to the American people the utter lack of common interest with the affairs of European nations and directed attention to their "primary interests, which to us have none, or a very remote relation." He asked then the very question which is so pertinent now:

> Why forego the advantages of so peculiar a situation; why quit our own to stand on foreign ground; why by interweaving our destiny with that of any part of Europe entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

His advice, then, to avoid entangling alliances is doubly true today in the face of present European and Asiatic disturbances. He knew, as all of us know, with our larger measure of experience, the results of war, and he charted a course for this Nation to follow intended, if adhered to, to keep us out of war and to stimulate and promote the art and objects of peace.

I am convinced that the people of America, whom we represent, almost unanimously hate and despise war, and when the decision of the people of America can be made as a result of calm and dispassionate judgment the decision would unquestionably be against any acts that might even remotely involve us in a war.

I am convinced that the people of this Nation will vigorously resist any attempt or effort to so define our position

as to open the way to lead us into a European or Asiatic war.

The people of this Nation look to this Congress to take all steps necessary to prevent our involvement in either a European or Asiatic war.

Almost my entire mail is confined to the demands of fathers and mothers and anxious citizens everywhere demanding that in our answer to this troublesome question of neutrality, if we are to write a neutrality law at all, that it be one that will plug every loophole against our involvement in European or Asiatic affairs.

The definite answer to this plea, however, is not free from difficulty as I see it, and consideration of the question has given rise to a multiplicity of conflicting ideas.

I desire to express and interpret what I conceive to be the almost unanimous will of the people whom I represent, as follows:

First. I am definitely opposed to extending to the President of the United States, whoever he may be, the right to publicly proclaim and announce the aggressor in any European or Asiatic conflict. This is a power so fraught with possible involvement in foreign entanglements that I, as one Member of Congress, refuse to delegate that authority into the hands of any one man.

Second. Under the present Neutrality Act the President is vested with the power delegated to him by Congress to declare by public proclamation the existence of a state of war between nations, or a state of civil war within a nation, and upon the issuance of this proclamation it is his solemn duty to prescribe and lay down an embargo, within the limitations of the act. I even seriously question the wisdom or propriety of a continuation of this delegated authority, because it is apparent, in view of the situation that has existed since the enactment of this legislation that while the President declared the existence of a state of civil war in Spain, he has not, so far as I am advised, up to the present time recognized that a state of war exists between Japan and China, although we are all well aware of the fact, and we are continuing to stimulate our foreign trade by the continued shipment of arms and munitions to those two belligerents.

I believe it should be mandatory on the part of the delegated authority, whoever it might be, to declare the existence of a state of war when such state actually exists as a matter of common knowledge and that our attitude in the matter of relations to such belligerents should be the same in all cases and should represent a definite and sustained national policy of equal application to all nations.

The question as to whether or not, in the event of the existence of a state of civil war within a nation, or a state of war between nations, an embargo should be mandatory is one of the highly controversial questions involved in this whole subject.

There are those who declare that we must maintain our commerce regardless of international warfare or civil war within a nation and that our position should be that any nation can buy from us provided it is done on a cash-and-carry basis. Such a provision in the present act will expire on May 1 and the proponents of such a contention insist that the cash-and-carry provisions of the present act be continued and extended. There are others who feel that in view of the fact that economic and trade relations growing out of our shipment of arms, munitions or supplies, or goods of any character to one belligerent nation when another may be precluded from availing itself of the same privilege constitutes an involvement in the situation with international hatreds aroused that would ultimately lead us to war, and the proponents of this theory contend that in the event of a declaration of war such as I have heretofore indicated the President should be required to lay down an embargo prohibiting any shipments of any kind or character to any of the nations so involved.

While it is indeed patriotic to insist upon the protection of our merchant ships upon the high seas, and their convoy, if necessary, by the Navy into ports of belligerent nations, yet I am convinced that if by chance one of those ships were sunk, causing loss of life to American seamen, that the same passions which propagandists are constantly seeking to arouse would be aroused, and the incident might be the means of involving us again in war.

I have, therefore, concluded that if the premise is correct, as most people seem to conclude—namely, that the domestic and internal affairs of foreign governments are no concern of ours, and that therefore we should not extend our interests so far as to become involved in their domestic disputes or international disputes—then the only way we can maintain a strictly neutral position in event of the finding of the existence of a state of war is to enforce an immediate and strict embargo against travel by American citizens within the zones involved and prevent the shipment of arms and munitions to either belligerent, and permit the shipment of generally accepted nonmilitary supplies on a strictly cash-and-carry basis in ships other than those carrying American seamen and flying the American flag.

Such a position would be one of strict neutrality, and while in its operation the effect might favor the nation in control of the sea, yet that should be no concern of ours; because I do not conceive it to be our duty to take sides, and it is the taking of sides, due to the whipped-up passions of people, inspired by foreign propaganda, that ultimately involves us in foreign war.

Such a policy of neutrality should carry with it a distinct and ominous assurance to all foreign nations that we are not taking sides but that we propose to defend the Monroe Doctrine and our territorial integrity with the whole force of our tremendous resources.

It ought to be perfectly clear from our experience in the last World War what Washington had in mind when he referred to the "ingratitude of nations," and in the record of history we can never be sure but that the friends of today may become the enemies of tomorrow, and in my humble judgment it would be an unwise and foolhardy policy to adopt to attempt to protect the extremely small percentage of our volume of trade that is involved in foreign relations if in such protection we would be compelled to expend through participation in war sums that could never be recouped in foreign trade, to say nothing of the lives of our citizens.

I desire to say in closing that I fully realize the tremendous difficulty that is involved in writing legislation to declare a policy based upon conditions as they exist today, which conditions a week from today may be entirely changed due to the apparent utter lack of regard on the part of certain nations for the sacredness of international treaties, and yet I am sure that the Congress of the United States has within it the capacity and the power to meet such changing conditions in the event the necessity arises.

WAR-PROFITS BILL

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House and to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, the Portland Oregonian is one of the great newspapers of the Northwest. In the past its policy has been more conservative than liberal. It never has been radical. It always has been American.

Therefore it is gratifying that such a sound, substantial organ of public opinion has endorsed editorially the principle of the new bill designed to take the profits out of war, and expressed the hope that the measure, "in considerably modified form," will be enacted by Congress.

As one of the sponsors of this bill in the House, I make no claim for the perfection of its details, but I insist that it is sound in principle. If the principle of any measure is sound, the details can be perfected in committee. That can and should be done without undue delay in the case of this bill, which is designed to promote peace, and, if war comes, place the greatest financial burden on those who profit most from the war, which will entail the supreme sacrifice for some and misery to most Americans.

Mr. Speaker, I ask unanimous consent that this fine editorial from the Sunday Oregonian of April 2, 1939, be printed in the RECORD as a part of my remarks.

PASS A WAR-PROFITS BILL

A bill to tax war profits virtually out of existence was introduced in the United States Senate a few days ago by Senator HOMER T. BONE, of Washington. It carries the names of 49 other Senators, and so has an excellent chance of at least getting through the upper House. However, similar bills were smothered in committee in 1935 and 1938, and powerful interests are lying in wait for this one.

This page hopes that it will go through, but in a considerably modified form. Every other plan which has been proposed in Congress for delaying or preventing war has within itself the factors for its own defeat. Thus the neutrality bill, already on the books, is more of a danger than an aid. It encourages foreign powers to kick us around; it ties the hands of the President; it puts us on the side of the strong, to the detriment of the weak. Nor is there any way it can be amended that will make it better. And the war-referendum measures advanced by some of the more desperate Members of Congress are even worse. They also would encourage foreign powers to boot us, and in case of an actual vote the Nation would be divided into bitter factionalism that would make the conduct of a war difficult if not disastrous.

A war-profits bill, on the other hand, should cool down the passions of millions of Americans who, as matters stand now, are in position to reap a rich harvest if the Nation does go to war.

We do not accuse these people of consciously nudging America toward war. We only say they would be more than human if they were able to keep their financial outlook from having any effect whatever upon their view of the international developments. It might make a tremendous difference in American mass opinion if warning were served in advance, through such a war-profits measure, that during the next conflict civilians would have to sacrifice along with the men in the trenches—not their lives, but what to many people is almost as important.

There is, of course, just one argument against such a bill—the argument that industry and the individual American would not work hard enough in wartime, under such restrictions, to provide the Armies and the Navy with the supplies necessary for victory. It is a threatened sit down. The most effective statement of this view ever made was that of Bernard M. Baruch, head of the late War Industries Board. Mr. Baruch, who favors sharply graduated wartime taxation, nevertheless warned the Senate Munitions Committee during hearings in 1935:

"In eliminating profits we must not eliminate munitions. We must not stop production. There is such a thing as taking the profits out of war at the cost of losing the war."

Thus the issue is drawn: The most effective legislation as yet proposed for the purpose of giving a pacific tone to American public opinion is this bill presented by Senator BONE and 49 of his fellow Senators. And the tax returns from such a measure would go a long way toward making our next war, if one does come, self-supporting. But there remains the question of whether the bill as it stands is so confiscatory as to destroy incentive. It probably is. That is something for the taxation committees of Congress and their advisers to work out. Offhand it would seem that some modification could be made without serious impairment of the bill's effect. In any case, the principle is right.

There is too wide a gap between the soldier, training himself for death at $30 a month, and the industry, which hints that it will not work unless it gets excessive profits.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Kansas [Mr. CARLSON] be permitted to extend his remarks in the RECORD by printing a speech delivered by the President of Puerto Rico.

The SPEAKER. Is there objection?

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend the remarks I made today by including a letter from a constituent of mine and four short paragraphs from a Government bulletin.

The SPEAKER. Is there objection?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a letter from Oliver Mattison.

The SPEAKER. Is there objection?

There was no objection.

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include an editorial from the Pittsburgh Post Gazette.

The SPEAKER. Is there objection?

There was no objection.

CONSTRUCTION OF CERTAIN PUBLIC WORKS

Mr. COX. By direction of the Committee on Rules, I call House Resolution 137, which I send to the desk and ask to have read.

The Clerk read as follows:

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 2878, a bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee [Mr. TAYLOR], to be in turn yielded by him as he sees fit.

Mr. Speaker, this is a resolution which makes in order the consideration of the bill H. R. 2878. This is a bill brought in by the Committee on Naval Affairs which proposes to authorize the Secretary of the Navy to proceed with the construction of certain public-works projects, which are set out in the bill.

I do not think the House wishes to consume a great deal of time in the consideration of this rule. For the present I shall ask the gentleman from Tennessee [Mr. TAYLOR] to use such time as he wishes.

Mr. TAYLOR of Tennessee. Mr. Speaker, I know of no opposition on this side of the Chamber to the rule or to the bill which it makes in order. I have had no requests for time. I have no desire myself to discuss the rule.

Mr. COX. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. VINSON of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 2878) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 2878, with Mr. MCLAUGHLIN in the chair.

The Clerk read the title of the bill.

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. VINSON of Georgia. Mr. Chairman, I yield 25 minutes to the gentleman from Virginia [Mr. DREWRY].

Mr. DREWRY. Mr. Chairman, this bill provides for the public works of the Naval Establishment. There are 86 items in this bill, most of them comparatively small. Of a total of $38,524,000 for the construction of the 86 items mentioned, $16,609,000 goes to Hawaii, $1,970,000 goes to the Mare Island Navy Yard, $3,000,000 goes to Puget Sound Navy Yard at Bremerton. The other large items are one at Hawthorne, Nev., $1,260,000; one at the Naval Training Station at Norfolk, $1,365,000; one at the Coco Solo fleet air base, $1,736,000. The only other large items are Parris Island, which is a marine base, $3,018,500; and at Philadelphia for the storage of supplies, $1,300,000. Then at Hawaii another $1,710,000.

So that although there are 86 items and a total of $38,000,000, the majority of those items are small, and, of course, I do not suppose the committee has any desire that I make any detailed treatment of those items. I will try to classify them under certain heads.

The largest amount is taken up with meeting the drydocking requirements. The situation confronting the Navy with reference to drydocking facilities is very serious. The facilities we now have on the west coast and in Hawaii are not adequate to meet the needs of the existing fleet in time of peace, and certainly would not be able to meet them in time of war. The Navy Department has made a very exhaustive study of the drydocking situation, and this bill is brought in with reference to the authorization for appropriations that should be made in order to get drydocking facilities that will be able to take care of the Navy not only in time of peace but in time of war.

Then the fleet maintenance facilities: One of the great troubles we have at present with the Naval Establishment is that a great many people seem to think that all that is necessary is to have a fleet. They do not stop to consider that the fleet must have bases in order to maintain that fleet in a proper condition. So in our desire to build up our fleet we have neglected to build up the shore stations to take care of the needs of that fleet. The result has been that in the years since the World War those buildings of a semipermanent nature at that time, some of them even beyond that, have deteriorated, and they are totally unfit for the use of the Navy. It has been a very poor fiscal policy to let our shore stations deteriorate as they have, but that is what has happened. Now, we must meet that situation by improving those facilities so that the fleet itself will have proper facilities with which to conduct its operations.

Other sections of the bill are aeronautical experiments, and the necessary development and expansion of shore facilities required for the operation of fleet aircraft. The same thing applies to that proposition as applied to the maintenance of the shore stations.

Then ordnance depots. The ordnance depots are in such condition that they are a danger to life, due to the lack of attention that has been given to those ordnance storage activities.

The same thing applies to supply facilities. Three of the items for which authorization is requested in this bill for supply storage are at Pearl Harbor. I call your attention, as I did in the beginning, to the fact that the greater part of this bill, over one-half of it, is for the development of the naval facilities at Hawaii.

In addition to that, the hospital facilities at these places are totally inadequate to take care of the health of the personnel, and for proper care of the sick and injured.

Then there is another provision that has come in with reference to the radio-finder stations. Those stations are of great strategic importance and are usually in isolated sections. The result has been that the buildings have deteriorated and something has to be done to take care of those radio-finder stations.

The only other subhead, as I have the subjects divided, is with reference to training, education, welfare, and housing. The effort here is to authorize sufficient money to enable the naval personnel at these stations to be properly housed and taken care of.

These are the general provisions of the bill. I do not know that it is necessary for me to take any more of the Committee's time, or that there is need to go into each item, for every Member will have full opportunity to ask any questions he may care to when the bill is read for amendment.

I conclude by saying that these eight subheads which I have mentioned account for a total of $38,524,500, almost half of it being required for the upkeep of the establishment in Hawaii.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Virginia yields back 15 minutes.

Mr. MAAS. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the items in this bill were carefully considered by the committee. They constitute part of the regular program, and each one is absolutely essential to the proper maintenance and expansion of the fleet. The committee held extensive hearings and the bill was reported unanimously.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Virginia has used 1 minute.

There being no further requests for time, the Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to proceed with the construction of the following public works projects at a cost not to exceed the amount stated after each item enumerated:

Navy Yard, Pearl Harbor, Hawaii: Graving drydock for large vessels, services, and accessories, $8,485,000; personnel buildings and accessories, $4,214,000; recreation facilities, including buildings and accessories, $125,000; pipe and copper shop building and accessories, $150,000; electric shop building and accessories, $465,000; galvanizing shop building and accessories, $85,000; graving drydock for small vessels, services, and accessories, $2,000,000; public works shop and storage building, $170,000; ordnance shop building and accessories, $165,000; storehouse building and accessories, $750,000.

Navy Yard, Mare Island, Calif.: Graving drydock, services, and accessories, $1,750,000; utility and transportation buildings and accessories, $100,000; laboratory building and accessories, $120,000.

Navy Yard, Portsmouth, N. H.: Submarine barracks and mess hall, $270,000.

Navy Yard, Puget Sound, Wash.: Graving drydock, services, and accessories, $3,000,000.

Naval Station, Guam: Officers' quarters and accessories, $75,000.

Naval Station, Tutuila, Samoa: Chief petty officers' quarters and accessories, $66,000; officers' quarters and accessories, $45,000; recreation building and accessories, $70,000.

Naval Station Guantanamo, Cuba: Enlisted men's quarters and accessories, $50,000.

Naval Torpedo Station, Newport, R. I.: Explosive-manufacturing building and accessories, $250,000.

Naval Proving Ground, Dahlgren, Va.: Magazine building and accessories, $35,000; dispensary building and accessories, $40,000; locomotive and crane shed and accessories, $20,000; garage building and accessories, $20,000; carpenter shop building and accessories, $25,000.

Naval Powder Factory, Indianhead, Md.: Barracks building and accessories, $125,000.

Naval Ammunition Depot, Hawthorne, Nev.: Additional magazine buildings and accessories, $1,260,000.

Naval Ammunition Depot, Oahu, Hawaii: Additional magazine buildings and accessories, $223,500.

Naval Ammunition Depot, St. Juliens Creek, Va.: Explosive-loading plant and accessories for TNT and black powder, $165,000.

Naval Ammunition Depot, Iona Island, N. Y.: Replacement of filling house No. 307 and accessories, $30,000.

Naval Ammunition Depot, Fort Mifflin, Pa.: Projectile loading plant building and accessories, $45,000.

Naval Training Station, San Diego, Calif.: Trade school and auditorium buildings and accessories, $525,000.

Naval Training Station, Norfolk, Va.: Dispensary building and accessories, $190,000; receiving station mess hall and galley building and accessories, $375,000; receiving station barracks buildings and accessories, $800,000.

Destroyer Base, San Diego, Calif.: Power plant building and accessories, $50,000; torpedo storehouse and accessories, $90,000; dispensary building and accessories, $40,000; bachelor officers' quarters and accessories, $70,000.

Submarine Base, Pearl Harbor, Hawaii: Individual storehouse and accessories, $20,000.

Naval Aircraft Factory, Philadelphia, Pa.: Aeronautical engine and materials laboratory buildings, $1,800,000.

Naval Air Station, San Diego, Calif.: Purchase and improvement of auxiliary landing fields, $321,000.

Naval Air Station, Norfolk, Va.: Purchase of auxiliary landing fields, $300,000.

Naval Air Station, Seattle, Wash.: Radio direction-finder house and accessories, $5,000.

Fleet Air Base and Submarine Base, Coco Solo, Canal Zone: Personnel buildings and accessories, $1,736,000.

Fleet Air Base, Coco Solo, Canal Zone: Aircraft storehouse and accessories, $285,000.

Marine Aviation facilities, Charlotte Amalie, V. I.: Quarters for naval personnel, including services and accessories, $259,000; dispensary building and accessories, $30,000.

Marine Corps Flying Field, Quantico, Va.: Aircraft and engine overhaul building and accessories, $250,000; motor-test-stand building and accessories, $80,000.

Marine Barracks, San Diego, Calif.; Development of rifle range at La Jolla, Calif., $305,000.

Marine Barracks, Quantico, Va.: Contagious ward and accessories, $65,000; barracks building and accessories, $60,000; shop building and accessories, $172,000; nurses' quarters and accessories, $56,000.

Marine Corps Depot of Supplies, Philadelphia, Pa.: Storage buildings and accessories, $1,300,000.

Naval Research Laboratory, Bellevue, D. C.: Barracks, mess hall, and instruction building, and accessories, $230,000.
Naval Supply Depot, Pearl Harbor, T. H.: Provision storage building and accessories, $250,000.
Naval Hospital, Mare Island, Calif.: Administration and subsistence building and accessories, $475,000.
Naval Hospital, San Diego, Calif.: Sick officers' quarters and out-patients' clinic and accessories, $175,000.
Naval Hospital, Norfolk, Va.: Barracks building and accessories, $200,000.
Naval Hospital, Guam: Isolation and tuberculosis wards and accessories, $47,000.
Naval Hospital, Pearl Harbor, T. H.: Barracks building and accessories, $105,000.
Naval Radio Station, Gatun, C. Z.: Quarters and accessories, $40,000.
Naval Radio Station, Eureka, Calif.: Quarters and accessories, $15,000.
Naval Radio Station, Point Loma, Calif.: Quarters and accessories, $22,000.
Naval Radio Station, Dutch Harbor, Alaska: Recreation building and accessories, $12,000.
Naval Direction Finder Station, Point St. George, Calif.: Purchase of land, $2,500.
Naval Direction Finder Station, Point Arguello, Calif.: Powerhouse, garage, dormitory building, and accessories, $27,000; quarters and accessories, $6,000.
Naval Direction Finder Station, Folly Island, S. C.: Reconstruction of station at new location, $60,000.
Naval Direction Finder Station, Poyners Hill, N. C.: Barracks, compass house quarters, and accessories, $52,000.
Naval Direction Finder Station, Jupiter, Fla.: Barracks, compass house, quarters, and accessories, $50,000.

The Clerk read as follows:

Committee amendment: On page 2, after the period in line 10, add the following sentence:
"The Secretary of the Navy is hereby authorized and directed to appoint a board consisting of not less than five officers to investigate and report upon the need for purposes of national defense for acquisition by the Secretary of the Navy of two graving drydocks situated on San Francisco Bay and known as the Hunters Point drydocks, such report to include a statement of costs and fair values and to be made prior to April 18, 1939."

Mr. VINSON of Georgia. Mr. Chairman, I ask that this amendment be voted down for the reason that the Navy Department has submitted to the committee a report dealing with the acquisition of Hunters Point drydocks, which this language in the bill calls for.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was rejected.

The Clerk read as follows:

Committee amendment: Page 4, strike out lines 13, 14, and 15.

The amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 5, after line 7, insert a new paragraph as follows:
"Marine Barracks, Parris Island, S. C.: Buildings and accessories, $3,018,500."

The amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 5, line 15, after the figure "$56,000;" insert "school building and accessories, $250,000."

The committee amendment was agreed to.

Mr. IZAC. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise at this point to call attention to something that should be attended to at our earliest possible convenience. You will notice that we are authorizing the construction of a certain number of graving drydocks for the express purpose of taking care of the needs of the Navy. As long as there is another fleet in the Pacific in addition to ours we must retain our fleet in the Pacific, and the retention of the fleet in the Pacific necessitates shore bases.

I draw attention to the fact that from the Panama Canal for 1,800 miles there are no facilities for repairing and overhauling the ships of the fleet. At one time we rented or leased Magdalena Bay in Lower California. We have given that up. The nearest point to the Panama Canal on the west coast is San Diego, a natural harbor, used almost to the fullest extent by the Navy at the present time; but I draw your attention to the fact that there is no dock of sufficient size in San Diego to take care of any ship larger than a destroyer. Likewise, there are no drydock facilities in southern California waters, and we have to go 500 miles away, to San Francisco Bay, before we find any graving dock of sufficient size to care for the needs of the Navy. There are only two on the west coast at the present time—Puget Sound and Mare Island. I have no fault to find with the committee, because, of course, the Navy feels they cannot ask too much authorization at one time, and they are asking for as much as they think the Congress will give them now.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield.

Mr. VINSON of Georgia. In connection with the serious lack of docking facilities on the west coast I may state to the gentleman from California that the Navy Department today sent a recommendation to the committee for the acquisition of Hunters Drydocks; and just as soon as the committee has opportunity to consider the matter, in all probability a bill to acquire the drydock in San Francisco Bay will be brought before the House for consideration.

Mr. IZAC. I am glad to hear the gentleman state that because, regardless of whether it is in my district or not, I believe the fleet needs more facilities for its maintenance.

I draw the committee's attention to the fact that every time it is necessary for a complete overhaul of even so small a ship as a destroyer it is necessary to expend several thousand dollars in fuel costs for the sending of the ship to Puget Sound and Mare Island because we do not have a drydock of ample facilities anywhere in southern California.

May I ask the committee at this time to consider in the near future the advisability of acquiring space and requesting authorization for the building of additional drydock facilities in southern California.

Mr. Chairman, I yield back the balance of my time.

Mr. HAVENNER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the recommendation that the Navy should acquire the Hunters Point drydocks as an essential part of its program for national defense originated in the Navy Department.

The Chief of Naval Operations, in a report submitted to the Committee on Naval Affairs on March 9, 1939, made the following statement:

The situation confronting the Navy with respect to adequate drydocking facilities is of serious concern to the national defense. Docking facilities on the west coast and in Hawaii are now inadequate to meet the needs of the existing fleet in time of peace. Even with the completion of the drydocks now under construction at the navy yards, Mare Island and Puget Sound, the peacetime situation will become steadily worse unless further relief is afforded, as vessels now under construction or authorized are added to the fleet.

The question of docking facilities has been the subject of exhaustive study and analysis in the Navy Department over a great many years. Shortages exist in all sizes of docks to meet peacetime and wartime requirements. As a result of these studies, the Department has outlined a program of additional docking facilities considered essential for the proper support of the fleet in the Pacific.

In my opinion the Navy should acquire the Hunters Point drydocks and should provide weight-handling facilities, power connections, galley, latrines, storehouse, and an assembly plant to permit the overhaul of our largest vessels in conjunction with the Mare Island Navy Yard.

The Committee on Naval Affairs, after an extensive examination of ranking officials of the Navy Department concerning the necessity for acquiring the Hunters Point drydocks, incorporated a provision in the bill now under consideration reading as follows:

The Secretary of the Navy is hereby authorized and directed to appoint a board consisting of not less than five officers to investigate and report upon the need for purposes of national defense for acquisition by the Secretary of the Navy of two graving drydocks situated on San Francisco Bay and known as the Hunters Point drydocks, such report to include a statement of costs and fair values and to be made prior to April 18, 1939.

The report of that special board to the Secretary of the Navy has been transmitted to the Committee on Naval Affairs. After a very lengthy and thorough study of the property and its proposed uses the board unequivocally recommends that the Government acquire the Hunters Point drydocks, including all present equipment, at a cost not to exceed $3,500,000, and that an additional $2,500,000 be expended on the property to permit its utilization as an annex to the United States Navy Yard at Mare Island.

The property to be acquired consists of two graving drydocks with land and necessary appurtenances and equipment, owned by the Bethlehem Shipbuilding Co., and located in the city and county of San Francisco at Hunters Point. One of the drydocks is about 700 feet long, capable of docking heavy cruisers. The other is 1,000 feet long, capable of docking 45,000-ton battleships and aircraft carriers.

The Secretary of the Navy reports that the land at Hunters Point is composed of a serpentine-rock formation, impervious to water, easily excavated, and particularly favorable for the construction of graving drydocks.

His report states that the site also has the following advantages of location:

It adjoins permanent deep water, affording adequate approaches to the drydocks by large vessels. It adjoins the largest and best anchorage ground in San Francisco Bay. It is conveniently situated with reference to San Francisco and to water and motor transportation facilities.

The report points out that the Bethlehem Shipbuilding Co. has not used this property as a shipbuilding plant, but only for drydocking vessels. It lacks essential facilities for repair work, even of a minor character, on a ship in dock.

The essential facilities which are lacking, and which are proposed to be provided if this authorization is approved by Congress, are as follows: (a) Adequate power supply so that the ship's generating equipment can be shut down while in the dock, also service connections, including air, salt water, fresh water, and steam; (b) weight-handling equipment, so that heavy parts can be removed from and reinstalled in the ship; (c) a galley ashore, so that the ship's galley can be shut down for repairs; (d) suitable latrine facilities for the crew while the ship is in dock; (e) a small storehouse, so that routine repair materials may be immediately available; (f) an assembly building, to permit the assembling of parts fabricated and manufactured elsewhere for installation in the vessel in dock, and to provide space in which to keep tools and equipment necessary to accomplish drydock work and other necessary repairs; (g) an adequate quay wall at which ships can be berthed prior to and after docking.

The drydock at Hunters Point is the only dock on the west coast, except that at the Bremerton Navy Yard, 1,815 miles to the north, which can accommodate a man-of-war or other large naval or merchant ships. In the past the Navy has paid the Bethlehem Shipbuilding Co. approximately $45,000 a year, and frequently more, for a preferential use of the Hunters Point drydocks. As the report of the special naval board clearly emphasizes, a continuation of this arrangement is not considered to be in accord with the best interests of national defense.

I shall now include in the RECORD the report of the special navy board:

1. The board appointed by the Secretary of the Navy by letter of March 25, 1939, has made a careful study of all matters covered by the precept, and respectfully submits its report herewith.

DESCRIPTION OF THE PROPERTY

2. The property under investigation consists of two graving drydocks and the appurtenances and equipment necessary to their operation, owned by the Bethlehem Shipbuilding Corporation, located on the San Francisco side of San Francisco Bay at Point Avisadero (U. S. C. and G. S. Chart No. 5535), and commonly referred to as the "Hunters Point Drydocks." One of these drydocks is about 700 feet long, capable of docking heavy cruisers. The other is 1,000 feet long, capable of docking 45,000-ton battleships and aircraft carriers. The smaller of these drydocks is commonly designated as "No. 2 dock," and the larger is "No. 3 dock." These designations might tend to indicate to one unfamiliar with the property that there are three drydocks there, but, as stated above, there are actually only two.

3. (a) The parcel of land on which these two drydocks are located contains about 48.6 acres, divided approximately as follows:

	Acres
Original area of dry land	15
Area reclaimed by fill	10
Present submerged area	23.6

The description of this land by metes and bounds is as follows:

"Beginning at a point on the northeasterly line of Evans Avenue, distant thereon 450 feet southeasterly from the southeasterly line of Boalt Street, as shown on the 'map of the property of the South San Francisco Homestead and Railroad Association,' filed April 15, 1867, in book 2, 'A' and 'B' of maps, page 39, in the county recorder's office of the city and county of San Francisco; and running thence northeasterly on a line drawn parallel with said southeasterly line of Boalt Street 1,179.16 feet to a circular curve with a radius of 1,800 feet, whose center is a point on the northeasterly line of Galvez Avenue, distant thereon 250 feet southeasterly from the southeasterly line of Alvord Street; thence southeasterly, southerly, and southwesterly along said curve with a radius of 1,800 feet, a distance of 2,727.28 feet to the northeasterly line of Evans Avenue, extended; thence northwesterly along said line of Evans Avenue and the extension thereof 2,174.67 feet to the point of beginning."

It is noted that the above-described tract of land contains, within the 23.6 acres of submerged area, approximately 8.9 acres, which lie outside of the established Federal Bulkhead Line, and, consequently, the absolute title to this 8.9-acre portion of the tract possibly does not vest in the Bethlehem Shipbuilding Corporation.

(b) This land is composed essentially of a serpentine rock formation, which is impervious to water, easily excavated, and hence particularly favorable for the construction of graving drydocks. The site also has the following advantages of location:

(a) It adjoins permanent deep water affording adequate approaches to the drydocks by large vessels.

(b) It adjoins the largest and best anchorage ground in San Francisco Bay.

(c) It is conveniently situated with reference to San Francisco and to water- and motor-transportation facilities.

4. This property has not been used by the Bethlehem Shipbuilding Corporation as a shipbuilding plant but only for the drydocking of vessels. It is not equipped with the facilities which have been found to be essential if any repair work, even of a minor character, is performed on a ship in dock. The essential facilities which are lacking are:

(a) Adequate power supply so that the ship's generating equipment can be shut down while in the dock; also service connections, including air, salt water, fresh water, and steam.

(b) Weight-handling equipment so that heavy parts can be removed from and reinstalled in the ship.

(c) A galley ashore so that the ship's galley can be shut down for repairs.

(d) Suitable latrine facilities for the crew while the ship is in dock.

(e) A small storehouse so that routine repair materials may be immediately available.

(f) An assembly building to permit the assembly of parts fabricated and manufactured elsewhere for installation in the vessel in dock, and to provide space in which to keep tools and equipment necessary to accomplish drydock work and other necessary repairs.

(g) An adequate quay wall at which ships can be berthed prior to and after docking.

The lack of these facilities produces a situation where two drydocks admirably suited for the accommodation of naval vessels cannot be utilized to anywhere near their full capacity. In fact, practically the only work which can be satisfactorily accomplished on Navy vessels in these docks in their present condition is the routine cleaning and painting of underwater surfaces.

HISTORY OF THE PROPERTY

5. Construction of the smaller of the two Hunters Point drydocks was started in 1901 and completed in 1903 by the San Francisco Dry Dock Co. The records of the Navy Department show that in 1912 the Union Iron Works Dry Dock Co., of San Francisco, which at that time owned the property, started negotiations with the Navy Department with a view of constructing a larger drydock adjacent to the one referred to above, and capable of accommodating the largest vessel which could transit the Panama Canal, then nearing completion. It appears from the record of the negotiations that the company sought to obtain a subsidy from the Government for the construction of this large dock in the form of a 10-year contract for the docking of naval vessels in San Francisco, which would guarantee payment by the Government for this service of at least $50,000 per year. These negotiations led to a provision in the act of Congress approved June 30, 1914 (38 Stat. L., p. 406), which authorized the Secretary of the Navy to enter into contract for the use of the Hunters Point drydocks for a period of 6 years from the completion of the drydock capable of docking the largest vessel which could be passed through the locks of the Panama Canal. This statute further provided that, while the rate

Phillips and Mr. N. K. Crane, expert real-estate appraisers, to determine the value of the land, and of Mr. F. B. Smith, an eminent

23. Of the additional docks listed above the following are in the present proposed Public Works authorization bill:

of charge for docking naval vessels stipulated in such contract should not be in excess of the commercial rate, the compensation to be paid for this docking service would be at least $50,000 per year. It also provided that if, during the contract period of 6 years, the necessities of the fleet required the docking of vessels which would necessitate a charge greater than $50,000 per year, the Secretary of the Navy was authorized to have such vessels docked at rates not in excess of commercial rates.

6. On February 24, 1916, the Secretary of the Navy entered into a contract with the Union Iron Works Dry Dock Co., as authorized by the above-mentioned statute, and the company started constructing the large dock in that year. The date of its completion was the subject of dispute between the company and the Navy Department, because of the failure of the company to install a 50-ton crane at the dock as provided for in the plans and specifications, approved by the Navy Department and incorporated in the contract. This dispute was not settled until December 28, 1921, when a supplementary contract was entered into by the Secretary of the Navy and the company, in which the original specifications relative to weight-lifting facilities were modified, and the completion of the large drydock for the purposes of the original contract of February 24, 1916, was declared to be August 20, 1921. This drydock was, however, actually used by naval vessels prior to August 20, 1921, in 1919 and 1920, and it has been used in every year since that date to the present time.

7. In tracing the history of these two drydocks, the board has made every effort to determine the actual cost of their construction, as directed in paragraph 3 of the precept, enclosure (A). However, in view of the age of the smaller of these drydocks built in 1901–03, and the fact that it was built by a private company whose records were not available to the board, the question of the cost of its construction was not readily susceptible of factual determination. The only information bearing on this subject was found in the preliminary report of the Navy Yard Commission (Helm Commission) of 1916 (H. R. Doc. No. 1946, pt. 2, pp. 150–153), in the form of a statement by Mr. Howard C. Holmes, consulting engineer of the Union Iron Works Dry Dock Co., in which he acknowledged that he designed and built this drydock, and that its cost was "less than half a million dollars." With reference to the larger drydock constructed in 1916–19, the facts are clearer. As indicated in paragraph 6 above, this drydock was constructed under plans and specifications approved by the Navy Department before incorporation in the contract with the Union Iron Works Dry Dock Co. of February 24, 1916. Furthermore, as provided in this contract, this drydock was periodically inspected during the course of its construction by Navy Department representatives who made pertinent reports upon the progress of the work. Under date of June 3, 1920, the public-works officer of the navy yard, Mare Island, Calif., submitted an itemized statement showing the total cost of construction of this drydock to be $1,083,702. The board, after careful consideration of the above facts, believes that the sum of $1,500,000 constitutes at least a very close approximation of the original cost of construction of both of these drydocks, exclusive of all land and appurtenances.

USE OF HUNTERS POINT DRYDOCKS BY NAVAL VESSELS

8. The use of the Hunters Point drydocks by naval vessels has been regulated by contracts entered into by the Secretary of the Navy with the Union Iron Works Dry Dock Co., from February 24, 1916, until August 19, 1927, and with the Bethlehem Shipbuilding Corporation since the latter date to the present time. The original contract of February 24, 1916, provided for a term of 6 years from the completion of the large dock as determined by the Secretary of the Navy. The beginning of this 6-year contract period was officially declared to be August 20, 1921, by the supplementary contract of December 28, 1921. Since the large drydock had been used for five battleship dockings in 1919 and 1920, this supplementary contract provided that the company should be paid in full satisfaction of its claim for this service the sum of $37,317.28, which was arrived at by applying the same docking rate agreed upon in the original contract (6½ cents per displacement ton for each day or fraction thereof that the vessel remained in dock).

9. The original 6-year contract expired on August 19, 1927. During the period of its continuance, the use of the drydocks by naval vessels, and the charges therefor, are shown in the following table:

Year	Ships docked	Docking charges	Guarantee	Total
1922	9	$64,398.39		$64,398.39
1923	6	30,835.20	$19,164.80	50,000.00
1924	5	38,880.48	11,119.52	50,000.00
1925	5	34,348.87	15,651.13	50,000.00
1926	9	50,418.91		50,418.91
1927	8	46,223.51	3,776.49	50,000.00
Total	42	265,105.36	49,711.94	314,817.30

10. Since August 19, 1927, the expiration date of the 6-year contract, under which the Government acquired no permanent or continuing right, the Secretary of the Navy has entered into annual contracts with the Bethlehem Shipbuilding Corporation for the drydocking of naval vessels at the Hunters Point drydocks. The following statistical table is applicable to this period from August 19, 1937, to date:

Year	Ships docked	Docking charges
1928	2	$8,771.62
1929	6	93,813.48
1930	3	22,792.00
1931	4	45,032.40
1932	6	49,716.80
1933	5	39,066.48
1934	3	56,130.24
1935	6	37,790.64
1936	7	50,904.86
1937	5	32,622.00
1938	8	61,107.92
1939	5	39,745.84
Total	60	537,494.28

11. A recapitulation of the information contained in paragraphs 8, 9, and 10 above shows that the Hunters Point drydocks have been used 107 times by naval vessels since 1919, and that the Government has paid the sum of $889,628.86 for this service.

12. The present annual contract with the Bethlehem Shipbuilding Corporation provides for services required from July 1, 1938, to June 30, 1939, for docking and undocking 450,000 displacement tons, more or less, at San Francisco, Calif., at the following rates:

Capital ships, 8 cents per displacement ton for each lay day or fraction thereof that such vessels occupy the drydock.

Aircraft carriers (*Ranger, Yorktown, Enterprise,* and *Wasp*), 20 cents per displacement ton for the haul day; 15 cents per displacement ton for each lay day or fraction thereof that such vessels occupy the dock.

Aircraft carriers (*Lexington* and *Saratoga*), 8 cents per displacement ton for the haul day and for each lay day that such vessels occupy the dock.

Light and heavy cruisers, 20 cents per displacement ton for the haul day and 15 cents per displacement ton for each lay day or fraction thereof that such vessels occupy the dock.

No charge is made for the use of the drydocks on Saturdays, Sundays, or holidays, except when work which specifically required docking is actually prosecuted on these days, and except when docked or undocked on these days. When no work can be done on a vessel in drydock on account of inclement weather, only one-half of the normal charge is made for the occupation of the dock.

PRESENT MATERIAL CONDITION OF THE PROPERTY AND FAIR VALUE THEREOF

13. In addition to the two drydocks, each of which has its individual pumping plant, the Hunters Point drydocks property includes the following structures, equipment, and improvements, all of which affect the present fair value of the property:

Brick warehouse; brick powerhouse and stack; brick sluice-gate house; storage building, corrugated iron on wood frame; brick pump and transformer house; two timber wharves, one at entrance to each drydock; equipment in powerhouse consisting of two 300-horsepower steam boilers, two 1,200 C. F. M. steam-driven compressors, and one high-pressure steam-driven pump. Miscellaneous equipment and improvements, such as tracks, paving, pumps, motors, brows, staging, lines, and so forth.

14. The present material condition of the drydocks and of the machinery and equipment necessary to their operation is described as follows in the report, submitted in March 1939 by an eminent drydock engineer, Mr. F. B. Smith, who was employed to inspect and appraise this property:

"The drydock side walls are badly cracked but still intact. There are no leaks; however, there is a small amount of seepage. The cracks are irregular and due to expansion and contraction, there being no contraction joints in the walls. There are no signs of displacement or settlement in either structure. The wooden floors of the docks are in good condition. Keel blocks are in good condition. The keel-block fittings and operating mechanisms, usually in Navy docks, were not installed. They use manila ropes and 'strong arms' to move the bilge blocks.

"The pump-well machinery for No. 3 dock is in as good condition as when installed. The steam-operated pumping machinery in the pump well of No. 2 dock was changed to electrical operation a few years ago.

"The three Corliss engines with rope drive operating the pumps have been replaced by three 400-horsepower electric motors, all in good condition. The caisson of both docks looks to be in good condition. The timber wharfs at the entrance of both docks are in poor condition and to be valued at 50 percent of replacement costs.

"The surface operating plant of No. 2 dock is inadequate and in poor condition, consisting of an electric winch at the head of the dock and two steam capstans at the entrance. There are a number of hand capstans on each side; some of the steel bollards are missing and have been replaced by wooden bollards."

15. In order to arrive at a reliable present-day fair value of the entire Hunters Point property, the board, through the commandant of the Twelfth Naval District, secured the services of Mr. J. J.

and painting because of the large docking charges. The Board

1. That the Government acquire the Hunters Point drydocks,

Phillips and Mr. N. K. Crane, expert real-estate appraisers, to determine the value of the land, and of Mr. F. B. Smith, an eminent drydock engineer, for appraisal of the docks themselves and the appurtenances thereto. Their reports show the following valuations:

Land value	$487,000
Replacement cost of dock No. 3	1,678,126
Replacement cost of dock No. 2	701,735
Other property	240,266
Total	3,107,127

16. The figures furnished by the appraisers for the land were based on the property having a total acreage of 48.6. As was pointed out in paragraph 3 (a), the title to approximately 8.9 acres of the "submerged area," the appraised value of which is $19,384, appears not to vest in the Bethlehem Shipbuilding Corporation. As a consequence, the figures given by the appraisers as to the value of the land should probably be decreased in that amount.

17. In order to afford a check of Mr. Smith's appraisal of the drydocks and their appurtenances, the naval authorities of the Twelfth Naval District prepared separate estimates of the value of this property, and these estimates indicate that Mr. Smith's appraisal is not out of line. It will be noted that, so far as the drydocks proper are concerned, Mr. Smith's estimates are based on replacement costs and make no allowance for depreciation, his reason for this procedure being that in his estimation the expenditures made toward maintenance of the docks offset any depreciation. The board is of the opinion that while Mr. Smith's figures are basically sound, his contention with regard to allowance for depreciation is not correct, and that a minimum reduction in the appraised values of the docks proper of at least 10 percent, or $237,986, should be made.

18. The figures quoted in paragraph 15 are for what might be termed "fixed property" only. In addition thereto, there is owned and used by the company much portable equipment, such as lines, floats, brows, staging, portable leads and connections, etc., necessary for the docking of vessels. If the Hunters Point property be acquired by the Government, this portable equipment should be obtained at the same time. Information furnished to the board by the commandant of the Twelfth Naval District indicates the value of this portable equipment to be $52,000.

19. In view of the foregoing, the board is of the opinion that the total fair value, exclusive of any allowance for goodwill or going concern, for the entire Hunters Point drydock property is as follows:

Land	$467,616
Dock No. 3	1,510,313
Dock No. 2	631,562
Other property	240,266
Portable equipment	52,000
Total	2,901,757

DRYDOCK SITUATION ON THE WEST COAST

20. On March 9, 1939, in hearings before the Committee on Naval Affairs, the Chief of Naval Operations made the following statement with regard to the need of naval docking facilities:

"The situation confronting the Navy with respect to adequate drydocking facilities is of serious concern to the national defense. Docking facilities on the west coast and in Hawaii are now inadequate to meet the needs of the existing fleet in time of peace. Even with the completion of the drydocks now under construction at the navy yards, Mare Island and Puget Sound, the peacetime situation will become steadily worse unless further relief is afforded as vessels now under construction or authorized are added to the fleet.

"The question of docking facilities has been the subject of exhaustive study and analysis in the Navy Department over a great many years. Shortages exist in all sizes of docks to meet peacetime and wartime requirements. As a result of these studies the Department has outlined a program of aditional docking facilities considered essential for the proper support of the fleet in the Pacific."

21. The results of the studies mentioned in the second paragraph of the above quotation indicate the absolute need for 13 additional drydocks on the west coast and in Hawaii if the overhaul requirements of the Navy now in being, under construction, or authorized are to be met. As regards sizes of these additional docks, these are as follows:

Battleship and carrier	2
Cruiser	2
Destroyer and destroyer leader	[1]9

[1] 4 of these docks are 2-unit docks. The actual number of docks is 5.

22. These studies are based upon the requirements of the peacetime fleet and, in general, make no allowance for the following:

(a) National emergency requirements.

(b) The probability that over-age ships will be retained in full commission even after replacement construction authorized by the Vinson Act has taken place.

(c) The probability that many of the decommissioned destroyers, etc., may be placed in a commissioned status at times other than at the beginning of a national emergency.

Should any or all of the above conditions obtain the need of additional facilities would be materially increased.

23. Of the additional docks listed above the following are in the present proposed Public Works authorization bill:

Battleship and carrier	1
Cruiser	1
Destroyer and destroyer leader	[1]5

[1] 2 of these docks are 2-unit docks. The actual number of docks is 3.

This leaves six docks, distributed as to size as follows, not at present proposed for authorization:

Battleship and carrier	1
Cruiser	1
Destroyer and destroyer leader	[1]4

[1] These are both 2-unit docks. The actual number of docks is 2.

24. Studies of shipbuilding and drydock facilities, both naval and commercial, show that on the Pacific coast there are at the present time only one existing naval drydock and another under construction which will accommodate battleships and aircraft carriers. (Dock No. 3 at Hunters Point, which is a commercial dock, is not taken into consideration for reasons which will be made apparent in the next paragraph.) Both of these docks are located at the Puget Sound Navy Yard, Bremerton, Wash. In other words, in a coast line some 1,260 miles long, naval facilities for docking our capital ships exist at only one point, namely, the northern terminus of our coast line. Except during the summer months operations of the fleet are carried on at least 1,000 or more miles to the southward of this point. This means, in effect, that for the greater part of the year any of our major ships requiring regular or emergency docking in naval docks must steam on the order of 2,000 or more miles. With excellent facilities available in the San Francisco Bay area such a procedure is economically unsound. Furthermore, it is illogical to presuppose that, in the event of a national emergency, concentration of all of our major ships would take place at only one point, and that point the most northern one of our Pacific frontier. Thus both from economic and strategic viewpoints, the establishment of a naval drydock capable of taking care of our capital ships in the San Francisco Bay area is fully warranted.

25. In the preceding paragraph no consideration has been given to utilization of the commercial drydocks at Hunters Point to care for at least a part of the docking needs of our major naval vessels. The reasons for not considering this and all other commercial docks are as follows:

(1) Security: Many of the intricate mechanisms which require repair and overhaul while a naval vessel is in drydock are of a secret or confidential nature and should not be open to general inspection by other than regular naval civil employees. This condition can very well be handled at a navy yard or station where all civilian employees have been inducted into the service under strict civil-service procedures and all activities are under rigid control. At a commercial plant such control would be an exceedingly difficult, if not an impossible, matter;

(2) Lack of specially trained workmen: The workmen employed at a commercial yard are normally fully familiar with routine overhaul work. However, the intricate and highly technical military equipment on a man-of-war requires specially trained personnel.

(3) Lack of adequate facilities: The power-length ratios of naval vessels are many times greater than those of commercial vessels and, as a consequence, the normal commercial yard does not have the shop capacity nor the weight-handling equipment which are essential for proper overhaul of naval vessels. As was pointed out in paragraph 4, the Hunters Point dock is lacking in even the minimum essential facilities for minor overhaul and the present owners have failed to provide these facilities on the ground that the income from their plant does not warrant the necessary expenditure.

(4) Lack of availability: Even though the use of a commercial dock is contracted for by the Government there is no assurance that it will be fully available for naval vessels if necessity demands. Experience has indicated that in many instances commercial docking facilities have not been maintained in a condition suitable for instant use by naval vessels.

26. The board has also given consideration to the practicability of equipping the Hunters Point drydocks with necessary facilities for work on naval vessels, the docks to remain in private ownership and to be operated as commercial facilities. The board considers such an arrangement to be undesirable and impracticable if the Hunters Point docks are to be utilized for overhauls as well as for interim dockings. In the foregoing paragraph reference is made to the need for security and the lack of specially trained workmen at commercial plants. In addition, if the fullest use is to be made of the Hunters Point docks, they should be operated as an annex to the Mare Island Navy Yard in order that the splendid shop facilities of that yard may be fully available. The coordination of the navy yard's work with activities of a commercial plant of the kind under consideration would be a difficult, time-consuming, and costly procedure. Furthermore, a very important consideration is the fact that under present conditions, it has been impracticable to keep naval vessels in commercial docks for periods sufficient to permit proper drying-out

House of Representatives for some time. We can build

this bill on June 15, 1936 (H. R. 12969), and it merely pro-

and painting because of the large docking charges. The Board of Inspection and Survey has repeatedly called attention to the insufficiency of the times spent in drydock and the resulting deterioration. If the docks are Government owned, the vessels will undoubtedly be left in dock for longer periods with little additional cost.

27. The selection of a site for the construction of a naval drydock in the San Francisco Bay area will be governed, among others, by the following considerations:

(a) The size of the ship for which the facility is needed, particularly the draft.

(b) The dock's proximity to the present fully equipped naval establishment at Mare Island.

(c) Real-estate values at or near the site under discussion.

(d) Foundation conditions, particularly as regards their effect upon the cost of construction of a graving dock.

(e) As a corollary to (a) the depth and the width of the channel leading to the specific site.

28. In the entire San Francisco Bay area only three locations will satisfy the foregoing considerations to the extent that serious consideration should be given them for drydock construction, namely, Mare Island, Oakland-Alameda, and South San Francisco-Hunters Point.

29. The channel leading to Mare Island has a controlling depth of 30 feet and to increase and maintain an increased depth would prove inordinately expensive.

30. As regards a choice between the two remaining sites, both have, or can be made to have, sufficient depth of water to permit access to them by battleships. The Hunters Point site, however, is more favorably situated in this respect, since deep water is had immediately offshore. Both sites are approximately the same distance from Mare Island. Real-estate values run about the same at both places. The main point of difference between the two sites lies in the drydock foundation conditions. These conditions are all in favor of the Hunters Point site and have made for much smaller drydock construction costs at that location. This one fact makes the element of total cost, including the purchase of existing facilities and the provision of such others as are necessary, for the establishment of naval docks in favor of Hunters Point and indicates its selection.

31. Information obtained by the Board from the Bethlehem Shipbuilding Corporation indicates that during the period from January 1, 1937, to January 1, 1939, 76 commercial ships used these facilities, occupying them for an average of 176 dock-days per year. Of all the vessels utilizing the docks only six are of such dimensions that they cannot utilize other docking facilities in the San Francisco Bay area for their necessary overhaul. These six ships actually used the Hunters Point docks during the period mentioned above for an average of 20 days per year. Were these docks Navy-owned, provision could be made to permit their use for the routine docking and overhaul of the six commercial ships mentioned above.

AVAILABILITY OF DOCKS FOR PURCHASE

32. Acting under instructions from the Chief of the Bureau of Yards and Docks the commandant of the twelfth naval district, on March 14, 1939, requested the Bethlehem Shipbuilding Corporation to submit an offering price for the Hunters Point property. In reply to this request Mr. A. S. Gunn, general manager, West Coast Yards, shipbuilding division, Bethlehem Steel Co., San Francisco, Calif., replied, under date of March 16, 1939, as follows:

"Supplementing our letter of acknowledgment under date of March 15 in reference to your letter dated March 14 enclosing blueprints of the Hunters Point district in San Francisco and requesting a tentative estimated private-sale selling price of the portion bounded on these prints by lines A–B, A–C, and the waters of the San Francisco Bay:

"Having been in communication with our home office officials in regard to this subject I am requested by them to inform you that the property owned by our company within the above boundaries on the drawing submitted by you is not for sale; and at no time in the past has it ever been for sale:

"As you state the information is desired by the Navy Department we would appreciate your forwarding this reply."

CONCLUSIONS AND RECOMMENDATIONS

33. After due consideration of all the information and evidence, which was obtained, relative to the subject matter of the investigation, the Board has reached the following conclusions:

1. That, for the purposes of the national defense, there is need for and the Navy should acquire the Hunters Point drydocks property as soon as possible, and thereafter prosecute a program of improvements and additions thereto, as indicated hereafter in paragraph 34 of this report, which will render these drydocks capable of being utilized to their full capacity as an annex to the United States Navy Yard, Mare Island, Calif.

2. That, considering the appraised valuation contained in the report of the Board's appraisers and making allowance for possible increases therein which might be sustained in condemnation proceedings as well as an allowance for "going-concern" value, $3,500,000 constitutes the maximum sum of money which should be expended by the Government for the acquisition of this property.

34. Accordingly, the Board respectfully submits its recommendations as follows:

1. That the Government acquire the Hunters Point drydocks, including their appurtenances and accessories, machinery and equipment, and the structures appertaining thereto, which are located on the tract of land described by metes and bounds in paragraph 3 (a) of this report.

2. That a sum of money not in excess of $3,500,000 be expended for the acquisition of this property by the Government.

3. That after acquisition of this property by the Government, not less than the following minimum facilities, at the estimated costs shown, be provided to permit utilization of the property as an annex to the United States Navy Yard, Mare Island, Calif.:

Grading and filling (400,000 cubic yards at 60 cents per cubic yard)	$240,000
Quay wall with necessary dredging (2,000 linear feet at $400 per linear foot)	800,000
Assembly building office, and guardhouse (320 feet by 200 feet by 60 feet high—3,800,000 cubic feet at 14 cents per cubic foot, plus cranes ($68,000)	600,000
Storehouse (320 feet by 120 feet, 2 stories; 1,150,000 cubic feet at 25 cents per cubic foot, plus bins and fixed equipment) ($12,500)	300,000
Latrine and wash house (100 feet by 50 feet; 75,000 cubic feet at 40 cents per cubic foot)	30,000
Galley (100 feet by 50 feet by 15 feet high; 75,000 cubic feet at 30 cents per cubic foot, plus galley equipment) ($17,500)	40,000
50-ton drydock crane	150,000
Power supply and roads, walks, and service lines	175,000
Crane tracks around drydocks (2,200 linear feet at $75 per linear foot)	165,000
Total	2,500,000

JOSEPH R. DEFREES,
Rear Admiral, United States Navy, Senior Member.
BEN MOREELL,
Rear Admiral, Civil Engineer Corps, United States Navy.
EDWIN G. KINTNER,
Captain, Construction Corps, United States Navy.
CHARLES C. HARTIGAN,
Captain, United States Navy.
JOHN J. MANNING,
Commander, Civil Engineer Corps, United States Navy.
THOMAS L. MCCANN,
Lieutenant Commander, United States Navy, Recorder.

The Clerk read as follows:

SEC. 2. The act entitled "An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes", approved April 15, 1935 (49 Stat. 155), is hereby amended by deleting the words and figures "floating drydock, type D, including mooring facilities and accessories, $750,000" from the paragraph headed "Navy Yard, Pearl Harbor, Hawaii:", and by adding to the act of April 15, 1935, the following paragraph:

"Floating drydock, type D, including mooring facilities and accessories, $1,710,000."

Mr. SUTPHIN. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. SUTPHIN: Page 7, after line 15, add a new section as follows:

"SEC. 3 (a) The Secretary of the Navy is hereby authorized to accept or acquire title in fee simple at a cost of not more than $300,000 to all that area of land, including tide and submerged lands, filled and unfilled, situate, lying, and being in the middle harbor area of the city of Oakland, county of Alameda, State of California, now owned in part by the said city of Oakland and in part by the Southern Pacific Co., and described on a so-called Map and Description of Naval Supply Depot Site, dated September 17, 1936, as parcels A, B, C, D–1, D–2, D–3, and E, containing in all 402 acres, more or less, for use as a site for a naval supply depot: *Provided*, That such land shall be used only as a naval supply depot and for no other purpose, shall be a part of the Navy Yard, Mare Island, and shall be so administered by the commandant of that yard: *Provided further*, That the activities of said depot shall not overlap or encroach upon the storage of supplies, materials, and equipment required in connection with the industrial activities of the Navy Yard, Mare Island, Calif.

SEC. 2. The Secretary of the Navy is hereby authorized to proceed with the construction of fleet supply facilities, including buildings and accessories, on the land of which title has been accepted and acquired under authority of section 1 of this act, at a cost of not more than $6,500,000.

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, such sums not to exceed $6,500,000 as may be necessary to effectuate the purposes of this act.

Mr. SUTPHIN. Mr. Chairman, this amendment, if agreed to, would provide for the establishment of a supply base at Oakland, Calif., which has been under consideration by the

After his investigation of the various sites in the San Fran- Naval Affairs Committee of the House of Representatives

House of Representatives for some time. We can build the most powerful and fastest ships in the world, but they are of little or no value unless we provide adequate facilities for supplying and equipping them.

This amendment has been unanimously approved by the House Committee on Naval Affairs, and I hope it may be added to the pending bill because it is urgently needed at the present time.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. SUTPHIN. I yield to the gentleman from Georgia.

Mr. VINSON of Georgia. Is it not a fact that the Budget recommended this and we held hearings on a separate bill? What we are doing now is merely incorporating this item in the present Public Works bill?

Mr. SUTPHIN. That is true. It has been unanimously approved by the committee and by the Budget.

Mr. HOLMES. Will the gentleman yield?

Mr. SUTPHIN. I yield to the gentleman from Massachusetts.

Mr. HOLMES. This is an item of $300,000 to acquire land?

Mr. SUTPHIN. To acquire land; yes. The city of Oakland is contributing 392 acres of land. There are approximately 10 acres owned by a railroad company in the tract involved here.

Mr. VINSON of Georgia. In other words, it is an easement and some railroad land?

Mr. SUTPHIN. Yes; where they have two docks erected at the present time.

Mr. WADSWORTH. Will the gentleman yield?

Mr. SUTPHIN. I yield to the gentleman from New York.

Mr. WADSWORTH. Can the gentleman inform us whether or not the Naval Affairs Committee of the House has made any report to the House on this matter?

Mr. SUTPHIN. It has. It is available right here.

Mr. WADSWORTH. It is pretty late.

Mr. VINSON of Georgia. It has been on the calendar for at least a month. It was unanimously reported. The gentleman from New Jersey introduced it as a separate bill and reported it as such. It was thought advisable to include it in this Public Works bill, and I suggested that the subject matter of that particular bill be incorporated in this bill.

Mr. WADSWORTH. This is a $6,000,000 project.

Mr. SUTPHIN. Yes; $6,500,000.

Mr. TOLAN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I would like to state for the information of the Congress that the site offered for the establishment of the Navy supply depot contemplated in the amendment now pending is the most outstanding location in the United States for such a development.

The amendment is identical to H. R. 4897, by the gentleman from Georgia [Mr. VINSON], and now pending on the House Calendar, having received a favorable report from the House Naval Affairs Committee on March 23, 1939. The provisions are also identical to S. 1241, by Senator WALSH, reported favorably by the Senate Naval Affairs Committee, and now pending on the Senate Calendar.

The commandant of the Mare Island Navy Yard; the commandant of the twelfth naval district; the commander in chief of the United States Fleet; the Chief of Naval Operations; the Assistant Secretary of the Navy; the Secretary of the Navy; the Bureau of the Budget; Chairman WALSH, of the Senate Naval Affairs Committee; Chairman VINSON, of the House Naval Affairs Committee; all without exception state that the Oakland naval supply depot is a necessity in time of peace, a necessity in time of war, and a necessity now. I would not be inclined to respect any layman's opinion in opposition to such authority, nor, in my belief, would the Congress.

The Oakland Naval Supply Depot was originally sponsored as a Navy Department bill in the second session of the Seventy-fourth Congress. Chairman VINSON introduced this bill on June 15, 1936 (H. R. 12969), and it merely provided for the establishment of a supply depot on San Francisco Bay. No site was mentioned. Since that time this item, naming Oakland as the location, has been before the Congress in seven different bills. I have sponsored such legislation in both the Seventy-fifth and Seventy-sixth Congresses.

In the summer of 1936 the Navy Department approached the Oakland port commissioners and asked that a site be offered by the city to the Navy Department. They requested tender of the site which we have before us today. It is designated as Middle Harbor, a section of our water front which was set aside for immediate development by the Oakland Port Commission. A conservative estimate of the value of the Middle Harbor site could be set at between $1,500,000 and $2,000,000. The appraisals made for the twelfth naval district would set the figure at $1,000,000; but the Interstate Commerce Commission has set a value on adjoining railroad property at over $21,000 an acre, and on that basis the Middle Harbor area could be valued at $5,300,000.

However, I want to place these figures in the RECORD to demonstrate to the committee that Oakland has something to offer in return for this supply depot, and that the value of this site cannot be set at less than $1,000,000 today. As Assistant Secretary Edison wrote to Chairman VINSON April 13, 1938:

> It has occurred to me that sound business judgment would dictate that the Navy Department should acquire this site for future development while it is still available under the present terms and conditions.

In September 1936, following the introduction of the Vinson bill, the city council of Oakland proposed charter amendments which would authorize the grant of the site. These amendments were voted by the people, 87,275 to 9,688, in the November 1936 general election.

My own bill—H. R. 966—in the present Congress also provides for this same authorization, but it is my belief that this Oakland Naval Supply Depot item properly belongs, and should be included in this bill, the omnibus public works authorization bill of the Navy Department. It was included in the Department's omnibus public-works bill in the last Congress, but action on the Oakland development was postponed to permit Chairman WALSH of the Senate committee to make a trip to California and make an independent investigation of the site.

On January 23, 1939, the Assistant Secretary of the Navy addressed a letter to the Speaker of the House of Representatives in which he said that supply facilities in lower San Francisco Bay are absolutely necessary to correct the conditions existing at Mare Island—stocks held 30 miles from the anchorage, materials in scattered locations in the yard, and must be lightered or handled by supply ships, which involves expensive transportation, handling, damage, waste, and considerable length of time. After enumerating the above conditions he continued:

> These facilities are a necessity in the event of a national emergency.

On January 26, 1939, the House Naval Affairs Committee received a report from a special investigating subcommittee, signed by five members thereof who inspected the sites in the San Francisco Bay area last fall. They concluded, after recitation of all the facts:

> The Middle Harbor site at Oakland has been selected by the Navy Department as definitely the best location of all sites investigated over a period of many years. It has an area of 402 acres. It meets all the fundamental requirements. * * *
>
> The subcommittee heartily concurs in the Navy Department's selection of the Oakland site. It considers that it has such geographical and natural advantages as to be ideally suited to the purpose. It is adjacent to the fleet anchorage; has ideal railroad facilities; and is possible of development at a very reasonable cost. Its size is such that with careful planning it will meet present needs and have sufficient area for development to meet supply needs which can now be foreseen as necessary in the not distant future to care for the expansion necessary if the Navy be increased afloat and in the air to adequately provide for national defense needs.

After his investigation of the various sites in the San Francisco Bay area, Chairman WALSH, of the Senate Naval Affairs Committee, wrote Chairman VINSON, of the House committee, January 19, 1938, urging House action on the Oakland supply depot. After citing the reasons upon which the Navy's request was founded, he concluded:

In view of the above I hope the committee of which you are chairman will restore the Oakland item when action is taken on the Navy Public Works bill.

And last month, in Senate hearings on this item, Senator WALSH stated directly to the members of his committee:

Gentlemen, there is no doubt about it, Oakland is immeasurably the best site for a naval supply depot, and the city of Oakland has been most generous in its offer to the Navy.

Assistant Secretary of the Navy Edison, in a written opinion to Chairman VINSON which I formerly mentioned, declared:

During my inspection trip last summer I was very favorably impressed with the so-called Oakland site. This site already provides adequate rail facilities as it is the terminus of two transcontinental lines, and also provides a natural land-locked harbor with easy access to the bay and the open sea. * * *

In addition to the two foregoing reasons and due to prior commitments made by the Navy Department in good faith, I do recognize some moral obligation to the city of Oakland. This municipality, based on the Navy Department's expressed interest in the location, has gone to considerable expense in conducting an election to make this site available to the Government. * * *

It is my considered judgment that proper planning for the effective and efficient use of the fleet, in the Pacific area, would dictate that favorable consideration should be given to acquisition of the so-called Oakland site for the development of a naval supply base this year.

Adjacent to the site offered by the city, the port of Oakland has available and developed over 13,113 linear feet of berthing space and 793,580 square feet of covered storage space. The Oakland site is in the heart of a highly developed industrial area, and in the center of one of the greatest agricultural areas in the world. The great central valleys of California converge on Oakland, the great variety of fruit, vegetables, and staple food commodities produced in this area supply choicest varieties to every State in the Nation.

The Oakland site lies adjacent to the main oil pipe lines of the refineries of practically every major oil company on the Pacific coast. There has never been any real opposition to my bill, except for other communities seeking this project.

With the additional increase in the size of the fleet it is just plain common sense to prepare for even more crowded conditions than those which face us at the present time.

I hope that the House will adopt the pending amendment and authorize this very necessary development on the Pacific Coast, necessary from the point of view of national defense, the protection of the Pacific Coast, and for the further development of the San Francisco Bay area. [Applause.]

Mr. CARTER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the gentleman from New Jersey has just offered an amendment to the bill under consideration here in the House which would authorize the establishment of a naval-supply depot at Oakland, Calif. I want to ask a favorable consideration of this amendment of each and every Member of the House. Permit me to say that the Navy Department, over a period of several years, has made five or six separate investigations having for their object the locating of the most desirable site on the Pacific coast for the establishment of a naval-supply depot. Each and every one of these committees has reached the conclusion that the site at Oakland is the most desirable.

The proposal to locate a naval-supply depot at Oakland came in the first instance from the Navy Department. The various committees, with one exception, making the investigations have consisted of naval experts; they have rendered their decisions entirely upon the facts, taking into consideration the best interests of our country from a national-defense point of view. A few months ago a subcommittee of the Naval Affairs Committee of the House of Representatives made a personal inspection of the proposed sites on the Pacific coast, and unanimously reported in favor of the Oakland site. The Members of the House constituting this subcommittee were GEORGE J. BATES, of Massachusetts; W. STERLING COLE, New York; MELVIN J. MAAS, Minnesota; JAMES W. MOTT, Oregon; and WARREN G. MAGNUSON, Washington.

I am sure that we all have faith in the judgment of our colleagues who made this personal investigation and that we are ready to follow their unanimous recommendation. The proposed site in Oakland, which consists of 402 acres, has many advantages; it is adjacent to the fleet anchorage; it is unusually accessible to transcontinental rail transportation. In addition to the fleet, convoys could be supplied, loaded, and discharged in case of a national emergency. The area north of the site across the Southern Pacific tracks is a highly developed municipal and water-front territory, which would be available in time of national emergency for extending the naval supply depot facilities. It has many other splendid qualities which are set out in the report of the special investigating subcommittee consisting of our colleagues. The greater part of this area, through the generosity of the citizens of Oakland, is offered without cost to the Federal Government. We have instances every day here in this House where someone is asking something of the Federal Government. Today we are witnessing the rare procedure of having a municipality offer a piece of valuable land that is much needed by the Navy Department for a supply depot. The city officials, the port officials, and the entire citizenship of Oakland are to be congratulated on the generous cooperation that they have given in regard to this matter.

While this supply depot is not in my congressional district, it is immediately adjacent to my congressional district. I am thoroughly familiar with its location and the physical aspects surrounding it, and I am firmly convinced that it is well suited for the purpose for which the Navy desires to use it. Therefore I am asking you to adopt the amendment that is now pending because in so doing you are giving to the Navy a long-sought and much-needed facility for the Pacific coast which forges a very helpful and necessary link in our national defense.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCLAUGHLIN, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee, having had under consideration the bill (H. R. 2878) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, pursuant to House Resolution 137, he reported the same back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed; and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. HAVENNER. Mr. Speaker, I ask unanimous consent to revise and extend in the RECORD the remarks I made on the bill which has just been passed and to include therein a report of the special naval board.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short editorial with respect to national defense as it affects Alaska.

The SPEAKER. Is there objection to the request of the Delegate from Alaska?

There was no objection.

Mr. BYRNS of Tennessee. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a brief statement prepared by M. F. Williams of the Eastern Dark Fired Tobacco Association.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein brief excerpts from editorials and a letter from a constituent.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

ALTERATIONS AND REPAIRS TO CERTAIN NAVAL VESSELS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 829) to authorize alterations and repairs to certain naval vessels, and for other purposes, for which a rule has been granted, and further ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That for the purpose of modernizing the U. S. S. *Argonaut, Narwhal,* and *Nautilus,* alterations and repairs to such vessels are hereby authorized, and expenditures therefor shall not be limited by the provisions of the act approved July 18, 1935 (49 Stat. 482; 5 U. S. C. 468a): *Provided,* That the total cost of such alterations and repairs shall not exceed $5,000,000.

Mr. VINSON of Georgia. Mr. Speaker, the object and purpose of this bill is to enable the Navy Department to recondition three submarines. This will cost approximately $5,000,000. It is necessary to do this on account of the fact that the engines in one of the submarines have become so deteriorated that there have been some explosions, and this is also true in the case of another submarine. This is merely a bill to authorize the reconditioning of three submarines. By this expenditure the military life of the ships will be lengthened anywhere from 5 to 15 years.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 136 was laid on the table.

AUXILIARY VESSELS FOR THE NAVY

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 828) to permit the President to acquire and convert, as well as to construct, certain auxiliary vessels for the Navy, and I further ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to authorize the construction of certain auxiliary vessels for the Navy," approved July 30, 1937 (50 Stat. 544), is hereby amended by inserting after the word "authorized," in the fifth line thereof, the words "to acquire and convert or," so that the said section as amended will read as follows:

"That for the purpose of furnishing or replacing auxiliary vessels urgently necessary for the proper maintenance and operation of the Navy, the President of the United States is hereby authorized to acquire and convert or to undertake the construction of about 36,050 tons (light displacement tonnage) of such auxiliary vessels as follows, at a total cost for all vessels of not more than $50,000,000:

"(a) One seaplane tender of about 8,300 tons;
"(b) One destroyer tender of about 9,000 tons;
"(c) One mine sweeper of about 600 tons;
"(d) One submarine tender of about 9,000 tons;
"(e) One fleet tug of about 1,150 tons; and
"(f) One oil tanker of about 8,000 tons."

SEC. 2. Sums heretofore or hereafter appropriated or made available for the commencement or for the construction and machinery, and armor, armament, and ammunition of auxiliary vessels for the Navy shall be held and considered to be available either for the acquisition and conversion or for the construction of such vessels.

SEC. 3. The act entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes" (50 Stat. 755), is hereby amended by deleting therefrom, at page 769, the words "and the cost of either shall not exceed the estimated cost thereof set forth on pages 524 and 525 of the hearings of the House Committee on Appropriations on the third deficiency appropriation bill for the fiscal year 1937": *Provided,* That nothing herein contained shall be construed as increasing the limit of the total cost of $50,000,000 imposed by the act of July 30, 1937, on the auxiliary vessels authorized therein.

Mr. DARDEN. Mr. Speaker, the purpose of this bill is to authorize the purchase of a tanker by the Navy through the Maritime Commission from the Standard Oil Co. of New Jersey, without any profit to the company. Pursuant to the act of 1936, 12 tankers were let to contract by the Standard Oil Co. of New Jersey. There was an increase in the cost of each one of $880,000, by reason of additions approved by the Secretary of the Navy in the interest of national defense, and the added cost is being borne by the Government.

In 1937 we authorized the President to proceed with the construction of a tanker, and a later bill carried the necessary funds. In the Navy bill of May 17, 1938, we authorized him to purchase, convert, or construct four tankers. Since that time, by the act of June 25, 1938, money has been made available for the purchase of two of the tankers authorized in 1938. The one tanker authorized for construction in 1937 the Navy now desires, if possible, to purchase. In order to purchase it there must be an amendment to the Authorization Act of 1937. I understand that this will save the Navy upward of $2,000,000, because it will have the advantage of the savings made by the Standard Oil Co. of New Jersey in letting the contract for 12 vessels at one time. If this amendment is agreed to, it will enable the Navy now to use funds available for the purchase of the remaining tanker desired by the Navy from the 12 now being constructed under the authority of the Maritime Commission by the Standard Oil Co. of New Jersey.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. DARDEN. Mr. Speaker, I yield to the gentleman from Pennsylvania.

Mr. RICH. Are these tankers to be used in any way to bring oil from foreign countries to the American shores, thus increasing our importation of oil?

Mr. DARDEN. No; I do not believe there is any such point involved there. These are simply oil supply ships for the Navy. They are high-speed tankers to be used with the fleet. They are not to be used for importing oil to this country.

Mr. RICH. Will we use all American oil in these tankers?

Mr. DARDEN. That I do not know. The tankers will be used for the transportation of oil purchased under open contract by the Navy.

Mr. RICH. Does the gentleman know that we have been importing 65,000,000 barrels of oil? It seems to me we ought to use oil we secure from our own oil reserves.

Mr. DARDEN. I believe the gentleman's objection goes to the use of the oil and not to the means of transportation.

Mr. RICH. Yes; that is the point I am trying to make. I am trying to find out if for any reason at all we will permit the Navy to use these tankers to secure oil from foreign countries. My hope is that we will use only American oil.

Mr. DARDEN. The tankers will not be used for the purpose of importing oil into this country. They will be used for the supply of the fleet.

Mr. RICH. I appreciate the fact that the vessels are going to be used to supply the fleet with oil, but I think, if possible, they ought to limit it to the transportation of oil that we secure from our own oil reserves.

Mr. DARDEN. The chairman of the committee informs me that American oil is used so no difficulty will be encountered on that score.

Before concluding my remarks I want to call to the attention of the House the value of the improvements in the Hampton Roads area which have been authorized by the bill considered but a few minutes ago.

One of the most important naval bases of the United States is located in the Hampton Roads area.

The navy yard located there was in existence in colonial days. It has grown as the country has grown and today represents one of the great industrial establishments owned by the Government engaged in the construction and repair of naval vessels and in the manufacture of naval equipment.

The naval operating base on Hampton Roads came into being by virtue of the tremendous demands of the fleet during the World War. Many of its facilities are still temporary buildings, badly in need of replacement, inefficient and expensive to maintain. We have, I am glad to say, in recent years made excellent progress toward the development of this station.

The bill just disposed of carries an authorization of $190,000 for a dispensary building and accessories; $375,000 for receiving station mess hall, galley building and accessories, and $800,000 for receiving station barracks and accessories.

These items constitute needed improvements. They will by no means complete the work necessary to put the station in first-class order, but they do constitute a decided addition to the present establishment.

I hope that it may be the pleasure of the Congress within a short time to furnish the funds necessary to carry this work to a successful completion.

There is also carried in the bill an authorization of $300,000 for auxiliary landing fields. The air-station facilities at the operating base were found by the Hepburn Board, in their investigation of last fall, to be inadequate for the use of the fleet, even in times of peace. As a matter of fact, the facilities are not adequate to serve even a small part of our present naval air force, and incredible as it may sound, this station is today our only naval air station on the Atlantic coast.

In recent years we have made excellent progress, so far as our fleet is concerned. We have made some progress in developing the necessary bases for our aircraft, but we have by no means the facilities necessary for the efficient operation of this great arm of national defense.

The naval bill which passed the House some time ago and which passed the Senate only a few days ago, includes an item for material expansion of the naval air station at Hampton Roads. This development is badly needed and it is my purpose to ask that the necessary funds be appropriated this year in order that the property may immediately be acquired and work started on its development.

The Navy has in recent years rented a number of auxiliary fields in the vicinity of the naval operating base at Hampton Roads for the use of naval aircraft. It is not possible to develop these fields on a leased basis, and with the authorization of $300,000 here requested, it is the purpose to purchase a certain number of outlying fields as auxiliary bases to be used in conjunction with the naval operating base.

The bill also carries an item of $200,000 for additions to the Naval Hospital at Norfolk, Va. The present hospital is not of sufficient capacity to take care of its part of the needs of the fleet operating in the Atlantic.

The expenditure proposed today is for the purpose of building barracks to properly house part of the hospital personnel. This addition does not represent by any means all the work that should be done there, and I hope that it may be possible for the Congress at some later time to authorize and appropriate funds necessary to bring the facilities there up to the demands of the fleet.

There is also an item of $165,000 included in the bill for the naval ammunition depot at St. Julians Creek, Va. This sum is needed for the erection of an explosive loading plant and accessories. The naval ammunition depot is a valuable adjunct of the fleet base. It provides storage facilities and also means whereby ammunition can be constantly watched and reconditioned as the occasion requires.

I wish that it were possible to authorize the construction of other needed improvements in this area, but I realize, as do other Members of the House who have studied the problem, that it is not possible for the Navy, with the funds at its disposal, to equip all of its stations simultaneously. Improvements must constantly be made and these improvements must of necessity be divided among the various shore stations in order to make them available and responsible so far as possible to the needs of the fleet, for we must bear in mind that naval bases are constructed for the fleet, and the real test of their usefulness lies in their capacity to serve the naval forces.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

House Resolution 135 was laid on the table.

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted, as follows:

To Mr. ALLEN of Pennsylvania for 2 days, on account of personal business.

To Mr. PETERSON of Georgia for several days, on account of official business.

To Mr. LELAND M. FORD, for 1 week, on account of illness.

To Mr. DINGELL (at the request of Mr. RABAUT), indefinitely, on account of the death of his father.

REPORT OF COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES

Mr. SOMERS of New York. Mr. Speaker, the Committee on Coinage, Weights, and Measures asks unanimous consent to file its report on the bill it has had under consideration before midnight tonight.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman incorporate in his request that the minority Members may also have the same opportunity to file minority views?

Mr. SOMERS of New York. It is understood that the minority report and the minority views are to be filed together. Pardon me for not stating that in my original request.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a statement of the executive council of the American Federation of Labor.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WOOD. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an article written by the Honorable John T. Woodruff, of Springfield, Mo., in which a very interesting and graphic history is given of the topography of the White River, and also the history of the discovery of its potential value for power-development purposes and flood control.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a resolution from the Council of the City of Minneapolis, memorializing Congress to defeat any legislation designed to tax public securities either by levying a tax on the income thereof or otherwise.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from Indiana [Mr. LUDLOW] is entitled to recognition for 20 minutes.

WHY I AM A JEFFERSONIAN DEMOCRAT

Mr. LUDLOW. Mr. Speaker, this is the one hundred and ninety-sixth anniversary of the birth in nearby Virginia of a man who, in my estimation, was the greatest humanitarian since Jesus of Nazareth.

With the lightning flashes and thunders of war threatening the peace of the world, with our national debt piling up mountain high, and millions of our citizens tramping the streets looking in vain for work to earn their daily bread, it is altogether meet and proper that on this anniversary day we should reconsecrate ourselves at the feet of Jefferson and seek to derive from his life and example a guide to better days.

To my way of thinking, the finest word in the English language is the word "friend." I like to think of Jefferson as the friend of man, for that is what he was in all that the meaningful word "friend" connotes. His long life was replete with acts of friendship, in infinite and endless variety, impartially bestowed upon high and low alike, for to him "a man's a man, for a' that," and prince and pauper shared alike in the leveling processes of his affection. He was no mere "fair weather" friend. He was the kind of man who is a friend, not only when the birds sing and the flowers bloom and soft winds caress one's brow most soothingly but who is a friend also, and even more, in storm and stress and in the darkness of the night.

He had a passion for peace and he believed the way to keep America permanently at peace with the world is to cultivate friendly relations with all nations and entangling alliances with none. If he were alive today, what a great service he could perform in dispelling the ugly specter of world hate! To him it would be a sad and disappointing spectacle to see Cabinet ministers and Senators in charge of foreign affairs disturbing the equilibrium of international relations by fulminating bitter diatribes against rulers of foreign countries. He abhorred debt and was a devoted champion of economy for nations as well as for individuals.

He believed that national prosperity and happiness are to be achieved by observing the same simple rules of economy and prudence in governmental affairs that make an individual prosperous and happy, and he was continually striving during his two administrations of the Presidency to reduce the expense of government. His watchfulness over expenditures set an example that lasted far beyond his span of life and for a hundred years economy was the watchword of our statesmen. He was a foe of governmental interference and regimentation and was unyielding in his oft-expressed opinion that "that government is best which governs the least."

His faith in the people and the righteousness of their ultimate decisions was sublime, and he spent his entire life enlarging the frontiers of democracy. Jefferson did more than any other statesman who ever lived to free the human spirit. [Applause.] It is for us to continue his good work by enlarging the commonwealth of democracy. We can do this by making it possible for the people to exercise greater authority in solving the problems that affect them most nearly and vitally, and especially the most important and vital of all problems the imagination can conceive—the one relating to throwing our manhood into the holocaust of foreign wars.

The weakness of our American system is that our democracy stops at the water's edge. Our democracy is so circumscribed and limited that it does not apply to our foreign relations but only to our relatively unimportant domestic concerns. In its foreign relations our Government is not a democracy at all but a pure autocracy. Our people may vote for constable or dog catcher, but they cannot vote on a declaration that would sweep their sons into the indescribable hell of a foreign war. It seems to me it is a ridiculous limitation on the powers of democracy to say that the citizen may vote on the location of a sewer or a pesthouse but cannot vote on a proposal that may involve the death of his loved ones, the severing of family ties, an insufferable burden of grief and debt, and very possibly an ultimate change in our form of government which would rob him and posterity of the priceless franchise of freedom. We need to enlarge our democratic frontiers by extending our democracy to our foreign relations, thus adding the capsheaf to the Jeffersonian Bill of Rights.

I hope that in God's good time some modern Jefferson will succeed in getting this amendment for a referendum on foreign wars written into the American system. If he does, his name, like the name of Jefferson, will be blessed by the children of men forever.

Recently, for the first time, I paid my respects at the tomb of Jefferson. When I stood on that Virginia mountainside, a few miles from Charlottesville, the rays of early morning were gilding the shaft where rest the remains of the most outstanding humanitarian that nineteen centuries have produced since the great human God trod the hills of Nazareth. It is possible that reverence for Jefferson, inculcated in me by a long train of Democratic ancestors, may have swept me off my moorings on that occasion, but I cannot even faintly convey to any human understanding the feelings that welled in my breast. I was impressed beyond my feeble powers of language to describe by the inscription which he himself wrote for his tombstone and commanded to be placed there.

"Here," it reads, "was buried Thomas Jefferson, author of the Declaration of American Independence, of the statute of Virginia for religious freedom, and father of the University of Virginia."

That inscription, it seemed to me, is more eloquent for what it does not say than for what it says. There is not one word in it to show that he had been a Member of the Congress of the United States, Minister to France, and Secretary of State, and that he had held the highest office in the gift of his countrymen—the Presidency of the United States. He wanted to be known not for the positions of distinction he had held but for the service he had rendered to humanity. [Applause.] That was Jefferson, one of the most incomparably grand characters in the world's history; and I believe that if the man who hurled into the teeth of tyrants the defiant doctrine that "all men are created equal" were living today, under modern conditions of rapid communication and the general diffusion of intelligence, he would be supporting the proposal for a referendum on foreign wars, which would make all men equal when it comes to the greatest and most tragic of all decisions—the decision that means peace or war. That, I believe, would be his twentieth century contribution to democracy.

If I were gifted with descriptive powers equal to the task, I would like today, on the anniversary of this great man, to paint a picture of the two divergent political philosophies that run like two threads through our national existence from the beginning of American life down to this very hour—the School of Take and the School of Give.

The Hamiltonian philosophy teaches in substance and in essence that government should maintain and support an upper class, composed of the rich and powerful, and should trust the rich to take care of the poor. The theory is that government favor and largess extended to the rich and powerful would percolate down through the intervening human strata and some of the drippings would reach the poor and the weak. Under such an order the poor and the weak would remain underprivileged, underpaid, undernourished, with a future as black as midnight. The flowering of this system would mean that the benefits of government would be taken

away from the poor and the weak and monopolized by the rich and the powerful—the School of Take.

It is surprising how many selfish people there are in the world—how many people who, to use a common expression, "covet the earth with a fence around it." When I encounter a grasping individual of that type, I think what an awful punishment would be visited upon him if the Father of us all would just give him a world all by himself and would say to him:

"Here you have the ambrosia of the gods and the wealth of the Indies. All of this is yours to enjoy—alone."

O God, how poor he would be! With no one to love, and no one to love him, he would be the saddest and most pathetic human wreck the imagination could conceive. Oh, when can we ever learn, as Jefferson learned it, the lesson that society is interdependent and that the only way to be happy is to make others happy? [Applause.]

Just the opposite of the Hamiltonian philosophy was the idea of Jefferson, who wrote into the great Declaration the precious doctrine that "all men are created equal." He never for one moment forget the common people. Instead of despoiling them of their natural rights through privileged enactments and monopolistic practices his burning passion was to give them the more abundant life. He was the founder of the School of Give.

The beauty of the Jeffersonian philosophy is that it fosters comradeship. It makes brothers of you and me and all of us. It binds men one to another with hoops of steel. It recognizes the eternal truth that a hickory shirt or a calico dress may cover a heart as pure and true as any that beats beneath purple and fine linen; that virtue dwells as often in humble cottages and byways as in palaces. Unlike a government dominated by bureaucrats and catering to special privilege, it is no closed corporation. At its table is always spread a feast of love, and whosoever will may come. It teaches that we should manifest an interest in people, not for the purpose of exploiting them, but for the purpose of assisting them to higher and happier levels of living; that we should love our fellow men for what we can do for them and not, as the exponents of special privilege would have it, for what we can squeeze out of them. The concern of this Nation should be to see that the average citizen prospers; that however hard and drab may be the surroundings of boys and girls, in whose breast a righteous ambition burns, they shall have their chance to grow into the larger life; that their God-given right to reach the full stature of useful manhood and womanhood and to enjoy the fruits of honest toil shall not be barred or abridged by privileged statutes and practices that rob them of their birthright before they have fairly started on life's journey.

What America needs most of all in this twentieth century is a recrudescence of Jeffersonianism; a rebirth of the American spirit, dedicated to peace and harmony and neighborliness in the family of nations; a determination that ours shall not be a government of the few and for the few but a government of the people and for the people. Though Thomas Jefferson has been dead for 113 years, he still lives. From out of the background of history he points the way through the wilderness of world complications, economic distress, class hatreds, bureaucracy, and special privilege to a glorious fulfillment of our national destiny if we have the vision to see and the courage to do.

Times change, and in the eternal sweep of years governments take on many varied and fleeting forms, but I like to believe and I do believe—I will put it that way—that the great humanitarian principles of Jefferson, radiating love and comradeship and friendliness and helpfulness, were born up yonder in heaven, close to God and the angels, and will never die, but will go on and on, doing good forever, and that, Mr. Speaker, is why I am a Jeffersonian Democrat. [Applause.]

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. LUDLOW. Yes.

Mr. COX. Mr. Speaker, I trust that a copy of this very wonderful address, just delivered by the gentleman from Indiana, may fall into the hands of every schoolboy and every schoolgirl in America, and that they may learn it and be able to repeat it for the remainder of their lives. It is a very wonderful address. [Applause.]

Mr. LUDLOW. I thank the gentleman from the bottom of my heart.

EXTENSION OF REMARKS

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by our colleague from Missouri [Mr. CANNON] and another address by President Edward A. O'Neal, of the American Farm Bureau Federation, over N. B. C.

The SPEAKER pro tempore (Mr. ZIMMERMANN). Is there objection?

There was no objection.

The SPEAKER pro tempore. Under previous order of the House the Chair recognizes the gentleman from Pennsylvania [Mr. FADDIS] for 15 minutes.

REPEAL THE NEUTRALITY ACT

Mr. FADDIS. Mr. Speaker, President Hoover once said, "International trade is the lifeblood of civilization," and the history of the world attests the truth of this statement. The rise of mankind from the stage of savagery began, when he began to exchange those of his commodities, which he could the most easily procure and of which he naturally possessed a surplus, for commodities of which some other tribe possessed a surplus. Tribe traded with tribe and nation with nation. Trade routes developed and as new resources of the earth became more generally available, the standard of living of those people engaging in commerce, steadily improved. Those nations, which by reason of geographical or other barriers, remained outside the trade orbit, did not advance. Nations which did not engage in trade became hermit nations, and their people did not develop as rapidly politically, intellectually, morally, or materially as did the people of the other nations. Nations, as well as people, require an exchange of ideas and commodities in order to develop progressively. Whatever interferes with this exchange works to the detriment of the people denied access to that trade. Men can find ample employment only when trade is operating unrestrictedly.

It is an axiom accepted by most students of world affairs that the more readily available the resources of the earth are to the nations of the earth, the more secure the peace of the world. This means that the trade lanes and markets of the world must not be restricted to any one nation or to any group of nations.

We, in this Nation today, are faced with the question of taking action to repeal or amend our present neutrality law. A group of professional isolationists endeavoring to defend this law maintain that to keep out of war we must maintain a policy of strict neutrality toward all belligerent nations—regardless of whether the cause of a nation is right, equitable, or just, as soon as it becomes involved in hostilities we must sever all commercial relations with that nation. The fact that certain powers, strategically located, are engaging in a program designed to restrict trade—and that in open violation of international law and their treaty pledges—seems to mean nothing to these isolationists. They prefer to ignore the fact that these nations, if victorious, will be in a position to cut the lines of communication anywhere in the world and paralyze the commerce of any or all nations at will. They seem to have forgotten the lessons of history, regarding the inevitable warfare resulting from closing any section of the world to trade. The results of an embargo policy in our own history are alike unheeded. They urge upon us the policy of the ostrich as insurance against war.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. VAN ZANDT. Would the gentleman be in favor of legislating to President Roosevelt the power to name an aggressor?

Mr. FADDIS. No, indeed. The power to make war is lodged by the Constitution in the Congress of the United States, and, to my mind, the power to name an aggressor would be almost equivalent to the power to declare war. I see no reason why we should lodge in the hands of any agency in this Nation the power to name an aggressor under any circumstances.

There has long existed an emotional, sentimental school of thought which believes we can place human nature in a strait jacket and establish the millenium by statute. To those who belong to this school of thought neutrality may seem to be a feasible proposition. On the other hand, there are many who, remembering the disastrous results of the "noble experiment," doubt the practicability of such utopian dreams.

A nation is a body of individuals acting collectively and therefore is subject to the composite psychological reaction of the mass of its individuals. This, in the final analysis, cannot be very different from the fundamental reaction of the normal individual. Now, the natural inclination of every normal individual is to be just and to desire that justice be done to all. It is natural for every normal human being to believe in one side or the other of every issue. According to the viewpoint of the individual, one side is right and one side is wrong. By far the larger percent will adjudge the aggressor to be in the wrong. If the issue is free of racial or religious prejudice, as is the Chinese-Japanese trouble, the verdict will be almost unanimously against the aggressor. The economic side of the question is ignored in favor of the moral side. It would be unnatural for a people not to wish to be right; but they cannot be right and be impartial. To end any condition which is unlawful or immoral you must pass judgment, and in doing so you cannot be neutral. If we are to exert any influence for good in the world, we cannot do so by announcing in advance to those who contemplate murder, rape, robbery, and arson on a world-wide scale that they may wreak their will, however evil, on the world and we will not interfere.

We, as individuals, could not afford to announce such a policy in regard to our domestic affairs, lest we suffer the inevitable consequences of being dominated by domestic gangsters. Neither can we apply such a principle to the conduct of our international affairs. Without justice, peace or tranquillity cannot prevail either in a nation or in the world at large. We might perhaps, by guarding our own shores very vigilantly, keep the marauders off our own territory, but at a great deal of expense, inconvenience, and loss of international trade, with the consequent retrogression in our standard of living. If we are ready to revert to an economic system in which every family spun its own thread, wove its own cloth, tailored its own clothes, tanned its own leather, and made its own shoes, manufactured its own furniture, brewed its own beer, raised its own foodstuffs, and lived mainly to itself, a policy of isolation and nonintercourse will bring about this reversion. The activities of the totalitarian states are directed toward the control of trade lanes and raw materials as much or more than they are to the acquisition of territory. The Rome-Berlin-Tokyo axis will most certainly operate in the restraint of world trade. If it becomes a permanent and threatening factor, it will most certainly seriously curtail our markets and especially those for our surplus farm products. Are we willing to be forced to become a satellite to the sun of totalitarianism in order to be allowed commercial intercourse with the world?

If a world war comes and we are able to remain out of it and the democratic nations are victorious, we will have to stand our share of the loss. We may profit temporarily but will eventually pay our share of the bill. If the totalitarian nations are victorious, the fact that we have treated both sides with equal consideration will avail us nothing, since our political philosophy and theirs is different. When we adopt a policy of neutrality we are surrendering our traditional policy of the freedom of the seas as far as trade with the belligerents is concerned. Just how much will we be able to recover of this in peacetime? May nations not say we will not trade with those who refused to trade with us in time of need?

A strict system of neutrality will refuse food, clothing, and medicine to women and children as well as lethal weapons to the fighting forces. Wheat is a necessity for the soldier just as it is for the civilian. Cotton makes bandages for the wounded just the same as it makes high explosives to wound, clothes for women and children just as it makes clothes for soldiers. The supply and maintenance of the civilian population is as necessary as is that of the army. Everything today is a munition of war—steel, wheat, wool, rubber, cotton, oil, guns, trucks, airplanes. Victory will come to the nation which can marshal the greatest industrial army in support of its fighting forces. If we are to be neutral we must be so in word, in act, and in all material assistance. Prohibitions as to lethal weapons alone will not prevent war, keep us out of war, or take us into war. The need for other than lethal weapons may be the most pressing. We must recognize that any economic discrimination or prohibition is bound to be harmful to some of the belligerents and is sure to result in hard feelings. The only way in which we can be genuinely neutral is in the matter of credits. Here we can treat all alike and be subject to no repercussions. When we refuse credit we are unquestionably within our rights and in doing so are remaining as neutral as anyone could ask us to be. Refusal to extend credit is the only policy of neutrality which can keep us out of war.

Certainly during the past 4 years we have examples where our policy of neutrality was of distinct assistance to the aggressor. We have been a party to aggression perpetrated against a peaceful nation, innocent of all wrongdoing, by an aggressor wishing to enslave this nation for the purpose of using its resources in further conquests. China is fighting the fight of the democracies of the world and we are assisting the Japanese. We were in the same position in regard to the Spanish civil war, and the rape of Ethiopia by Italy. If we can be neutral and be right, let us be neutral. If the price of our neutrality means enslavement and exploitation of friendly innocent people by nations bent on world conquest, then the price is too great. The advance of the philosophy that might makes right is a threat to our security.

In passing a neutrality act we are committing our Nation to a course of action in a world crisis before we know what threat that crisis may hold in store for us. We are tying the hands of our Chief Executive at the very time we should be giving him all the discretion possible. We are extending an invitation to the forces of evil to become more evil still. We are announcing to the world that in case of war we are going to refuse help even in a humanitarian sense.

Today no one can guarantee what will develop in other parts of the world or what contingencies we may face tomorrow. The trigger men of the world are on a ruthless rampage. Their strokes are swift and are becoming swifter all the time. At such times as this we should impose wide discretionary powers in the head of our Nation, who is also the Commander in Chief of our armed forces. An army can have only one head in time of battle. It could not function with two or three heads, each working on a different plan. It could not function in a campaign where its movements are all fixed and advertised in advance. Neither can a nation function properly in its foreign affairs if hampered in this manner. If we fasten the rudder of the ship of state in a permanent position and forbid the captain to touch it, we are sure to come a wreck on a rock in the present turbulent sea of foreign affairs. Many men of this Nation, who have had years of experience in adjusting its relations with foreign nations, are advising that it is at this time a dangerous move to hamper our Chief Executive with the hard and fast policy of neutrality. [Applause.]

The SPEAKER pro tempore. Under previous order of the House the Chair recognizes the gentleman from Wisconsin [Mr. BOLLES] for 25 minutes.

Mr. BOLLES. Mr. Speaker, I find among the fugitive papers of a newspaper editor this statement so apropos of our time and our troubles:

> The most inspiring spectacle presented by American history is the rise of millions of poor men to well-being and comfort—the creation of a vast, prosperous, and intelligent middle class. We are, and have always been, essentially a bourgeois nation. Europe for three centuries poured her millions upon our shores, the destitute, the unfortunate, the oppressed; and America turned them into prosperous farmers, tradesmen, artisans, doctors, lawyers. It is this, more than all our laws; more even than our Constitution with its Bill of Rights which makes us a democratic people. In certain countries there has been a conscious attempt to level society down to the lower class; in the United States the process has been reversed and the leveling has been upward. The distinguishing feature of our society is the high value we put upon the individual.

And I add to this that since the days when Malthus predicted a starved and famine-stricken world, in this very moment of our existence we have, through individual initiative, moved fast and far. We have food for a world which if equally distributed, will abolish famine universally.

We have erected structures which make the pyramids and the Tower of Babel, the Hanging Gardens of Babylon, and the Colossus of Rhodes, and all the seven wonders of the world—fantastic dreams of the ancients; we have more than 12,000 patents on building material and accessories, and nothing that can be conceived by man to be made by steel and cement and brick and stone and substitutes is impossible. That is the realm of architecture.

We have delved into the hidden mysteries of life, found new plants, vaulted the universe to arrange a new cosmos, tamed elements, put a harness and a yoke no nature's untranslatable moods and visible and invisible exhibitions, made from chemical processes cellular tissue that seemed once to be possible only under the direct hand of a Creator and given mankind marvels for playthings and for annihilation of time, distance, and death itself. That has come from science.

We have vaulted the deepest chasms, dug waterways in impossible places, tunneled like moles through miles of rock, carried water and oil and gas for hundreds of miles, burned holes in impregnable mountains, built motors that have no sense of speed, constructed machines that imitate humanity and better his judgment. That is engineering.

There is no secret about the human anatomy, no germ so infinitesimal that he may not be hunted to his lair, and by diet and prevention we have prolonged human life. That is in the realm of medicine.

But a Congress of 435 Representatives of the people and 96 Senators in the world's traditionally most dignified body, with Cabinet officers, and a President marvelous in agile versatility, we have been unable to solve the problem of the owner of the dairy cow.

Mr. Speaker, I raise my voice once more in the House in behalf of the dairy cow—25,000,000 of her kind.

The Vice President of the United States, the great former Speaker of this House, JOHN GARNER, is reported with no denial that when accused of voting for a tariff schedule, he said:

> When it is raining doughnuts a man is foolish if he does not hold out his hat.

So while it is raining doughnuts I want my hat out as a proxy for the cows.

There has always been an agrarian problem in this world. The tiller of the soil, the food producer, the man who filled the bellies of the armies, has been the victim of power. The eternal conflict in this world has been the battle between liberty and power.

The problem of this world has been food.

It has been the problem of the salvation from famine. Away back in the days of Jeremiah the prophet, he understood it—

> They that be slain by the sword are better than they that be slain with hunger; for these pine away stricken through for want of the fruits of the field.

There has not been ever—is not now—the problem of too much, but too little.

So long as a child needs more milk we need more milk.

So long as there is a hungry person we need more food protection.

Eli Whitney, a Yankee school teacher, went down to Georgia and invented the cotton gin. He created an empire. He enthroned cotton. He made great fortunes for others. He instigated commerce that started a flow of gold to the United States from every European country.

Cotton built great industrial cities in America and England. Lancashire became the spinning center of the world. New England prospered. Looms sang a song to the jangling chorus of a stream of gold.

When the Civil War closed, when ragged and saddened soldiers in gray made a weary journey back to broken homes, it was the one mule and the 30-acre-cotton patch that brought the South back to some economic prosperity. From the close of the Civil War to 1930 the wealth produced by cotton—from the sale of baled cotton—was greater than all the gold and silver mined in the United States. We had the world production. We were alarmed for a time about Sudan cotton but we went on and the looms of the world used American cotton. The world cotton market was the market for American cotton.

Where is it?

Who destroyed it?

Who is the Cock Robin that killed it?

It was killed by the incompetency of leadership of Wallace, Tugwell, and theatrical agrarian dreamers of a new utopia. It resolved itself into the problem of a snake swallowing its own tail. The tragedy of cotton is inscribed in its own handwriting.

There was a veterinary surgeon who was called upon to look over a human patient in an emergency. No general physician was available.

The "vet" said: "I don't know what is the matter, but I have some medicine here that will throw him into fits, and I'm hell on fits."

The Cotton States are suffering from fits. There is no veterinary surgeon to help them out. Every step taken puts them further and further out in economic safety. The only method devised so far is to go into the dairy business, and where cotton fields are no longer bright with the cotton bolls, there is hope that pastures will be filled with cows in competition with the dairy business of the Northern States. The President of the United States has indicated his approval of this method of transferring the business from the North to the South. In such a statement made by him a few days ago at Warm Springs he indicates that he is not the friend of the dairy cow up North.

On the floor of this House there is the same reflection. It is also reflected from the Agricultural Department. The Secretary of Agriculture was raised in a corn-hog country. From the time he became Secretary and head of this great Agricultural Department, Mr. Wallace has never appeared to realize that the dairy industry of the United States produces more farm revenue than either wheat, corn, rice, or tobacco. Next to the dairy is cotton. As I have said, the cotton market and the cotton industry has been practically destroyed by our agricultural program, supported and led by Mr. Wallace, and now he proposes to destroy the dairy market by its disintegration. What will happen to wheat and corn in the future is necessarily problematical. If we determine that dairying shall be transplanted and the acreage put out of business by the cotton program, we are certainly in great danger.

I have no intention of comparing Wisconsin with Missouri. That State received so many millions of dollars more than Wisconsin that it would be embarrassing to the Representatives of the Mule State to have them told. The Government has paid the State of Missouri for rental and benefits and soil conservation in the last 6 years close to $90,000,000. But Missouri is also going into the dairy business, and I say

this as an example indicative of what a Southern State may do in order to transfer one form of agriculture to another. In 1932 the amount of cheese made in Missouri was 3,551,000 pounds; in 1937 it was 9,637,000 pounds, nearly three times as much as in 1932. The same relationship follows down through in evaporated milk and many other dairy products. Mississippi and other States have also stimulated dairy production. We have several Wisconsin farmers who have gone down into Mississippi and have herds from which are produced fluid milk for city markets, butter, and cheese. I do not have time to go into all these figures or to tabulate them, but the mere trend is sufficient to indicate.

Now, this result has come about from the program of the Agricultural Department, in its removal of crops from the market which was typical of the areas South, and substituted for them new kinds of crops, notably dairying. Other States have looked with jealous eye upon Wisconsin, Minnesota, and neighboring States which have a great dairying business. To some of those who look upon these farm plants with their cattle, their silos, their cream separating machinery, and all those accessories which make up the perfect milk factory on the farm, they believe that this can be transplanted almost by magic into a new world unaccustomed to the continuous toil and the great care which must be put into a dairy.

Oh, no, my friends, it cannot be done that way. There is more about dairying than appears on the surface. Nothing in this world has ever been created except by the labor of man. Every dollar of wealth we have in this world came from toil. Every dollar in the banks, every dollar the Government borrows, every penny that belongs to the wealthy or the well to do, has come from the toil of themselves or from some man somewhere down the line. None of this was done by magic. Even the gold taken from the earth from which great fortunes have been built had to come to him through the pick and shovel, and the operations of separating the ore from the good metal is of labor. So it is with the dairy business. Its first name is toil and labor and continued application.

When the pioneer came into Wisconsin with his few belongings, in his covered wagon, he made for himself a home. He borrowed no man's ax, received no legislative subsidy, nor any assistance from a government to erect a home, clear away the trees from the fields, or to plow his ground. For 40 years that part of Wisconsin in which he first settled was the great bread basket of this Nation. Millions of bushels of grain—wheat—were harvested. At first he carried his crop by slow ox-team process to mills or shipping ports on the lake, and then came the mills built along the rivers with water power in his own home location. This was true also of Illinois, of Iowa, of eastern Minnesota first settled, of Michigan, and of Ohio and Indiana. This was the great wheat area of the world. It brought into being our flour-mill industry. It employed thousands of people. It made a prosperous new country.

But in all these older States, especially in Wisconsin, and its southern part particularly, soil depletion, the chinch bug, the Hessian fly, and other pests cut down the production of wheat and greatly reduced its acreage. For some 10 years there was a great emigration from this part of Wisconsin to western Minnesota, Nebraska, and the Dakotas. There were the virgin fields of prairie and the wheat production of the United States passed away from the Western Central States to those beyond the Mississippi. Something had to take the place of wheat, and the farmers of Wisconsin, as well as in many other States, turned to dairying.

Leading in this movement was the late Gov. William D. Hoard, who was the evangelist for the new era for the farm. Then came Dr. Babcock with his test of milk and the desire to have herds of cattle which would live up to and be able to meet that test of butterfat in milk. So it was that year after year, over a period now of some five decades, Wisconsin has gradually taken her place as the leader in dairying. Today she stands foremost in the United States in the number of dairy cattle, in the sanitary conditions under which milk is produced, in the number of cheese factories and creameries, and, together with her neighboring State of Minnesota, produces the largest percentage of butter in these United States. Wisconsin produces 72 percent of all the foreign-type cheese made in the United States. In a very small and restricted area there was produced 10,600,000 pounds of Swiss cheese. Besides that are the types of Limburger, Munster, brick, and other cheeses.

Eighty-five years ago a number of Swiss from Glarus, in Switzerland, came to the United States. They settled in the hilly country in Green County; they built a village and called it New Glarus. It is the Swiss capital of America today. These people knew how to make Swiss cheese; they did it in their homes or small community effort, and from that has come the Swiss-cheese production of which I have told you. They are among our finest citizens, Americans all, these people of the cheese capital of America.

All of these experiments concerning milk, how to make the most of it, how to build up herds of thoroughbred and graded cattle, how to solve the problems of bovine tuberculosis and Bang's disease, how to make the proper kind of cheese, how to make the best butter—all of these have had their beginnings in two great universities, that of Wisconsin and Minnesota, both have contributed to these necessary economic understandings, so that our products would be of the highest standard measured by any yardstick anywhere in the world.

Now it is proposed by the President of the United States and is a part of the policy of the Secretary of Agriculture that all this value which has gone into research and understanding in the plan of marketing and cooperative efforts shall be taken away and transferred to some place where in his egregious theoretic error he has destroyed another crop in order to bring economic prosperity to the very people whose livelihood he has taken away. How idiotic.

I do not believe any Member of this House should approach this subject in a mean spirit. I have been amazed at the vitriolic exhibition of mental astigmatism evidenced in attacks on my colleagues from Wisconsin who had the temerity to speak for the dairy. My surprise was great when I heard the erudite logician of this House—one so skilled in parliamentary procedure as the Member from Missouri—in the debate on this agricultural bill, charge a member of the Wisconsin delegation, Mr. KEEFE, with deliberate misstatements. The gentleman from Missouri [Mr. CANNON] then proceeded to submit an array of figures so out of tune with the real facts that he was condemned by his own lips and voice.

I should like to take that gentleman by the hand and lead him into the dark land of the dairy farmer of Wisconsin, Minnesota, Michigan, Iowa, and other dairy States—the cow land of the United States. For years everyone has been familiar with the three degrees of lies: First, there are lies; then damned lies; and third, the ultima thule of all lies—statistics. The Missouri gentleman is skilled in statistics.

Statistics a year, 2 years, 3 years old, do not tell the truth and the distinguished gentleman from around Pike County, whose greatest product was Champ Clark of blessed memory, cheated out of the presidency by a trick of oratory, would find his statistics utterly valueless if he could see an auction of Wisconsin cows—$100 cows selling from $50 to $60 because the dairy business under the beneficent paternalism of our Government has gone to that place described by John Milton where Lucifer, sliding on ice, cried after a ride that took him—

> Three times that lengthened day and night • • •
> Which way I fly is hell; myself am hell.

So I shall leave the gentleman from Missouri sliding on the Hadean ice as I turn to another distinguished, hard-seasoned logician, the gentleman from Illinois, the outstanding publicity leader, chairman of the Rules Committees, Mr. ADOLPH SABATH. In the RECORD of a few days ago the gentleman from Illinois [Mr. SABATH] got into print this most marvelous piece of ponderous and platitudinous oratory:

> I am not going to claim that I brought about this great increase in appropriations for the farmers just because I have been their friend. No; but it is the Democratic administration which

has demonstrated its friendship to the farmers; and I regret very much that these three Wisconsin milking men or milkmen have the nerve to claim that nothing has been done for the farmers or for the dairy industry, when I have shown we are appropriating for the dairy industry more this year than we appropriated for agriculture in general 30 years ago. I do not blame you Wisconsin Republicans trying to make political capital out of this in the hope that it might help you to come back from Wisconsin. You cannot do it. You fooled the people last year, but you cannot fool them again. They are commencing to realize that they are misled.

There was a justice of the peace in my little village where I was born up in Pennsylvania. He was also the town cobbler. A shyster lawyer who had lost a case berated this cobbler-justice. The Law was sitting on his shoemaker's bench, drivings pegs into a sole.

"I fine you," said he to the lawyer, "$5 for contempt of court."

"Why, you idiot, you cannot do that; you are not holding court, you are only a cobbler."

"Well," said Justice Kimmell, "I tell you this court is an object of contempt at all times."

I leave the gentleman from Illinois here, except to add that his district, with its slums and its rickety wood-framed houses, its poverty and its squalor, needs more Wisconsin milk to create a better citizenship that will vote intelligently, as Wisconsin's electorate did in 1938.

Now we move back to Missouri again. I hesitate here after reading the biography of the gentleman in the Congressional Directory. I should be something of a soul sitting at the feet of Gamaliel. But this gentleman from Missouri [Mr. NELSON] added his raucous note to the contemptuous refrain concerning Wisconsin. I have a profound respect for the gentleman. Compared to my own superficial knowledge of farm problems, he shines like the great Arcturus in a vastly sown azure field of lesser stars. The gentleman overwhelmed the Wisconsin delegation—all Wisconsin people—with the typical expression of Missouri hospitality. I noted one oversight. He did not say, as he should, concerning the present greatest Missourian of the time, that Tom Pendergast, with whatever remnant of his entourage is still out of the penitentiary for election frauds which kept his State in the New Deal column, would be the chairman of the reception committee when we led our black and white cows down to feed upon the luscious bluegrass of Missouri. I take pleasure therefore in revising and correcting the satiric words of the gentleman from Missouri. I remember my first trip into his State, when as a youth I was traveling to St. Joe to take a job in a newspaper. I heard a great noise as we stood at a station. The circumambient air was torn by a terrific blare. I looked at my companion in the seat of a crowded day coach.

"Don't worry," he said, "that is the whistle on a mule factory—our biggest industry."

It was a jackass braying.

So reluctant as I am, I leave my distinguished colleague [Mr. NELSON] to his mules.

Forms of farming are regional. The tobacco of Virginia and North Carolina cannot be grown in Minnesota and Wisconsin. Cotton is of the South—so is sugar. The peanut is a southern article—even gumbo is not so good north of the Ohio River. The semitropic fruits have their habitat. This has been true over the whole period of our American existence. You can raise better mules in Tennessee and Missouri than in Wisconsin. Not every hillside will produce good apples. You cannot raise the Albemarle pippin in Wisconsin. We raise potatoes but we make no pretensions of seeking the market from Maine or Idaho.

Our first great problem is distribution. There is not a written word in any agricultural bill from 1933 to now that gives so much as a laughing consideration to this phase. Those people who think a bowl of grease from hogs' backbones is a spread for corn pone rather than butter could not be interested. We need more education in eating dairy products.

If they start dairying down South they will have to open schools in the use of butter as a spread for bread.

We want clothes made from southern cotton. We want the yellow yams and sweetpotatoes. We want the early spring vegetables, the onions, lettuce, beans, strawberries raised in the great truck garden of the South. We cannot produce them in their season. We disagree with the unskilled and uninformed idea of the President of the United States about being so completely one in all. I quote here from the speech of my colleague, AUGUST H. ANDRESEN, as already printed in the RECORD of April 5, quoting the President in an interview when he said:

That milk and cream for Florida came from Wisconsin and Minnesota and Iowa and Illinois. * * *

You and I know * * * the (Southern) States can produce perfectly good milk and cream.

I went * * * to buy some apples. * * * The only ones I could find came from Washington and Oregon.

I went to buy meat. * * * The only meat I could buy came via Omaha and Kansas City and Chicago.

I wanted * * * a pair of shoes. * * * The only shoes I could buy had been made in Boston or Binghamton, N. Y., or St. Louis.

I don't believe that the South is so broke that it cannot put its own capital into the establishment of its own enterprises.

The President's lack of knowledge of the regional distribution of production is pitiful—nothing less.

Now, Mr. Speaker, may I sum up the dairy condition of today:

An industry differing entirely from all others in agriculture.

An enormous investment in plant and machinery.

A market restricted by monopoly in great consuming centers.

An industry given the least attention by the Agricultural Department but taken as a matter of course. "You have got to milk the cows."

We resent the attitude. We want definite attention. We are tired of contemptuous phrases and absurd statistics. We are rebellious and vocal. We want the balloonic-minded Agricultural Department to get down to terra firma.

We want the butter- and cheese-buying program to be renewed. We want the people on relief to get butter on their bread. We want this Government to stop its reciprocal-trade program that has destroyed our own market. There is but one great market for American products—that is the American market. All else, like the old hymn, is "shifting sand."

I put a resolution into this House 3 months ago. It asked that the Agricultural Committee investigate the effect on agricultural markets. This is the resolution, No. 47:

Whereas there is substantial disagreement throughout the country concerning the effect of reciprocal-trade agreements upon agriculture; and

Whereas it is desirable that full information concerning the effect of such agreements be before the Congress in order that Congress may determine its policy with respect to agriculture and foreign trade: Therefore be it

Resolved, That the Committee on Agriculture is authorized and directed, as a whole or by subcommittee, to investigate the effect of trade agreements made under section 350 of the Tariff Act of 1930 upon the markets for and prices of agricultural commodities, including livestock and dairy products.

The committee shall report to the House as soon as practicable during the present Congress the results of its investigations, together with such recommendations as it deems desirable.

For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the chairman of the committee or any member designated by him, and shall be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

It went to the Rules Committee. Do you suppose it will ever get out of that cemetery, whose superintendent of graves is ADOLPH SABATH? No; never. He does not dare do it. He would be scared to death if he did at what might be found. I challenge him to put it to a hearing. Let him get up here and tell about it.

Mr. Speaker, we are in dire straits as the Nation's greatest industry. Somehow in this place I remember the Alamo. Since my childhood days that place in Texan history has clung to my soul. There Americans, battling for a great cause, the cause of liberty, fought to their death. And when the dead were counted no man was there who did not have his face to the foe. There was the soul of America, to face its enemies, to lose but win, to die but live—to live in eternity of remembrance.

We must not have an Alamo for American agriculture. I plead with you. You men of cotton, of sugar, of corn, of wheat, remember your obligations to the man who milks the cow, to the industry that feeds 5,000,000 children every day, now in the depth of its depression.

In the matter of farm foreclosures, I introduce this letter from the Farm Credit Administration to show what is happening not only all over the country, but in the State of Wisconsin:

Farm-mortgage foreclosures, about which you inquired in your letter of April 8, are estimated by the Farm Credit Administration at 17,304 in the entire United States during the last 6 months of 1938, or about 7.4 foreclosures per thousand farms under mortgage on January 1, 1935. This estimate, which includes foreclosures by all types of lenders, is based on reports received by the Farm Credit Administration from counties including from 22 to 30 percent of the farms in the United States. The data are for actual foreclosure sales only, excluding properties deeded voluntarily to the mortgagee.

During the period from July through December 1938, the Federal land banks have completed foreclosures (excluding voluntary deeds) on 2,832 Federal land-bank loans, of which 262 were in the State of Wisconsin. The Federal Farm Mortgage Corporation has completed foreclosures on 2,493 land-bank-commissioner loans during the same period, of which 168 were in the State of Wisconsin.

I summon Mr. Secretary of Agriculture Henry Wallace to the bar of public opinion.

Why, with all your millions spent on bracing a cotton market, did May cotton sell at 7.99 and spot Middling at 8.74, Monday, April 10?

Why, Mr. Wallace, did wheat sell at an average of 69 cents Monday? You have spent millions of taxpayers' money bolstering wheat.

Mr. Speaker, I ask that the table of grain prices be incorporated in my remarks.

Grain prices Apr. 10, 1939—Chicago market quotations

	Open	High	Low	Close
Wheat:				
May	69¼	69¼	68⅜	68⅞
July	68⅜	68½	68	68⅛
September	68⅞	69	68½	68¾
Corn:				
May	48	48	47½	47⅞
July	49⅝	49⅝	49⅛	49⅜
September	50⅜	50⅝	50⅛	50⅜
Oats:				
May	29⅜	29⅝	29¼	29½
July	27½	27½	27¼	27¼
September	26⅞	26⅞	26¾	26¾
Soybeans:				
May	87½	87½	87½	87½
July	85	85	85	85
October	72½	72½	72½	72½
Rye:				
May	42½	42⅝	42¼	42½
July	43¾	44	43½	43¾
September	44⅛	45	44½	44¾
Lard:				
May	6.32	6.32	6.22	6.25
July	6.42	6.45	6.37	6.37
September	6.57	6.57	6.52	6.52
October	6.57	6.57	6.57	6.57

Cash grain prices

Wheat: No. 3 hard, 70.

Corn: No. 2 mixed, 52¾; No. 3, 51¾; No. 1 yellow, 49@49¼; No. 2, 48½@49; No. 3 white, 53@54.

Oats: No. 2 mixed, 31¾; No. 3, 30; sample grade mixed, 29¾; No. 1 white, 32½; No. 2, 32½; sample grade white, 28¾@31.

Barley: Malting, 52@60 nominal; feed, 35@45 nominal; No. 3 barley, 48@45.

Soybeans: No. 2 yellow, 88.

Timothy seed: 2.85@3.15 nominal.

Red clover: 13.00@16.00 nominal.

Red top: 9.25@9.75 nominal.

If one reads this market report, he will find conclusive evidence of what an utter failure Mr. Wallace has been and how completely the farm program has failed. It has been a slow suicide or murder, like feeding ground glass to the victim.

It was once said that the world's barometer of business was regulated by the price of wheat in Liverpool. All other commodities rose and fell in sympathy with wheat. That is no longer true. It may have been so in the days of William Jennings Bryan, who thought and spoke for a wheat bushel of the value of one silver dollar. The standard now, the barometer now, is steel, its output and its price. As steel goes so goes business. If steel is prosperous, this Nation prospers; we can sell wheat, corn, hogs, cotton, butter, and cheese. Steel-mill prosperity means a thousand other mills are operating. But here is this morning's story of steel:

CLEVELAND, April 10.—Twenty-two leading steel companies, representing 92.5 percent of the Nation's total ingot capacity, incurred a $10,936,841 deficit after all charges but before dividends in 1938, the magazine Steel's annual financial survey showed today. In 1937 the same producers had $211,479,861 net profit.

Total income before deducting bond interest was $22,061,470, compared with $241,938,183 in 1937. The year's income, insufficient to meet funded-debt interest, indicated a 0.57-percent return on total capitalization, the lowest since 1934.

Taxes paid by 21 of the 22 companies, Steel said, totaled $94,514,280 in 1938 against $159,992,152 in 1937.

For 18 of the reporting firms operations averaged 39.3 percent of ingot capacity in 1938 against 71.5 percent in 1937. Net sales of 19 companies totaled $1,015,773,603, a 39.2-percent decrease from the 1937 figure of $1,670,958,840. The leading producer did not report net sales, however, the publication said.

Of the 17 largest producers, only 2 showed earnings on common stock, National Steel Corporation, with $3.05, and Inland Steel Co., with $3.11.

Mr. Speaker, we can solve every agricultural problem by taking the poisoned hand of Government off industry. We need freedom of action. Six years of strangulation and guinea-pig experiments by bulging brain theorists have failed. We are going on gayly on this broad and flowery highway of failure so long as we keep this administration in office. There is a remedy. It cannot be applied until 1940.

Mr. Speaker, we are going to change this administration in 1940. We are going to change the emblem of the Republican Party from an elephant to a cow. We shall decorate her with cotton bouquets.

My one deep regret is that in that result in 1940 by the inexorable operation of politics we shall have to elect a new Speaker of this House. I may say that out of my own party it will be a task, indeed, to find one so fair, so competent, so universally loved and respected as the present Speaker of the House.

In testimony thereof for myself I shall send down to Alabama one perfect specimen of the black-and-white cow of Wisconsin, that upon her product he may have long life and good health and in anticipation vote for her preservation and the industry she represents. [Applause.]

EXTENSION OF REMARKS

Mr. FADDIS. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Illinois [Mr. KELLER], may have permission to extend his own remarks and include therein a speech delivered by our former colleague, Mr. Binderup.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. NELSON. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein an address delivered by Gov. Lloyd C. Stark, of Missouri, at Chicago last week before the Convention on Interstate Trade Barriers.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GRANT of Alabama. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a news article from yesterday's Washington Daily News.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 30 minutes p. m.), pursuant to the order heretofore made, the House adjourned until Monday, April 17, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON FOREIGN AFFAIRS

The Committee on Foreign Affairs will meet again Monday, April 17, 1939, in the committee room, Capitol, for the purpose of continuing open hearings on the following bills and resolutions on the subject of neutrality: House Resolution 100, to prohibit the transfer, loan, or sale of arms or munitions (by Mrs. ROGERS of Massachusetts); House Joint Resolution 3, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. LUDLOW); House Joint Resolution 7, to implement the Kellogg-Briand Pact for World Peace (by Mr. GUYER of Kansas); House Joint Resolution 16, to prohibit the exportation of arms, ammunition, or implements or materials of war to any foreign country when the President finds a state of war to exist between or among two or more foreign states or between or among two or more opposing forces in the same foreign state (by Mr. KNUTSON); House Joint Resolution 42, providing for an embargo on scrap iron and pig iron under Public Resolution No. 27 of the Seventy-fifth Congress (by Mr. CRAWFORD); House Joint Resolution 44, to repeal the Neutrality Act (by Mr. FADDIS); House Joint Resolution 113, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. FISH); House Joint Resolution 226, to amend the Neutrality Act (by Mr. GEYER of California); House Joint Resolution 254, to keep the United States out of foreign wars, and to provide for the neutrality of the United States in the event of foreign wars (by Mr. FISH); House bill 79, to keep America out of war by repealing the so-called Neutrality Act of 1937 and by establishing and enforcing a policy of actual neutrality (by Mr. MAAS); House bill 163, to establish the neutrality of the United States (by Mr. LUDLOW); House bill 4232, to limit the traffic in war munitions to promote peace, and for other purposes (by Mr. VOORHIS of California); House bill 5223, Peace Act of 1939 (by Mr. HENNINGS); House bill 5432, to prohibit the export of arms, ammunition, and implements and materials of war to Japan, to prohibit the transportation of arms, ammunition, implements, and materials of war by vessels of the United States for the use of Japan, to restrict travel by American citizens on Japanese ships, and otherwise to prevent private persons and corporations subject to the jurisdiction of the United States from rendering aid or support to the Japanese invasion of China (by Mr. COFFEE of Washington); House bill 5575, Peace Act of 1939 (by Mr. HENNINGS).

Open hearings will continue from Monday, April 17 to April 26, beginning at 10 a. m. each day, with the exception of Saturday, April 22.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Through Routes Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m. Tuesday, April 18, 1939. Business to be considered: Hearing on H. R. 3400, through-routes bill.

COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be a meeting of the Committee on the Post Office and Post Roads at 10 a. m. on Tuesday, April 25, 1939, for the consideration of H. R. 1827 to allow moving expenses to employees of the Railway Mail Service, and H. R. 4322, giving clerks in the Railway Mail Service the benefits of a holiday known as Armistice Day.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

On Wednesday, April 19, 1939, at 10 a. m., the Committee on Merchant Marine and Fisheries will resume hearings on the bill (H. R. 5130) to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes.

On Tuesday, April 25, 1939, at 10 a. m., the committee will hold public hearings on the following bills: H. R. 2383, H. R. 2543, H. R. 2558, to increase further the efficiency of the Coast Guard by authorizing the retirement, under certain conditions, of enlisted personnel thereof with 20 or more years of service.

On Wednesday, April 26, 1939, at 10 a. m., the following bills: H. R. 4592, allowing all registered vessels to engage in the whale fishery; H. R. 4593, relating to the whale fishery.

On Thursday, May 4, 1939, at 10 a. m., on H. R. 4650, making electricians licensed officers.

EXECUTIVE COMMUNICATIONS, ETC.

635. Under clause 2 of rule XXIV a letter from the Attorney General, transmitting the draft of a proposed bill to amend the Judicial Code, was taken from the Speaker's table and referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CHANDLER: Committee on the Judiciary. H. R. 162. A bill to make effective in the district court for the Territory of Hawaii rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States; without amendment (Rept. No. 404). Referred to the House Calendar.

Mr. CHANDLER: Committee on the Judiciary. H. R. 4532. A bill to make effective in the District Court of the United States for Puerto Rico rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States; without amendment (Rept. No. 405). Referred to the House Calendar.

Mr. SOMERS of New York: Committee on Coinage, Weights, and Measures. H. R. 3325. A bill to extend the time within which the powers relating to the stabilization fund and alteration of the weight of the dollar may be exercised; with amendment (Rept. No. 406). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHANDLER: Committee on the Judiciary. H. R. 1652. A bill to amend section 90 of the Judicial Code, as amended, with respect to the terms of the Federal district court for the northern district of Mississippi; without amendment (Rept. No. 407). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 5115) for the relief of Harry W. Lyle; and the same was referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CASE of South Dakota:

H. R. 5746. A bill to provide for the correction of the list of approved Pine Ridge lost allotment claims, and for other purposes; to the Committee on Indian Affairs.

By Mr. LEAVY:

H. R. 5747. A bill to authorize the addition of certain lands to the Wenatchee National Forest; to the Committee on the Public Lands.

By Mr. DOUGHTON:

H. R. 5748. A bill to amend the Second Liberty Bond Act, as amended; to the Committee on Ways and Means.

By Mr. JEFFRIES:

H. R. 5749. A bill to provide for the construction and operation by the Federal Government of a system of new, durable, hard-surfaced toll automobile highways; to provide for the financing of same; relief of unemployment; promotion of public safety; stimulation of general business; national defense; and for other purposes; to the Committee on Ways and Means.

By Mr. HOLMES:

H. R. 5750. A bill to amend the Motor Carrier Act, 1935, with respect to the power of the Commission to limit the scope of the operations of certain carriers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MUNDT:

H. R. 5751 (by request). A bill to improve, maintain, and safeguard the military and economic security of the United States, stimulate the production of new wealth and create opportunities for capital and labor by regulating the importation and exportation of raw materials of the farms, forests, mines, and fisheries, and for other purposes; to the Committee on Ways and Means.

By Mr. CHURCH:

H. R. 5752. A bill to provide for the establishment of a Coast Guard station on the shore of Illinois at or near Waukegan Harbor, Waukegan, Lake County; to the Committee on Merchant Marine and Fisheries.

By Mr. MANSFIELD:

H. R. 5753. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. SHAFER of Michigan:

H. R. 5754 (by request). A bill to provide compensatory time for Government employees for holiday work; to the Committee on the Civil Service.

By Mr. ALEXANDER:

H. R. 5755. A bill authorizing the States of Minnesota and Wisconsin to construct, maintain, and operate a free highway bridge across the St. Croix River at or near Osceola, Wis., and Chisago County, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. BOYKIN:

H. R. 5756. A bill to amend section 509 of the Merchant Marine Act, 1936, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. GILLIE:

H. R. 5757. A bill to require that periodicals sent through the mails or introduced into interstate commerce contain the name of the publisher, the place of publication, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. MURDOCK of Arizona:

H. R. 5758. A bill to add certain lands to the Papago Indian Reservation in Arizona; to the Committee on Indian Affairs.

By Mr. STEAGALL:

H. R. 5759. A bill to amend section 8 of the act entitled "An act to supplement laws against unlawful restraints and monopolies, and for other purposes," particularly with reference to interlocking bank directorates, known as the Clayton Act; to the Committee on the Judiciary.

By Mr. HENDRICKS:

H. R. 5760. A bill for the establishment of an antiaircraft training area and target range within the State of Florida; to the Committee on Military Affairs.

By Mr. KERR:

H. R. 5761. A bill to increase the principal amount of loans made by the land bank commissioner from $7,500 to $15,000; to the Committee on Agriculture.

By Mr. LEA:

H. R. 5762. A bill to amend the Federal Food, Drug, and Cosmetic Act; to the Committee on Interstate and Foreign Commerce.

By Mr. BARRY:

H. R. 5763. A bill to amend section 5136 of the Revised Statutes, as amended, to authorize charitable contributions by national banking associations; to the Committee on Banking and Currency.

By Mr. KELLER:

H. R. 5764. A bill to provide for the establishment of a cemetery within the Crab Orchard Creek Dam project, Williamson County, Ill.; to the Committee on Agriculture.

By Mr. VINSON of Georgia:

H. R. 5765. A bill to authorize commissioning aviation cadets in the Naval and Marine Corps Reserves upon completion of training, and for other purposes; to the Committee on Naval Affairs.

H. R. 5766. A bill to provide for the acquisition of drydock facilities for the Navy on San Francisco Bay, and to authorize the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. THORKELSON:

H. J. Res. 264. Joint resolution to approve the action of the Secretary of the Interior deferring the collection of certain irrigation-construction charges against lands under the San Carlos and Flathead Indian irrigation projects; to the Committee on Indian Affairs.

By Mr. WOOD:

H. J. Res. 265. Joint resolution authorizing the Bureau of Labor Statistics to make studies of productivity and labor costs in industry; to the Committee on Labor.

By Mr. COFFEE of Washington:

H. J. Res. 266. Joint resolution making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939; to the Committee on Appropriations.

By Mr. JARMAN:

H. Con. Res. 16. Concurrent resolution authorizing the printing of additional copies of House Report No. 2 on Investigation of Un-American Activities and Propaganda; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CASEY of Massachusetts:

H. R. 5767. A bill for the relief of Joseph Bardier; to the Committee on Claims.

By Mr. DELANEY:

H. R. 5768. A bill granting a pension to Sophie Hyams; to the Committee on Invalid Pensions.

By Mr. DEMPSEY:

H. R. 5769. A bill for the relief of Alice Minnick; to the Committee on Claims.

By Mr. EATON of California:

H. R. 5770. A bill granting a pension to Katrina Rautmann; to the Committee on Invalid Pensions.

By Mr. HINSHAW:

H. R. 5771. A bill for the relief of Louis St. Jacques; to the Committee on Claims.

H. R. 5772. A bill for the relief of Ralph Doose; to the Committee on Claims.

By Mr. HOLMES:

H. R. 5773. A bill for the relief of the Worcester Pressed Aluminum Co.; to the Committee on Claims.

By Mr. LEAVY:

H. R. 5774. A bill for the relief of Mabel Rogers; to the Committee on Claims.

By Mr. McCORMACK:

H. R. 5775. A bill for the relief of Michael M. Cohen; to the Committee on Claims.

By Mr. MAAS:

H. R. 5776. A bill for the relief of Albert DePonti; to the Committee on Claims.

By Mr. MASON:

H. R. 5777. A bill granting an increase of pension to Ida M. Brewer; to the Committee on Invalid Pensions.

By Mr. ROBINSON of Utah:

H. R. 5778. A bill for the relief of George Matty; to the Committee on Claims.

By Mr. SABATH:

H. R. 5779. A bill for the relief of Eva Lipkovsky; to the Committee on Immigration and Naturalization.

By Mr. KERR:

H. R. 5780. A bill for the relief of David E. Taylor; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2493. By Mr. GRAHAM: Petition of the Catholic Daughters of America, No. 231, New Castle, Pa., opposing any proposed changes in the present Neutrality Act; to the Committee on Foreign Affairs.

2494. By Mr. HART: Memorial of the One Hundred and Sixty-third Legislature of the State of New Jersey, memorializing the Congress of the United States not to enact legislation seeking to establish Federal ownership over oil deposits occurring in tidal and submerged lands of the Nation; to the Committee on the Judiciary.

2495. Also, petition of the Board of Commissioners of Union City, N. J., objecting to the dismissal of many thousands of citizens from employment under the Works Progress Administration in this city, and petitioning the Congress to follow out the recommendations of President Roosevelt in appropriating sufficient money to continue employment under the Works Progress Administration, and to maintain the said Works Progress Administration employment at the present level; to the Committee on Appropriations.

2496. By Mr. MERRITT: Resolution of the St. Albans Post, No. 2030, Veterans of Foreign Wars of the United States, endorsing House bill 2725 (Rankin bill) and petitioning Congress to pass favorably upon said bill; to the Committee on World War Veterans' Legislation.

2497. By Mr. PFEIFER: Petition of the Abbe Engineering Co., New York City, urging support of the Ellender sugar bill (S. 69); to the Committee on Agriculture.

2498. Also, petition of the Industrial Home for the Blind, Brooklyn, N. Y., favoring the O'Day bill (H. R. 5136); to the Committee on the Library.

2499. Also, petition of the National Association of Post Office Mechanics, Local No. 31, Oyster Bay, N. Y., favoring the passage of House bill 892; to the Committee on the Post Office and Post Roads.

2500. Also, petition of the American Mining Congress, Washington, D. C., concerning House bills 5068 and 5069; to the Committee on Military Affairs.

2501. Also, petition of the Brooklyn Branch, Women's International League for Peace and Freedom, Brooklyn, N. Y., concerning the Fish bill (H. R. 2645); to the Committee on Foreign Affairs.

2502. Also, petition of Barron G. Collier, Inc., New York City, urging support to postpone the effective date of the labeling provisions of the Federal Food, Drug, and Cosmetic Act to January 1, 1940; to the Committee on Interstate and Foreign Commerce.

2503. By Mr. CLEVENGER: Petition of the residents of Putnam and Allen Counties, Ohio, urging either repeal of the Federal Wage-Hour Act, or the enactment of legislation to exclude from the operations of the Federal Wage-Hour Act the small telephone companies; to the Committee on Labor.

2504. By Mr. JONES of Ohio: Petition of E. A. Strong and 488 others; to the Committee on Agriculture.

2505. By Mr. KEOGH: Petition of the Griffin Public Schools, Griffin, Ga., concerning the Harrison-Larrabee-Thomas, educational aid bill; to the Committee on Education.

2506. Also, petition of the National Association of Post Office Mechanics, Local 31, Oyster Bay, Long Island, N. Y., favoring the passage of House bill 892; to the Committee on the Post Office and Post Roads.

2507. Also, petition of Barron G. Collier, Inc., New York City, concerning the labeling provisions of the Federal Food, Drug, and Cosmetic Act postponement to January 1, 1940; to the Committee on Interstate and Foreign Commerce.

2508. Also, petition of the American Mining Congress, Washington, D. C., concerning House bills 5068 and 5069; to the Committee on Military Affairs.

2509. By Mr. MARTIN J. KENNEDY: Petition of Primrose House, Inc., New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2510. Also, petition of the Armand Co., Des Moines, Iowa, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2511. Also, petition of the J. B. Williams Co., Glastonbury, Conn., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2512. Also, petition of Strohmeyer & Arpe Co., New York City, urging passage of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2513. Also, petition of Maison Jeurelle-Seventeen, Inc., New York, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2514. Also, petition of Ogilvie Sisters Sales Corporation, New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2515. Also, petition of the New York Pharmaceutical Co., Bedford, Mass., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2516. Also, petition of the Kremersurban Co., Milwaukee, Wis., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2517. Also, petition of the Chesebrough Manufacturing Co., New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2518. Also, petition of Ferd Mulhens, Inc., New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2519. Also, petition of Philadelphia Drug Exchange, Philadelphia, Pa., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2520. Also, petition of the Revlon Nail Enamel Corporation, New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2521. By Mr. SCHIFFLER: Petition of Katherine Teets, secretary, the Ladies Auxiliary, urging the passage of the General Welfare Act (H. R. 2); to the Committee on Ways and Means.

2522. By the SPEAKER: Petition of the Economic Convention of Puerto Rico, asking the Secretary of the Interior of the United States to reduce to a nominal sum the indebtedness of certain farmers with the Hurricane Relief Commission; to the Committee on Insular Affairs.

2523. Also, petition of the Economic Convention of Puerto Rico, requesting the national administration and the Congress to hear the business and economic interests of the island in any question involving the extension of Federal laws to Puerto Rico; to the Committee on Insular Affairs.

2524. Also, petition of the Convencion Economica de Puerto Rico, San Juan, P. R., petitioning consideration of their resolution with reference to the Fair Labor Standards Act of 1938; to the Committee on Labor.

SENATE

MONDAY, APRIL 17, 1939

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God and Heavenly Father, who dwellest in all things, who art the Soul of the universe and the Light of the mind of man: We thank Thee that Thou hast so formed the world and made the human heart that we cannot escape Thee, for, even though we fail to discern Thy coming, Thou

dost always find some secret way within, and the silence of the soul announceth Thou art there. Interpret, then, to us, we pray Thee, the law of spirit, of being, by which star to star vibrates light and soul to soul shines through a finer element of its own, that in nature's revelation we may find the vibrant note of joy and beauty, and in contact with the Person of the Risen Christ we may find His sublime and gracious presence to be deeper than all thought, stronger than all argument, to bring us back to Thee, in whom we live and move and have our being. May this living faith, O Father, be the inspiration of today and of all the days that are to come. We ask it in the Saviour's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, April 13, 1939, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On April 13, 1939:

S. 10. An act for the relief of the Fred Harvey Transportation Department;

S. 11. An act for the relief of Hubert H. Clark and Dr. W. C. Copeland;

S. 511. An act for the relief of Dolores P. de Williamson;

S. 512. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

S. 545. An act for the relief of George H. Pierce and Evelyn Pierce;

S. 745. An act for the relief of the Pacific Telephone & Telegraph Co.;

S. 754. An act for the relief of J. G. Mayfield; and

S. 1253. An act for the relief of John B. Dow.

On April 15, 1939:

S. 529. An act for the relief of Margaret Rose Uncapher, Milton E. Uncapher, Jr., and Andrew G. Uncapher; and

S. 2021. An act to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes.

CALL OF THE ROLL

Mr. LEE. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	King	Radcliffe
Andrews	Davis	La Follette	Reed
Ashurst	Donahey	Lee	Russell
Austin	Downey	Lodge	Schwartz
Bailey	Ellender	Logan	Schwellenbach
Bankhead	Frazier	Lucas	Shipstead
Barbour	George	Lundeen	Smathers
Barkley	Gerry	McCarran	Smith
Bilbo	Gibson	McKellar	Stewart
Bone	Gillette	McNary	Taft
Borah	Glass	Maloney	Thomas, Okla.
Bridges	Green	Mead	Thomas, Utah
Brown	Gurney	Miller	Townsend
Bulow	Harrison	Minton	Truman
Burke	Hatch	Murray	Tydings
Byrd	Hayden	Neely	Vandenberg
Byrnes	Herring	Norris	Wagner
Capper	Hill	Nye	Walsh
Caraway	Holman	Overton	White
Clark, Mo.	Johnson, Calif.	Pepper	Wiley
Connally	Johnson, Colo.	Pittman	

Mr. LEE. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CLARK], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Texas [Mr. SHEPPARD], and the Senator from Montana [Mr. WHEELER] are detained from the Senate on important public business.

The Senator from Indiana [Mr. VAN NUYS] and the Senator from Delaware [Mr. HUGHES] are unavoidably detained.

The Senator from West Virginia [Mr. HOLT] is unable to arrive in Washington due to high waters in the State of West Virginia.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed without amendment the following bills and joint resolution:

S. 828. An act to permit the President to acquire and convert, as well as to construct, certain auxiliary vessels for the Navy;

S. 829. An act to authorize alterations and repairs to certain naval vessels, and for other purposes; and

S. J. Res. 90. Joint resolution to amend the joint resolution approved June 16, 1938, entitled "Joint resolution to create a Temporary National Economic Committee."

The message also announced that the House had passed a bill (H. R. 2878) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 911. An act for the relief of Roscoe C. Prescott, Howard Joslyn, Arthur E. Tuttle, and Robert J. Toulouse;

H. R. 136. An act to authorize contingent expenditures, United States Coast Guard Academy;

H. R. 534. An act for the relief of Hallie H. Woods;

H. R. 590. An act for the relief of Macey N. Bevan;

H. R. 2056. An act for the relief of the Shipowners & Merchants Towboat Co., Ltd.;

H. R. 2064. An act for the relief of Allen L. Abshier, Verne G. Adams, Oliver D. Chattin, William K. Heath, and Harry B. Jennings;

H. R. 2073. An act to allow credit in the accounts of certain former disbursing officers of the Veterans' Administration, and for other purposes;

H. R. 2595. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.;

H. R. 3655. An act to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931;

H. R. 3946. An act to authorize the attendance of the Marine Band at the United Confederate Veterans' 1939 Reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939, and for other purposes;

H. R. 4830. An act to amend the act approved April 27, 1937, entitled "An act to simplify accounting"; and

H. R. 5482. An act to increase the authorization for appropriations for the administration of State unemployment compensation laws.

SUPPLEMENTAL ESTIMATE—DEPARTMENT OF THE INTERIOR (S. DOC. NO. 63)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation for the Department of the Interior for the fiscal year 1940, amounting to $900,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

REAL ESTATE DEVISED TO THE UNITED STATES BY LIZZIE BECK

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to authorize the Secretary of the Treasury to accept real estate devised to the United States by the late Lizzie Beck, of Mena, Ark., and for other

purposes, which, with the accompanying papers, was referred to the Committee on Public Buildings and Grounds.

DOROTHY CLAIR ET AL.

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation for the relief of Dorothy Clair, G. F. Allen, and Earl Wooldridge because of a disallowance by the General Accounting Office in connection with per diem paid to Mrs. Clair, which, with the accompanying paper, was referred to the Committee on Indian Affairs.

CENTRAL STATISTICAL COMMITTEE AND CENTRAL STATISTICAL BOARD

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Central Statistical Board, transmitting a draft of proposed legislation to extend the life of the Central Statistical Committee and the Central Statistical Board pending further consideration by Congress of the Board's special report to the President on the Returns Made by the Public to the Federal Government, which, with the accompanying paper, was referred to the Committee on Commerce.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate 11 letters from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of the Departments of the Treasury, the Interior, and Agriculture, the Federal Reserve System, the Tennessee Valley Authority, the Works Progress Administration, and The National Archives (5), which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, were referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. GIBSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of Oregon, which was referred to the Committee on Commerce:

House Joint Memorial 3

To the honorable Senate and House of Representatives of the United States in Congress assembled:

We, the memorialists, the Fortieth Legislative Assembly of the State of Oregon, convened in regular session, respectfully represent that:

Whereas the State of Oregon (in common with other Western States) has acquired and exercised jurisdiction and control over the nonnavigable waters of the State and over navigable waters of the State, excepting insofar as the Federal Government has exercised jurisdiction and control over such navigable streams for navigation purposes; and

Whereas titles to the waters within the State have been acquired, adjudicated, and determined in this State under the Oregon system of water titles and very large, extensive, and complicated property values have been built up in reliance upon such titles and the continuance of such system of titles for the protection of both perfected and inchoate rights; and

Whereas any suspension of such system of water titles or interference with its continued operation or the inauguration of a new system for future acquired rights or the completion of existing inchoate rights will result in chaotic conditions, loss of property values, instability of titles, and retardation of the development of our water resources: Now, therefore, be it

Resolved by the House of Representatives of the State of Oregon (the senate jointly concurring therein), That the State of Oregon asserts the principle of State ownership and control of both navigable and nonnavigable waters of the State, subject only to such control by the United States as may be necessary in the actual preservation of the navigability of navigable streams, and hereby requests our Representatives in Congress to oppose any action upon the part of the Federal Government tending to deprive this State of such rights.

Resolved, That a certified copy of this joint memorial be sent forthwith to the President of the United States and the President of the United States Senate, the Speaker of the House of Representatives, and to each of the members of the congressional delegation from the State of Oregon.

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of New Hampshire urging the Congress to take immediate action designed to solve the problem of old-age security, which was referred to the Committee on Finance.

(See resolution printed in full when presented today by Mr. BRIDGES.)

The VICE PRESIDENT also laid before the Senate a resolution of Local Union No. 5937, United Mine Workers of America, of Florence, Colo., protesting against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the Massachusetts State Board of Housing, Boston, Mass., favoring the enactment of the bill (S. 591) to amend the United States Housing Act of 1937, and for other purposes, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted at Albany, N. Y., by the Convention of the New York State Hairdressers & Cosmetologists Association, Inc., favoring amendments to the Social Security Act providing for modification of rates for all service industries and particularly the beauty-shop industry, which was referred to the Committee on Finance.

He also laid before the Senate a resolution of the City Council of Minneapolis, Minn., protesting against the enactment of legislation to tax public securities of municipalities, and so forth, either by levying a tax on the income thereof, or otherwise, which was referred to the Committee on Finance.

He also laid before the Senate a telegram in the nature of a petition from Mabelle Houghton Plumb, of New York City, N. Y., praying that the United States may keep out of war, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted by Local No. 600, National Federation of Federal Employees, of New Orleans, La., protesting against the enactment of legislation to terminate, discontinue, or dissolve the Inland Waterways Corporation, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate petitions of sundry citizens of the States of Alabama, Indiana, New York, and West Virginia, praying for the enactment of the so-called Wagner-Van Nuys-Capper antilynching bill, which were referred to the Committee on the Judiciary.

Mr. THOMAS of Utah presented the petition of the Maryland Committee for Concerted Peace Efforts, Baltimore, Md. (transmitted by Jessie L. Snow, executive secretary), and also the petitions of various organizations and sundry citizens, all in the State of Maryland, praying for the enactment of the so-called Thomas (of Utah) resolution, being the joint resolution (S. J. Res. 67) to amend the Neutrality Act, which were referred to the Committee on Foreign Relations.

Mr. FRAZIER presented the petitions of sundry citizens of the State of North Dakota praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. CAPPER presented a resolution of Ash Valley Grange, No. 1436, of Larned, Kans., favoring the enactment of legislation to protect producers, manufacturers, distributors, and consumers from the unrevealed presence of substitutes in manufactured wool products, which was referred to the Committee on Interstate Commerce.

Mr. TAFT presented a petition of sundry citizens (ministers and laymen) of the State of Ohio, praying that in the present state of international affairs a day be set aside for prayer and worship of the God of the Nations, which was referred to the Committee on the Judiciary.

Mr. MEAD presented a resolution of the Council of the City of Schenectady, N. Y., protesting against the enactment of legislation to authorize the taxation of municipal bonds, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Jackson Heights, Long Island, N. Y., praying for the enactment of the so-called Ludlow resolution providing a referendum on war, which was referred to the Committee on the Judiciary.

RESOLUTION OF NEW HAMPSHIRE LEGISLATURE—OLD-AGE SECURITY

Mr. BRIDGES. Mr. President, I present to the Senate a joint resolution passed by the New Hampshire Legislature memorializing the Congress of the United States to make provision during the present session of Congress for ample old-age security. The resolution is signed by the speaker of the house, the president of the senate, the Governor of the State, and attested by the secretary of state. I ask that the joint resolution be printed in the body of the RECORD as a part of my remarks, and referred to the appropriate committee.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Resolution memorializing the Congress of the United States to provide ample old-age security and to insure complete and impartial consideration of the General Welfare Act of 1939

Whereas the principle of old-age security is now fully recognized throughout this Nation; and

Whereas it is becoming increasingly imperative that ample comfort and freedom from economic stress be provided for the aged; and

Whereas thousands of the citizens of New Hampshire believe that the enactment into law of the General Welfare Act of 1939 (Townsend national recovery plan) would accomplish the above purposes and also be of immense benefit to business in general: Therefore be it

Resolved, That the Senate and House of Representatices of the State of New Hampshire in general court convened, do hereby urge the Congress of the United States to take immediate action designed to solve the problem of old-age security; and to continue and expeditiously to complete full and impartial hearings on the General Welfare Act of 1939; and be it further

Resolved, That a copy of these resolutions be forwarded to the President of the United States and to the presiding officers of the legislative branches of the Federal Government; and be it further

Resolved, That a copy of these resolutions be forwarded to the United States Senator STYLES BRIDGES, United States Senator CHARLES W. TOBEY, Congressman ARTHUR B. JENKS, and Congressman FOSTER STEARNS, requesting them to do all in their power to expedite the purposes of this resolution.

ANSEL N. SANBORN,
Speaker of the House of Representatives.
ROBERT O. BLOOD,
President of the Senate.

Passed April 12, 1939.

FRANCIS P. MURPHY,
Governor.

Attest:

ENOCH D. FULLER,
Secretary of State.

REPORT OF A COMMITTEE FILED DURING ADJOURNMENT

Under authority of the order of the 13th instant,

On April 15, 1939, Mr. HAYDEN, from the Committee on Appropriations, to which was referred the bill (H. R. 4852) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1940, and for other purposes, reported it with amendments and submitted a report (No. 282) thereon.

REPORTS OF COMMITTEES

Mr. BYRNES, from the Special Committee to Investigate Unemployment and Relief, to which was referred the bill (S. 1265) to establish a Department of Public Works, to amend certain sections of the Social Security Act, and for other purposes, reported it with amendments and submitted a report (No. 283) thereon.

Mr. ADAMS, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 1778) authorizing the Secretary of the Interior to issue to Martha Austin a patent to certain land, reported it with an amendment and submitted a report (No. 284) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the bill (S. 1243) to authorize the use of War Department equipment for the Confederate Veterans' 1939 Reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939, reported it without amendment and submitted a report (No. 285) thereon.

Mr. LEE, from the Committee on Military Affairs, to which was referred the bill (S. 504) to provide a right-of-way, reported it without amendment and submitted a report (No. 286) thereon.

Mr. AUSTIN, from the Committee on Military Affairs, to which was referred the bill (S. 1034) to authorize the Secretary of War to terminate certain leases of the Long Island Railroad Co., reported it without amendment and submitted a report (No. 287) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. ADAMS, from the Committee on Public Lands and Surveys, reported favorably the nomination of Albert S. Brown, of Utah, to be register of the land office at Salt Lake City, Utah, vice Thomas F. Thomas.

Mr. LOGAN, from the Committee on Military Affairs, reported favorably the nominations of sundry officers for appointment, by transfer, in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

S. 2171. A bill for the relief of M. Seller & Co.; to the Committee on Claims.

S. 2172. A bill for the relief of the estate of Charles Martin Corbett; to the Committee on Finance.

S. 2173. A bill for the relief of Alan Welch Smith; to the Committee on Naval Affairs.

By Mr. NEELY:

S. 2174. A bill to provide for the appointment of James W. Grose as a sergeant (1st class) (master sergeant), United States Army; to the Committeee on Military Affairs.

By Mr. SCHWELLENBACH:

S. 2175. A bill for the relief of Mabel Rogers; to the Committee on Claims.

By Mr. TOWNSEND:

S. 2176. A bill for the relief of the Delaware Dredging Co.; to the Committee on Claims.

By Mr. MEAD:

S. 2177. A bill for the relief of Sol Silver; to the Committee on Immigration.

By Mr. BULOW:

S. 2178 (by request). A bill to provide for the correction of the list of approved Pine Ridge Sioux lost allotment claims, and for other purposes; to the Committee on Indian Affairs.

By Mr. LOGAN:

S. 2179. A bill for the relief of Guy F. Allen, chief disbursing officer, Division of Disbursement, Treasury Department; to the Committee on Claims.

By Mr. DOWNEY:

S. 2180. A bill for the relief of the State of California; to the Committee on the Judiciary.

Mr. BORAH. Mr. President, on behalf of the Senator from Iowa [Mr. GILLETTE] and myself I introduced a bill and ask that it be referred to the Committee on the Judiciary. I am not sure, however, that it should not go to the Committee on Interstate Commerce. If any question shall be raised about it I shall ask that the bill be referred to the Committee on Interstate Commerce.

The VICE PRESIDENT. The bill will be received and referred to the Committee on the Judiciary.

By Mr. BORAH (for himself and Mr. GILLETTE):

S. 2181. A bill to prohibit interstate common-carrier pipe lines from transporting commodities in which such carriers have any interest; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 2182 (by request). A bill authorizing the appointment and retirement of Godfrey Neil Wyke as a captain, United States Army; to the Committee on Military Affairs.

By Mr. McKELLAR:

S. 2183. A bill authorizing the President of the United States to appoint Sgt. Alvin C. York as a colonel in the

United States Army and then place him on the retired list; to the Committee on Military Affairs.

By Mr. TRUMAN:

S. 2184. A bill relating to the disposition of certain funds held by the State of Missouri on behalf of veterans of the Spanish-American War; to the Committee on Military Affairs.

By Mr. ASHURST:

S. 2185. A bill to provide for the appointment of additional district and circuit judges; to the Committee on the Judiciary.

By Mr. MINTON:

S. 2186. A bill granting a pension to Hattie E. Lamb; to the Committee on Pensions.

HOUSE BILL REFERRED

The bill (H. R. 2878) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, was read twice by its title and referred to the Committee on Naval Affairs.

CHANGE OF REFERENCE

On motion by Mr. GLASS, the Committee on the Judiciary was discharged from the further consideration of the bill (S. 2150) to amend section 8 of the act entitled "An act to supplement laws against unlawful restraints and monopolies, and for other purposes," particularly with reference to interlocking bank directorates, known as the Clayton Act, and it was referred to the Committee on Banking and Currency.

AMENDMENT TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. BARBOUR submitted an amendment intended to be proposed by him to House bill 5269, the Agriculture Department appropriation bill, 1940, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 24, line 25, to insert the following: "Substitute a comma for a period at the end of the line and add the following language: '*Provided*, That for the purpose of better administering this and other appproriations relating to the feeding, breeding, diseases and marketing of poultry, including the administration of the National Poultry Improvement Plan in cooperation with the several States, there is hereby created in the Bureau of Animal Industry of the Department of Agriculture a Poultry Division, to which shall be transferred all functions relating to poultry now performed by other divisions of the Bureau of Animal Industry, or of the Bureau of Agricultural Economics, or by other Federal agencies, or to be performed under the provisions of this or subsequent appropriation acts. All laws or Executive orders in conflict with the provisions of this paragraph are hereby repealed.' "

LIMIT OF EXPENDITURES OF JOINT COMMITTEE ON FORESTRY

Mr. BANKHEAD submitted the following concurrent resolution (S. Con. Res. 13), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved by the Senate (the House of Representatives concurring), That the limit of expenditures under Senate Concurrent Resolution 31, Seventy-fifth Congress (providing for the establishment of a Joint Committee on Forestry), is hereby increased by $15,000, of which one-half shall be payable from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the committee.

NORVELL EVELYN WILLIS

Mr. NYE submitted the following resolution (S. Res. 124), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Norvell Evelyn Willis, sole dependent of Joseph E. Johnson, late a special employee of the Senate, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

NATIONAL MONETARY AND BANKING POLICY

Mr. WAGNER submitted the following resolution (S. Res. 125), which was referred to the Committee on Banking and Currency:

Resolved, That the Committee on Banking and Currency is authorized to conduct a study and to hold hearings to determine a national monetary and banking policy by which the monetary and banking authorities of the Federal Government shall be guided and governed, and to determine the character of governmental machinery best calculated to carry out such policy. The committee shall report to the Senate as soon as practicable the results of its study, together with its recommendation for the enactment of any legislation it may deem necessary.

SEC. 2. (a) For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-sixth Congress and subsequent Congresses as it deems advisable.

(b) The committee is likewise authorized to call upon any of the agencies of the Government to present evidence with respect to the subject matter of this inquiry which is within the administrative jurisdiction of such agency under existing law or which may be assigned to such agency by the committee.

(c) The committee or any duly authorized subcommittee thereof is authorized to employ such experts, and clerical, stenographic, and other assistants and to take such testimony and make such expenditures as it deems advisable. The cost of stenographic services to report such hearings as may be held shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

COMMITTEE SERVICE

On motion by Mr. BARKLEY, it was

Ordered, That the Senator from Alabama [Mr. HILL] be excused from further service on the Committee on Pensions, and that he be assigned to service on the Committee on Expenditures in the Executive Departments.

THE PRESIDENT'S COMMUNICATION TO CHANCELOR HITLER

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD the communication addressed to Adolf Hitler, Chancelor of the German Reich, by the President of the United States, on April 14, 1939, which appears in the Appendix.]

THE PRESIDENT'S PAN AMERICAN DAY ADDRESS

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD the address delivered by the President of the United States, on Pan American Day, before the governing board of the Pan American Union in Washington, D. C., on April 14, 1939, which appears in the Appendix.]

THE PRESIDENT'S ADDRESS—ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE DEPARTURE OF GEORGE WASHINGTON TO TAKE OATH AS FIRST PRESIDENT

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD the address delivered by the President of the United States on April 14, 1939, at Mount Vernon, on the occasion of the celebration of the one hundred and fiftieth anniversary of the departure of George Washington to take the oath as the first President of the United States, which appears in the Appendix.]

RETURN TO STATES OF RESPONSIBILITY FOR RELIEF ADMINISTRATION—ADDRESS BY SENATOR M'NARY

[Mr. VANDENBERG asked and obtained unanimous consent to have printed in the RECORD a radio address delivered by Senator MCNARY April 16, 1939, on the subject of the return to the States of the responsibility for relief administration, which appears in the Appendix.]

NEUTRALITY LEGISLATION—ADDRESS BY SENATOR PITTMAN

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD a radio address delivered by Senator PITTMAN on Saturday, April 15, 1939, on the subject of neutrality legislation, which appears in the Appendix.]

UNEMPLOYMENT AND RELIEF—ADDRESS BY SENATOR BYRNES

[Mr. CLARK of Missouri asked and obtained leave to have printed in the RECORD a radio address delivered by Senator BYRNES on April 16, 1939, on the subject of unemployment and relief, which appears in the Appendix.]

INTRODUCTORY ADDRESS BY SECRETARY ICKES AT MARIAN ANDERSON CONCERT

[Mr. SMATHERS asked and obtained leave to have printed in the RECORD the remarks by Hon. Harold L. Ickes, Secretary of the Interior, introducing Marian Anderson at the Lincoln Memorial concert on Sunday, April 9, 1939, which appears in the Appendix.]

HOME FRONT SABOTAGE—ARTICLE BY ERNEST K. LINDLEY

[Mr. BONE asked and obtained leave to have printed in the RECORD an article entitled "Home Front Sabotage," by Ernest K. Lindley, published in the Washington Post of Wednesday, March 29, 1939, which appears in the Appendix.]

ATTITUDE OF UNITED STATES TOWARD WORLD CONDITIONS

Mr. WALSH. Mr. President, as indicated on Thursday last, I desire to take this occasion to express some views which I entertain as to what I conceive should be our attitude toward present world conditions.

Mr. President, the international situation is so tense, surrounded as it is by an atmosphere of belligerent talk and action, that it seems almost too fragile to warrant discussion. Some urge timorousness and restraint from even mentioning the subject of our relations with foreign nations. These predicate their delicacy, without doubt, on the thought that whatever we as Americans might say, whether conciliatory, pacific, or in good will and friendship, may be interpreted by the new crop of European and Oriental war lords in such ways as to beget their hostility, impair international friendships, and threaten peace. There is another group of American jingoists who at slightest provocation wave the flag and indulge in self-adulation, ultranationalistic utterances, and sometimes even veiled threats which lead to serious misunderstanding among other nations and peoples. Neither of these attitudes finds support in my philosophy of government. I believe that among nations, as among men as individual beings, possessed of ideals and souls, no friendship is worth while or indeed can be lasting unless it is based upon mutual good will, understanding, and capable of frank discussion of common problems.

I deem it is the sworn duty of every American statesman, especially those in the United States Senate, to whose custody and judgment the Constitution fixes responsibility in part for sharing with the executive department of the Government the determination of foreign policy, to speak out frankly and boldly when the occasion demands it to safeguard the interests of the American people and protect our country against the threatening ravages of war.

Now, if ever, is the time for plain talk—talk for the benefit of war mongers the world over, so they may know where we stand, what we will undertake to further world peace, and, more specifically, to renounce those obligations sought to be imposed upon us by selfish powers abroad which we unqualifiedly must refuse to assume—talk to reassure the American people that we intend to preserve peace by all honorable means in our power.

I speak not in any bellicose spirit, certainly not with an intent to threaten, coerce, or intimidate any foreign power. My sole interest is to lend whatever influence my voice and vote may have to promote peace here on our American Continent—above all, here in our own United States.

It is unnecessary to recite the saber-rattling, the aggrandizement, the ruthless spirit which has prevailed throughout the entire international scene in the past few years. Neither political, judicial, or spiritual devices set up for the purpose of maintaining peace have been able to stay or mitigate the brutal lust for power, territory, subjugation of innocent peoples entitled to be free, that have animated certain nations in recent times. The League of Nations has floundered, supine and helpless, before these apostles of force. The World Court has been ineffectual, indeed wholly unsought, as the juristic arbiter it was intended to be by the nations creating it. The expressions and prayers of organized religion have been received with contempt in some quarters and have proved utterly futile in endeavors to bring aggressionist nations to fuller realization of the principles of the Prince of Peace. No power on earth, nor apparently in Heaven, has been potent enough to dissuade these nations from their premeditated course of confiscation, bloodshed, and rapine.

Leaders of some nations have led their people into war; others may want war; certainly some are at present extending it warm invitation. But one thing is certain: one force, inarticulate though it be, almost inexpressible, so deep and abiding that it must be apprehended and felt rather than be heard, begs these leaders for peace. That force is the public opinion of the world. The hopes, the aspirations, the fervent desires of the common peoples everywhere are undeniably for peace.

What does this mean to us as Americans? It means just one thing—that our people, like peoples everywhere, want peace, not war. They want friendship with other nations, not entangling alliances and diplomatic commitments. They want to preserve our country inviolate from any enemy. They want to protect to the fullest measure possible our shores, our homes, our resources, and our youth. They want to avoid meddling and interfering in the affairs of Europe, whose deep-seated jealousies and antagonisms run back into the centuries and are a part of the national psychology in many countries. They insist upon strictest neutrality in word and deed toward belligerents abroad, whether in Europe or Asia.

Mr. President, any official or group of officials which follows a contrary course and undertakes to pledge this Nation to a policy of favoring or supporting any bloc or group of nations on the threshold of war, in my opinion, is flagrantly disregarding the overwhelming and emphatic will of the American people.

Are we once more, as 20 years ago, to be subjected to the poison gas of propaganda? Of what concern to us are the war plans of Germany and Italy, or of France and Great Britain? Is it not the simple truth that in Europe we have nothing but a clash of two forms of imperialism, and with that clash we have no concern, save to keep ourselves free of it?

History is repeating itself. Between 1914 and 1917, while war was raging in Europe, to which we were not a party, this country was flooded with every type of foreign propaganda. We were told that our blood cousins across the sea from whom we inherited many of our democratic and legal institutions and a common language were on the verge of annihilation, and we should rally to their assistance. We were threatened with the loss of billions of dollars our international bankers had loaned the Allies unless we joined hands to defeat the Central Powers. There was held before our eyes the terrible consequences of an autocratic, Prussian-dominated world, wherein democracy would be throttled.

Our press was deliberately loaded with stories since proved without truthful foundation of German atrocities which violated all the canons of civilized peoples. Every method known to the skilled, seasoned propagandist was employed during these years to engender hatred for the German people and prepare the minds and hearts of the American people for entrance into the war on the side of the Allies. Did our own people wish to go to war? Most emphatically not. No one in this country dared to assert on the day we entered the war that we would send soldiers to fight on European soil. In the election of 1916, despite the persistence of every type of vicious warlike propaganda, they reelected as President the candidate whose slogan was, "He kept us out of war." But, alas! not for long were we to enjoy the priceless fruits of peace. Ere many months, the power of this propaganda, the influence of the international bankers, and the stupidity of the diplomats of the Central Powers combined to catapult this Nation into a frightful international slaughter which cost us the lives of 52,000 of our young manhood, hundreds of thousands more of the best of America's youth maimed, blinded, crippled, diseased, or driven stark mad, and a total cost of more than $30,000,000,000. This money came from the pockets of the American people and much of it was loaned to our allies, who have not only failed most dishonorably to pay us back but have scoffed when we asked them to do so, all the while quite proudly boasting of their balanced budgets as compared to our unbalanced one, and feverishly spending huge sums to rearm for another sacrificial offering to the gods of war.

We have replaced the money lost in that fateful adventure even though the burdens and sacrifices required to do it have weighed heavily on our people. But we can never

replace or restore to grieving American mothers the country over the fine American boys who were butchered defending foreign soil, nor can we restore sight, limbs, health, or reason to the wounded and afflicted of the great World War.

We were told by these same propagandists that our battle was to "save the world for democracy," and we were sung hymns of hate against the "unspeakable Hun" in order to arouse our fury and insure our bitterest enmity. How pitiable and ironical such slogans must seem today to the heroes of 1917–18 who gave their all toward the realization of these alleged ideals—ideals which, while ardently expressed at that time, have proved by subsequent history to be founded in insincerity, duplicity, and deceit.

Today in similar fashion propaganda is frantically and brazenly spread in order to embroil us in present European disputes—disputes which are no concern of ours and which appear certain to lead to another devastating war. The motif is identical, but the methods and arguments vary slightly. New shibboleths have been created to lure us away from our accustomed and desired pursuits of peace.

This time not only is democracy threatened with extinction, according to the propagandists, but the whole economic system is under attack and facing imminent destruction. This forbidding picture is portrayed: On one side are arrayed the so-called totalitarian states; on the other the democracies. The former are pictured as Frankenstein monsters intent on decimating every vestige of democracy, capitalism, and human freedom; the latter as white-plumed knights in armor heroically waging war to the finish against the evil forces that would destroy civilization and liberty. In the press and over the radio we are fairly overwhelmed with these arguments—reasons why we should take our place on the side of the so-called altruistic democracies in the alleged death struggle going on with the so-called destructive totalitarian states.

The briefest sort of reflection is sufficient to convince any thinking person of the falsity and speciousness of the issue thus presented. Which are the enemies of democracy and which are the democracies seeking to thwart them? Are we as a government ready to set ourselves up as a judge between the simon-pure democracy assumed by some nations which are and have been for centuries notorious imperialists and other nations obsessed by grandiose complexes and devoted to newer authoritarian theories and totalitarian systems? Is it any legitimate concern of ours for purposes of friendly commercial intercourse, or for any other purpose, what form of government a foreign people embrace or how they happen to embrace it, unless of course it should be fundamentally obnoxious to standards of morals, decency, and justice that ordinarily have obtained in the past between civilized peoples and which would disturb our own security? Is it the spirit of any sound American foreign policy, not to mention the traditional policy established by Washington and long revered, cherished, and pursued, of minding our own business, for our State Department to try to determine the right and wrong of every international dispute and to select and duly stigmatize the aggressionist nation? I think the answer in the light of common sense, past experience, and enlightened self-interest must plainly be in the negative.

Mr. President, the American people emphatically desire and expect the representatives of their own Government to refrain from taking sides or expressing favor or disfavor in foreign arguments and disputes. It is utterly unthinkable that we should at this time, or any other time, or for any reason except our own self-protection, join with any foreign group or bloc of nations in a pledge or understanding designed to check by moral coercion or the threat or implication of physical force the proposed action of any other nation.

To lend the weight of our great influence or express a direct or implied pledge of support to any one side of an international controversy is to invite hostility likely to result in our involvement in war. Such a policy is offensive to that broad spirit of neutrality which the American people insist that their Government preserve in all circumstances.

International law as such no longer has force. Nations once declared war, now they wage it without formal declaration. Once, noncombatants, innocent women and children, the aged and infirm, were accorded a modicum of protection by belligerents; today, bombs and explosives are rained down upon them, without warning, like hail. Time was when territorial demands were referred to arbitration for juridical adjudication; now, territories are seized and entire peoples vassalized by a quick "land grab" at the point of a gun.

Mr. President, in a world where no respect is given age-old principles of justice and humanity, in a world which has in substantial parts renounced Christian ideals and substituted the pagan gods in their stead, or, indeed, no gods at all; in a world infiltrated with intolerance and hate, bristling with warlike feeling and gestures, there are only two safe courses for our Nation to pursue—first, absolute, unequivocal, unconditional, and determined neutrality; and, second, the speedy extension of our system of national defense so that we will be ready and able to protect this Nation against any eventuality.

A neutrality law which gives latitude to the executive department acting alone to deviate from the policy of strictest neutrality between belligerents is pregnant with danger. To allow the Executive, granting great ability and unquestioned patriotism in that person, the right to declare the existence or nonexistence of a state of war between other nations, determine the aggressor, and thus enable or disable one party or the other from obtaining materials and supplies in this country is likewise a dangerous and unwise prerogative. Much has been said about cash and carry purchases as furnishing a solution within the bounds of neutrality. But this provision presents insuperable difficulties and objections. The stronger powers—that is, those with large, effective navies—can avail themselves of cash-and-carry privileges; the weaker nations cannot. Such a provision of law would serve to permit England, France, and their allies on the Atlantic side of continental United States and Japan alone on the Pacific side of our Nation to purchase and carry away munitions and other supplies necessary for waging war. Does anyone doubt that this fact would germinate decidedly bitter and resentful feelings on the part of those nations prevented from obtaining much-needed munitions and foodstuffs to carry on a war? Our experience in 1917 furnishes ready proof of this fact.

I would like to see a law enacted as speedily as careful deliberation will permit which would suspend any and all trade with belligerents immediately upon the outbreak of hostilities, either de jure or de facto—that is, whether the hostilities have been given the dignity of a declaration of war or not. Such a law could, in my judgment, put into practical operation the sort of neutrality strongly desired and hoped for by an overwhelming majority of the American people. It would prevent, to as great an extent as any man-made law can, the development of that kind of situation in respect of our trade relations with other belligerent nations which led directly to our involvement in the last war.

I am not unmindful of the fact that a strong and unmistakable attitude of neutrality at the present time would be disappointing to nations who entertain the belief that their safety and security is a primary necessity for the safety and security of our own Nation. From these internationalists who persistently seek our alliance in support of their selfish national objectives we may continue to expect such declarations as recently appeared in the London Weekly Review. I quote:

> The United States is playing its usual game of egging on European countries to strife in the name of some nebulous political ideal while carefully avoiding any tangling alliances.

I fear this is a somewhat general opinion entertained toward us by some of the statesmen of other countries. In my opinion, this is an additional reason for a policy of strict neutrality, and particularly the avoidance "of egging on" other countries to strife with the implication that we would or might give support to those "egged on."

Mr. President, it is superfluous to speak of neutrality as affecting the world today without referring to the national

defense. The "war to end wars" has indisputably begotten an entirely new crop of fast growing and fast developing potential conflicts. Europe today is sitting literally on the top of a volcano. The present instability of the European governmental system, economically, ethnically, ideologically, and politically, is fairly appalling. In such circumstances war when it does come will be horrifying in the extreme and may well again involve most of the world. It is our duty to keep out of it. We must strive mightily to insure that we avoid it. But we likewise must be fully prepared for its culmination and consequences.

It is the province and function of any well-conceived system of self-defense to include and consider every possible diplomatic and military eventuality which may affect the national safety. We can no longer adequately defend a two-ocean Nation with a one-ocean Navy. In the light of present conditions we cannot afford to rely on the indulgence of the pretended friendship of any nation on earth. A system of national defense which has to depend on friendly cooperation by the navies and aircraft of any other nation, no matter how well-disposed that nation may be at present, is faulty and insufficient adequately to serve our needs. The destruction of the Panama Canal, for instance, might throw our present one-ocean Navy system of national defense entirely out of joint.

Consequently it is self-evident that we must build our Navy and air force to meet every contingency that can possibly arise out of present world conditions. Our Navy and air force must be sufficient to combat any possible combination of foreign powers, which, by any rule of probability, may be arrayed against us.

This will be expensive and, sad to relate, an additional burden on our tax-paying citizens at a time when they are already heavily loaded with staggering debts. It will complicate the difficulty of solving our most perplexing and long-continuing domestic problems. But self-protection—guarding the lives of our people, our institutions, and our resources against possible avaricious enemies from without is cheap at any price.

Mr. President, if we provide for and scrupulously maintain absolute neutrality and a well-balanced and efficient navy that potential enemies will fear and respect us, we can secure the blessings of peace and freedom for this and generations to follow, and we will then be able to turn our attention and energy without diversion from any outside source to the very urgent problems confronting us here at home. Let us resolve to preserve America for Americans, to shun foreign wars, to close our minds resolutely against foreign propaganda, to be officially absolutely neutral, and to seek humbly but insistently the cherished ways of peace.

Mr. BARBOUR obtained the floor.

Mr. ASHURST. Mr. President——

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from New Jersey yield to the Senator from Arizona?

Mr. BARBOUR. I am very glad to yield to the Senator from Arizona.

Mr. ASHURST. I thank the Senator from New Jersey for yielding to me.

Mr. President, I listened, as we always do, with great interest to the speech of the Senator from Massachusetts [Mr. WALSH]. That Senator has performed various services of great value to his country, but he has never spoken more patriotically or more timely than he did today. And he did not fail to suggest to us a remedy. If we follow his suggestion, we shall not become involved in a war. I quote his remarks:

> If we provide for and scrupulously maintain absolute neutrality and a well-balanced and efficiency navy that potential enemies will fear and respect us, we can secure the blessings of peace and freedom for this and generations to follow.

Mr. President, war is the natural state of Europe, excluding three or four of the small countries, and when the young men of Europe learn that there is going to be a war they become starry-eyed and hope that war may come. How strange a commentary on human nature. Those persons in America who believe that America can make any contribution toward solving the problems of Europe will look, search, and hope in vain.

Take for example Great Britain. She was put to the test and she failed. Her Secretary of State for Foreign Affairs, Sir John Simon, was guilty of one of the most lamentable break-downs in statesmanship in the annals of the human race. When Japan violated her treaties our then Secretary of State, Henry L. Stimson, urged Sir John Simon to join with him, Stimson, in calling the attention of Japan to this aggression and violation, which Sir John Simon declined to do. If Sir John Simon had joined with our then Secretary of State and protested, Japan would not have entered Manchuria or invaded China. It was only when Great Britain, through Sir John Simon, gave a green light to Japan by failing to protest that Japan overran China.

Mr. President, in event of war the foreign countries expect the United States to do the dying and the paying. The governments in Europe will not pay their debts. It is contrary to their principles to pay their debts; and he must indeed be a wayfaring man who believes that, with the possible exception of two or three of the smaller European countries, they will pay their debts.

Trespassing further upon the courtesy of the Senator from New Jersey, who has kindly yielded to me, let me say that if Mussolini—Il Duce—and Hitler—the Fuehrer—were today to depart this life, it would not make the slightest difference with the so-called axis of central Europe. Those nations are afflicted with what we call lycanthropy; they imagine they are werewolves, and they go raging and foaming, seeking whom they would destroy.

It was, I should say, 2 months ago that the able Senator from Massachusetts [Mr. WALSH] called attention to the fact that it is not forms of government with respect to which Europe is quarreling; it is harbors, material advantages, lands, trade, and markets over which they are quarreling; and he is indeed deluded who thinks for a moment that the belligerent European countries care about forms of government, if by a particular form of action they may secure that land or market which belongs to someone else.

Mr. President, I am reminded of an allegory written, as I remember, by Joseph Addison. I believe it was Addison in the Tatler who told the tale of the upholsterer in London. The upholsterer had a good business. He kept a family coach. He had family plate. He was the best upholsterer in London. He paid his bills. But all of a sudden he began to become interested in how France, how Belgium, how the Netherlands, and other foreign nations were conducting their internal affairs. He began to neglect his business. He would ask daily when the Dutch mail would arrive. "When do we hear from France? When do we hear from Italy? When do we hear from Venice? When do we hear from Constantinople?" he would constantly inquire. He went about the streets accosting his neighbors and his customers, stopping them to discuss foreign affairs, neglecting his own upholstering business. He became busy upholstering foreign countries. Finally his business declined; his family plate and his family coach were sold. He was reduced to beggary and went about the streets—the finest upholsterer in London—begging for subsistence for his family, because he insisted upon upholstering foreign countries instead of attending to his own business.

So, Mr. President, if we in any way attempt to upholster foreign countries, we will be reduced to beggary, blood, tears, and ashes.

I congratulate the able Senator from Massachusetts on what I believe to be the apex of statesmanship in his speech this morning.

Mr. BARBOUR. Mr. President, it seems quite obvious to me that, while individual opinions and convictions undoubtedly vary in many respects and in different degrees, there can be but two general schools of thought in respect to what our foreign policy should be. It seems quite obvious, too, that, despite our many and grave domestic problems, the question of the foreign situation and what our own position should be in respect to it eclipses all else at this particular

time. If this is so, those back home in the several States are probably looking to their representatives in the Congress to state as definitely as possible their views and recommendations. I wish to make my own position, as I now see it, as clear as the present admittedly confused situation permits. Though I realize, of course, that I can speak only for myself as one of the 531 Members of the Congress of the United States, I wish to say that I hope others in increasing numbers, in both the Senate and the House, will also go on record as positively as possible as to their individual convictions.

I say this because I feel very strongly that the more quickly we, as a nation, make known our true intentions as fully and definitely as possible, the better it will be, not only for this country but for all the nations which seem to have varying opinions as to what the United States will eventually do, and varying hopes and fears as to what our ultimate action will be when and if there is another war in Europe.

As I have said, it seems to me there can be but two general schools of thought as to what the United States should do in the unhappy circumstance of another great war in Europe. The first is that for many and obvious reasons this country should, in one way or another, help and aid the democracies, Great Britain and France, if possible, without ourselves becoming embroiled in the conflict. As I see it, the first objective of this school of thought is to render such assistance even if we should, in the final analysis, in doing so be ourselves drawn into the war. Later I shall briefly mention some of the arguments that can be and are being advanced in support of this philosophy as to what our foreign policy should be—a foreign policy which, however, it must be remembered, once we are launched upon it, permits of no turning back, no escape, no second thought or further studied reflection.

The second general school of thought holds that, while our sympathies quite naturally and sincerely are with the democracies, our first objective—yes, far stronger than that—our fixed and definite and final determination, our sacred pledge to the American people is that, come what may, regardless of what may happen in Europe or what nations may become involved, or the final outcome, we, the United States of America, will definitely keep out of a war in Europe. When we have made our final decision absolutely clear to the whole world, our decision being forcefully declared and definitely understood and recognized by everyone at home and abroad, then and only then should we approach the problem of what kind of help we can render the democracies, which, I think we all agree, have our deep interest and well wishes. What aid we can render under those circumstances, I admit frankly is a great problem. However, even if it be a great problem, as I see it, it is nonetheless a true picture of our neutrality problem.

I myself cannot escape the conviction that the more quickly we make public the true situation so far as this country is concerned the less will become the confusion here and abroad as to what our real intentions are, and the more likely we are to work out some possible plan, short of war, which can really and truly help the democracies.

Personally, I admit frankly that so far as I am concerned, as yet no neutrality plan has been suggested which really meets these specifications. One reason for this is that I find that I too have been hampered by confusion in my own mind, and by fears, to put it candidly, that the foreign policy of this country is not in reality clearly understood, especially as to the situation in which we might ultimately find ourselves. How much is being said for effect, or for what might be called diplomatic expediency, or to divert our thoughts from our own domestic problems? Does short of war really mean short of war? Back of it all, I am constantly wondering who the next forgotten man is to be. Is he to be the son of the man who now lies buried in Flanders field?

There are those who point out—I know with conviction and sincerity—that in the final analysis we ourselves cannot escape getting into the war; that we cannot take the chance of the ultimate defeat of Great Britain, France, and such other nations as may join them; that our turn would be next, and then we would have to go it alone. My answer to that argument is simply that whoever engages in another European war, no matter the outcome, cannot possibly gain anything, regardless of which side wins. As I see it, there will be nothing but economic, political, and civic ruin for all, even including those who are on what might be called by some the winning side. Even if I am wrong in this position, speaking of our own Nation's position, certainly the vanquished, if one more than another is vanquished when the end finally comes, could not attack us. The so-called victors will be so wasted, on the one hand, and so harassed on the other with the multitude of problems which will confront them for many years that we who have heeded the lesson of the past war and made full preparation for our own impregnable defense and put our own disturbed economic house in order, need have no fear of any successful invasion of our shores from any quarter. Such invasion certainly would then be impossible, if it is not now impossible. On the other hand, if we again allow ourselves to be drawn into carrying arms in another European war, whether or not we are eventually on the so-called winning side, our plight will be pretty much the same as that of all the rest. We shall then share their economic and national ruin.

Obviously certain nations may not be able to avoid resort to force of arms. Unhappily for them, they may have to fight in their own self-defense, whether or not they want to do so. We all know that we, by the grace of God, do not have to fight in Europe unless we choose to do so. Nothing on earth can draw us into a European war except propaganda, emotional hysteria, or misguided thinking and leadership. We all know, too, that we now have plenty of serious troubles of our own right here in this country. Economic troubles, unemployment, and mounting debts all make for a far from normal and satisfactory state of affairs. We must also remember that troubles in one degree or another beset our own hemisphere. We now have responsibilities in the Pacific which we cannot escape. Those responsibilities are imposed upon us by the Monroe Doctrine, which, I believe, we all recognize as a purely domestic problem of our national defense.

Yes, we have plenty and to spare to attend to without raising false hopes abroad or creating false illusions at home, which surely will return to plague us if allowed to spread and grow.

In conclusion, let us make it absolutely clear as soon as possible that under no circumstances will the United States of America again become embroiled in a European war. When that decision has been made absolutely clear, then, without fooling anyone anywhere about anything, we can try to work out as best we can under those definite limitations what risks we will take, what our foreign policy will be with respect to neutrality and our relationship with other nations, and what help we can safely give those we want to help. Then, and then only, shall we see eye to eye with our fellow man at home and abroad, our conscience, minds, and aims clear, and our admitted duty and traditional position both justified and understood.

WISCONSIN CHEESE AND DAIRY INDUSTRY

Mr. WILEY. Mr. President, I had intended today to speak on a domestic subject. I have listened with a great deal of interest to the remarks delivered by the able Senator from Massachusetts [Mr. WALSH] and my colleague from New Jersey [Mr. BARBOUR] in relation to the great national subject of neutrality. I am satisfied of the correctness of the statement made by the Senator from Massachusetts that the people of the United States do not want war. I am also satisfied that there is in progress a tremendous campaign of propaganda. I believe that the best evidence of that is that on every Senator's desk, coming in his mail, are booklets and books and letters on the subject. Yet if I were to say one word on that subject to the people of this country it would be that there will be no war in which America will be engaged unless and until the common people of the United States themselves lose their mental perspective.

We heard here in the Senate last week, after a debate of considerable length, the challenging question: Where is the Senator who wants war? The answer was clear—not one. We are the representatives of the people. We do not want war. We think and believe and hope and pray that America will never get into war, and I say she will not get into war if the people back home think straight, act straight, and do not become creatures of hysteria or creatures of fear. Those are the twin enemies of mankind, because under the influence of either one cannot think straight.

However, Mr. President, I do not care to continue this discussion any further. I wish to talk today on a subject of great import which has to do with the very humble subject of cheese.

Having had recently, through the courtesy of the distinguished Senator from Florida, a repast of grapefruit, and having, through the courtesy of my distinguished colleague from California to my left [Mr. DOWNEY], enjoyed the celebrated American dish of ham and eggs, I am thinking that no meal can really be complete without a bit of Wisconsin cheese. [Laughter.]

Mr. President, there is something about cheese that is productive of good. It does not create gas on the brain, and, without gas on the brain, this country will not go to war. [Laughter.]

Cheese will not cause one to make a wild statement. It will not make one hate the Germans, the English, the French, the Italians, or anyone else; but it will make one love his own country; and, Mr. President, a little more thought about America and a little less sandbagging of European ideologies would not be so bad. I mean that. I think if some of us in the Senate would be a little more thoughtful and reasonable in our statements the people back home would get a clearer picture of what is going on here. So I advise the Members of the Senate to eat some cheese to keep them a little more rational and reasonable. [Laughter.]

Mr. President, for months now I have sat listening to the deliberations of this the greatest deliberative body in the world, and I have come to the conclusion that what the Senators need and what the country needs is Wisconsin cheese. [Laughter.] I am sure that from every angle cheese is the remedy. Had my friends, the distinguished leader of the majority and the distinguished Senator from South Carolina, partaken of Wisconsin cheese before they entered into the debate recently on the merits or demerits of W. P. A., I am sure the atmosphere would have been less charged.

I am creditably informed that the reason so many persons are "on the nerve"—and I presume everyone knows that "on the nerve" means "flies off the handle"—is because, as I learn from good medical authority, they are deficient in certain food elements in their bloodstream. What is the remedy when one's blood is deficient? It is Wisconsin cheese. [Laughter.]

Mr. President, there are several kinds of cheese that come from Wisconsin, and all of them are good. No matter what one's ailment may be, cheese is the remedy. The science of food chemistry tells us that there would be less need for rouge if cheese and butter were eaten. There would be fewer divorces, because cheese and butter tend to harmony and rationality. There would be more contentment. Mr. President, you never saw a cheese eater or a butter eater who did not radiate joy. Why? Because these foods are the nearest to Nature's perfect food. Why? Well, in the summer season, out of the juicy grasses, out of the sweet-scented clover, out of the luscious alfalfa and cool spring water the greatest chemist in the world—the milk cow—makes this food; and in the wintertime, out of the silage from the nut-brown corn, out of ground wheat and oats, and out of hay and alfalfa she turns out the same product.

Mr. President, in these troublous times, when we are thinking so much in terms of economy and in terms of international relationships, it might be well to turn our minds back to the countryside, back to the great State of Wisconsin. I am going to tell you, Mr. President, something about cheese. I am going to tell you a little of the history of cheese.

Hundreds of years ago—yes, thousands of years ago—a sheep herder, with staff in hand, sauntered along the hillsides of Palestine, tending his flock. He carried a day's ration of milk in a skin pouch slung over his shoulder from a leather thong. Toward the end of that hot afternoon he sought a shady spot and sat down to refresh himself—to drink his day's ration of milk. When he opened the pouch he found, however, a thickened substance instead of milk. A coagulating enzyme called rennet, still active in the pouch which had been made of calf's stomach, had curdled the milk—and mankind had its first cheese.

When American pioneers pushed westward they drove cattle from the Northeast to the Middle West. The sturdy, industrious, and frugal Scandinavian, German, Swiss, Dutch, English, Irish, and other immigrants from the Old World contributed to that splendid body of pioneers who laid the firm foundations for the 185,000 dairy farms, the 2,000 cheese factories, and other dairy plants which make up the colossal present-day dairy industry of Wisconsin. Those great pioneers selected Wisconsin because of its many natural advantages, including its temperate climate, fertile grass-producing soil, and cool crystal-clear spring water.

Seventy-five years ago this month the foundation was laid for the flourishing cheese industry in Wisconsin by Mr. Chester Hazen, who built Wisconsin's first cheese factory at Ladoga, near Ripon, Wis., which is famous as the birthplace of the Republican Party 85 years ago the 20th of last month.

The beginnings of cheesemaking in Wisconsin had been individualistic and empirical, and in the pioneer stage until about 1872. Prior to Mr. Hazen's factory the places where cheese was made had been the pioneer farms. The personalities had been the pioneer farm woman and her husband. The cow had been the ordinary native, the dairy barn the strawstrack, the feed straw and marsh hay in winter and wild grasses in summer. The cheese factory itself had been the pioneer farm kitchen, well, and cellar. The cheesemaker had been the pioneer farmer's wife, with her children her helpers. Her dairy implements had been tin milk pans and other crude equipment.

The cheese market in those early days had been the grocery store, and that often far away and glutted, providing marketing problems which persist today. The transportation had been by foot or by ox team. The cows, freshened in March or April, ran at large during the summer, and were dried off in November and December. There was no winter dairying.

WISCONSIN CHEESEMAKING TODAY

Ideal soil conditions, wonderful supplies of cool, refreshing water, and favorable weather, along with scientific manufacture and constantly improving equipment, have transformed the pioneer stage of cheesemaking to a flourishing industry today, with 2,000 cheese factories in the State of Wisconsin supplying half the Nation's cheese.

The modern Wisconsin cheese factory is a far fling from the plants used back in the days when factory cheesemaking was in its infancy. In keeping with modern trends, the Wisconsin cheese industry has expanded and has improved its buildings and its methods of manufacture.

For those who have never seen Wisconsin cheese made they can be assured of an interesting couple of hours if they will stop at one of the hundreds of factories which dot the State of Wisconsin.

Wisconsin is proud of the fact that she not only produces the most cheese but also the finest cheese.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. WILEY. I yield.

Mr. LUCAS. As I understand the remarks of the Senator from Wisconsin, he is in favor of continuing the cheese factories of Wisconsin?

Mr. WILEY. I am in favor, if the Senator please, of continuing the cheese factories in any place in the United States where men can produce food of health and vigor-giving qualities, so that we can go to town and rescue ourselves

from the economic slough into which some of my Democratic brethren have put us.

Mr. LUCAS. Will the Senator yield further?

Mr. WILEY. I yield.

Mr. LUCAS. Am I to understand the Senator from Wisconsin feels that cheese alone will do that?

Mr. WILEY. If the Senator from Illinois, whose judgment I respect, will sit and listen a while I will demonstrate there is a remedy to be found in cheese. I have already said cheese was good for the health, for the complexion, good for keen vision. I will also demonstrate it is good even for folk from Illinois.

Mr. LUCAS. It would be necessary to have a little Republican watered milk along with it to take us out of the depression, would it not?

Mr. WILEY. I would not be surprised if we would have to have a lot of watered "products," especially if some of the Democratic doctrines continue. But I will go along with cheese and Wisconsin dairy products, which are not watered.

Mr. LUCAS. Mr. President, will the Senator yield further?

The PRESIDING OFFICER (Mr. BONE in the chair). Does the Senator from Wisconsin yield further to the Senator from Illinois?

Mr. WILEY. I yield.

Mr. LUCAS. I was discussing Republican watered milk.

Mr. WILEY. The Senator can have the floor to discuss any kind of milk he wants, especially as he comes from Illinois.

WISCONSIN CHEESE HEALTHFUL, HIGH IN FOOD VALUE, LOW IN COST

The American people have begun to discover the ancient fact that cheese is one of the most important items for the daily diet; that it is an ever-present and readily adaptable food to be included in each week's budget. Europeans consume three or four times the amount of cheese eaten by Americans. Citizens of Norway have cheese quite regularly, even for breakfast. If we consumed as much cheese per capita as do the people of Holland, the dairy problem of this country would be solved, and that is what I am leading up to.

A pound of Wisconsin whole-milk cheese represents 4 quarts of clean pure milk. Wisconsin cheese is a health food; Wisconsin cheese provides high food value at low cost. Wisconsin natural cheeses retain their surprisingly high food value in proteins, in fats, in phosphorus, iron, and calcium, all so essential in the building of bones, flesh, and muscles, and in regulating the functions of the body; but, best of all, Wisconsin cheese contains vitamin A, making Wisconsin cheese a concentrated body-building and growth-stimulating food of high value. And Wisconsin cheese is economical compared with other foods. It is always ready for human consumption.

While I realize that many of my brother Senators are at lunch, I desire to say that I have seen many of them taking A B C vitamin tablets for nourishment. I suggest that they use Wisconsin cheese, and see how much better they will get along. [Laughter.]

Wisconsin cheese, as one of Nature's most perfect foods, contains, in addition to proteins, fats, phosphorus, iron, and calcium, an abundance of vitamins.

Cheese is easy of digestion, and is fully absorbed by the body. Over 95 percent of the protein and 95 percent of the fat in Wisconsin cheese have been found to be used by the human body. No unfavorable or abnormal consequences follow eating large quantities of Wisconsin cheese as a part of a well-balanced meal. Cheese lends itself excellently to the enrichment of all the foods made from cereals. Corn, wheat, barley, and rice are all made more nearly perfect foods by being combined or served with cheese. The American Medical Association recommends cheese. Physicians prescribe cheese for children to cure nervousness. The family doctor even prescribes cheese for infants.

Let me repeat: Wisconsin cheese is digestible. Exhaustive studies have been made, and have revealed the truth that anyone who wishes to do so may use cheese for his own best good. This verdict sets at rest all qualms concerning the digestibility of cheese eaten in sufficient quantities to be the principal source of protein. These scientific tests reveal that cheese is from 90 to 99 percent digestible.

The consumption of Wisconsin cheese twice a day, or even three times a day, would tremendously improve our American food habits and general health. By acquiring the Wisconsin cheese habit—a good habit which means high food value at low cost—the Members of the Senate can maintain the suppleness, vitality, and stamina of youth.

WISCONSIN CHEESE IS STAMPED AND DATED

It is not generally known that under a State law, every cheese made in Wisconsin must carry the date on which it was made. The date stamp is placed on the cheese at the factory, and remains on the cheese when it is put into storage for curing. This date, stamped on the cheese, enables anyone to get the kind of cheese he likes. All it is necessary to do is to look for the date on the cheese when it is bought at the grocery store.

When buying cheese, look for the grade stamp which includes the words "State Brand," outlined by the map of the State of Wisconsin. "State Brand" denotes high-grade Wisconsin cheese.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. WILEY. I yield to the distinguished Senator from Pennsylvania.

Mr. DAVIS. Was it not James G. Blaine who first made the request that we have Wisconsin cheese in the Senate restaurant?

Mr. WILEY. I am very glad to get that information, and that Wisconsin cheese is now served in the Senate restaurant. I hope in a few days to have one of our Wisconsin cheeses for all the Members of the Senate, and I expect to see resulting smiles on their faces and much improved health.

Mr. DAVIS. Can a real good Welsh rarebit be made out of Wisconsin cheese?

Mr. WILEY. Speaking to a good Welshman, I realize that the best Welsh rarebit in the world can be made from it, Mr. President. [Laughter.]

Remember, my good friends of the Senate, Wisconsin cheese is valuable in the diet because it is a body builder, because it supplies energy, because it promotes health, and because it adds flavor and variety to the diet. Cheese is valuable for the nutrition of young and old, of sick and well, of inactive and hard-working persons.

Wisconsin cheese is the only food that can be served in any part of the meal, from salad to dessert, and at any time, anywhere. Do your body good by acquiring the Wisconsin cheese habit. Eat Wisconsin cheese regularly for its food value, for its economy, for its taste appeal. Wisconsin cheese is good for every American. It is good for you.

For 8 long years now we have been trying to remedy our economic situation in this country by a lot of un-American methods. Now I am telling Senators how, to the benefit of the Nation, they can solve one of the major problems of the country without asking the Government for a cent, merely by reverting to good American doctrine, and in so doing they can improve the health and the business of the entire Nation.

The method is so simple that, of course, the "wiseacres" of the present overlook it. Let me tell it to you. Let the people of the country who need good, rich, invigorating food buy Wisconsin cheese and butter. Let them eat to the fill of dairy products. What will be the result? The dairy problem will be solved. If we consumed as much cheese and butter per capita in this country as are consumed in Holland, we would not have enough butter and cheese of our own. We would have better health.

Mr. President, the use of cod-liver oil is somtimes recommended for the benefit of weak-chested or consumptive folks. No one ever saw a person who ate a large amount of butter and cheese who had consumption. No one ever saw a woman who ate enough butter and cheese, and exercised sufficiently, who needed rouge. [Laughter.]

Recently I have listened to the humanitarian sentiments of the distinguished Senator from Indiana [Mr. MINTON], who told us how he wanted to help the underprivileged persons who have no jobs. I respect him for those sentiments, though I think he and his confederates have not thought constructively in terms of the whole problem but see only a segment thereof. I ask the distinguished Senator to revert to simplicity of method. What do I mean? I think it was Savonarola who said, "Give light, and the people will find the way." If the people of America will buy the cheese and dairy products of Wisconsin and thus help themselves on the highway toward health and finer living, they will solve the W. P. A. problem in Wisconsin, and they will create in Wisconsin a buying market for cotton, and in turn will solve the cotton problem, the wheat problem, and other problems. The demand for cotton manufactured goods in this country is here now and is of such proportions that, if coupled with buying power, it would help clean up the storage cottons; but the people have not the wherewithal to buy.

It might be interesting here to make a comparison, from figures that have been given to me by the Government, of cotton and dairy farms as to cash income, value of property, direct labor, number of farms, and number of persons on the farms.

I ask unanimous consent at this time to insert in the RECORD, without reading it, an exhibit making such a comparison.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and it is so ordered.

The matter referred to is as follows:

Cotton and dairy farms—cash income, value of property, direct labor, number of farms, and number of persons on these farms

	Year	Cotton farms	Dairy farms
Gross cash income from sale of cotton and cottonseed and dairy products	1934	$863,000,000	$1,133,000,000
	1935	712,000,000	1,289,000,000
	1936	905,000,000	1,459,000,000
	1937	884,000,000	1,530,000,000
	1938	667,000,000	1,430,000,000
Value of land and buildings	1930	4,854,000,000	5,967,000,000
Value of implements and machinery	1930	279,000,000	576,000,000
Total, land and buildings, implements and machinery		5,133,000,000	6,543,000,000
Man-hours of direct labor on cotton and on dairy cattle[1]	1928–32	3,446,000,000	3,700,000,000
	1927–36	3,052,000,000	[2]
	1938	2,281,000,000	3,901,000,000
Number of farms	1930	1,640,000	605,000
Number of persons on farms[3]	1930	8,200,000	2,900,000

[1] Includes only an estimate of labor directly employed on cotton and on dairy cattle; does not include labor employed in other work on these farms.
[2] Not computed.
[3] This is an estimate arrived at by multiplying the average number of persons per farm in 1930 in the principal cotton and dairy States by the number of cotton and dairy farms, respectively.

Mr. WILEY. In 1937 the Government figures show that the total cash from farm incomes, from all crops and livestock and livestock products, amounted to $8,208,000,000. In that period cotton and cottonseed products amounted to $884,000,000, and dairy products to $530,000,000.

The cotton cash income is 10.77 percent of the total farm income in 1937. The dairy cash income is 18.6 percent of the total farm income in 1937.

In 1937 the total dairy production in the United States in terms of "pounds of milk" was 103,132,000,000. The total number of pounds of butterfat in the United States for that year was 4,063,000,000. Wisconsin's total dairy production was 11,378,000,000 pounds of milk and 415,000,000 pounds of butterfat.

I desire again to call the attention of this distinguished body and the attention of the Nation to the fact that the week of April 24 will be known as Wisconsin cheese week. An advertisement will appear in the Saturday Evening Post with respect to Wisconsin's celebrating the seventy-fifth anniversary of the birth of the cheese industry in Wisconsin.

I am informed that the District of Columbia and several States will join in the celebration of Wisconsin cheese week, and that the papers here in our National Capital will carry full-page features and advertisements describing the value of Wisconsin cheese. As a matter of fact, thousands of pounds of Wisconsin cheese have been purchased by wide-awake and ever-growing concerns here, and included in the purchase is a cheese in one piece weighing 2,200 pounds.

My earnest hope, Mr. President, is that from now on the Congress of the United States and the people of the District of Columbia will set a shining example to the Nation in the consumption of this valuable national and Wisconsin product, and that all our citizens may realize not only the great food value of this product but the imperative need of reaching out in a brotherly spirit and helping their brothers who produce this remarkable food. In so doing they will be simply helping themselves.

CALL OF THE ROLL

Mr. ADAMS obtained the floor.

Mr. DAVIS. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. ADAMS. Certainly.

Mr. DAVIS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Johnson, Colo.	Pittman
Andrews	Davis	King	Radcliffe
Ashurst	Donahey	La Follette	Reed
Austin	Downey	Lee	Russell
Bailey	Ellender	Lodge	Schwartz
Bankhead	Frazier	Logan	Schwellenbach
Barbour	George	Lucas	Shipstead
Barkley	Gerry	Lundeen	Smathers
Bilbo	Gibson	McCarran	Smith
Bone	Gillette	McKellar	Stewart
Borah	Glass	McNary	Taft
Bridges	Green	Maloney	Thomas, Okla.
Brown	Guffey	Mead	Thomas, Utah
Bulow	Gurney	Miller	Townsend
Burke	Harrison	Minton	Truman
Byrd	Hatch	Murray	Tydings
Byrnes	Hayden	Neely	Vandenberg
Capper	Herring	Norris	Wagner
Caraway	Hill	Nye	Walsh
Clark, Mo.	Holman	Overton	White
Connally	Johnson, Calif.	Pepper	Wiley

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

SECOND DEFICIENCY APPROPRIATIONS

Mr. ADAMS. Mr. President, I ask unanimous consent that the call of the calendar be dispensed with and that the Senate resume the consideration of House bill 5219, the unfinished business.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (H. R. 5219) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1939, and June 30, 1940, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the first amendment of the committee, which will be stated.

The CHIEF CLERK. It is proposed, on page 2, line 3, to insert the following:

SENATE

For miscellaneous items, exclusive of labor, fiscal year 1939, $75,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 5, to insert:

The unobligated balance of the appropriation for miscellaneous items, exclusive of labor, contingent fund of the Senate, for the fiscal year 1939, is reappropriated and made available for the fiscal year 1940.

The amendment was agreed to.

The next amendment was, on page 2, after line 9, to insert:

The unobligated balance of the appropriation for expenses of inquiries and investigations ordered by the Senate, contingent fund of the Senate, for the fiscal year 1939, is reappropriated and made available for the fiscal year 1940.

The amendment was agreed to.

The next amendment was, on page 2, after line 13, to insert:

For repairs, improvements, equipment, and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Build-

ing, including personal and other services, to be expended from the contingent fund of the Senate, under supervision of the Committee on Rules, United States Senate, fiscal year 1939, $15,000.

The amendment was agreed to.

The next amendment was, on page 3, line 23, after the numerals "1939", to strike out "$1,086,195" and insert "$1,600,000", so as to read:

CIVIL AERONAUTICS AUTHORITY

Civil Aeronautics Authority fund, 1939: For carrying out the provisions of the Civil Aeronautics Act of 1938, in addition to the amount provided for that purpose by section 203 (b) of said act, fiscal year 1939, $1,600,000, of which $144,750 shall be available exclusively for the procurement of airplanes for the use of the Air Safety Board.

The amendment was agreed to.

The next amendment was, at the top of page 5, to strike out:

UNITED STATES EMPLOYEES' COMPENSATION COMMISSION

United States Employees' Compensation Commission: For an additional amount for expenditure in accordance with the provisions of section 16 of the Emergency Relief Appropriation Act of 1938, fiscal year 1939, $2,000,000.

The amendment was agreed to.

The next amendment was, on page 6, line 9, after the word "exceed", to strike out "$1,100,000" and insert "$1,600,000", so as to read:

FEDERAL HOUSING ADMINISTRATION

Salaries and expenses, Federal Housing Administration: In addition to the funds made available to the Federal Housing Administration for administrative expenses by the Independent Offices Appropriation Act, 1939, and Public Resolution No. 3 of the Seventy-sixth Congress, approved March 4, 1939, not to exceed $1,600,000 of the mutual mortgage insurance fund and not to exceed $900,000 of the funds advanced to the Administration by the Reconstruction Finance Corporation are hereby made available for administrative expenses of such Administration for the fiscal year 1939, including the same objects specified under this head in such act.

The amendment was agreed to.

The next amendment was, on page 7, after line 16, to insert:

TEMPORARY NATIONAL ECONOMIC COMMITTEE

For an additional amount for each and every purpose requisite and incident to carrying out the provisions of the joint resolution of the Seventy-fifth Congress entitled "Joint resolution to create a Temporary National Economic Committee," approved June 16, 1938, to be immediately available and to remain available until expended, including rent and personal services in the District of Columbia and elsewhere by contract or otherwise; contract stenographic reporting services; books of reference; traveling expenses; employment of messenger service by contract or otherwise, and all other necessary expenses, $600,000, of which amount not to exceed $120,000 shall be available for expenditure by the Temporary National Economic Committee, and not to exceed $480,000 shall be available for allocation by the President to the departments and agencies represented on the committee to enable them to carry out their functions under the joint resolution: *Provided*, That section 3709 of the Revised Statutes (41 U. S. C. 5) shall not be construed to apply to any purchase or service rendered hereunder when the aggregate amount involved does not exceed the sum of $100: *Provided further*, That no part of this sum shall be available for expenditure unless and until such expenditure is authorized by law and a Budget estimate covering such amount has been submitted by the President in pursuance thereof: *Provided further*, That the committee shall file reports as required by the said resolution prior to March 1, 1940.

The amendment was agreed to.

The next amendment was, under the heading "District of Columbia," on page 10, line 12, after the numerals "1938", to strike out "$11,682.25" and insert "$11,812.95", so as to read:

Fees of jurors and witnesses: For an additional amount for fees of jurors and witnesses, District Court of the United States for the District of Columbia, including the same objects specified under this head in the District of Columbia Appropriation Act, fiscal year 1938, $11,812.95.

The amendment was agreed to.

The next amendment was, on page 11, after line 9, to insert:

Department of vehicles and traffic, inspection of motor vehicles, highway fund, District of Columbia: For an additional amount for carrying out the provisions of the act entitled "An act to provide for the annual inspection of all motor vehicles in the District of Columbia," approved February 18, 1938, including the same objects and under the same conditions and limitations applicable to the appropriation for this purpose in the Second Deficiency Appropriation Act, fiscal year 1938, approved June 25, 1938, $22,330.

The amendment was agreed to.

The next amendment was, under the heading "Department of Agriculture," on page 12, after line 13, to insert:

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

Dutch elm disease eradication: For an additional amount for Dutch elm disease eradication, including the same objects and conditions specified under this heading in the Agricultural Appropriation Act for the fiscal year 1939, $100,000.

The amendment was agreed to.

The next amendment was, on page 13, after line 8, to insert:

THE SUGAR ACT OF 1937

Administration of the Sugar Act of 1937: For an additional amount to enable the Secretary of Agriculture to carry into effect the provisions, other than those specifically relating to the Philippine Islands, of the Sugar Act of 1937, approved September 1, 1937 (7 U. S. C. 1100–1183), fiscal year 1939, including the same objects specified under this head in the Department of Agriculture Appropriation Act, 1939, $5,000,000, together with $1,500,000 of the unobligated balance of the appropriation provided under this head by the joint resolution approved February 4, 1938 (52 Stat. 27); in all, not to exceed $6,500,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of the Interior," at the top of page 17, to insert:

BUREAU OF RECLAMATION, GENERAL FUND, CONSTRUCTION

Parker Dam power project, Arizona: For continuation of construction of the Parker power plant, transmission lines, substations, and appurtenant works, fiscal years 1939 and 1940, $4,000,000, from the general fund of the Treasury, to be repaid from net revenues received under contracts made pursuant to the authority of the act of August 30, 1935 (49 Stat. 1039).

The amendment was agreed to.

The next amendment was, on page 19, after line 2, to insert:

ST. ELIZABETHS HOSPITAL

Continuous-treatment buildings: For an additional amount for construction and equipment of two continuous-treatment buildings, including preparation of plans and specifications, advertising, and supervision, fiscal year 1939, to remain available until June 30, 1940, $70,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of Justice," on page 19, line 23, after the numerals "1939", to strike out "$300,000" and insert "$600,000", so as to read:

FEDERAL BUREAU OF INVESTIGATION

Salaries and expenses: For an additional amount for salaries and expenses, Federal Bureau of Investigation, fiscal year 1939, including the same objects specified under this head in the Department of Justice Appropriation Act, 1939, $600,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of Labor," on page 25, line 1, after the word "available", to strike out "exclusively for printing and binding", so as to read:

BUREAU OF LABOR STATISTICS

Not to exceed $2,000 of the unexpended balance of the appropriation "Investigation of labor conditions in Hawaii, Bureau of Labor Statistics, 1939," contained in the Second Deficiency Appropriation Act, fiscal year 1938, is hereby continued available until June 30, 1940.

The amendment was agreed to.

The next amendment was, on page 25, after line 2, to strike out:

CHILDREN'S BUREAU

Salaries and expenses, Conference on Children in a Democracy: For expenses of holding a conference on children in a democracy and conducting the necessary research and consultation work preparatory thereto; personal services, including employment of experts and temporary assistants without regard to the civil-service laws and regulations; purchase of reports and material for reports; travel, including attendance at meetings when authorized by the Secretary of Labor and including traveling expenses and subsistence of consultants and of members of conference committees; and other necessary expenses, fiscal year 1939, to continue available until June 30, 1940, $18,000.

Mr. BARKLEY. Mr. President, I hope this amendment will not be agreed to. It proposes to strike out an appropriation of $18,000 to provide for salaries and expenses in

connection with the Conference on Children in a Democracy. It seems to me this is a very worthy appropriation, and it is not excessive. Its purpose is to provide for the holding of conferences, under the jurisdiction of the Children's Bureau in the Department of Labor, in order that the question of the care of children may be discussed and considered, and that the expenses of those who attend the conferences may be paid from this appropriation of $18,000, which I consider a very modest one.

While I have no personal interest in the matter one way or the other it seems to me this is a worthy objective, and one which ought to appeal to the Members of the Senate as being possible of great good to the childhood of this country.

We are all acquainted with the fine work being done by Miss Lenroot as head of the Children's Bureau. It is constructive; it has a long-time objective, and it seems to me that this very modest sum should be appropriated in the pending bill in order to make it possible to hold these conferences where the welfare of the children of our country can be discussed and determined.

I hope the Senator from Colorado will not insist upon the amendment.

Mr. ADAMS. Mr. President, I wish to explain the position of the committee. I have no right to withdraw the amendment.

The members of the committee have no less interest in the subject, they have no less regard for the commendable purposes involved than has the Senator from Kentucky. There was involved a matter of legislative procedure in connection with appropriations.

The provision has to do with a conference having a good purpose. Literally hundreds of other conferences are held. This amendment provides for the payment of the expenses of delegates who are not connected with the Government, who are private citizens, coming to a conference. A conference is being held in Washington today to discuss and consider probation, which is a very commendable object.

The committee felt that if we start in paying the expenses of private citizens who attend conferences, no matter how commendable the purposes may be, there will be no end to it. If we allow the expenditure called for here, we will have no answer in the case of any one of the hundreds of thousands of other conferences which are called for good purposes.

I have the figures of the amount now at the disposal of the Children's Bureau. The amount is $8,683,000. So, the children are not being neglected. The proposal is merely for expenditure of money so that some persons may come to Washington to discuss the subject. The committee was rather of the opinion that there are in the United States every day not less than 10,000,000 conferences being held on the subject of children. There is not a household in America which does not have a conference every day on the subject of children. We cannot pay the expenses of every conference to be held to discuss the subject of Children in a Democracy. I know it is true in my house that not a day goes by during which we do not have a discussion and conference on the subject of children. I am merely giving to the leader the suggestion that was in the committee's mind. The committee has no lack of sympathy for the purpose for which it is desired to use the money, but we question the propriety of making appropriations to pay the expenses of delegates selected from civilian life to attend conferences which are not in any way public in character.

Mr. BARKLEY. Mr. President, if the Senator will permit, I will say that of course we all have great confidence in the Committtee on Appropriations.

Mr. ADAMS. I may say that the junior Senator from Texas [Mr. CONNALLY] made a similar statement recently. He said he had great confidence in the Committee on Appropriations when he agreed with it.

Mr. BARKLEY. What I was about to say was that we feel that not only the Committee on Appropriations but the Senate as a whole can discriminate between the various types of conferences that may be held in this country with some public-welfare objective in view. If there is any sort of conference held in the United States which ought to enlist the sympathy and cooperation of the legislative body, it is a conference with respect to the welfare of our children in the future; and if there is a bureau of any kind under the Government of the United States which has done a constructive and worthy work in connection with any of the activities of the Government, it seems to me it is the Children's Bureau.

Mr. ADAMS. I call attention to the fact that there have been two conferences held on this subject, and no appropriation was made by Congress for either of them. This is a new departure.

Mr. BARKLEY. The appropriation is not simply for the payment of expenses of the delegates to that conference. The language of the appropriation itself, which has been stricken out by the committee, shows that. It says:

> Salaries and expenses, Conference on Children in a Democracy: For expenses of holding a conference on children in a democracy and conducting the necessary research and consultation work preparatory thereto—

That is one thing—

> personal services, including employment of experts and temporary assistants without regard to the civil-service laws and regulations; purchase of reports and material for reports; travel, including attendance at meetings when authorized by the Secretary of Labor and including traveling expenses and subsistence of consultants and of members of conference committees; and other necessary expenses, fiscal year 1939, to continue available until June 30, 1940, $18,000.

So the provision is more comprehensive than merely to pay traveling expenses for delegates to such a conference.

If an enormous amount of money were involved to be used for the purpose named, I would not raise any question about it; but it seems to me that the amount involved is inconsequential compared to the good that may be done by such a conference.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. McKELLAR. As the Senator from Colorado says, this request represents a new departure. If we comply with the request with respect to the Children's Bureau, why should we not do the same for the Bureau of Public Health? The public health is paramount, of course. And if we do it for one, we will have to do it for others. The Senator from Kentucky says that the appropriation provided in the bill is inconsequential—and, legislatively speaking, it is, because it is only $18,000—but if we begin this system we shall find that every bureau in the Government will be demanding similar treatment, and with some show of reason, because if we allow it to one bureau, we ought to allow it to other bureaus.

Mr. President, I think I can safely prophesy that if we allow the amount in question this year, next year the Public Health Service will present a like request for appropriation, and so will various other bureaus of the Government.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. ADAMS. I yield.

Mr. BARKLEY. Commenting on the suggestion of the Senator from Tennessee [Mr. McKELLAR], my good friend, about the Public Health Service, I wish to say that public-health conferences are usually held and attended by delegates from the States who are members of or in some way connected with the health departments of the States. In all likelihood their expenses are paid by the States. They represent the State health authorities.

Mr. McKELLAR. Why not allow the same procedure in connection with the matter under consideration?

Mr. BARKLEY. All the States that have departments of health—and that includes most of them—may not have children's bureaus. I happen to know that my own State has a State organization, sponsored by the State, known as the children's bureau, on which citizens of the State serve without compensation. It is quite a different matter to have

a public-health conference here under the auspices of the Public Health Service, to which delegates are sent by the health and sanitary authorities of the States, than to have a sort of voluntary conference participated in by those interested in child life, interested in the preservation, not only for the present but for the future, of the outlook and the opportunities of our children in a great democratic organization.

I do not think the matter in question is very vital one way or the other. It is not a thing upon which the fate of the Republic will either stand or fall, but I believe that the Committee on Appropriations and the Senate and the House of Representatives may be expected to exercise the necessary discrimination in determining the type of conference for which Congress ought to appropriate money; that we can rely upon that committee and upon the common sense and sound judgment of the Congress to determine whether by appropriating $18,000 for a conference to be held in behalf of the children of the American Republic we are thereby setting a precedent that will arise in the future to embarrass us with regard to the appropriation of funds for other conferences.

Mr. President, I sincerely hope that the committee itself will not insist upon the amendment; and if it does, that the Senate may reject it.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the Committee on Appropriations. [Putting the question.] The Chair is in doubt.

On a division, the amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, under the heading "Navy Department", on page 27, after line 7, to strike out:

PUBLIC WORKS, BUREAU OF YARDS AND DOCKS

Naval proving ground, Dahlgren, Va.: Replacement of Gambo Creek Bridge, $75,000, which amount, together with unexpended balances of appropriations heretofore made under this head, shall be disbursed and accounted for in accordance with existing law and shall constitute one fund.

The amendment was agreed to.

The next amendment was, on page 27, after line 14, to insert:

BUREAU OF YARDS AND DOCKS

Contingent, Bureau of Yards and Docks: For an additional amount for contingent expenses, etc., including the same object specified under this head in the act making appropriation for the Navy Department and the naval service for the fiscal year 1939 (52 Stat. 238), $47,000.

The amendment was agreed to.

The next amendment was, on page 27, after line 20, to insert:

Public works, Bureau of Yards and Docks: Toward the following public-works and public-utilities projects at a cost not to exceed the amount stated for each project, respectively, $200,000, which amount, together with unexpended balances of appropriations heretofore made under this head, shall be disbursed and accounted for in accordance with existing law and shall constitute one fund:

Naval Radio Station, Annapolis, Md.: Purchase of land, $125,000.

Naval Proving Ground, Dahlgren, Va.: Replacement of Gambo Creek Bridge, $75,000.

The amendment was agreed to.

The next amendment was, under the heading "Post Office Department—Out of the postal revenues—office of the Postmaster General", on page 29, line 10, after the words "sum of", to strike out "$211,000" and insert "$247,403"; and in line 12, after the words "sum of", to strike out "$510,000" and insert "$590,000", so as to read:

Unexpended balances of appropriations for the Post Office Department are hereby transferred and made available for the purposes of the appropriations to which transferred, as follows: The sum of $130,000 from "Foreign Mail Transportation, 1937" to "Contract Air Mail Service, 1937"; the sum of $247,403 from "Foreign Mail Transportation, 1938" to "Contract Air Mail Service, 1938"; the sum of $590,000 from "Foreign Mail Transportation, 1939" to "Contract Air Mail Service, 1939"; and the sum of $100,000 from "Railway Mail Service, Salaries, 1939" to "Railway Postal Clerks, Travel Allowances, 1939."

The amendment was agreed to.

The next amendment was, under the heading "Department of State—Miscellaneous", on page 31, after line 18, to insert:

Arbitration of smelter fumes controversy, United States and Canada: For an additional amount for arbitration of smelter fumes controversy, United States and Canada, including the same objects specified under this head in the Department of State Appropriation Act, 1937, fiscal year 1939, to remain available until June 30, 1940, $10,000, together with the unexpended balance of the appropriation for this purpose for the fiscal years 1936–38.

The amendment was agreed to.

The next amendment was, under the heading "Treasury Department", on page 34, line 2, after the word "in", to insert "Senate Document No. 49, and", and in line 3, after the word "Congress", to strike out "$75.44" and insert "$941.44", so as to read:

COAST GUARD

Claims for damages, operation of vessels, Coast Guard, and Public Health Service: To pay claims for damages adjusted and determined by the Secretary of the Treasury under the provisions of the act entitled "An act to provide for the adjustment and settlement of certain claims for damages resulting from the operation of vessels of the Coast Guard and the Public Health Service, in sums not exceeding $3,000 in any one case", approved June 15, 1936, as fully set forth in Senate Document No. 49, and House Document No. 197, Seventy-sixth Congress, $941.44.

The amendment was agreed to.

The next amendment was, under the heading "War Department", on page 36, line 21, before the word "aircraft", to strike out "and other", in line 22, before the word "aircraft", to strike out "and other", and on page 37, line 6, after the word "expended", to strike out "$600,000" and insert "$300,000", so as to read:

AIR CORPS

Development of rotary-wing aircraft: For rotary-wing aircraft research, development, procurement, experimentation, and operation for service testing, as authorized by the act approved June 30, 1938 (52 Stat. 1255), and for all purposes authorized therein, including the employment of personnel in the departmental service at the seat of government, printing and binding, and travel of military and civilian personnel engaged on work for which this appropriation is made, fiscal year 1939, to remain available until expended, $300,000.

Mr. DAVIS. Mr. President, will the Senator from Colorado make a statement as to why the committee reduced the appropriation from $600,000 to $300,000?

Mr. ADAMS. Mr. President, the committee had before it several gentlemen, including a constituent of the Senator from Pennsylvania. There had been an appropriation under general language for the development of the rotary-wing and other types of aircraft, and the statement was that about four-fifths of the money appropriated was used for the development of aircraft of other kinds and a relatively small part for the rotary-wing type. The committee decided to recommend that the appropriation be limited to the rotary-wing type, and as the other developments were eliminated the amount should be reduced, resulting in a larger amount for the development of the rotary-wing type than has been used heretofore.

Mr. DAVIS. Mr. President, I have observed in the news dispatches of recent months increasing reference to the development of rotary-wing aircraft. I desire to ask the Senator from Colorado if the committee discussed the rotary-wing aircraft in connection with this appropriation.

Mr. ADAMS. Quite extensively.

Mr. DAVIS. Mr. President, rotary-wing aircraft are going up like elevators all over Europe. There were recently shown in the motion-picture theaters news reels depicting a German helicopter, piloted by a young lady, rising straight up, hovering, turning, and flying in any direction at will, but with such assurance of control that the demonstration was made in a building surrounded by galleries packed with people.

It startles me to realize that in this field of aircraft development we do not have in the entire Nation a single ship of this type or ability of performance. Yet I am reliably informed that Germany is building a six-passenger ship of this type, and is planning the construction of 150 such

ships during the next 2 years. We have not one. France already has over 30, but we have not one. England has a rotary-wing aircraft on each big battleship. We should be the leader in this field. We were the pioneers in aviation.

Private citizens in this country can afford to purchase and maintain for business use at least one aircraft for each 100 automobiles. If we had 500,000, or even 250,000, private aircraft and citizen pilots in this country, what a tremendous asset it would be to the Nation's defense! We need the built-in safety that the rotary-wing types can contribute to private flying.

If the Government should attack the technical problems in this field of aircraft, making the information available, private industry could produce ships which would be a business and a family necessity. The act authorizing the expenditure of $2,000,000 for rotary-wing development and purchase has already induced the private expenditure of money in development and experimentation in every part of the country. Should the appropriation be $1,125,000 it would stimulate private industry in this field and encourage the further building up of such industry, opening a new field of employment. Such development might parallel our experience in the motor-car industry, the development of which reached out and stimulated all industry. This country needs new industries.

The total sum asked, $1,125,000, would only approximate the amount which private aircraft companies expend in general design of new transport craft such as now span the Atlantic and the Pacific. This sum would set up a small engineering section to study rotary-wing aircraft and develop new types of autogiros and helicopters for the Army, the Navy, the Coast Guard, the Bureau of Entomology and Plant Quarantine, the Forestry Service, the Bureau of Biological Survey, the Civil Aeronautics Authority, the Post Office Department, the National Park Service, and other Federal Departments.

Three hundred thousand dollars is entirely inadequate. That entire sum is required to design and construct one helicopter. It is no economy to handicap national defense in its newest arm. We should excel in this field. It is no economy to put the ax to the root of a budding industry. We should nurture it. England has not merely authorized, but has appropriated $2,000,000 for rotary-wing aircraft development. I strongly urge the restoration of the appropriation to the sum of $1,125,000.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The question is on agreeing to the committee amendment on page 36, line 21.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The next amendment was, on page 37, after line 11, to insert:

UNITED STATES MILITARY ACADEMY

Pay of Military Academy: There is hereby transferred to the appropriation "Pay of Military Academy, 1939", for the pay of cadets, the sum of $50,000 from the appropriation "Reserve Officers' Training Corps, 1939."

The amendment was agreed to.

The next amendment was, under the heading "Title II—Special appropriations, Military Establishment", on page 42, line 8, after the word "such", to strike out "offices" and insert "officers", so as to read:

ORDNANCE DEPARTMENT

Ordnance service and supplies, Army: For an additional amount for ordnance service and supplies, Army, comprising the same objects specified under this head in the Military Appropriation Act, 1939, and including the employment of persons and the procurement of supplies and services, printing and binding, tuition of officers of the Ordnance Department at educational institutions, and communication service, at the seat of government and elsewhere, fiscal year 1939, to remain available until June 30, 1940, $55,366,362, and in addition, the Chief of Ordnance, when authorized by the Secretary of War, may enter into contracts prior to July 1, 1940, for ordnance service and supplies, to an amount not in excess of $44,000,000, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof: *Provided*, That the President may, with their consent, order Ordnance Reserve officers and Specialist Reserve officers assigned to the Ordnance Department to active duty for such periods as may be necessary to carry out the purposes of this appropriation, and the pay and allowances of such officers while so assigned shall be charged to this appropriation.

The amendment was agreed to.

The next amendment was, under the heading "Title III—Judgments and authorized claims—Property damage claims", on page 44, line 4, before the word "For", to insert "(a)", so as to read "Sec. 301. (a)."

The amendment was agreed to.

The next amendment was, at the top of page 45, to insert:

(b) For the payment of claims for damages to or losses of privately owned property, adjusted and determined by the following respective departments and independent offices, under the provisions of the act entitled "An act to provide a method for the settlement of claims arising against the Government of the United States in the sums not exceeding $1,000 in any one case," approved December 28, 1922 (U. S. C., title 31, secs. 215–217), as fully set forth in Senate Document No. 47 of the Seventy-sixth Congress, as follows:

Social Security Board, $11;
Works Progress Administration, $1,374.46;
Department of Agriculture, $1,125.69;
Department of Commerce, $195;
Department of the Interior, $1,247.33;
Department of Justice, $36.36;
Navy Department, $76.80;
Treasury Department, $5;
War Department, $2,172.23;
Post Office Department (payable from postal revenues), $188.70;
In all, $6,432.57.

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, United States courts", on page 46, line 6, after the word "in", to insert "Senate Document No. 48, and"; in line 11, after the name "War Department", to strike out "$920" and insert "$5,920"; and in line 12, after the words "In all", to strike out "$7,700.68" and insert "$12,700.68", so as to read:

JUDGMENTS, UNITED STATES COURTS

SEC. 302. (a) For payment of the final judgments and decrees, including costs of suits, which have been rendered under the provisions of the act of March 3, 1887, entitled "An act to provide for the bringing of suits against the Government of the United States," as amended by the Judicial Act, approved March 3, 1911 (28 U. S. C. 41, 258, 761–765), certified to the Seventy-sixth Congress in Senate Document No. 48, and House Document No. 185 under the following departments and establishments, namely:

Department of Agriculture, $1,105.68;
Department of the Interior, $5,675;
War Department, $5,920;
In all, $12,700.68, together with such additional sum as may be necessary to pay interest and costs as specified in such judgments or as provided by law.

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, Court of Claims", on page 47, line 15, after the word "in", to insert "Senate Document No. 50, and"; in line 23, after the name "War Department", to strike out "$12,599.25" and insert "$49,306.43"; and on page 48, line 1, after the words "In all", to strike out "$387,062.58" and insert "$423,769.76", so as to read:

SEC. 303. (a) For payment of the judgments rendered by the Court of Claims and reported to the Seventy-sixth Congress in Senate Document No. 50, and House Document No. 196, under the following departments and establishments, namely:

Department of the Interior, $296,011.42;
Department of Justice, $40;
Department of Labor, $13,493.36;
Navy Department, $36,122.91;
Treasury Department, $28,795.64;
War Department, $49,306.43.
In all, $423,769.76, together with such additional sum as may be necessary to pay interest as and where specified in such judgments.

The amendment was agreed to.

The next amendment was, under the subhead "Audited claims", on page 48, line 9, before the word "For", to insert "(a)", so as to read "Sec. 304 (a)."

The amendment was agreed to.

The next amendment was, on page 58, line 5, after the numerals "304", to insert "(a)", so as to read:

Total, audited claims, section 304 (a), $79,124.48, together with such additional sum due to increases in rates of exchange as may

be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

The amendment was agreed to.

The next amendment was, on page 58, after line 9, to insert:

(b) For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (31 U. S. C. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1936 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (5 U. S. C. 266), as fully set forth in Senate Document No. 51, Seventy-sixth Congress, there is appropriated as follows:

Independent offices: For Federal Civil Works Administration, $18.47.

For farmers' crop production and harvesting loans, Farm Credit Administration, $184.95.

For National Industrial Recovery, Federal Emergency Relief Administration, surplus relief, $4.93.

For Federal Trade Commission, $64.67.

For National Industrial Recovery, National Recovery Administration, $10.90.

For operations under Mineral Act of October 5, 1918, $2,500.

For Army pensions, $5.55.

For medical and hospital services, Veterans' Bureau, $39.75.

For salaries and expenses, Veterans' Bureau, $6.15.

For salaries and expenses, Veterans' Administration, $22,376.20.

Department of Agriculture: For salaries and expenses, Bureau of Animal Industry, $16.41.

For salaries and expenses, Bureau of Plant Industry, $12.04.

For salaries and expenses, Forest Service, $5.97.

For salaries and expenses, Food and Drug Administration, $8.

For salaries and expenses, Bureau of Entomology and Plant Quarantine, $242.66.

For salaries and expenses, Bureau of Biological Survey, $42.65.

For salaries and expenses, Bureau of Agricultural Economics, $16.04.

For salaries and expenses, Soil Conservation Service, $107.48.

For plant reserve stations, Soil Conservation Service, $5.25.

For general expenses, Agricultural Adjustment Administration, $1,280.53.

For working fund, Agriculture, Animal Industry (Agricultural Adjustment Administration), $325.

For chinch bug control, Department of Agriculture, $43.96.

For emergency relief and public works, Agriculture, wildlife refuges, $589.20.

For loans and relief in stricken agricultural areas (transfer to Agriculture) (silviculture), $35.95.

For elimination of diseased cattle, Department of Agriculture, $25.

For exportation and domestic consumption of agricultural commodities, Department of Agriculture, $617.84.

Department of Commerce: For air-navigation facilities, $7.31.

For general expenses, Lighthouse Service, $88.20.

Department of the Interior: For salaries and expenses, Division of Grazing Control, Department of the Interior, $26.25.

For salaries and expenses, public buildings and grounds in the District of Columbia, National Park Service, $1.28.

For general expenses, Indian Service, $1.80.

For purchase and transportation of Indian supplies, $4.49.

For pay of Indian police, $23.41.

For agriculture and stock raising among Indians, $4.

For Indian schools, support, $6.

For Indian school buildings, $7.25.

For clinical survey of disease conditions among Indians, $3.87.

For conservation of health among Indians, $51.05.

For support of Indians and administration of Indian property, $116.14.

For loans and relief in stricken agricultural areas (transfer from Agriculture to Interior, Indians), $12.50.

Department of Justice: For salaries and expenses, Bureau of Prohibition, $25.75.

For salaries and expenses, Division of Investigation, $184.27.

For fees and expenses of conciliation commissioners, United States courts, $175.

For fees of commissioners, United States courts, $1,771.96.

For miscellaneous expenses, United States courts, $2.

For support of United States prisoners, $189.30.

For pay of special assistant attorneys, United States courts, $2.20.

For United States penitentiary, McNeil Island, Washington, maintenance, $351.86.

Department of Labor: For miscellaneous expenses, Bureau of Naturalization, $1.60.

For salaries and expenses, Bureau of Immigration, $3.95.

For salaries and expenses, Immigration and Naturalization Service, $61.84.

For National Industrial Recovery, Labor, United States Employment Service, $3.36.

For United States Employment Service, Department of Labor, $5.75.

Navy Department: For payment to officers and employees of the United States in foreign countries due to appreciation of foreign currencies (Navy), $163.86.

For aviation, Navy, $18,288.28.

For pay, subsistence, and transportation, Navy, $197.25.

For transportation, Bureau of Navigation, $10.55.

For engineering, Bureau of Engineering, $300.05.

For pay of the Navy, $44.67.

For maintenance, Bureau of Supplies and Accounts, $1.98.

Department of State: For salaries, chargés d'affaires ad interim, $27.08.

For payment to officers and employees of the United States in foreign countries due to appreciation of foreign currencies (State), $17.09.

For contingent expenses, Foreign Service, $449.63.

For contingent expenses, foreign missions, $65.88.

Treasury Department: For Coast Guard, $60.

For pay and allowances, Coast Guard, $75.25.

For contingent expenses, Coast Guard, 68.71.

For collecting the internal revenue, $83.37.

For enforcement of Narcotic and National Prohibition Acts, internal revenue, 75 cents.

For collecting the revenue from customs, $2.

For pay of personnel and maintenance of hospitals, Public Health Service, $3.

For general administrative expenses, public-works branch, Procurement Division, $334.25.

For general expenses of public buildings, $4.40.

For repairs, preservation, and equipment, public buildings, Procurement Division, $46.

War Department: For general appropriations, Quartermaster Corps, $4,324.76.

For pay, etc., of the Army, $817.28.

For pay of the Army, $6.84.

For Army transportation, $56.81.

For Reserve Officers' Training Corps, $21.30.

For National Guard, $82.48.

For travel of the Army, $55.83.

For Signal Service of the Army, $30,151.68.

For extra pay to volunteers, War with Spain, $64.

For Air Corps, Army, $26.28.

For supplies, services, and transportation, Quartermaster Corps, $50.25.

For barracks and quarters, $26.67.

For claims of officers and men of the Army for destruction of private property (act March 3, 1885), $56.62.

For increase of compensation, Military Establishment, $92.60.

For cemeterial expenses, $35.62.

For emergency conservation fund (transfer to War, act March 31, 1933), $1,062.91.

For emergency conservation fund (transfer to War, act June 19, 1934), $20.78.

For increase of compensation, rivers and harbors, $5.

Post Office Department—Postal Service (out of the postal revenues): For clerks, first- and second-class post offices, $200.

For indemnities, domestic mail, $13.30.

For Railway Mail Service, salaries, $448.12.

For Rural Delivery Service, $394.09.

For separating mails, $90.

The amendment was agreed to.

The next amendment was, on page 65, after line 6, to insert:

Total, audited claims, section 304 (b), $90,065.21, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

The amendment was agreed to.

The PRESIDING OFFICER. This completes the committee amendments as printed in the bill.

Mr. ADAMS. Mr. President, I send to the desk and ask to have stated an amendment which I submit on behalf of the committee.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, after line 3, it is proposed to insert:

For payment to Rose Douglas Lewis, widow of Hon. James Hamilton Lewis, late a Senator from the State of Illinois, $10,000.

The amendment was agreed to.

Mr. ADAMS. The junior Senator from Kentucky [Mr. LOGAN] has asked me to present an amendment in his behalf. The senior Senator from Kentucky [Mr. BARKLEY] is familiar with it. It provides an appropriation authorizing the Library of Congress to purchase the papers of Charles Cotesworth Pinckney and Thomas Pinckney. The appropriation is for $37,500. The purchase was authorized by an act approved April 6, 1939. I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado on behalf of the junior Senator from Kentucky [Mr. LOGAN] will be stated.

The CHIEF CLERK. On page 3, after line 6, it is proposed to insert:

LIBRARY OF CONGRESS

Acquisition of the Pinckney papers: For the purpose of acquiring for the Library of Congress by purchase, or otherwise, the whole, or any part, of the papers of Charles Cotesworth Pinckney and Thomas Pinckney, including therewith a group of documents relating to the Constitution Convention of 1787, now in the possession of Harry Stone of New York City, as authorized by law, fiscal year 1939, to continue available during the fiscal year 1940, $37,500.

The amendment was agreed to.

Mr. PITTMAN. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to insert in the proper place the following:

Appropriations for the Mount Rushmore National Memorial Commission shall be available for the purchase of one automobile station wagon at a cost not to exceed $900 and for the operation and maintenance of same.

The amendment was agreed to.

Mr. JOHNSON of California. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 5, it is proposed to strike out lines 16 to 21, inclusive, and insert in lieu thereof the following:

For construction and equipment of additional laboratory buildings and research facilities on military reservations at Langley Field, Va., and at Sunnyvale, Calif., including connections to public utilities and rights-of-way for, and installation of, power lines, and including expenses in the District of Columbia and elsewhere for the preparation of plans and specifications, advertising, traveling expenses, and supervising of construction, to be immediately available and to remain available until expended, $6,140,000, of which amount $2,140,000 shall be available for the construction and equipment of buildings and facilities at Langley Field, Va., and $4,000,000 shall be available for the construction and equipment of buildings and facilities at Sunnyvale, Calif.: *Provided*, That the National Advisory Committee for Aeronautics is authorized to enter into a contract or contracts for construction and equipment of buildings and facilities at Sunnyvale, Calif., at a total cost of not to exceed $10,000,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California [Mr. JOHNSON].

Mr. ADAMS. Mr. President, is there a provision in the amendment for a contract authorization?

The PRESIDING OFFICER. The Chair will say to the Senator from Colorado that the last few lines of the amendment seem to indicate that such is the case.

Mr. ADAMS. Mr. President, in order to present my views, I move to strike out the proviso in the amendment, which reads:

Provided, That the National Advisory Committee for Aeronautics is authorized to enter into a contract or contracts for construction and equipment of buildings and facilities at Sunnyvale, Calif., at a total cost of not to exceed $10,000,000.

An appropriation is one thing; but I have a very definite feeling that the moneys which we appropriate, and which we mean to be spent, should be put in the bill in such form that when the appropriations are totaled they represent the actual appropriations. We should not say to a governmental agency, "Here is $4,000,000 which you may spend; but, in addition to that you are authorized to make a contract for $6,000,000." That would raise the apparent appropriations only $4,000,000, but in fact it would obligate the Government to make an appropriation of $6,000,000 in the next year. I think we should either make the appropriation or not make it.

The same objection was raised in reference to the T. V. A. appropriation. The Senator from Tennessee will remember that there had been a contract authorization from time to time, and that that authorization was eliminated for the same reason. So, I move that the amendment offered by the Senator from California [Mr. JOHNSON] be amended by striking out the contract authorization.

Mr. JOHNSON of California. I may say to the Senator the reason for the insertion of the contract authorization is contained in the letter of the President of the United States. If the amendment is satisfactory otherwise, I should be willing to have it agreed to in that form; but let me read the letter from the President.

THE WHITE HOUSE,
Washington, February 3, 1939.

The Speaker of the House of Representatives.

SIR: I have the honor to transmit herewith for the consideration of Congress supplemental estimates of appropriations for the National Advisory Committee for Aeronautics, amounting to $6,723,000. Of this amount, $4,000,000 is for facilities at the proposed new Sunnyvale, Calif., research station, for which the committee is authorized to enter into a contract or contracts in a total amount of not to exceed $10,000,000.

The details of these estimates, the necessity therefor, and the reasons for their submission at this time are set forth in the letter of the Acting Director of the Bureau of the Budget, transmitted herewith, with whose comments and observations thereon I concur.

FRANKLIN D. ROOSEVELT.

That was the reason for appending to the amendment the right of the committee to enter into a contract or contracts in the sum named. Does that answer the Senator from Colorado?

Mr. ADAMS. Mr. President, I have never been able to distinguish between the two in respect to the effect upon the Treasury. We appropriate $4,000,000; that is an authorization to make contracts which would consume that amount. It is not an expenditure until it is made, but a contract authorization, in practical effect, is no different except that we evade the apparent necessity of making an immediate appropriation and make our appropriation total seem that much less; that is, we really are spending the money but are making no appropriations for the item. It seems to me, if we are going to spend money, we ought to put it in the appropriation bill and take the responsibility for it.

The PRESIDING OFFICER. Is the Chair to understand that the Senator from California has modified his amendment as suggested by the Senator from Colorado [Mr. ADAMS]?

Mr. JOHNSON of California. No; not as yet, Mr. President.

The PRESIDING OFFICER. The question, then, is on the amendment offered by the Senator from Colorado [Mr. ADAMS] to the amendment offered by the Senator from California [Mr. JOHNSON].

Mr. McCARRAN and Mr. KING addressed the Chair.

The PRESIDING OFFICER. The Senator from California has the floor. Does he yield; and if so, to whom?

Mr. JOHNSON of California. I yield first to the Senator from Nevada, who was first on his feet.

Mr. McCARRAN. Mr. President, in furtherance of the amendment offered by the Senator from California, and in opposition to the amendment suggested by the Senator from Colorado to the amendment of the Senator from California, I ask that the clerk read to the Senate at this time the communication which I send to the desk.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS,
Washington, D. C., December 30, 1938.

Dr. JOSEPH S. AMES,
Chairman, National Advisory Committee for Aeronautics,
Washington, D. C.

DEAR DR. AMES: The Special Committee on Future Research Facilities submits the following report:

The Army and the Navy are confronted with serious and pressing problems in connection with the technical development of aircraft. Other powers recently have developed aircraft of greater military effectiveness. This has been made possible largely by the tremendous expansion in aeronautical research facilities abroad. The efforts of the Army, the Navy, and the aircraft industry in the United States to regain leadership in the technical development of aircraft

are fundamentally dependent upon expansion of the research facilities of the National Advisory Committee for Aeronautics.

The committee's present research laboratories at Langley Field, Va., should be augmented by the immediate establishment of a second research station on the west coast at Sunnyvale, Calif., on approximately 50 acres of land to be set aside for the committee's use by the Secretary of War and the most advanced research equipment constructed, at an estimated cost of $11,000,000.

In view of the critical condition of world affairs and the overshadowing influence of air power, it is of vital importance to our national defense to proceed with this program without delay, for on its execution will largely rest the hopes of America to excel, or at least to keep pace with world powers, in the technical development of aircraft.

An additional $2,440,000 should be made immediately available to the committee for the construction at Langley Field, Va., of a structures research laboratory and a stability wind tunnel; for the installation of a new electric power line; for the development of a competent research staff for the proposed new research station; and for the construction of a 20-foot 300-mile-per-hour wind tunnel for rendering special service to the Army, Navy, and industry.

The committee should put into operation as soon as possible, at an estimated cost of $52,000, a plan for the more effective coordination of applied aeronautical research in industry.

The first wind tunnel to be erected at Sunnyvale should be identical to the 20-foot 300-mile-per-hour tunnel proposed for Langley Field. They should be of straightforward design, capable of erection in 90 days, and should be made immediately available to meet the special wind-tunnel service needs of the Army, Navy, and industry in connection with the expanding aircraft procurement program.

Attached hereto and forming part of this report are the following appendixes:

A. Precept dated October 24, 1938.
B. Scope of investigation.
C. The need for additional research in aeronautics.
D. Report of special committee on site for a second research station.
E. Additional facilities needed at Langley Field.
F. A suggested plan for more effective coordination of aeronautical research and for the provision of special wind-tunnel service for the Army and Navy in cooperation with industry.
G. Estimate of costs.

The Special Committee on Future Research Facilities strongly recommends the approval of this program and that it be executed at the earliest practicable date. The committee is of the opinion that the Government can do nothing more effective to enable the United States at least to keep pace with the development of aircraft in other nations. If this plan is approved without delay there should be reasonable expectation that the United States may be able to continue in the forefront of progressive nations in the technical development of both military and commercial aircraft. In addition to the immeasurable value of superior performance and greater safety of aircraft, which are attainable chiefly through such a program as this, the costs of this program will be more than offset by the economic value of the results. Unless action as herein recommended is taken promptly we believe the United States will definitely fall behind.

Respectfully submitted.

SPECIAL COMMITTEE ON FUTURE RESEARCH FACILITIES,
ARTHUR B. COOK,
Rear Admiral, United States Navy, Chairman
(Chief, Bureau of Aeronautics, Navy).
HENRY H. ARNOLD,
Major General, United States Army
(Chief, Air Corps, War Department).
EDWARD P. WARNER,
Chairman, Committee on Aerodynamics, N. A. C. A.
EDWARD J. NOBLE,
Chairman, Civil Aeronautics Authority.
GEORGE W. LEWIS,
Director of Aeronautical Research, N. A. C. A.

Mr. JOHNSON of California. Mr. President, did I understand the Senator from Colorado to say if the latter part of the amendment concerning contracts that might be hereafter let was stricken that he would accept the amendment?

Mr. ADAMS. I have no authority to accept the amendment. I will state my own personal situation, which is that I am impressed by the desirability of providing research facilities for aeronautical development. I was raising the issue at this time as to a point irrespective of that, which I would raise regardless of my own view.

Mr. JOHNSON of California. I thought if we could save an hour's discussion and that much talking by me, which would not be interesting at all to the Senate, we might agree upon that, if it were possible.

Mr. GLASS rose.

Mr. JOHNSON of California. I see the Senator from Virginia on his feet. Perhaps he has some views touching the matter.

Mr. GLASS. Mr. President, I have some very decided views, derived from the hearings before the committee. The committee, I think, with a single exception, perhaps two exceptions, voted for the amendment here proposed by the committee after a rather spirited discussion of the whole subject.

This is simply a proposition to duplicate on the west coast the work that is now being done at Langley Field, Va. The main argument for it was that most of the planes are constructed on the west coast. The proponents of the plan very artfully refrained from stating that every single solitary engine made for those planes is constructed on the east coast of the United States.

They further made the contention that the facilities at Langley Field cannot be expanded. Anyone who has ever been to Langley Field knows that they can be expanded. The committee was so impressed with—I will not say the absurdity of the contention, but with the unreasonableness of the contention that it almost unanimously adopted the amendment proposed by the committee.

So far as appropriating $4,000,000 with an authorization for $10,000,000 is concerned, I think we might just as well appropriate the whole amount, if we want simply to duplicate the work by establishing a station on the Pacific coast.

Mr. ADAMS. Mr. President, will the Senator from Virginia yield to me?

Mr. GLASS. The Senator from California [Mr. JOHNSON] has the floor.

Mr. JOHNSON of California. I yield to the Senator from Colorado.

Mr. ADAMS. I merely wish to make a correction. The Senator spoke of the adoption of the amendment by the committee. As a matter of fact, the appropriation for Langley Field came to the Senate in the bill from the House; so the amendment was rejected by the Senate committee rather than adopted, as stated by the Senator. That is, the amendment which was submitted was such an amendment as the Senator from California has offered. The Langley Field provision is in the bill as it came from the House and was not an amendment.

Mr. GLASS. I intended to imply that the committee reported against the proposal to establish an additional station on the western coast to duplicate the work of Langley Field.

Mr. JOHNSON of California. Quite so; and I desire to impress upon the Senate that there is no design upon the part of those who have charge of this amendment at the present time, or upon the part of those who had charge of it heretofore, to do anything to Langley Field, to curtail its activities, or to prevent being done at Langley Field the work that is provided for; and the bill expressly authorizes Langley Field to do its work with a sufficient appropriation.

But, Mr. President, before I enter upon a discussion of this matter, I should like to settle the question that has just been suggested, because it is no pleasure for me to stand here for half an hour or an hour talking about what I think is a self-evident proposition. If we could agree that the amendment would be accepted without the particular provision to which the Senator from Colorado has objected, that would end the matter, and I would sit down; and I think, to accomplish that purpose, the Senate ought to be willing to accept almost anything.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Utah?

Mr. JOHNSON of California. I do.

Mr. KING. Mr. President, even if the amendment to which reference has been made were to be accepted, much as I regret to differ with my dear friend from California, I should feel constrained to oppose the entire proposal.

I have visited Langley Field upon a number of occasions. Let me say that my son was a flyer, and worked there for a number of years. I am very familiar with Langley Field, with the wind tunnel, and with the activities and operations there in process of development.

It seems to me that this is merely a geographical desire to obtain on the west coast what is being obtained upon the east

coast, and, if the east coast activities are not sufficiently broad, expansion there in order to cover the entire activity that is contemplated.

Mr. President, it seems to me that if we have one adequate field, that is sufficient. If we have one adequate plant to manufacture certain munitions of war, it would be folly to build another one merely to meet some geographical desire. The trouble is that we are trying to meet sectional demands in a great many public activities. This is a sectional demand—and I do not use the word at all offensively—because in the East the work is being done, and splendidly done. Langley Field is adequate to expand to any degree that the Government may desire, and its work in the past is a prophecy of its excellent work in the future.

It seems to me that if we have not sufficient funds appropriated for research, now that we have in operation a factory, so to speak, with men of character and ability and technical experience operating the factory, it would be folly for us to go to the Pacific coast and erect another.

Let me say that if it is important to erect another factory, it seems to me, it ought to be in the central part of the United States, away from the coasts. If it is important that there shall be another factory, I suggest that it be in Chicago, or Iowa, or Omaha, or some central part of the United States, so that the possibility of attack from abroad—and we are in a hysterical attitude, asserting that we may be attacked from abroad—would be more remote than along the Pacific coast. It seems to me that for the present we ought to content ourselves with the work which is being done at Langley Field.

Moreover, we have recently appropriated more than $500,000,000 for the Navy, and my recollection is that that appropriation contained a very large sum for aeronautical development. We are simply becoming hysterical and emotional, and in this hysterical attitude we are throwing away money instead of conserving the resources of our country and limiting our appropriations.

Mr. HAYDEN. Mr. President, I desire to point out to the Senator that the recommendation made to the committee by Major General Arnold, of the Army Air Corps, and Admiral Cook, in charge of the Bureau of Aeronautics of the Navy Department, dealt with the very point the Senator made a moment ago; that is, that the Army and the Navy, they say, will spend about $255,000,000 for aircraft during the coming year alone. That is just 1 year's expenditure.

> Looking a few years ahead, such investments in national security will not be worth all they cost unless our aircraft are at least equal in performance to the best produced abroad.

Another one of their findings is:

> It is absolutely impossible to expand adequately at Langley Field, as the Army cannot provide more room without impairing the military efficiency of its own operations.

Finally, they say:

> A second major research station is necessary, and to be of maximum value to the Army and the Navy should be on the west coast. Too much time is now being lost and progress retarded by the great distance separating Langley Field and the aircraft factories on the west coast.

The testimony before the committee is that between 60 and 70 percent of the airplanes now manufactured in the United States are made on the west coast.

I desire to ask the Senator a question. In the light of an expenditure of a quarter of a billion dollars this year, and continued expenditures in the future, if we are to rely upon the head of the Army aviation service and the naval aviation service that that money will not be wisely expended without adequate research, what, in the Senator's judgment, should be done?

Mr. KING. Mr. President, first let me ask whether the Secretary of War or the Secretary of the Navy recommended this appropriation?

Mr. HAYDEN. Oh, yes; it is included in the President's Budget. It is recommended by the Commander in Chief, for that matter.

Mr. KING. But did the Secretary of the Navy or the Secretary of War make a specific recommendation for the expenditure of this $11,000,000 for research in California?

Mr. HAYDEN. It is not of record that the Secretary of War or the Secretary of the Navy recommended it. The record is that General Arnold, the Chief of the Air Corps of the War Department, and Admiral Cook, the Chief of the Bureau of Aeronautics of the Navy Department, recommended it, and upon that recommendation the Budget estimate was sent.

Mr. McCARRAN. Mr. President, let me say, also, that the President of the United States, following the investigation made by the special committee, recommended it, as was disclosed by the letter read from the President of the United States.

Mr. GLASS. Mr. President——

Mr. KING. I yield.

Mr. GLASS In response to the statement of the Senator from Arizona that so many more planes are constructed on the west coast than on the east coast, let me say that, as heretofore stated by me, the witnesses before the committee very artfully refrained from stating the fact, until I brought it out, that every engine put in an airplane is constructed on the east coast, and that is the most important part of the airplane.

Mr. HAYDEN. Let me ask whether an engine would have any value as a flying instrument unless it were put in a plane?

Mr. GLASS. Of course, it would not; and the plane would not be worth a continental unless an engine were put in it.

The Senator from Utah [Mr. KING], if I may say so, stated the matter very accurately. This is nothing in the world but a geographical proposal to duplicate on the west coast what is being done on the east coast.

Mr. SCHWARTZ. Mr. President, I desire to ask the Senator from Utah whether he recalls—and I know that he has studied it—the testimony before the Military Affairs Committee in which Major General Arnold and other representatives of the War and Navy Departments suggested the advisability of our not having all of our eggs in one basket. It is not a matter of pure economy as to whether we should have one or two Langley Fields, but whether or not we should have all of our eggs in one basket, so that if, unfortunately, an enemy should come over our territory, he would not destroy everything, and we would still have the other field.

Mr. KING. Mr. President, so far as I am concerned in this particular, it is a pure matter of obtaining scientific information such as we would get in great plants where chemists are working, and their scientific developments become the basis of the production of millions and tens of millions—indeed, hundreds of millions—of dollars' worth of commodities. Steinmetz did not have half a dozen factories or plants in which to investigate the great work which he was performing in connection with the development of our automotive industry; and the great investigations which were made of electricity were made in a factory in New Jersey. They were not scattered all over the United States, though those scientific investigations have resulted in building many factories, and producing millions and tens of millions, if not hundreds of millions, of dollars' worth of electrical appliances.

I repeat that Langley Field is ample for expansion and development. If there is any fear of its being bombarded in attacks from beyond the sea, I renew the suggestion I made that we have another field constructed in the interior of the United States, rather than on the Pacific coast, where, if there should be any bombardment, the field might be the target of attack by Japan.

Mr. HAYDEN. Mr. President, will the Senator yield to me again?

Mr. KING. Let me first complete my statement. What I was about to observe was that it is a technical investigation which is required; it can be made far better in one place than in two places, and the expenses would be far less if the investigation and the researches were made in one laboratory than if they were made in several laboratories. Therefore, I suggest that we pretermit this appropriation, and if further investigation develops the necessity of expanding Langley Field, or it is shown that it is inadequate for the

making of the necessary researches, we can, after further study, determine the safest place for the construction of this chemical research laboratory.

Mr. HAYDEN. I will ask the Senator to let me quote from the record on that very point. It was emphasized to the committee that there was so much research work to be done on so many phases of our airplane program that all of it could not possible be accomplished at Langley Field. This is the conclusion stated by Mr. Victory, secretary of the National Advisory Committee on Aeronautics:

The plan does not involve unwise duplication of equipment, but, on the contrary, provides chiefly for new and improved research equipment necessary for the study of new problems incident to higher speed and larger size of aircraft. The operation of two stations will not involve duplication in the study of problems.

Mr. KING. Mr. President, in conclusion let me say we are today in an emotional and hysterical frame of mind, and before the present Congress shall adjourn we will have appropriated more than $2,000,000,000 for national defense, and I think some people will say, "How many crimes have been committed under the pretense of national defense?"

Mr. DANAHER. Mr. President, I should like to take the floor for a moment to remind Senators of the address of the President on the 4th of January last, when, with reference to this general subject, he told us:

Under modern conditions. * * * First, we must have armed forces and defenses strong enough to ward off sudden attack against strategic positions and key facilities essential to insure sustained resistance and ultimate victory. Second, we must have the organization and location of those key facilities so that they may be immediately utilized and rapidly expanded to meet all needs without danger of serious interruption by enemy attack.

Mr. President, if there is any one single and fundamental factor in aviation development which must be secured to us, it is constant experimentation. If we can constantly be prepared to expand our facilities we will then have the means to ward off sudden attack, and come within the principles outlined by the President. The President has already commended the very proposal now being considered. I believe that the amendment of the Senator from California should be supported.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. ADAMS] to the amendment presented by the Senator from California [Mr. JOHNSON].

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. NEELY. Mr. President, I propose an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. It is proposed to insert at the proper place the following:

NATIONAL BITUMINOUS COAL COMMISSION

The paragraph in the Second Deficiency Appropriation Act, fiscal year 1938, under the caption "National Bituminous Coal Commission" is hereby amended by striking out the following proviso: "*Provided*, That expenditures during the fiscal year 1939 under this head and under the head 'Salaries and expenses, Office of the Consumers' Counsel, National Bituminous Coal Commission,' shall not exceed an amount equal to the aggregate receipts covered into the Treasury under the provisions of section 3 of the Bituminous Coal Act of 1937."

Mr. NEELY obtained the floor.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. NEELY. I yield.

Mr. ADAMS. I have discussed the matter with the Senator from West Virginia, and recognize that this amendment does transgress the rule, that it is legislation. I understand the Senator from West Virgina has a motion to suspend the rules, and I suggest that he proceed by presenting his motion.

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Colorado to submit a point of order?

Mr. NEELY. Mr. President, I will accept the point of order as having been made by the Senator from Colorado, and will ask for a vote on my motion, which I ask to have read.

The PRESIDING OFFICER. The Chair rules that the point of order is well taken.

The clerk will read the motion filed by the Senator from West Virginia.

The Chief Clerk read as follows:

In accordance with the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI for the purpose of proposing to H. R. 5219 the Second Deficiency Appropriation Act, fiscal year 1939, the following amendment viz: At the proper place, under the caption "Department of the Interior," insert the following:

"NATIONAL BITUMINOUS COAL COMMISSION

"The paragraph in the Second Deficiency Appropriation Act, fiscal year 1938, under the caption 'National Bituminous Coal Commission' is hereby amended by striking out the following proviso: '*Provided*, That expenditures during the fiscal year 1939 under this head and under the head "Salaries and expenses, Office of the Consumers' Counsel, National Bituminous Coal Commission," shall not exceed an amount equal to the aggregate receipts covered into the Treasury under the provisions of section 3 of the Bituminous Coal Act of 1937.'"

The PRESIDING OFFICER. Does the Senator from West Virginia move to suspend the rule in pursuance of the motion just read?

Mr. NEELY. I do.

Mr. McNARY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. What was the order made as to suspension of the rule? Was notice merely given?

The PRESIDING OFFICER. Notice was given on April 6, and the motion is now in order.

Mr. NEELY. I ask for a vote on the motion, and then I shall discuss the merits of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia, and the Senator from West Virginia is recognized on his motion.

Mr. NEELY. Mr. President, the amendment, if adopted, will effectuate a recommendation which the Acting Director of the Budget has made and the President has approved, and save the National Bituminous Coal Commission from threatened disaster. Acting Director Bell's letter to the President clearly states the circumstances of the case and persuasively assigns some of the reasons why the amendment should be adopted. Senators are very respectfully requested to lend their ears to the reading of the letter, which is as follows:

BUREAU OF THE BUDGET,
Washington, February 4, 1939.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration draft of proposed provision pertaining to an existing appropriation for the Department of the Interior for the fiscal year 1939, as follows:

"NATIONAL BITUMINOUS COAL COMMISSION

"The paragraph in the Second Deficiency Appropriation Act, fiscal year 1938, under the caption 'National Bituminous Coal Commission' is hereby amended by striking out the following proviso: '*Provided*, That expenditures during the fiscal year 1939 under this head and under the head "Salaries and expenses, Office of the Consumers' Counsel, National Bituminous Coal Commission," shall not exceed an amount equal to the aggregate receipts covered into the Treasury under the provisions of section 3 of the Bituminous Coal Act of 1937' (52 Stat. 294–295, 1123)."

In the Interior Department Appropriation Act, 1939, an appopriation of $3,000,000 was provided for the National Bituminous Coal Commission and $270,000 for the Consumers' Counsel, or a total of $3,270,000. In the Second Deficiency Appropriation Act, fiscal year 1938, an additional $250,000 was included for the Commission, making total appropriations for the fiscal year 1939 for the Commission and for the counsel of $3,520,000. The increase was provided in order to strengthen the enforcement staff of the Commission and enable it, with the assistance of the Bureau of Internal Revenue, to speed up the collection of taxes. This supplemental appropriation contained the provision which limited the expenditures of the Commission and the Consumers' Counsel to the aggregate receipts covered into the Treasury under the provisions of section 3 of the Bituminous Coal Act of 1937.

At the time the provision was made limiting expenditures for the Commission and the Consumers' Counsel to receipts covered into the Treasury, it was estimated that tax receipts for the fiscal year 1939 would be $3,750,000 or $230,000 in excess of the amounts appropriated. It now appears that while total assessments for the fiscal year 1939 will be approximately the same as the amount originally estimated, actual tax receipts may not exceed $3,320,000 or $200,000 less than the appropriations. It is apparent that if

the limitation remains in effect the Commission and the Consumers' Counsel will have to take immediate steps to reduce expenses and that a large part of the reduction would be through furloughing or separating employees whose services are in the opinion of the Commission necessary if it is to function efficiently. As the present difficulty appears to be due in part, at least, to a lag in tax collections, it is not believed that the Commission should be penalized therefor, particularly if such a requirement would in any way interfere with its normal operations. It appears therefore that the language which limits expenditures to receipts covered into the Treasury should be removed.

The foregoing draft of a proposed provision is required to meet a contingency which has arisen since the transmission of the Budget for the fiscal year 1939, and approval is recommended.

Very respectfully,

D. W. BELL,
Acting Director of the Bureau of the Budget.

The President, in transmitting this letter of recommendation to the Speaker of the House, said:

THE WHITE HOUSE,
Washington, February 6, 1939.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress draft of a proposed provision pertaining to an existing appropriation of the Department of the Interior for the fiscal year 1939.

The details of the proposed provision, the necessity therefor, and the reason for its submission at this time are set forth in the letter of the Acting Director of the Bureau of the Budget, transmitted herewith, with whose comments and observations thereon I concur.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. President, the necessity for the amendment which the Acting Director of the Budget emphasized in February has been greatly intensified during the last 16 days. Since the 1st of April practically no excise taxes on coal have been collected because of the suspension of mining operations occasioned by the failure of the wage conferees, for the operators and miners who have long been negotiating in New York, to adopt a working agreement.

Under existing law and existing conditions the Coal Commission is losing and will continue to lose production taxes at the rate of about $8,000 a day. If the amendment is not adopted the Commission will at once be compelled to drastically reduce its personnel and it will probably be obliged to go out of business entirely before the 1st of July, because its expenditures are limited to the amount that is "covered into the Treasury" from taxes derived from production. Since there is no present production of coal, obviously no production taxes are being "covered into the Treasury" and no funds are becoming available to the Commission with which to defray its expenses.

Mr. BARKLEY and Mr. ADAMS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from West Virginia yield; and if so, to whom?

Mr. NEELY. I yield to the Senator from Kentucky.

Mr. BARKLEY. If I understand the gist of the argument of the Senator from West Virginia and his amendment, the situation is this: Heretofore we have been appropriating moneys for the expenses of the Bituminous Coal Commission out of the amounts raised by the tax on coal as it has been produced.

Mr. NEELY. Under existing law the Commission's expenditures are limited to the amount of the taxes collected on production.

Mr. BARKLEY. And by reason of the falling off in the production of coal due to a disagreement among the operators and the miners, and probably for some other reason, the amount of the tax is not sufficient to pay the expenses of the Bituminous Coal Commission?

Mr. NEELY. That is correct.

Mr. BARKLEY. And unless the proposed amendment is agreed to, the Bituminous Coal Commission's operations will practically have to cease.

Mr. President, we all know that negotiations are in progress between the operators and the miners looking toward the consummation of a new contract, and we all hope that in the very near future that contract may be agreed upon. But in the meantime the production of coal has been materially affected, and the amount of money raised by that production has been materially reduced, so that adoption of the Senator's amendment is necessary in order that the Bituminous Coal Commission may continue to function.

Have I stated the situation practically as it is?

Mr. NEELY. Mr. President, the Senator from Kentucky has correctly stated the Commission's embarrassing situation.

Mr. BARKLEY. This situation has not been brought about by anything that the Bituminous Coal Commission has done or failed to do, but it has been brought about by conditions outside of the Bituminous Coal Commission.

Mr. NEELY. And conditions over which the Coal Commission has not a shadow of control.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. NEELY. I yield.

Mr. McKELLAR. The estimated tax return from the coal industry the present year will be $3,320,000, but that amount for many reasons will not pay the expenses of the Bituminous Coal Commission, and the amendment offered by the Senator from West Virginia is virtually to remedy that trouble. That is all there is to it.

Mr. NEELY. Mr. President, the amendment does not propose to increase the appropriation. Its sole purpose is to repeal a restriction which limits the Commission's expenditure of its appropriation to the amount of production taxes covered into the Treasury.

Mr. GUFFEY. Mr. President, will the Senator yield?

Mr. NEELY. I yield to the Senator from Pennsylvania.

Mr. GUFFEY. I sincerely hope that the amendment offered by the Senator from West Virginia will prevail.

The situation described by the Senator from West Virginia and the majority leader is correct. I do not see how the Bituminous Coal Commission can function if we limit the Commission to the income collected from the tax before we know what the tax is. We will not know what the tax is before 60 days after the expiration of the present fiscal year.

I sincerely hope that the amendment will be agreed to.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. NEELY. I yield to the Senator from Colorado.

Mr. ADAMS. It seems to me that the motion to suspend the rule should be adopted. The Senator from West Virginia has pointed out the situation as it is. It was necessary in order to preserve the status of the Committee on Appropriations that the objective be reached in this way.

The emergency which has arisen is a genuine emergency, due to unexpected things occurring in the coal industry. I think that the rule should be suspended, and the amendment offered by the Senator from West Virginia should be adopted in order to meet the immediate emergency. I think that ultimately the rule which the law laid down should be reinstated, because we were assured that the Bituminous Coal Commission, by reason of the taxes, would be a self-sustaining organization, and normally we hope that it will continue to be; but the present year is an exceptional year by reason of the controversies between employers and employees and the absence of the taxes. Therefore, my view is entirely in accord with that of the Senator from West Virginia at this time.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. NEELY. I yield to the Senator from Pennsylvania; and in the confident belief that my motion to suspend the rules will prevail and that the amendment will be adopted, I yield the floor.

Mr. DAVIS. I have discussed this matter fully with the Senator from West Virginia, and I heartily approve it. I hope the amendment will be adopted.

The PRESIDING OFFICER. The question is on the motion of the Senator from West Virginia to suspend the rule in order that he may offer an amendment, which has already been read for the information of the Senate. [Putting the question.] Two-thirds of the Senators present having voted in the affirmative, the motion is agreed to and the rule is suspended.

The question now recurs on the amendment offered by the Senator from West Virginia [Mr. NEELY].

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 19, after line 2, it is proposed to insert the following:

GOVERNMENT OF THE VIRGIN ISLANDS

For an additional amount for defraying the deficit in the treasury of the municipal government of St. Croix because of the excess of current expenses over current revenues for the fiscal year 1939, $45,000.

Mr. McKELLAR. Mr. President, the reason the amendment is offered is that the representatives of the Virgin Islands did not get here in time to testify before the committee. However, the President sent in a Budget recommendation for this amount. I wish to read from that recommendation as follows:

For the current year an appropriation of $35,000 was made for this purpose. The appropriation was based on estimated receipts of $207,000 and expenditures of $242,000. Actual receipts for the first 8 months were $97,303.64, and the revised estimate of receipts for the full year is $173,050, or $33,950 below the original estimate. Drought conditions have been responsible for low production of sugar, which has resulted in lower revenues and increased unemployment and compelled the municipality to borrow from trust funds for some of its 1938 obligations. The amount of $45,000 will permit the municipality of St. Croix, by the exercise of close economy, to operate its schools to the close of the term, to carry on its other functions, including hospital operation, care of lepers, maintenance of the poor, and indigent relief, to the close of the fiscal year, and to repay the $12,000 owing the trust-fund accounts on account of low revenues in 1938.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKELLAR].

The amendment was agreed to.

Mr. McKELLAR. As part of my remarks concerning the St. Croix situation, I ask that there may be printed in the RECORD at this point a statement by Mr. Frederick D. Dorsch.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ST. CROIX BUDGET SITUATION

(By Frederick D. Dorsch)

The actual additional deficit for St. Croix, V. I., this year is $62,000, and it would have been considerably more if municipal services had been properly maintained, needed repairs made, supply inventories (even medicines) maintained. If we add the $12,000 we could not back pay on our borrowed debt of last year, the total deficit equals much more.

During the sugar boom years of 1919 and 1921 the high prices and the tremendous profits produced local revenues ranging from $211,000 in 1920 to $284,000 in 1922. Of the $284,000 received, $163,000 came from income tax on profits, and that was the only year since the American occupation that the Federal Government has not been called upon for a deficit contribution, proving that we can live on the present standard set for us by inflated means. Compare the income tax of $163,000 in 1922 with the $16,000 budgeted for this year and for the first 7 months of the present fiscal year the total collected, which amounts only to $3,166.06. The financial condition of any community can be determined by its income-tax returns. If St Croix in 17 years and 7 months has decreased its income tax from $163,000 to $3,166.06, you can readily see how low our financial status has fallen.

From 1922 to 1936 the Federal deficit contributions ranged between a minimum of $77,000 and a maximum of $243,000. The average for those 14 years was $115,570. For 1937 it was reduced to $60,000, for 1938 to $50,000, and for 1939 to $35,000, and for next year only $30,000. There is no way in the island to make up for such drastic reductions without inconceivable curtailment of services required by humanity and decency.

The local revenues since 1922 have ranged from a minimum of $77,000 in 1923–24 to a maximum of $191,000 in 1936–38, with $214,100 estimated for this year. The average annual local revenues for that 17-year period is slightly less than $128,000.

The municipality of St. Croix has faced its problem squarely by repeatedly imposing upon itself increased taxes, equaling now $90,000 a year more than 10 years ago. To add more taxes will mean municipal confiscation for delinquency. Collaterally, its 80 lepers, 140 inmates of the poor farm at Kingshill, 383 aged and infirm on direct relief of less than $2 per month, and over 3,000 unemployed registered for W. P. A. work relief constitute an abnormal burden on the abnormally small part of the community who are expected to carry such a burden.

The recent progressive decreases in Federal deficit contributions have apparently been based upon presumption that offsetting increases in municipal revenues would result from rehabilitation projects in the Virgin Islands. In St. Croix no such increases have yet resulted. They should not have been anticipated without factual data in support. They are not likely to occur in the near future solely in St. Croix. However, there are data now available on which to base a sane and sensible forecast controlled by interchange of all factors.

There have been two rehabilitation projects of economic significance to St. Croix—Federal homesteading projects started in 1933 and the Virgin Islands' Co. started late in 1934. While homesteading has greatly improved the living standards and hopeful outlook of 400 families rescued from economic serfdom, it has as yet made no appreciable contribution to municipal revenues except by increasing cane production and consequent sugar export tax over and above the former production of laborers and squatters. On the other hand, 3,000 acres of land transferred to Federal ownership until paid for have temporarily reduced land and property taxes at least $2,000, and their sugar production has only been a participation in the partial restoration of the sugar business that went into rapid decline after 1929.

The Virgin Islands' Co., which began its reclamation of abandoned land and sugar factories 4 years ago has only been in production for 2 years—lean years of drought. Its full production as now planned will under normal conditions only restore St. Croix' employment and sugar production to that of a decade ago. The $35,632 paid by the Virgin Islands' Co. to the municipality last year for taxes, licenses, and fees of all kinds is little if any more than was paid by the Danish West India Sugar Co. 10 years ago, when the Federal deficit contribution was $99,000. In other words, this rehabilitation project has only begun to fill one small gap but nothing has been done about the difference between the $99,000 contribution of 10 years ago and the $35,000 contribution of this year. If we were to receive in the Virgin Islands the internal revenues and the processing taxes on our rum and sugar in like manner as such revenues are returned to all other insular and Territorial areas, the picture of the Virgin Islands' Co. contribution and of St. Croix' financial condition would be entirely changed.

After presenting the decreasing revenue picture it is only fair and just that we analyze our expenditure to see if there has been wastefulness to make this deficit condition we now face. Let us analyze the expenditures in this year's amended budget. The estimated expenditures are far below our actual needs. Only the P. W. A. program for roads, streets, and sanitation makes it possible to limit them to these figures. They include no new construction or major building, though there is desperate need for much of it, at our medical institutions in particular. Only $6,000 is included for maintenance of all our public buildings—seven schools, two hospitals, insane hospital, leper asylum, penitentiary, courts, public works yards and warehouses, two customhouses, and other miscellaneous buildings.

The medical institutions and poor-farm budgets include less than 20 cents per day each for subsistence of over 350 patients, and only the bare normal requirements of most essential drugs and medicines, with practically no provision for possible epidemics and little for preventive work. Hospital equipment badly needed is not included in this year's budget.

The department of education allotments total about $40 per year per pupil, with teachers' salaries from $30 minimum to $100 maximum per month, with the average of all principals and teachers being only $61. There is too little included for needed books, domestic science, school lunches, and science equipment.

Public welfare is budgeted for only $15,000 to cover all direct aid, boys' home, child welfare, pensions, pauper burials, etc. Poor relief averages less than $2 per month per person, with only 65 percent of the applicants provided for.

No salary increases are budgeted this year. The operation of all departments has been held to the minimum for indispensable services. Inadequacy of funds has prevented maintenance that will soon mean replacements; the insane are housed in dangerous and disgraceful barracks; tubercular patients must be bedded in the regular hospital wards; cloth must be stretched above an operating table to catch the dirt falling from a decaying ceiling. Bandages are returned from infected wounds, washed, and reused. Only Federal relief money this year permitted the elimination of the night soil-can system of unsanitation at the Christiansted High School, with its 220 pupils.

Over a period of years we find that our increased budget expenditures have come from legitimate additions to the budget. The road fund was added in 1931–32, when all the island's roads were taken over from private ownership and made public roads. The telephone fund first appears in the budget for 1932–33, when it was found expedient to make the telephone system a budgetary item because it was not self-supporting and needed municipal subsidy. Christiansted High School was inaugurated in the fall of 1935 and the tax assessor's office first appears in 1937–38, when taxation on assessed valuation was adopted by the local legislature.

Thus we see a municipality in a lamentable situation wherein it has not placed itself. World economic conditions, acts of God, and overly hopeful experimentation have all aided to bring a once glorious islands into financial bankruptcy. The dire problem facing St. Croix at the first of the coming month is what to do with 80 lepers, 140 inmates of the poor farm, 383 aged and infirm on direct relief of less than $2 per month, a hundred and some

municipal employees, and over 3,000 school children. Over 700 persons, not counting school children, depend on the municipality's appropriation of less than 20 cents per day to feed them. Must they starve while an overly hopeful experimentation attempts to rehabilitate them?

The PRESIDING OFFICER. The bill is still before the Senate and open to further amendment.

Mr. DOWNEY. I offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 8, between lines 19 and 20, it is proposed to insert the following:

SOCIAL SECURITY BOARD

Grants to States for unemployment compensation administration: For an additional amount for grants to States, fiscal year 1939, for unemployment compensation administration, as authorized in title III of the Social Security Act, approved August 14, 1935, as amended, including rentals in the District of Columbia and elsewhere, $13,000,000.

Mr. DOWNEY. Mr. President, I understand there is no objection to the amendment on the part of the Committee on Appropriations. The matter is largely of a routine character. The funds in the possession of the different commissions in the States for unemployment compensation have been exceeded. Money has been paid in by the States to the Federal Government, which the Government is holding, I think as trust funds, and the States now need this additional sum of money to pay their administration expenses. It is the amount requested by the Social Security Board, and I understand that the amendment is satisfactory to the Committee on Appropriations.

Mr. KING. I may inquire of the Senator whether this is part of the 10 percent which the Federal Government retains for the purpose of administration?

Mr. DOWNEY. Yes; it is.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California [Mr. DOWNEY].

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendments, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. ADAMS. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ADAMS, Mr. GLASS, Mr. MCKELLAR, Mr. HAYDEN, Mr. BYRNES, Mr. HALE, and Mr. TOWNSEND conferees on the part of the Senate.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 828. An act to permit the President to acquire and convert, as well as to construct, certain auxiliary vessels for the Navy;

S. 829. An act to authorize alterations and repairs to certain naval vessels, and for other purposes; and

S. J. Res. 90. Joint resolution to amend the joint resolution approved June 16, 1938, entitled "Joint resolution to create a Temporary National Economic Committee."

PREVENTION OF PERNICIOUS POLITICAL ACTIVITIES

Mr. GUFFEY. Mr. President, I enter a motion to reconsider the vote by which Senate bill 1871, to prevent pernicious political activities, was passed on Thursday last; and I move that the House be requested to return the bill to the Senate.

Mr. DAVIS. Mr. President, I should like to know what bill is referred to.

Mr. GUFFEY. Senate bill 1871, the bill with respect to pernicious political activities.

Mr. KING. Mr. President, is the motion open to debate?

The PRESIDING OFFICER. The motion is not debatable. The question is on agreeing to the motion of the Senator from Pennsylvania that the House be requested to return the bill to the Senate. [Putting the question.] The Chair is in doubt.

On a division, the motion was agreed to.

Mr. BARKLEY. Mr. President, as a matter of courtesy to the Senator from New Mexico [Mr. HATCH], I think his attention ought to be called to the matter before any action is taken. Let me make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. I was otherwise engaged for the moment. Was the Senator's motion to reconsider agreed to?

The PRESIDING OFFICER. The motion of the Senator from Pennsylvania to request the House to return the bill was first put to a viva voce vote. The Chair was in doubt, and, on a division, the motion was agreed to.

Mr. BARKLEY. In that status, of course, the motion to reconsider has not yet been acted upon?

The PRESIDING OFFICER. The motion to reconsider is entered. It cannot be acted upon unless the House responds to the request and returns the measure.

Mr. BARKLEY. So that the action is, of course, without prejudice one way or the other, so far as the motion to reconsider is concerned.

The PRESIDING OFFICER. The motion is merely entered, and cannot be acted upon unless the House responds to the request.

Subsequently, during the consideration of the Interior Department appropriation bill, Mr. HATCH said,

Mr. HATCH. Mr. President, I do not wish to delay a vote on the Interior Department bill. There is, however, one matter which I desire to mention very briefly for a moment.

On Thursday of last week, during the regular call of the calendar, Senate bill 1871 was considered and passed. On that occasion a number of Senators were present; in fact, I think a majority of the Senators were present. The Senate was not mistaken on that day as to the bill being considered. Several committee amendments were read at length, and I think without question every Senator present understood very well what was being voted on. The Senator from Nebraska [Mr. BURKE] rose in his place and called attention to the fact that the bill was an important measure, and one entitled to receive the attention of Senators. He said several words on that subject, and asked that the bill be explained.

Mr. President, I am certain that Senators generally understood the purpose of the bill and its provisions, as it not only had been on the calendar for some time, and a complete report on the bill presented, so that any Senator could have advised himself of the terms and provisions of the bill if he had so desired, but the bill had been more or less discussed in the public press of the country since last summer. I doubt whether any Senator can say that he did not understand the bill, and what was intended. Today, the Senator from Pennsylvania [Mr. GUFFEY], who was not present at the time the discussion took place, being out of the city, I think, moved that the bill be recalled from the House.

I have no objection, Mr. President, to any Senator's making a motion which he is entitled to make, and I should be the last person to question such procedure. The only thing I question about it today is that the motion was made and acted upon without notice to the authors of the bill, notwithstanding the fact that I had been on the floor during the day, and was available in my office, and the Senator from Vermont [Mr. AUSTIN], one of the joint authors of the bill, was available. I do not know as to the Senator from Texas [Mr. SHEPPARD]. At any rate, it would not have involved a great deal of trouble to apprise any one of us that it was desired to recall the bill and have it reconsidered. Notwithstanding that fact, Mr. President, the motion was made and was acted upon without any of us being advised that such a

motion was contemplated. Whether or not that is the usual courteous treatment accorded in the Senate of the United States I will leave to others to answer.

It was my intention to move to reconsider the motion to recall the bill, believing that on a motion to reconsider the motion to recall we could debate at length the subject of whether or not the bill should be recalled. I have conferred with the Parliamentarian. At first he advised me that a motion to reconsider a motion to recall was not in order. I did not agree with him. I think it is in order, and should be entertained. I know of nothing sacred about a motion to recall a bill which should exempt it from a motion to reconsider, the same as any other ordinary motion. I will say for the Parliamentarian that after investigating the precedents he told me that the only one he could find sustained my view and not his own.

I do not know whether or not a motion to recall is proper parliamentary procedure. I have definitely concluded, Mr. President, that I shall not move to reconsider the motion to recall. The only thing I ask is that the motion to reconsider the action by which the bill was passed be taken up in the Senate as quickly as possible. At that time I wish to explain the bill fully and in detail.

If any Senator wishes to stand on the floor of the United States Senate and say that the bill is wrong, I have no objection to his so doing. If the Senate wishes to defeat the bill, certainly I do not want it passed. I do not want the bill passed unless it is the wish and desire of the Senate of the United States that it become a law. I will join Senators in obtaining opportunity for the fullest expression of their own views on the measure, the purposes which it seeks to attain, and the evils which it seeks to correct. If any Senator wishes to stand on the floor in defense of the practices condemned by the bill, I wish him to have the opportunity to defend them.

Mr. BONE. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. BONE. I am not able to identify the subject matter of the bill merely by having the number stated. Will the Senator indicate the subject matter of the bill?

Mr. HATCH. The bill relates to certain pernicious political activities. The first section of the bill prohibits the intimidation and coercion of voters. I doubt whether any Senator wishes to stand on the floor of the Senate and say that he favors the intimidation and coercion of voters, whoever they may be.

Another section relates to soliciting funds from work-relief employees. I doubt whether any Senator wishes to take the floor of the United States Senate and justify the solicitation of funds for political purposes from the relief workers of this country. If he does, Mr. President, I want him to have the opportunity of so doing.

So it is with respect to the other sections of the bill.

The last section of the bill is a copy of the present civil-service rules. I think a legitimate criticism has been offered to that section. It was my thought that that section, applying only to administrative or supervisory employees, eliminated policy-making employees in the Government, such as members of the President's Cabinet. I do not consider that they are administrative or supervisory employees. However, if there is any doubt about the question, I will say frankly that it is my opinion that a person holding a policy-making position not only should have the right and opportunity, but he ought to go out and defend his administration and its policies. Certainly it is not my intention to prohibit such action. I should gladly have agreed to an amendment exempting policy-making officials, and had myself planned to go to the House committee and request that the House write in such a reasonable amendment.

Entertaining the confidence that I do in the other branch of the Congress, I cannot help believing, Mr. President, that if there were any remedial amendments which should have been offered, the House committee would have accepted them and made any correction. So far as I am concerned—and I am sure I speak for the other members of our committee and the coauthors of the bill—I should have been glad to accept corrective amendments.

Mr. President, I ask unanimous consent that upon the completion of the consideration of the bill now before the Senate, the motion to reconsider be made the special order of business.

Mr. BARKLEY. Mr. President, I hope the Senator from New Mexico will not propound that request now, because it might involve considerable debate. We are anxious to get the pending bill out of the way, together with one or two small matters. It is contemplated that we shall then take a recess at least until Wednesday.

Also, the question arises whether or not the motion can be taken up until the House has complied with the request of the Senate to return the papers. If the House should not comply with the request and return the papers, the question of reconsideration might become moot.

Mr. HATCH. Of course, in that event, the special order itself would lapse.

Mr. BARKLEY. Probably so. However, the Senator can obtain consideration of his motion when we meet again.

Mr. HATCH. I wish to say that heretofore the Senator from Kentucky has been very helpful in the work on the bill. I have had several conferences with him about it. If the Senator from Kentucky will tell me that he will cooperate in obtaining a vote on the motion some time this week, I will withdraw my request.

Mr. BARKLEY. Yes; I desire to have the motion disposed of at the earliest possible date. It probably can be disposed of at the next session of the Senate.

Mr. HATCH. Upon that assurance I withdraw my request, and will not detain the Senate longer this afternoon.

Mr. GUFFEY. Mr. President, I should like to make a brief statement.

I am in thorough sympathy with the aims and objects of the bill. However, I do not think it goes sufficiently far. I was absent from the city on Thursday and Friday. I returned Saturday afternoon. I received many telephone inquiries and telegraphic requests with respect to section 9 of the bill. That is the section to which the distinguished Senator from New Mexico referred a few minutes ago.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. GUFFEY. First, let me finish.

I did not return to the city until 1:30 today. When I reached my office, I came immediately to the Chamber. I asked one of the parliamentary experts of the Senate to prepare a motion which I then made, failing to realize that the Senator from New Mexico was not on the floor. I thought two of the other members of the committee were on the floor. In that belief I was mistaken. I thought the senior Senator from Utah [Mr. KING], one of the members of the committee, and the Senator from Vermont [Mr. AUSTIN] were on the floor. I may have been mistaken.

I shall very gladly discuss at length section 9, in which everyone who has communicated with me seems to be interested. If there is any way in which I can help to strengthen the bill and attain its objects and aims, I shall be glad to cooperate to that end. I shall also press for passage, at another date, of an amendment to the election laws prohibiting the expenditure of money to pay watchers, workers, and hired voters on election day in senatorial, congressional, and Presidential elections. That bill is now buried with some committee. At an early date I shall move to put it on the calendar.

Mr. HATCH. I merely wish to say to the Senator from Pennsylvania, regarding the bill to which he has just referred, that my recollection is that the bill was sent to the Committee on Privileges and Elections. I am not certain as to that. It was not referred to the subcommittee which considered the other bill. However, as a member of the Committee on Privileges and Elections I wish to say to the Senator from Pennsylvania that I shall be glad to cooperate with him in every way to obtain a favorable report from the committee on his bill, and, when it reaches the floor, to aid in whatever way I can in its passage.

Mr. AUSTIN. Mr. President, I wish to say merely a few words.

I call attention at this point to the fact that this bill was not a partisan bill. Its authorship indicates that, and I think the very language of the bill so indicates. It was a matter of some happiness to me that the bill was passed by the Senate without a disclosure of the revolting things that caused the introduction of the bill. I regret to say—not as a threat, but as a mere statement of necessity—that if we must have a discussion of the question whether the Senate will reconsider the vote by which it passed the bill, I shall feel obliged to disclose conditions in the State of Pennsylvania, whence comes the learned Senator who has given notice that he would make this motion, and in other States of the United States, which fully justify all that appears in the bill.

Mr. GUFFEY. Mr. President, for the benefit of the senior Senator from Vermont, I merely wish to say that I shall have no objection to his disclosing anything he has regarding conditions in Pennsylvania that was brought out by the former Anti-Saloon League snoopers of the committee who investigated that State. I hope he will place it in the RECORD.

Mr. HATCH. Mr. President, I desire to say to the Senator from Vermont that I agree with him as to what he said about the bill being nonpartisan. I do not think there has been any partisanship at all in it so far as we are concerned. When, however, the Senator refers to conditions anywhere being responsible for the measure, I must disagree with him. Long before any investigation by the "Anti-Saloon League snoopers," to use the expression of the Senator from Pennsylvania—I do not know what he refers to, and I do not mean to be facetious about the matter—long before any election matters were pending, before anything happened, it had been my purpose to secure the passage of legislation of this kind because of conditions which had gone on, not in the past election but throughout the country for many, many years. The election laws had not been sufficiently amended to deal with such conditions, and I thought our own great program of relief inaugurated by this administration was entitled to have thrown around it the protection afforded by the bill.

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. HAYDEN. Mr. President, I move that the Senate proceed to the consideration of House bill 4852, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1940, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4852) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1940, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. HAYDEN. I ask unanimous consent that the formal reading of the bill be dispensed with and that the bill be read for amendment, the amendments of the committee to be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will read the bill for amendments.

The first amendment of the Committee on Appropriations was, under the heading "Office of the Secretary", on page 3, line 10, to reduce the appropriations under the office of Solicitor for personal services in the District of Columbia and in the field from $295,000 to $285,000.

The amendment was agreed to.

The next amendment was, on page 3, line 23, before the word "for", to strike out "$39,240" and insert $45,500"; in line 24, after the word "exceeding", to strike out "$52,000" and insert "$60,100"; and on page 4, line 2, after the word "service" and the period, to insert "The Secretary of the Interior shall include in his annual report a full statement of all expenditures made under authority of this paragraph", so as to read:

DIVISION OF INVESTIGATIONS

For investigating official matters under the control of the Department of the Interior; for protecting timber on the public lands, and for the more efficient execution of the law and rules relating to the cutting thereof; for protecting public lands from illegal and fraudulent entry or appropriation; for adjusting claims for swamplands and indemnity for swamplands; and for traveling and other expenses of persons employed hereunder, $548,000, including not exceeding $45,500 for personal services in the District of Columbia; not exceeding $60,100 for the purchase, exchange, operation, and maintenance of motor-propelled, passenger-carrying vehicles and motorboats for the use of agents and others employed in the field service. The Secretary of the Interior shall include in his annual report a full statement of all expenditures made under authority of this paragraph.

The amendment was agreed to.

The next amendment was, on page 8, line 21, after the name "Interior", to strike out "$275,970" and insert "$309,130", and in the same line, after the word "which", to strike out "$66,840" and insert "$100,000", so as to read:

For printing and binding for the Department of the Interior, $309,130, of which $100,000 shall be for the National Park Service, $85,290 for the Bureau of Mines, and $54,500 for the Office of Education, no part of which shall be available for corresponding instruction.

The amendment was agreed to.

The next amendment was, under the heading "National Bituminous Coal Commission", on page 10, line 15, after the word "periodicals", to strike out "$2,900" and insert "$3,500", and in the same line, to strike out the colon and "*Provided*," That expenditures during the fiscal year 1940 under this head and under the head 'Salaries and expenses, Office of Consumers' Counsel, National Bituminous Coal Commission', shall not exceed an amount equal to the aggregate receipts covered into the Treasury during the period July 1, 1937, to June 30, 1940, under the provisions of section 3 of the Bituminous Coal Act of 1937, after deducting therefrom the total expenditures under these heads for the period July 1, 1937, to June 30, 1939", so as to read:

Salaries and expenses: For all necessary expenditures of the National Bituminous Coal Commission in performing the duties imposed upon said Commission by the Bituminous Coal Act of 1937, approved April 26, 1937 (50 Stat. 72) including personal services and rent in the District of Columbia and elsewhere; traveling expenses, including expenses of attendance at meetings which, in the discretion of the Commission, are necessary for efficient discharge of its responsibilities; contract stenographic reporting services; stationery and office supplies; purchase, rental, exchange, operation, maintenance, and repair of reproducing, photographing, and other such equipment, typewriters, calculating machines, mechanical tabulating equipment, and other office appliances and labor-saving devices; printing and binding; witness fees and fees and mileage in accordance with section 8 of the Bituminous Coal Act of 1937; not to exceed $12,500 for purchase, exchange, hire, maintenance, operation, and repair of motor-propelled passenger-carrying vehicles including one for use in the District of Columbia; garage rentals; miscellaneous items, including those for public instruction and information deemed necessary by the Commission; and not to exceed $6,000 for purchase and exchange of newspapers, law books, reference books, and periodicals, $3,500,000.

The amendment was agreed to.

The next amendment was, under the heading "United States Housing Authority", on page 14, line 8, after the word "amended", to strike out the colon and the following additional proviso: "*Provided further*, That all expenditures by the United States Housing Authority out of the appropriations made by this act shall be subject to audit, in the General Accounting Office in the same manner and to the same extent as expenditures of the Department of the Interior."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Indian Affairs—Indian lands", on page 25, line 21, after the word "expenses", to strike out "$550,000" and insert "$650,000"; and on page 26, line 4, after the word "of", to strike out "$250,000" and insert "$350,000", so as to read:

For the acquisition of lands, interest in lands, water rights and surface rights to lands, and for expenses incident to such acquisition, in accordance with the provisions of the act of June 18, 1934 (48 Stat. 985), including personal services, purchase of equipment and supplies, and other necessary expenses, $650,000, together with the unexpended balance of the appropriation for this purpose for the fiscal year 1939, of which not to exceed $25,000 shall be available for personal services in the District of Columbia: *Provided*, That in addition to the amount herein appropriated the Secretary of the Interior may also incur obligations, and enter

into contracts for the acquisition of additional land, not exceeding a total of $350,000, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof, and appropriations hereafter made for the acquisition of land pursuant to the authorization contained in the act of June 18, 1934, shall be available for the purpose of discharging the obligation or obligations so created:

The amendment was agreed to.

The next amendment was, under the subhead "Industrial assistance and advancement", on page 31, after line 20, to strike out:

For the purpose of obtaining remunerative employment for Indians, $40,500.

The amendment was agreed to.

The next amendment was, on page 34, line 17, after "U. S. C. 470", to insert a colon and the additional proviso: "*Provided further*, That the aforesaid $100,000 for advances to individual members of the Menominee Tribe of Wisconsin shall be advanced under rules and regulations approved by the advisory council of the Menominee Indians and the Commissioner of Indian Affairs: *Provided further*, That in no event shall the 'Menominee 5-percent log fund' be used for this purpose."

The amendment was agreed to.

The next amendment was, on page 35, line 2, after the name "Indian", to strike out "reservations that have accepted" and insert "chartered corporations in accordance with"; and in line 13, after the word "binding", to insert a colon and "*Provided*, That hereafter no individual of less than one-quarter degree of Indian blood shall be eligible for a loan from funds made available under this head", so as to read:

For an additional amount to be added to the appropriations heretofore made, for the establishment of a revolving fund for the purpose of making and administering loans to Indian chartered corporations in accordance with the act of June 18, 1934 (48 Stat. 986), and of making and administering loans to individual Indians and to associations or corporate groups of Indians of Oklahoma in accordance with the act of June 26, 1936 (49 Stat. 1967), $400,000, of which amount not to exceed $22,500 shall be available for personal services in the District of Columbia, and $100,000 shall be available for personal services in the field, for traveling expenses of employees, for purchase of equipment and supplies, and for other necessary expenses of administering such loans, including not more than $3,500 for printing and binding: *Provided*, That hereafter no individual of less than one-quarter degree of Indian blood shall be eligible for a loan from funds made available under this head.

The amendment was agreed to.

The next amendment was, on page 36, line 5, after the word "expenses", to strike out "$42,500" and insert "$50,000", and in line 6, after the word "exceed", to strike out "$16,000" and insert "$17,000", so as to read:

For the development, under the direction of the Commissioner of Indian Affairs, of Indian arts and crafts, as authorized by the act of August 27, 1935 (49 Stat. 891), including personal services, purchase and transportation of equipment and supplies, purchase of periodicals, directories, and books of reference, purchase and operation of motor-propelled passenger-carrying vehicles, telegraph and telephone services, cost of packing, crating, drayage, and transportation of personal effects of employees upon permanent change of station, expenses of exhibits and of attendance at meetings concerned with the development of Indian arts and crafts, traveling expenses, including payment of actual transportation expenses, not to exceed $2,500 for printing and binding, and other necessary expenses, $50,000, of which not to exceed $17,000 shall be available for personal services in the District of Columbia: *Provided*, That no part of this appropriation shall be used to pay any salary at a rate exceeding $7,500 per annum.

The amendment was agreed to.

The next amendment was, under the subhead "Irrigation and drainage", on page 46, line 18, after the name "Montana" and the colon, to insert "Crow: The Secretary of the Interior may incur obligations and enter into a contract or contracts not exceeding $500,000 for the completion of a storage dam and reservoir on the Crow Indian Reservation, Mont., at a total cost of not to exceed $1,000,000, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof, and appropriations hereafter made for this project shall be available for the purpose of discharging the obligation or obligations so created"; on page 47, line 4, after the name "Fort Peck", to strike out "$50,000, reimbursable" and insert "$750,000, reimbursable, $700,000 of which shall be available for continuing construction of the Poplar River unit: *Provided*, That no part of said $700,000 shall be expended until sufficient nonreimbursable funds to complete the project are made available or assured, and a repayment contract or contracts satisfactory to the Secretary of the Interior shall have been executed by the non-Indian landowners whose lands will be benefited, providing for the repayment of their pro rata share of the total reimbursable expenditure", so as to read:

Montana: Crow: The Secretary of the Interior may incur obligations and enter into a contract or contracts not exceeding $500,000 for the completion of a storage dam and reservoir on the Crow Indian Reservation, Mont., at a total cost of not to exceed $1,000,000, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof, and appropriations hereafter made for this project shall be available for the purpose of discharging the obligation or obligations so created; Flathead, $500,000, reimbursable; Fort Belknap, $19,000, reimbursable; Blackfeet, $50,000, reimbursable; Fort Peck, $750,000, reimbursable, $700,000 of which shall be available for continuing construction of the Poplar River unit: *Provided*, That no part of said $700,000 shall be expended until sufficient nonreimbursable funds to complete the project are made available or assured, and a repayment contract or contracts satisfactory to the Secretary of the Interior shall have been executed by the non-Indian landowners whose lands will be benefited, providing for the repayment of their pro rata share of the total reimbursable expenditure.

The amendment was agreed to.

The next amendment was, on page 47, line 15, after the name "Pyramid Lake", to strike out "$75,000" and insert "$25,000", so as to read:

Nevada: Western Shoshone, $25,000, reimbursable; Walker River, $10,000, reimbursable; Pyramid Lake, $25,000, reimbursable.

The amendment was agreed to.

The next amendment was, on page 48, line 3, after the words "In all", to strike out "$3,064,000" and insert "$3,714,000", so as to read:

In all, $3,714,000, to be immediately available, which amount, together with the unexpended balances of funds made available under this head in the Interior Department Appropriation Act, fiscal year 1939, shall remain available until June 30, 1940: *Provided*, That the foregoing amounts may be used interchangeably in the discretion of the Secretary of the Interior, but not more than 10 percent of any specific amount shall be transferred to any other amount, and no appropriation shall be increased by more than 15 percent.

The amendment was agreed to.

The next amendment was, under the subhead "Education", on page 51, line 20, after the word "for", to strike out "$387,200" and insert "$462,200", so as to read:

For lease, purchase, repair, and improvement of buildings at Indian schools not otherwise provided for, including the purchase of necessary lands for school purposes and the installation, repair, and improvement of heating, lighting, power, sewer, and water systems in connection therewith, and including not to exceed $15,000 for the purchase of materials for the use of Indian pupils in the construction of buildings (not to exceed $1,500 for any one building) at Indian schools not otherwise provided for, $462,200.

The amendment was agreed to.

The next amendment was, on page 53, line 12, after the word "thereon", to strike out "$37,500; in all, $266,500" and insert "$71,193; in all, $300,193", so as to read:

Albuquerque, N. Mex.: For 600 pupils, $204,000; for pay of superintendent or other officer in charge, drayage, and general repairs and improvements, $25,000; for the purchase of land and improvements thereon, $71,193; in all $300,193.

The amendment was agreed to.

The next amendment was, on page 55, line 10, after the word "exceed", to strike out "$2,698,125" and insert "$2,731,818", so as to read:

In all, for above-named nonreservation boarding schools, not to exceed $2,731,818: *Provided*, That 10 percent of the foregoing amounts shall be available interchangeably for expenditures for similar purposes in the various boarding schools named, but not more than 10 percent shall be added to the amount appropriated for any one of said boarding schools or for any particular item within any boarding school. Any such interchanges shall be reported to Congress in the annual Budget.

The amendment was agreed to.

The next amendment was, under the subhead "General support and administration", at the top of page 62, to insert:

Colorado: Consolidated Ute (Southern Ute), $78,000, including the purchase of land, the subjugation thereof, and the construction of improvements thereon.

The amendment was agreed to.

The next amendment was, on page 62, after line 16, to insert:

Oklahoma: Seminole, $7,787 for reconstruction of community house.

The amendment was agreed to.

The next amendment was, on page 63, line 3, before the word "including", to strike out "$71,500" and insert "$76,700"; and in line 7, after the word "friends", to insert "and including $5,200 for fees and expenses of an attorney or firm of attorneys employed pursuant to resolution of the general council of the tribe under a contract approved by the Secretary of the Interior in accordance with existing law", so as to read:

Wisconsin: Keshena, $76,700, including $20,000 for monthly allowances, under such rules and regulations as the Secretary of the Interior may prescribe, to old and indigent members of the Menominee Tribe who reside with relatives or friends and including $5,200 for fees and expenses of an attorney or firm of attorneys employed pursuant to resolution of the general council of the tribe under a contract approved by the Secretary of the Interior in accordance with existing law.

The amendment was agreed to.

The next amendment was, on page 63, line 12, after the word "exceed", to strike out "$392,460" and insert "$483,447", so as to read:

In all, not to exceed $483,447.

The amendment was agreed to.

The next amendment was, on page 65, line 19, after the word "each", to insert a colon and "*Provided further*, That so much as may be necessary may be expended from the tribal funds of the Creek Nation for payment of the salary of the principal chief for the period from February 12, 1935, to June 30, 1936", so as to read:

Expenses of tribal officers, Five Civilized Tribes, Oklahoma (tribal funds): For the current fiscal year money may be expended from the tribal funds of the Choctaw, Chickasaw, Creek, and Seminole Tribes for equalization of allotments, per capita, and other payments authorized by law to individual members of the respective tribes, salaries and contingent expenses of the governor of the Chickasaw Nation and chief of the Choctaw Nation, one mining trustee for the Choctaw and Chickasaw Nations, at salaries at the rate heretofore paid for the said governor and said chief and $3,000 for the said mining trustee, chief of the Creek Nation at $600 and one attorney, each for the Choctaw and Chickasaw Tribes employed under contract approved by the President under existing law: *Provided*, That the expenses of the above-named officials shall be determined and limited by the Commissioner of Indian Affairs at not to exceed $2,500 each: *Provided further*, That so much as may be necessary may be expended from the tribal funds of the Creek Nation for payment of the salary of the principal chief for the period from February 12, 1935, to June 30, 1936.

The amendment was agreed to.

The next amendment was, on page 66, after line 22, to insert:

Rehabilitation of needy Choctaw Indians: For the rehabilitation of needy Choctaw Indians, in Oklahoma, including the purchase of land in the vicinity of the Council House of the Choctaw Indians, Tuskahoma, Okla., the construction of improvements on newly acquired land, and such other purposes as may be recommended by the advisory council of the Choctaw Tribe and approved by the Commissioner of Indian Affairs, $100,000, payable from funds on deposit to the credit of the Choctaw Indians of Oklahoma, which sum together with the unexpended balance of the appropriation of $50,000 from Choctaw tribal funds for the acquisition of lands, etc., contained in the Interior Department Appropriation Act, fiscal year 1939, shall remain available until expended: *Provided*, That title to any land or improvements purchased under the provisions of this paragraph shall be taken in the name of the United States in trust for the Choctaw Tribe.

The amendment was agreed to.

The next amendment was, on page 68, after line 8, to insert:

Expenses of attorneys, Makah Reservation, Wash. (tribal funds): Not to exceed $1,700 of the funds on deposit to the credit of the Makah Indians, Washington, is hereby made available for the fiscal years 1939 and 1940 for payment of the compensation and expenses of an attorney employed by the Makah Tribe under a contract executed September 7, 1938, and approved by the Secretary of the Interior on November 30, 1938.

The amendment was agreed to.

The next amendment was, under the subhead "Construction and repair", on page 72, line 12, after the figures "$15,000", to insert a semicolon and "warehouse, $20,000", so as to read:

Sells, Ariz.: Improving water supply, $15,000; cottages for employees, $15,000; warehouse, $20,000.

The amendment was agreed to.

The next amendment was, on page 72, after line 13, to insert:

Shawnee Sanatorium, Oklahoma: Remodeling women's semiambulant building, $25,000; fireproof auditorium and occupational therapy building, $35,000.

The amendment was agreed to.

The next amendment was, on page 73, line 13, after the words "in all", to strike out "$1,841,500" and insert "$1,936,500", so as to read:

For administrative expenses, including personal services in the District of Columbia and elsewhere; not to exceed $2,500 for printing and binding; purchase of periodicals, directories, and books of reference; purchase and operation of motor-propelled passenger-carrying vehicles; traveling expenses of employees; rent of office and storage space; telegraph and telephone tolls; and all other necessary expenses not specifically authorized herein, $175,000; in all, $1,936,500, to be immediately available, and to remain available until June 30, 1941.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Reclamation", on page 84, line 9, after the word "For", to insert "commencement and", so as to read:

Construction: For commencement and continuation of construction of the following projects in not to exceed the following amounts, respectively, to be expended from the reclamation fund under the same general conditions and in the same manner and for the same objects of expenditure as specified for projects hereinbefore in this act under the caption "Bureau of Reclamation," to be reimbursable under the reclamation law, and to remain available until expended.

The amendment was agreed to.

The next amendment was, on page 85, after line 5, to insert:

Lugert-Altus project, Oklahoma, $500,000: *Provided*, That as a condition precedent to the expenditure of this appropriation for such project an amount at least equal thereto shall be made available for expenditure by the Secretary of the Interior, by transfer from any funds appropriated for the construction of flood-control projects, as authorized in the act of June 28, 1938 (52 Stat. 1215, 1219);

The amendment was agreed to.

The next amendment was, on page 85, at the end of line 16, to strike out "$850,000" and insert "$1,000,000", so as to read:

Kendrick project, Wyoming, $1,000,000;

The amendment was agreed to.

The next amendment was, on page 85, line 23, after the word "projects", to insert "including the second unit of the Kendrick project, Wyoming", and on page 86, line 8, after the word "Commission", to strike out "$400,000" and insert "$900,000", so as to read:

General investigations: To enable the Secretary of the Interior, through the Bureau of Reclamation, to carry on engineering and economic investigations of proposed Federal reclamation projects, including the second unit of the Kendrick project, Wyoming, surveys for reconstruction, rehabilitation, or extensions of existing projects, and studies of water conservation and development plans, including Colorado River Basin investigations, such investigations, surveys, and studies to be carried on by said Bureau either independently, or, if deemed advisable by the Secretary of the Interior, in cooperation with State agencies and other Federal agencies, including the Corps of Engineers, National Resources Committee, and the Federal Power Commission, $900,000;

The amendment was agreed to.

The next amendment was, on page 86, line 15, after the words "in all", to strike out "$9,048,000" and insert $10,198,000"; and in line 17, before the word "may", to strike out "$75,000" and insert "$100,000", so as to read:

For administrative expenses on account of the above projects, including personal services and other expenses in the District of

Columbia and in the field, $750,000, in addition to and for the same objects of expenditure as are hereinbefore enumerated in paragraphs 2 and 3 under the caption "Bureau of Reclamation"; in all, $10,198,000: *Provided*, That of this amount not to exceed $100,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 87, line 11, after the numerals "1940", to insert a colon and "*Provided*, That the allocation from the Emergency Relief Appropriaion Act of 1937 for official project No. 505–2–73, Fruit Growers' Dam and Reservoir, in Colorado, shall be immediately available for the acquisition of rights-of-way", so as to read:

The Public Works Administration allotments made available to the Department of the Interior, Bureau of Reclamation, pursuant to the National Industrial Recovery Act of June 16, 1933, either by direct allotments or by transfer of allotments originally made to another Department or agency, and the allocations made to the Department of the Interior, Bureau of Reclamation, from the appropriation contained in the Emergency Relief Appropriation Act of 1935 and the Emergency Relief Appropriation Act of 1937, shall remain available for the purposes for which allotted during the fiscal year 1940: *Provided*, That the allocation from the Emergency Relief Appropriation Act of 1937 for official project No. 505–2–73, Fruit Growers' Dam and Reservoir, in Colorado, shall be immediately available for the acquisition of rights-of-way.

The amendment was agreed to.

The next amendment was, on page 87, line 16, after the word "fund", to change the total appropriation from the reclamation fund from $9,907,600 to $11,057,600.

The amendment was agreed to.

The next amendment was, on page 89, line 13, after the word "structures", to insert "including distribution and drainage systems", so as to read:

Boulder Canyon project (All-American Canal): For continuation of construction of a diversion dam, and main canal (and appurtenant structures including distribution and drainage systems) located entirely within the United States connecting the diversion dam with the Imperial and Coachella Valleys in California; to acquire by proceedings in eminent domain, or otherwise, all lands, rights-of-way, and other property necessary for such purposes; and for incidental operations, as authorized by the Boulder Canyon Project Act, approved December 21, 1928 (43 U. S. C., ch. 12A); to be immediately available and to remain available until advanced to the Colorado River Dam fund, $2,000,000, which amount shall be available for personal services in the District of Columbia (not to exceed $5,000) and in the field and for all other objects of expenditure that are specified for projects hereinbefore included in this act under the caption "Bureau of Reclamation, administrative provisions and limitations", without regard to the amounts of the limitations therein set forth.

The amendment was agreed to.

The next amendment was, under the subhead "General fund construction", on page 90, line 14, after the name "Colorado", to insert a comma and "and the Colorado River project, Texas", so as to read:

For continuation of construction of the following projects and for general investigations in not to exceed the following amounts, respectively, to be expended from the general fund of the Treasury in the same manner and for the same objects of expenditure as specified for projects included hereinbefore in this act under the caption "Bureau of Reclamation", to be immediately available, to remain available until expended, and to be reimbursable (except as to the Pine River project, Colorado, and the Colorado River project, Texas) under the reclamation law:

The amendment was agreed to.

The next amendment was, on page 90, after line 22, to strike out:

Colorado River project, Texas: The unexpended balance of the appropriation of $2,030,000 under this head in the Interior Department Appropriation Act, fiscal year 1939, shall remain available for the same purposes until expended.

The amendment was agreed to.

The next amendment was, on page 91, after line 2, to insert:

Colorado River project, Texas, $5,000,000, together with the unexpended balance of the appropriation of $2,030,000 under this head in the Interior Department Appropriation Act, fiscal year 1939: *Provided*, That the Secretary of the Interior by contracts entered into pursuant to the authority of the act of August 26, 1937 (50 Stat. 844, 850), shall require reimbursement of expenditures for construction of Marshall Ford Dam, to the extent and in the manner determined by him.

The amendment was agreed to.

The next amendment was, on page 92, line 6, after the words "in all", to strike out "$34,700,000" and insert "$39,700,000"; and in line 7, after the word "exceed", to strike out "$50,000" and insert "$75,000", so as to read:

For administrative expenses on account of the above projects, including personal services in the District of Columbia and in the field, $700,000, in addition to and for the same objects of expenditure as are hereinbefore enumerated in paragraphs 2 and 3 under the caption "Bureau of Reclamation"; in all, $39,700,000: *Provided*, That of this amount not to exceed $75,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 92, after line 8, to insert:

WATER CONSERVATION AND UTILITY PROJECTS

For construction, in addition to labor and materials to be supplied by the Works Progress Administration, of water conservation and utilization projects, including acquisition of water rights, rights-of-way, and other interests in land, in the Great Plains and arid and semiarid areas of the United States, to be immediately available, $5,000,000, to be allocated by the President, in such amounts as he deems necessary, to such Federal departments, establishments, and other agencies as he may designate, and to be reimbursed to the United States by the water users on such projects in not to exceed 40 annual installments: *Provided*, That expenditures from Works Progress Administration funds shall be subject to such provisions with respect to reimbursability as the President may determine.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Mines—Salaries and general expenses", on page 100, line 17, after the name "District of Columbia", to strike out "$635,000" and insert "$656,000", so as to read:

Operating mine rescue cars and stations and investigation of mine accidents: For the investigation and improvement of mine-rescue and first-aid methods and appliances and the teaching of mine safety, rescue, and first-aid methods; investigations as to the causes of mine explosions, causes of falls of roof and coal, methods of mining, especially in relation to the safety of miners, the appliances best adapted to prevent accidents, the possible improvement of conditions under which mining operations are carried on, the use of explosives and electricity, the prevention of accidents, statistical studies and reports relating to mine accidents, and other inquiries and technologic investigations pertinent to the mining industry; the exchange in part payment for operation, maintenance, and repair of mine-rescue trucks; the construction of temporary structures and the repair, maintenance, and operation of mine-rescue cars and the Government-owned mine-rescue stations and appurtenances thereto; personal services, traveling expenses and subsistence, equipment, and supplies; travel and subsistence, and other incidental expenses of employees in attendance at meetings and conferences held for the purpose of promoting safety and health in the mining and allied industries; purchase not exceeding $6,000, exchange as part payment for, operation, maintenance, and repair of motor-propelled passenger-carrying vehicles for official use in field work; purchase and exchange in part payment therefor of cooks' uniforms, goggles, gloves, rubber boots, aprons, and such other articles or equipment as may be necessary in connection with the purposes of this paragraph; including not to exceed $67,100 for personal services in the District of Columbia, $656,000: *Provided*, That of this amount not to exceed $500 may be expended for the purchase and bestowal of trophies in connection with mine-rescue and first-aid contests.

The amendment was agreed to.

The next amendment was, on page 101, line 6, after the name "District of Columbia", to strike out "$250,400" and insert "$257,400", so as to read:

Testing fuel: To conduct inquiries and scientific and technologic investigations concerning the mining, preparation, treatment, and use of mineral fuels, and for investigation of mineral fuels belonging to or for the use of the United States, with a view to their most efficient utilization; to recommend to various departments such changes in selection and use of fuel as may result in greater economy, and, upon request of the Director of the Bureau of the Budget, to investigate the fuel-burning equipment in use by or proposed for any of the departments, establishments, or institutions of the United States in the District of Columbia, $257,400, of which amount not to exceed $29,400 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 103, line 3, before the words "of which", to strike out "$420,000" and insert "$562,000", so as to read:

Mining experiment stations: For the employment of personal services, purchase of laboratory gloves, goggles, rubber boots, and aprons, the purchase not to exceed $3,000, exchange as part payment for, maintenance, and operation of motor-propelled passenger-carrying vehicles for official use in field work, and all other

expenses in connection with the establishment, maintenance, and operation of mining experiment stations, as provided in the act authorizing additional mining experiment stations, approved March 3, 1915 (30 U. S. C. 8), $562,000, of which appropriation not to exceed $17,100 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 103, after line 5, to insert:

Building and equipment, University of Utah, Bureau of Mines: The unexpended balance of the appropriation under this head for the fiscal year 1939 contained in the Second Deficiency Appropriation Act, fiscal year 1938, is hereby continued available for the same purposes until June 30, 1940.

The amendment was agreed to.

The next amendment was, on page 104, line 22, after the word "foregoing", to strike out "$324,500" and insert "$331,500"; and in line 23, after the word "exceed", to strike out "$230,000" and insert "$236,500", so as to read:

Economics of mineral industries: For inquiries and investigations, and the dissemination of information concerning the economic problems of the mining, quarrying, metallurgical, and other mineral industries, with a view to assuring ample supplies and efficient distribution of the mineral products of the mines and quarries, including studies and reports relating to uses, reserves, production, distribution, stocks, consumption, prices, and marketing of mineral commodities and primary products thereof; preparation of the reports of the mineral resources of the United States, including special statistical inquiries; and including personal services in the District of Columbia and elsewhere; purchase of furniture and equipment; stationery and supplies; typewriting, adding, and computing machines, accessories and repairs; newspapers; traveling expenses; purchase, not exceeding $1,200, exchange as part payment for, operation, maintenance, and repair of motor-propelled passenger-carrying vehicles for official use in field work; and for all other necessary expenses not included in the foregoing, $331,500, of which amount not to exceed $236,500 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 107, line 24, to increase the total appropriation for the Bureau of Mines from $2,360,760 to $2,537,760.

The amendment was agreed to.

The next amendment was, under the heading "National Park Service", on page 112, line 4, after the figures "$89,400", to insert a colon and *"Provided,* That no part of this appropriation shall be available for the payment of the salary of the present Superintendent of the Great Smoky Mountains National Park", so as to read:

Great Smoky Mountains National Park, N. C. and Tenn.: For administration, protection, and maintenance, including not to exceed $1,150 for the purchase, maintenance, operation, and repair of motor-driven passenger-carrying vehicles for use in connection with general park work, $89,400: *Provided,* That no part of this appropriation shall be available for the payment of the salary of the present Superintendent of the Great Smoky Mountains National Park.

Mr. TAFT. Mr. President, this amendment provides "That no part of this appropriation shall be available for the payment of the salary of the present Superintendent of the Great Smoky Mountains National Park." It seems to me that legislation designed to oust from office an employee of the Federal Government is an extremely improper kind of legislation to place before the Senate. I think there ought to be a further explanation of the proposed amendment.

Mr. McKELLAR. Mr. President, I shall be very happy to give that explanation to the Senator and to the Senate.

The Superintendent of the Great Smoky Mountains National Park is a man by the name of J. Ross Eakin. Mr. Eakin's accounts were first examined by the Department of the Interior in 1937. They were examined in 1938, and again in 1939. The report of Mr. Myers, the accountant of the Interior Department, is published in full in the hearings. I am sure that if the Senator from Ohio, who has questioned the amendment, had been diligent enough to read the report made by Mr. Myers concerning this unfaithful, negligent, and improper servant of the people, he would not have asked the question about it.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. TAFT. Have the facts been presented to the Secretary of the Interior, and has the Secretary been asked to remove the gentleman from office?

Mr. McKELLAR. The facts have been presented to the Secretary of the Interior. I do not know whether or not he has gone over them. I do not think he has. I think he has depended upon a man by the name of Cammerer, who happens to be at present the head of the National Park Service. Mr. Cammerer himself has been woefully negligent in his duty.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. Mr. President, I should like to know in what respect Mr. Cammerer has been negligent in his duties. I have understood that he is as highly efficient a public servant as we could possibly have.

Mr. McKELLAR. I shall be very happy to tell the Senator and the Senate.

This investigation was made under Mr. Cammerer. The report was made to him. He never called the attention of either the Secretary or the Assistant Secretary to the report. However, he did write to this unfaithful public servant, Mr. Eakin, a letter severely criticizing him. That was the end of it; that was what was done. Now I wish to call the attention of the Senate to what was in this report which Mr. Cammerer criticized.

Mr. VANDENBERG. May I ask the Senator one more question?

Mr. McKELLAR. Yes.

Mr. VANDENBERG. Does the Senator base his criticism of Mr. Cammerer solely, entirely, and exclusively on this one episode?

Mr. McKELLAR. That is the sole question before the Senate.

Mr. VANDENBERG. That was not the sole question involved in the Senator's very broad indictment of Mr. Cammerer, was it?

Mr. McKELLAR. I did not understand the Senator.

Mr. VANDENBERG. Is not infinitely more involved in the very broad indictment of the Senator against Mr. Cammerer?

Mr. McKELLAR. I am talking about Mr. Cammerer and saying that he was very negligent so far as this matter was concerned.

Mr. VANDENBERG. As I understand the Senator confines his criticism to this one episode.

Mr. McKELLAR. I think he ought to be investigated, but I am confining it to the question of the duty of the executive agency.

Mr. VANDENBERG. That is a totally different matter.

Mr. McKELLAR. Mr. President, in his report Mr. Myers considers that part of the business of the park—I am talking about the Great Smoky Mountain Park—known as emergency construction work. Incidentally between five and six hundred thousand dollars was expended under the direction of Mr. Eakin in this park. I find in the report of Mr. Myers, who was sent there by the Interior Department to make an examination of this report, the following:

Unaccounted for, $132,040.62.

Later on Mr. Myers was sent to my office for the purpose of making an explanation, and, if I can find the testimony, I will read from it.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

Mr. McKELLAR. I yield.

Mr. TAFT. One thing I do not understand about these hearings. On page 51, it is set out that—

February 24, 1939, the subcommittee (on the Interior Department appropriation bill) met at 11 o'clock a. m. at room 221, Senate Office Building.
Present: Senator McKELLAR.

The Senator from Tennessee [Mr. McKELLAR], then, by himself, examined Mr. Myers at great length. I am a member of the subcommittee, but I never had notice of any such meeting.

Mr. McKELLAR. There was no such meeting.

Mr. TAFT. That is what the record discloses on page 51—

February 24, 1939, the subcommittee met at 11 o'clock a. m.

Mr. McKELLAR. The stenographer made a mistake in putting it that way. Mr. Myers was sent to my office by Mr. Burlew for the purpose of explaining his report.

Mr. TAFT. And the Senator from Tennessee, by himself, conducted the examination of Mr. Myers, which appears at great length. None of the other members of the committee were given an opportunity to examine or cross-examine Mr. Myers. Is not that a correct statement?

Mr. McKELLAR. My friend from Ohio is exceedingly suspicious; he is the most suspicious man in the world. I do not know whether it is ambition or what it is, but something makes the Senator from Ohio very suspicious. Mr. Burlew sent this man to my office for the purpose of letting me examine him to ascertain what the facts were about his report. I telephoned Mr. Burlew and asked him if he had any objection to my examining him in writing. He said he did not have. Thereupon I secured a stenographer and examined him in writing; and his statement is in the record.

When this matter came up, Mr. Eakin was in Washington for a week; he just passed through, and nobody examined him. He himself did not ask to come before the committee. He knew this matter was in the record, but he did not dare to come before the committee. The reason he did not dare to come before the committee was because of his record. The Senator from Ohio—candidate for President or not candidate for President—cannot, by his suspicion, throw the cloak of good character around this unfaithful public servant.

Now, let me read from the report of Mr. Myers:

From the above it will be readily seen that it was impossible to make audit from standpoint of purchase orders issued. After making a survey of the situation, it was decided to make the audit from standpoint of vouchers paid by finance officer. Alphabetical file—

And so forth.

Purchase and contract procedure: A review of the following comments will disclose that proper purchase and contract procedure was not followed. In the auditor's opinion, the greater portion of these discrepancies can be charged to incompetent personnel in charge of purchasing, and—

Let me call the attention of the Senator from Ohio to this—

lack of proper supervision by ones responsible.

And Mr. Eakin was responsible.

Several excuses were given for mistakes that had been made, the favorite one being to place blame on clerk that was suspended on August 1, 1936, and the next being failure to receive information from Washington office. It would appear—

Listen to this—

that anything that was wanted by anybody was purchased, regardless of regulations, and then every known means used to get the same paid by the finance officer, giving him answers to his questions that were not borne out by the facts when he would hold up payment of vouchers for additional information.

That is the start of it. Let me give some of the examples.

There were a good many employees, and each employee had more than one car which are called in the report "pick-ups," that is, little Ford cars that could be used for passengers and for freight. According to the statement of Mr. Myers, they had 39 such cars, and there were 30 employees at that place. Every man had a car and then there were nine more to draw from. The cars were purchased by the Government; they were operated by the Government; the fuel was furnished by the Government; they were chauffeured by employees of the Government, and one of the uses that were made of these cars was that as shown by this report when they got off at 4:30 o'clock at Gattinburg; that is, when their day of labor ended, some of these employees would go to Knoxville, and some of them go to Asheville in the cars furnished at Government expense, and they would charge the Government a per diem for being away from their station. They would go, according to the report, to Knoxville, and spend the evening there pleasantly at shows or otherwise, and get back the next morning in time to start on duty. They were paid their salaries and at the same time drew a per diem for expenses from the Government. That is petty graft.

Eakin knew about it; he did not attempt to correct it; he has not attempted to correct it since. He was examined in 1938 or 1939, and both reports show conditions were exceedingly bad.

Does the Senator from Ohio defend that kind of petty graft? Does he defend the record of a superintendent of a park who allowed Government cars to be used by Government agents, some of them clerks, some of them officers, and some of them getting small salaries? Does he excuse the Superintendent of the park for allowing that to go on? I do not believe the Senator from Ohio would do that, and I do not believe any other Senator would do that. This man Eakin permitted it. But that is just one of the things. Listen to this:

Excessive purchases: It was noted that a great many automobile tires and tubes were purchased. A check of these purchases shows that between April 1, 1935, and June 30, 1936, tires and tubes amounting to $13,012.62 were purchased. Just why it would be necessary to purchase a hundred tires at one time, and place them in stock at the two warehouses, was never properly explained to auditor, and when you take into account that all of the large tire companies have warehouses and service stations carrying a complete line of truck tires at Knoxville, Tenn., and Asheville, N. C. As a large stock of tires were on hand at Sugarlands warehouse, inquiry was made and answer received that they were for detached-service cars, and when it was pointed out that it was not necessary to have extra tires on hand, when they could be obtained from Knoxville, when and as needed, the answer was then given that the tires on hand had been purchased by the clerk that had been suspended.

It seems that the clerk had been suspended some months before; and, as the examiner says, everything that they could not explain in any other way was put upon the clerk. The Senator from Ohio cannot defend that procedure.

I proceed to read:

As a great many partly worn-out tires were in several places, instructions were given to have all of these tires placed in one building under lock and key, and when this was done, it was found that one abandoned barrack building at Sugarlands was completely filled with worn-out or partly worn-out tires from camps in Tennessee, some of them, in the auditor's opinion, being good tires showing very little use.

The tires were afterward sold, and what became of them no one knows, I do not believe the Senator from Ohio would condone that kind of dealing on the part of a public servant. But I go on.

We next come to contracts. The superintendent rented a house not according to law, not under the rules and regulations of the Department, from a man who seems to have been a favorite of the superintendent, and paid what he chose to pay for it. As I recollect, he paid some $60 a month for a one-room structure built with upright planks, and probably a month's rent paid the entire cost of the house. I do not believe the Senator from Ohio would undertake to defend that action.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McKELLAR. Certainly.

Mr. TAFT. When did the Senator from Tennessee first begin to complain against the superintendent of this park; how many years ago?

Mr. McKELLAR. As I recall, I never knew the superintendent of this park, and I would not know him now if I should see him. He was complained about to me by numerous citizens of Sevier County; and I want to be perfectly frank in telling the Senator from Ohio how my attention was attracted to him.

Mr. TAFT. How long ago?

Mr. McKELLAR. Just 1 minute, and I will tell the Senator everything I know about this man.

Prior to the November election I heard from a friend of mine down there, or several friends of mine down there—they all said the same thing—that we had a Republican superintendent of the park who was the chief cook and bottle washer in the Democratic primary, and that he was undertaking to

control Democratic politics in that county. I simply referred the letter, as I recall, to the Secretary of the Interior, and told him that I thought any good Republican who was sent down into that part of the country, even if he had a carpetbag with him, might be sent somewhere else and not to Tennessee.

Mr. TAFT. Did the Senator have a reply from the Secretary of the Interior?

Mr. McKELLAR. Yes.

Mr. TAFT. Has the Senator that reply? Can he put it in the RECORD?

Mr. McKELLAR. If I have it, I shall be very glad to do so. I want to say to the Senator from Ohio that I have nothing to conceal from him or anyone else. The Senator from Ohio may defend, if he wants to, a man whom I believe the record of the Department shows to be a crook; but, so far as I am concerned, I am not going to defend him. I think he ought to be discharged; and if the Secretary of the Interior will not discharge him, I do not think the Congress of the United States ought to pay him. I believe if the Senator from Ohio knew the facts he would take the same position, but the Senator from Ohio is not going to examine into the facts. He is not going to read the facts. He is going to make a statement on the floor of the Senate without knowledge. He is not going to read the facts. I challenge him to read the facts. If he does, if he has the sense that I think he has and is the kind of man I think he is, he will apologize for bringing up this record.

Mr. BARKLEY and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Tennessee yield; and if so, to whom?

Mr. McKELLAR. I yield first to the Senator from Kentucky.

Mr. BARKLEY. Does the Senator know from what State this superintendent comes?

Mr. McKELLAR. I think he comes from West Virginia.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McKELLAR. Certainly.

Mr. TAFT. Mr. Myers, whose testimony the Senator has been reading, is an examiner for the Park Service?

Mr. McKELLAR. Yes.

Mr. TAFT. And I suppose he brought all these facts to the attention of the head of the Park Service?

Mr. McKELLAR. Yes; he did.

Mr. TAFT. And the Park Service, after considering all the facts that are set out here, has refused to remove Mr. Eakin?

Mr. McKELLAR. That shows that the Senator from Ohio does not know what he is talking about.

Mr. TAFT. I am asking a question. I did not make a statement.

Mr. McKELLAR. I am very glad to tell the Senator. What happened was that when this matter was called to the attention of the Secretary of the Interior he did not remove Mr. Eakin, but he transferred him to the park in the State of the Senator from Virginia.

Mr. GLASS. Mr. President, what business had he to transfer a crook to Virginia? [Laughter.]

Mr. McKELLAR. Frankly, I felt the same way, and I declined to accept any such proposed compromise. I felt that if this man was unworthy to be the superintendent of a park in Tennessee, he was unworthy to be the superintendent of a park in Virginia; and I would not agree to any such disposition of the matter. Thereupon, as I saw in the newspapers a day or two ago, the Secretary of the Interior, without knowing anything about these facts and without having examined this man, transferred him back to Tennessee, so that we now have him.

Mr. TAFT. Mr. President——

Mr. McKELLAR. Has not the Senator a park in Ohio?

Mr. TAFT. If the Senator will yield, I should like to ask whether Secretary Ickes has written the chairman of the subcommittee, the Senator from Arizona [Mr. HAYDEN], a letter regarding this matter?

Mr. McKELLAR. I do not know. Has he?

Mr. HAYDEN. Yes, Mr. President; I had a letter sometime ago with regard to the matter.

Mr. McKELLAR. I did not know it.

Mr. TAFT. In other words, the subject has been called to the attention of Secretary Ickes, and he has refused to remove Mr. Eakin; has he not?

Mr. HAYDEN. Frankly, I have never read the letter. I had the letter.

Mr. TAFT. The Senator——

Mr. McKELLAR. Wait one moment. Notwithstanding the implied criticism of the distinguished Republican candidate for the Presidency who has just been criticizing this amendment, I want to say that I am telling the facts about the matter. The Secretary of the Interior removed Mr. Eakin to the Shenandoah National Park, in the State of the Senator from Virginia [Mr. GLASS]; and when I did not agree to it, which I refused to do, he issued a second order rescinding the first one. Those are the facts. What he wrote to anybody else, I do not know.

Mr. TAFT. The effect of the amendment would be to make it possible for the Secretary to transfer Mr. Eakin to Virginia, so that he could get his salary, would it not?

Mr. McKELLAR. The effect of the amendment is that if Mr. Eakin remains in Tennessee as the superintendent of this park, somebody besides the United States Government will have to pay him.

Mr. TAFT. But he can be transferred to Virginia, and then he will receive his salary. Is not that a fair interpretation of the amendment?

Mr. McKELLAR. I do not believe he can be transferred to Virginia, because after this state of affairs has been disclosed surely no Secretary in the Cabinet of the President will transfer him to Virginia.

Mr. BARKLEY. How about sending him to Ohio?

Mr. McKELLAR. Or even to Ohio. If the Senator from Ohio has a good park where he needs men who will be short in their accounts to the extent of $114,000, which investigators cannot find when they go there to investigate, and if the Senator will make representations to the President that he wants that kind of a man in Ohio, he may get him; but I am not going to help the Senator get him.

Mr. GLASS. Mr. President, I do not object to this man going to Ohio, since the Senator from Ohio seems to be deeply interested in him. I do not want him in Virginia, however.

Mr. McKELLAR. The Senator from Ohio is deeply interested. He seems to show a good deal of feeling about the matter. I think the Senator from Ohio must have found out that this good Republican down in Tennessee is worth cultivating. If he can go down there as a Republican, vote the Republican ticket, and still control local Democratic politics, he must be a powerful fellow; and probably the Senator from Ohio, who is said to be anxious for future political preferment, would like to know about powerful men.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. McKELLAR. Surely.

Mr. WILEY. In view of the fact that this man has gone down into the Senator's State, let me ask whether he was a good man before he became mixed up in politics down there.

Mr. McKELLAR. I never heard of him before. The Senator from Ohio may know him. He may be a good friend of the Senator from Ohio; but, so far as I know, I recall having seen the man only once, when I went to the park about 3 months ago, and he came up and introduced himself to me. He had very little to say to me, and I had very little to say to him.

Now that Senators have asked me a number of questions, and I have given them the facts, I will proceed.

This man made purchases just when and where he pleased, without regard to the law and without regard to the regulations. As Senators know, there is a provision of law that all supplies over $100 in value have to be advertised for. The superintendent of this park paid no attention to that provision of law, according to this man who examined the mat-

ter for the Department. He audited the bills of lading, and found them incorrect and improper, if not actually crooked.

On the audit the accounts and records and reports were found wholly improper, if not dishonest and crooked.

Monthly telegraphic report of encumbrances.

By "encumbrances" I understand the report means where they have allotted certain moneys to certain things.

Now we come to purchases. There is another provision of law that purchases amounting to over a hundred dollars cannot under any circumstance be made without competition. He wanted to buy some cement. All this is in the record. He must be a man who makes friends all around. The cement producers wanted to sell cement. He was buying cement for roads, and he complied with the law by advertising for a sack of cement. Keep that in mind. Then he bought about $900 worth of cement from three contractors, who sent in bids stating the price for which they would sell one sack. That was multiplied by the number bought from that particular seller, and in that way they avoided the advertising. He does it in that way—a smart aleck.

The Senator from Ohio is defending this man. Can he defend that? I challenge him here and now, can he defend that kind of a contract on the part of a public servant? By the way, this man has been in the Park Service for many years, and he knows better.

Here is a man who wanted to buy cement with which to build roads, and he advertised for one sack of cement, and then entered into a contract for a carload with each one of three concerns who bid exactly the same price. He wanted to complete arrangements so that he would not have to advertise, but would buy a carload from each of the concerns.

Mr. President, is it possible that our Government has sunk so low that we are going to keep a man like that in the Government employ? I am glad the Senator from Virginia is present. I decline to let a man like that go to his State, and notwithstanding the fact that he is being defended by the distinguished candidate for the Presidency, the Senator from Ohio [Mr. TAFT], on this floor, I would decline, even under those circumstances, to let him go to Ohio, if I had anything to do with it.

Mr. GLASS. Mr. President, can the Senator state what prompted the Secretary of the Interior to send him to Virginia?

Mr. McKELLAR. I do not know.

Mr. TAFT. Mr. President, is it not due to the fact that the Senator from Tennessee made it so disagreeable with the Secretary of the Interior that he decided that, since he was a competent man, he would send him somewhere where the Senator from Tennessee would not have any further trouble or difficulty?

Mr. McKELLAR. That is not a fact at all; quite the reverse is the fact. I never talked with the Secretary of the Interior about the matter, and I am quite sure that if the Secretary of the Interior were to read this record, just as I am imploring the Senator from Ohio to read the record, Mr. Ickes would dismiss the man from the service of the United States as he ought to be dismissed.

Mr. TAFT. Then why does not the Senator bring the matter to the personal attention of Mr. Ickes, and have him do the job, instead of putting on the Senate of the United States the burden of an investigation which Senators are not prepared to undertake, have not time to undertake, and have no proper constitutional function to undertake?

Mr. McKELLAR. Wait a moment. If the Senator from Ohio has not time to undertake it, to examine into the facts in a matter like this, it is high time, if the Senator as a new Senator will take the advice of an old one, for him to devote a little more time to the duties of his office here, and perhaps not to other things.

Mr. WILEY. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. WILEY. Answering the question of the distinguished Senator from Virginia, is it possible that this man, who originally came from West Virginia, was all right, but after being in the State of the Senator from Tennessee for a little while something happened, so that it was thought perhaps he could be reformed by going into Virginia?

Mr. McKELLAR. I do not know. I doubt it. If a man allows to go on such a thing as he has allowed to go on in Tennessee, he would never be an honest man anywhere, not even in the Senator's State of Wisconsin. I would not inflict him upon the Senator's State.

Mr. WILEY. I thank the Senator.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. SCHWARTZ. Has this individual ever been tried on these charges?

Mr. McKELLAR. No.

Mr. SCHWARTZ. It seems to me that if he has never been tried, he ought to be given an opportunity to explain the charges.

Mr. McKELLAR. I have given him an opportunity. I have referred these charges to the Department, and this man has been here for a week, he saw these charges in the record, the papers carried them, but he did not come before the committee, and he did not ask to come before the committee. I ask the Senator from Arizona [Mr. HAYDEN], did Mr. Eakin ever ask for permission to come before the subcommittee?

Mr. HAYDEN. Mr. President, I have a recollection that sometime ago, perhaps a month or more ago, I did receive a letter from Mr. Eakin stating that if his conduct was to be investigated by the committee he desired to be heard. The committee conducted no investigation of Mr. Eakin.

Mr. TAFT. Mr. President, is it not also true that this particular amendment was inserted in the executive session of the committee after all hearings had been closed?

Mr. McKELLAR. The Senator was there, and heard it. He ought not to ask such a question, because he heard the amendment when it was offered before the subcommittee, and he was present. By the way, the Senator never said a word about it then.

Mr. TAFT. I did not happen to be present that day.

Mr. McKELLAR. I accept the Senator's statement. The Senator was in the full committee.

Mr. TAFT. No; not on Saturday.

Mr. McKELLAR. If the Senator had been present at the session of the committee he probably would not have said about this matter what he has stated today.

The next transaction involved oil barrels. They could procure oil cheaper if they returned the barrels, and Mr. Eakin would not return the barrels.

Mr. WILEY. It was not "pork"—not "pork" barrels?

Mr. McKELLAR. No; it was oil. They required a great deal of gasoline and oil. I do not believe he returned anything he got—"pork," or anything else. But there was a lot of "pork" gotten down there, according to the able investigator. He says that anyone at that park bought anything in the world he or she wanted, and they never bothered about authority to do it—they merely got the authority the best they could afterward—just fixed it up. And even then there was a sum of $114,000 for which there were no vouchers. The report says that sum was unaccounted for.

Mr. WILEY. Mr. President, will the Senator yield again?

Mr. McKELLAR. I yield.

Mr. WILEY. There have been a number of facetious questions and remarks during the debate, but it seems to me that what the Senator is doing is indicting a department of the Government.

Mr. McKELLAR. If the Senator wishes to take it that way, very well.

Mr. WILEY. I am serious about it. If these things go on, if these small graftings continue, they may result in big graftings, and may mean a large loss to the Public Treasury.

Mr. McKELLAR. That is true, and I think it is indefensible. I am glad the Senator from Wisconsin feels the same way about it, if he does, as I am sure he does.

Mr. WILEY. The Senator need not put an "if" in his statement. There is too much of it going on.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. SCHWARTZ. It seems to me we are overlooking the fundamental proposition which underlies this whole question, that is, whether this individual, charged with a crime, has been called before any competent authority and the charges presented.

Mr. McKELLAR. No.

Mr. SCHWARTZ. Then why does the Senator wish to convict him without hearing him?

Mr. McKELLAR. He has been heard.

Mr. SCHWARTZ. I understand he has been heard extensively before an inspector.

Mr. McKELLAR. Yes.

Mr. SCHWARTZ. Is there any specification charging anything against this man's character? Perhaps the inspector is bothered with a lot of political influence.

Mr. McKELLAR. I will read the Senator what Mr. Eakin himself says about it.

Mr. SCHWARTZ. It does not make any difference what anyone says about anybody else; so long as this man has never had a trial I am not going to vote to convict him.

Mr. McKELLAR. Very well. I am not asking the Senator to do anything in violation of his conscience. If he conscientiously believes that a man of this kind ought to be a Government servant, that is for him and not for me to determine.

Mr. LUCAS. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. LUCAS. Who is the investigator?

Mr. McKELLAR. Myers.

Mr. LUCAS. In what department of the Government is he employed?

Mr. McKELLAR. The Interior Department.

Mr. LUCAS. The same department in which Mr. Eakin is employed?

Mr. McKELLAR. The same department; and he was sent there by Mr. Cammerer.

Mr. LUCAS. Has he made a report to the Secretary of the Interior?

Mr. McKELLAR. He has made three reports. The first one is the worst, the second one is a little better, but still complaining at the failure to carry out his directions; and the third is substantially the same.

Mr. LUCAS. The three reports are all adverse?

Mr. McKELLAR. All adverse to him. I shall put them into the RECORD so that every Senator may read them.

Mr. LUCAS. And notwithstanding these three adverse reports which have been made to the Secretary of the Interior, Mr. Ickes, this man is still on the pay roll?

Mr. McKELLAR. He is still on the pay roll, and nothing has been done.

Listen to this:

JUNE 2, 1937.

The DIRECTOR,
The National Park Service, Washington, D. C.

DEAR MR. DIRECTOR: This will acknowledge your letter of May 21 advising of the receipt of a 78-page report from Field Auditors Douglas and Myers covering their review of E. C. W. accounts and records for the period beginning April 1, 1935, and ending October 31, 1936.

Listen to this, Senators:

We—

Editorial "We." The Senator from Virginia [Mr. GLASS] can understand that, as he is the owner of a newspaper.

Mr. GLASS. I do not understand why he should have been sent to Virginia, though.

Mr. McKELLAR. I agree with the Senator.

We heartily regret your apparent consternation in receiving the unsatisfactory report, but believe you will understand from this explanation that the records were not as irregular and the violations as numerous as portended in the report.

Did he deny the charges? No. Was he having a hearing? Yes. But he confesses and avoids.

We heartily regret your apparent consternation in receiving the unsatisfactory report, but believe you will understand from this explanation that the records were not as irregular and the violations as numerous as portended in the report.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. SCHWARTZ. Of course, in a voluminous report there may be included violations which are not important at all. There may be technical violations.

Mr. McKELLAR. These are not technical violations.

I desire to ask the Senator from Wyoming a question, since the Senator has taken up that matter. Is the Senator defending the superintendent of a national park who will condone illegal acts and keep in office those who at Government expense, after the day's work is done at 4:30, take a Government-owned car, with a Government chauffeur, and drive away from their location, on personal errands, stay away until the next morning, and get back to work at the proper hour, but charge the Government a per diem and the mileage on the car? Does the Senator defend that?

Mr. SCHWARTZ. If the Senator please, I am not doing that.

Mr. McKELLAR. I am sure the Senator does not.

Mr. SCHWARTZ. I am defending the right of a man to have a trial before the properly constituted officers upon a charge that he is doing these things. Until he gets such a trial I think the Senate should not affirmatively put a brand on him. The Constitution provides for a court of impeachment in the Congress, but in practice Senators have become glorified grand jurors, bringing in information from all over the United States, and now it appears that we must be a petit jury and convict, without trial, persons who are in the executive departments and not under our own jurisdiction.

Mr. McKELLAR. If the Senator is not satisfied with that explanation, made by Mr. Eakin himself, I wonder if he is satisfied with the following statement:

There were also extenuating circumstances in many instances which were explained to the auditors, but from their abusive attitude and threats at times when the audit was trying, it was expected that no quarter would be given, a sufficient justification for their extended visit would be recorded.

After making the admission he charges the auditor with being threatening and with being abusive. Mr. Myers appeared before the committee, having been sent by Mr. Burlew to explain this matter. I asked him if he threatened Mr. Eakin, and, as I recall, he said not only did he not threaten him, but he did not even see him. That Mr. Eakin was too big a man for him to see. So there were no abuses or threats. But this man, while he confesses in part, is trying to get out of it, and apparently got by with the auditor.

Mr. SCHWARTZ. I should be glad to vote for a resolution calling on the Secretary of the Interior to send the record to the Senate, and let us know what he has done and what he has not done.

Mr. McKELLAR. I wonder if the Senator, even if he disagrees with me, would not do me the justice as a fellow Senator to read what these reports say? Let the Senator read this letter from Mr. Eakin and pass on it.

Mr. SCHWARTZ. Yes; I will read the report, and listen to the reading of his letter.

Mr. McKELLAR. I continue reading:

We interpret from your letter that it is not understood why the conditions prevailed, since only 8 months prior to the arrival of Messrs. Douglas and Myers at our office, another auditor had spent approximately 2 weeks reviewing the E. C. W. accounts and records. This was in December 1935 and that audit should have covered 8 months or approximately one-half of the period in question. We do not know what the report contains.

And so forth. The letter consists of 13 pages—a very unlucky number for some people.

Mr. President, I ask to have printed in the RECORD, not the entire record, but the entire report of the auditor; I also ask to place in the record the letter of Mr. Cammerer, or his assistant. And also I ask to have placed in the RECORD the letter of Mr. Eakin, which discloses the whole situation.

I shall read a part of the letter from the Associate Director of the National Park Service, A. E. Demaray.

Mr. SCHWARTZ. Is that the man mentioned in the report?

Mr. McKELLAR. No; this letter is written by Mr. Demaray, who is Associate Director of the National Park Service. Mr. Demaray wrote about the "apparent consternation" to Mr. Eakin in 1937. Listen to this:

The detailed audit of the allotment ledgers indicated that the accounts were inaccurate and it was necessary for the auditors to prepare a list of numerous adjusting entries to correct the unencumbered balances.

The monthly telegraphic report of obligations by alphabetical classifications agreed with the total entries in the allotment ledger for the corresponding month in only two instances.

There were hundreds of instances, perhaps thousands of instances, but in only two did the report agree with the allotment ledger. That bears out the statement of the auditor, who said in his report that anyone in that Service made purchases of anything he wanted, under any circumstances, from whom he pleased, without regard to regulations, without regard to law. That is what Mr. Demaray is referring to here.

There was a difference of approximately $3,000 between the total of the telegraphic report and the total of the FD-1670 allotment ledgers, respectively, for the period beginning April 1, 1935, and ending October 31, 1936. It is important that the obligations report be reconciled monthly with the allotment ledgers.

The allotment ledgers for the FD-570 and FD-870 procurement authorities were not checked in detail, but the auditors reported that the last summary sheet for the FD-570 funds showed unliquidated encumbrances amounting to $146,472.45. The FD-870 allotment ledgers showed unliquidated encumbrances amounting to $6,231.72.

Although it seems improbable that unliquidated items to such an extent should remain at such a late date, the figures were taken from the last records for the procurement authorities FD-570 and FD-870, respectively, which were made available to the auditors. The allotment ledgers and files of supporting documents and vouchers were in such poor shape that it would have required the auditors to spend 3 or 4 additional months in the park to verify the accounts in detail. You are requested to assign someone to the task of cleaning up the old accounts and to liquidate the outstanding encumbrances against the FD-570 and FD-870 procurement authorities so the unencumbered balances may be taken up and the ledgers closed.

Every effort should be made to effect early settlements of the remaining items encumbered against FD-1670 funds. It is quite possible that a number of the accounts may have been paid but the supporting vouchers were not available in your files during the audit.

They took no vouchers until after they made the purchases, according to Mr. Myers, the investigator.

Your office had failed to encumber packing, handling, and transportation charges on Government shipping tickets. The packing and handling charges which were shown on the shipping tickets should be entered in the direct-settlement column of the allotment ledger and transportation charges.

Senators, listen to this. This is the Department now, acting on its own report.

There also appear to have been violations of travel regulations in cases where travel of an apparently personal nature was described as official business. * * *

Listen to that. Does the Senator defend that?

And a claim for per diem reimbursement was made and paid.

A man in the regular employ of the Park Service going to Knoxville on business or pleasure for himself, and claim for per diem reimbursement was made and paid.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. SCHWARTZ. I desire to make it plain that I am not approving any transactions of that kind. I take the position that this is not the time, the place, nor the forum in which to convict this man. If anyone should be charged here, if the charges are true, it is the head of the National Park Service and not this individual.

Mr. McKELLAR. No; the Senator is wrong about that. I think the head of the Park Service ought to have discharged the man, of course, but the man who is in the Park Service who is guilty of this nefarious conduct, is primarily liable.

Mr. SMATHERS. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. SMATHERS. Will the Senator tell me, if all the things he charges against Mr. Eakin are true, why Secretary Ickes has declined to dismiss him?

Mr. McKELLAR. It is beyond my understanding. I have a very high opinion of Mr. Ickes. The only way in which I can account for it is that he has simply not been willing to do at this time the work of examining the entire record as it should be examined.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. TAFT. I understand that Secretary Ickes has written a letter—probably the one which the Senator from Arizona [Mr. HAYDEN] has not read—in which he defends Mr. Eakin and in which he says he has examined the charges, and is in favor of retaining Mr. Eakin in the service. To be fair to Mr. Eakin, I think we ought to have that letter read to the Senate at this time. I will ask the Senator from Arizona if he is willing to send for the letter and read it to the Senate?

Mr. McKELLAR. I have no objection whatever, if the Senator has such a letter.

Mr. TAFT. I do not know. I am only told that such is the character of the letter.

Mr. McKELLAR. The Senator has been told many things which he has repeated as facts on the floor of the Senate. I think the Senator has a wrong idea of the facts.

Mr. TAFT. There was a letter on the subject which the Senator from Arizona said he had not the time to read. I think the letter ought to be read to the Senate.

Mr. McKELLAR. I shall be delighted to have it read. Listen to this:

Another example, was supervising mechanic leaving Bryson City, N. C., at 7:30 p. m., arriving at Knoxville, 11:15 p. m. and leaving Knoxville at 6 a. m. next morning, arriving at Bryson City at 9:45 a. m. This party's headquarters was Smokemont, N. C., several miles from Bryson City, N. C. He spent a great many evenings in Knoxville, Tenn., and Asheville, N. C., arriving at these places after regular closing hours for all kinds of official business, and leaving the next morning before opening hours, and collected per diem for the time away from official station.

Apparently, a Government car was used for transportation.

Mr. President, all this led me to offer the amendment in the committee. The only way in which we shall get rid of this dishonest, and, as I believe, corrupt, inefficient and improper servant of the people, is to adopt the committee amendment.

Mr. LUCAS. Mr. President, will the Senator yield for one further question?

Mr. McKELLAR. I yield.

Mr. LUCAS. Judging from the reports made by the investigator against the individual named, he has violated every rule and regulation of the Department, as well as certain criminal statutes.

Mr. McKELLAR. Absolutely.

Mr. LUCAS. I should like to know whether or not the Senator from Tennessee has ever personally brought the reports to the attention of the Secretary of the Interior.

Mr. McKELLAR. No. The truth of the matter is that rather an unusual incident happened. A few moments ago the Senator from Ohio [Mr. TAFT] asked me about the political side of the question, and I told him just what the facts were. A man in the same county, on seeing the publication—I believe my letter to the Secretary was published by the Secretary—wrote to me and said:

Is it necessary to bring in any political matter? If you will have the Secretary send you the report of Mr. Myers, you will find that a more dishonest man never was superintendent of any park.

I wrote to the Assistant Secretary, Mr. Burlew, and he sent me a copy of the report. The report came from Mr. Burlew's office.

Mr. LUCAS. Did the Senator from Tennessee ever have a personal conversation with the Secretary of the Interior about the matter?

Mr. McKELLAR. Never in my life. All my conferences have been with Mr. Burlew.

Mr. President, sometime ago I wrote a letter to the Secretary or Assistant Secretary of Interior, I have forgotten

which, and asked that Mr. J. Ross Eakin, superintendent of the Great Smoky Mountain National Park be transferred. I do not recall that I then asked that he be removed, though I might have. About the middle of January the newspapers began to publish articles about my letter and about Mr. Eakin and on January 19, Secretary Ickes and Mr. Arno Cammerer, Director of the National Park Service, both declared publicly that Mr. Ross Eakin would not be removed. Mr. Ickes was quoted in big headlines as follows: "Won't fire or transfer Eakin, Ickes declares." Further along in the article he said, when asked if he knew what kind of a job Mr. Eakin had done as superintendent of the Great Smoky National Park, he replied: "He's done a good, satisfactory job."

THE KIND OF A JOB DONE

Of course, I do not expect Secretary Ickes to know what kind of a job each man under him has done, especially where it is a superintendent of a park. Probably he has never seen him or knows anything about him and has to take the word of others under him.

Mr. Eakin is wholly unworthy of the defense that Mr. Ickes now makes for him. Indeed, his record as superintendent of that park cannot be justly defended by anyone who knows the facts. Secretary Ickes had the facts, but, I surmise, he did not know that he had them and I do not charge him with knowing what his own records show about Eakin, but the facts were in his office. The facts had been in his office since February 23, 1937. The facts that he had in his office about J. Ross Eakin since February 23, 1937, show beyond the peradventure of a doubt by a report of Mr. Ickes own agent, a man by the name of H. E. Myers, regional fiscal supervisor, that Mr. Eakin was an unworthy, inefficient, inattentive, and wasteful superintendent, utterly unqualified for the place that he holds, if not personally dishonest. In substantiation of this statement, I herewith ask to be printed as a part of my remarks pages 39 to 63, inclusive, of a report on the Great Smoky Mountains National Park, E. C. W., Accounts, Audit Report of Portion of Assignment, by H. E. Myers, filed in the National Park Service, E. C. W., Audit Division, February 23, 1937.

This account of Mr. Myers took up that part of the business of the park known as the Emergency Construction Works Division. He went through all of the accounts, or such as Mr. Eakin had on hand, dissecting each and every one that was not correct, and on page 57 of the report finds as follows:

Unaccounted for, $132,040.62.

I am not going to read this report, but I will read certain excerpts from it at this time. On page 40 I read as follows:

A review of the following comments will disclose that proper purchase and contract procedure was not followed. In the auditor's opinion, the greater portion of these discrepancies can be charged to incompetent personnel in charge of purchasing and lack of proper supervision by ones responsible.

Who is responsible for that park? It is J. Ross Eakin, and this auditor evidently refers to J. Ross Eakin. The auditor then proceeds in the same paragraph:

Several excuses were given for mistakes that had been made, the favorite one being to place blame on clerk that was suspended on August 1, 1936, and the next being failure to receive information from Washington office. It would appear that anything that was wanted by anybody was purchased, regardless of regulations, and then every known means used to get the same paid by the finance officer, giving him answers to his questions that were not borne out by the facts when he would hold up payment of vouchers for additional information.

This is the officer Secretary Ickes, probably prompted by Mr. Cammerer, calls a man who has "done a good, satisfactory job."

Listen, Senators, the first excuse was that a man who had been caught stealing was responsible for the particular thing, whatever department it was in, and the auditor's statement was "That anything that was wanted by anybody was purchased, regardless of regulations." That was in this park under the control of Eakin. In other words, if Eakin or anybody else wanted to purchase anything, he or she could do so without regard to regulations. Then, what did the examining officer find? We use the words of the examining officer himself:

then every known means used to get the same paid by the finance officer, giving him answers to his questions that were not borne out by the facts, when he would hold up payment of vouchers for additional information.

What could be more dishonest or more corrupt in the director of a park, spending hundreds of thousands of dollars a year, than these answers as testified to and reported to the Secretary more than 2 years ago?

And again the auditor says:

While audit was being made several suggestions were made to correct errors as they were discovered, and a later check would disclose that suggestions were not followed out immediately, if at all (p. 41).

This is important in view of the results of this report. I am sure Mr. Ickes never read this report. Without knowing, I am just almost as sure that Mr. Cammerer had seen it. I have had experience with Mr. Cammerer in the Shiloh National Park when he had another corrupt and dishonest director and whom he refused to put out until a committee of the Senate heard the facts and forced his being put out. Mr. Cammerer whitewashed him and no doubt he whitewashed Eakin to Secretary Ickes.

The auditor then goes into more than a hundred items dealing with every part of the business in which hundreds of thousands of dollars were spent, in which he finds that every scheme was used at the hands of these men under Eakin, and apparently with Eakin's full approval, to separate the Government from its money. Some of these are in the purchasing of motor oil, and of gas and tires. I think I will quote an article on automobile tires:

EXCESSIVE PURCHASES

It was noted that a great many automobile tires and tubes were purchased. A check of these purchases shows that between April 1, 1935, and June 30, 1936, tires and tubes amounting to $13,012.62 were purchased. Just why it would be necessary to purchase a hundred tires at one time, and place them in stock at the two warehouses, was never properly explained to auditor, and when you take into account that all of the large tire companies have warehouses and service stations carrying a complete line of truck tires at Knoxville, Tenn. and Asheville, N. C. As a large stock of tires were on hand at Sugarlands warehouse, inquiry was made and answer received that they were for detached-service cars, and when it was pointed out that it was not necessary to have extra tires on hand, when they could be obtained from Knoxville when and as needed, the answer was then given that the tires on hand had been purchased by the clerk that had been suspended.

As a great many partly worn-out tires were in several places, instructions were given to have all of these tires placed in one building under lock and key, and when this was done, it was found that one abandoned barrack building at Sugarlands was completely filled with worn-out or partly worn-out tires, from camps in Tennessee, some of them, in the auditor's opinion, being good tires showing very little use (pp. 41 and 42).

Why should the Director or those under him be careful of the Government's money? It seems to have made no difference to them. Why did they want $13,000 worth of tires on hand at one time? They never made a satisfactory report to the auditor.

The real-estate leases on pages 42 and 43 show a situation that smells to heaven. The cement contracts in which the Government was evidently chiseled out of money. The rental of teams, horses, and advertising and issuing invitations as shown on page 45. They paid no attention to the law about the purchase of advertising—page 46. The audit of travel vouchers showed that these were made the subject of dishonesty and corruption—pages 46, 47, and 48. Audits of bills of lading that were not kept and about which the auditor could get no information, shipping tickets, and pay rolls—pages 50 and 51.

On page 55 of the report we find the following, on the questions of tentage:

As all of this tentage was received during the months of June and July 1935, the auditor feels sure that Memphis Tent & Awning Co. and C. R. Daniels, Inc., have been paid by finance officer, Washington, D. C., but that copies of paid vouchers have never been received from him, or if received have been lost or misplaced, as the same were not discovered during the audit. Request was sent to the finance officer for copies of these vouchers, if paid,

and the same had not been received at park office at date of closing audit.

What has become of this? We do not know and we ought to have the information. On page 57 of the record is the main thing:

Unaccounted for..... $132,040.62

Who is responsible for this money? Mr. Eakin. Has he ever accounted for it? Not that anybody knows of. Then comes a lot of reimbursable collections concerning which the auditor could not get any real information—pages 58 and 59. Unascertained liability for failure to return oil barrels, refunds by railroads for freight picked up by Government. Where, oh, where, has it gone?—pages 60 and 61.

Government-owned automobiles is shown on the exhibit. There were 40 of these pick-up E. C. W. automobiles and each one had a driver. What did these cost? What did they do with these pick-up automobiles? We do not know. We would like to know. If Eakin is a good man he ought to have been able to tell about them.

After making one of the most vigorous and active onslaughts on a Government activity I ever read, after accusing the Director and all others of all sorts of crimes and misdemeanors, including a shortage of $132,040.62, the auditor says that the transactions were proper, "except as otherwise stated in above-mentioned report."

Mr. President, I believe I asked a while ago that certain papers, including the report itself, the statement of Mr. Myers, the letter of Mr. Demaray, and the letter of Mr. Eakin in reply, be printed in the RECORD as a part of my remarks, in order that no injustice may be done to Mr. Eakin. Mr. Eakin's reply, as we say in the law, was a confession and avoidance.

The PRESIDING OFFICER. Without objection, it is so ordered.

The documents referred to are as follows:

PART II. GREAT SMOKY MOUNTAINS NATIONAL PARK EMERGENCY CONSERVATION WORKS ACCOUNTS—AUDIT REPORT OF PORTION OF ASSIGNMENT

(By H. E. Myers)

Pursuant to my assignment, I arrived at Gatlinburg, Tenn., July 28, 1936, at 10:30 a. m.

As I had not been furnished with any instructions regarding this assignment, it was necessary to await arrival of Mr. Douglas before outlining program of work on audit.

Upon arrival of Mr. Douglas at Gatlinburg on July 30, I discussed with him brief survey I had made while awaiting his arrival, and it was agreed that I should make the audit of FD 1670 funds, beginning with April 1, 1935, and the following is my report thereon:

INDEX OF EXAMINATION

1. Audit of purchase orders and vouchers.
2. Audit of travel vouchers.
3. Audit of bills of lading.
4. Audit of shipping tickets.
5. Audit of pay rolls.
6. Audit of accounts, records, and reports.
7. Other matter.

AUDIT OF PURCHASE ORDERS AND VOUCHERS

From April 1, 1935, until some time in the early part of 1936, file of purchase orders in numerical sequence was not maintained. Purchases were made verbally, and when invoice was received, a voucher on form 1034 was prepared. In some instances a purchase order would be prepared for the purpose of obtaining receiving signature, and this receipted copy of purchase order attached to office copy of voucher.

Vouchers so prepared were encumbered in the allotment ledger, either at the time they were sent to finance officer, or when paid copy was received from finance officer, and in many instances, not at all.

Reference numbers in allotment ledger might be a purchase-order number that was assigned to the encumbrance some place along the line, with no attempt at numerical sequence, or the entry would be given a reference number that appeared on the allotment ledger, and in some cases, but not all, on the vouchers.

Paid vouchers were filed in alphabetical arrangement, as this was the only way they had of ascertaining if an obligation had been paid, and even this method was not used for what it was worth, as numerous duplicate payments were made.

About February 1, 1936, a copy of purchase order issued was placed in a separate file, but as purchase orders were not issued for all obligations incurred—purchase order numbers being stated on vouchers only—file was not complete.

From the above it will be readily seen that it was impossible to make audit from standpoint of purchase orders issued. After making a survey of the situation, it was decided to make the audit from standpoint of vouchers paid by finance officer. Alphabetical file of paid vouchers was rearranged, so that vouchers were in order of months paid, and each month's vouchers in numerical order. Also it was necessary to obtain from finance officer a list of all vouchers paid by him, charged to FD 1670 funds on account of this park, and when this list was checked with vouchers in file, several were missing, and copies of these missing vouchers were obtained from finance officer. An alphabetical card index was prepared for all vouchers. When audit was completed, vouchers were left in numerical order, spoken of above, the card index affording ready reference.

Attention is called to letter from Washington office, dated December 23, 1935, directed to superintendent of park, requesting that purchase orders in paid file be filed numerically, beginning January 1, 1936. As above stated these instructions were not complied with.

Receipts for materials and supplies were not obtained in majority of instances. In some cases copy of invoice attached to voucher would be approved by O. K. of project superintendent; a great many vouchers did not have copy of invoice attached; a few vouchers had a copy of purchase order attached, receipt signed by project superintendent, or H. A. Hunt, Emergency Conservation Work clerk, who also acted as purchasing agent.

Purchase and contract procedure: A review of the following comments will disclose that proper purchase and contract procedure was not followed. In the auditor's opinion, the greater portion of these discrepancies can be charged to incompetent personnel in charge of purchasing, and lack of proper supervision by ones responsible. Several excuses were given for mistakes that had been made, the favorite one being to place blame on clerk that was suspended on August 1, 1936, and the next being failure to receive information from Washington office. It would appear that anything that was wanted by anybody was purchased, regardless of regulations, and then every known means used to get the same paid by the finance officer, giving him answers to his questions that were not borne out by the facts, when he would hold up payment of vouchers for additional information.

While audit was being made several suggestions were made to correct errors as they were discovered, and a later check would disclose that suggestions were not followed out immediately, if at all.

Files show that considerable trouble was experienced with finance officer in having vouchers paid, as he was continually returning some of these for correction, or additional information, the omissions complained of by him being simple ones in a great many instances.

Irregular purchase procedure: A great many irregularities in purchase procedure were noted. Some of these are as follows:

Motor oil purchased in open market, not under Navy contract; typewriter rentals, no contract; purchase of typewriter; service station deliveries of gasoline; photographic equipment; printing of forms; time books, field books, ledgers, daybooks, and columnar journals; repair parts for automobiles not under TPS contracts 7807 and 7808; office furniture, desks, drafting tables, stools, steel desks, steel cabinets, and steel files; drafting instruments; printed envelopes; spark plugs in large quantities at double TPS contract price; junk batteries traded in on new batteries, a dozen or more at one time; and blowtorches traded in on new ones.

Excess purchases: It was noted that a great many automobile tires and tubes were purchased. A check of these purchases shows that between April 1, 1935, and June 30, 1936, tires and tubes amounting to $13,012.62 were purchased. Just why it would be necessary to purchase a hundred tires at one time, and place them in stock at the two warehouses, was never properly explained to auditor, and when you take into account that all of the large tire companies have warehouses and service stations carrying a complete line of truck tires at Knoxville, Tenn., and Asheville, N. C. As a large stock of tires were on hand at Sugarlands warehouse, inquiry was made and answer received, that they were for detached service cars, and when it was pointed out that it was not necessary to have extra tires on hand, when they could be obtained from Knoxville, when and as needed, the answer was then given that the tires on hand has been purchased by the clerk that had been suspended.

As a great many partly worn-out tires were in several places, instructions were given to have all of these tires placed in one building under lock and key, and when this was done, it was found that one abandoned barrack building at Sugarlands was completely filled with worn-out, or partly worn-out tires, from camps in Tennessee, some of them, in the auditor's opinion, being good tires showing very little use.

Further investigation showed that no uniform truck drivers' report system was in effect, showing care of tires as to inflations. It was impossible for auditor to check accountability for all tires purchased, due to the method of handling the same all around.

Many purchase orders were issued for batteries for automobiles and trucks, orders being for 1 dozen, sometimes 2 dozen or more at a time. Here again it was discovered that as no uniform truck drivers' report system was being used, in fact, only one camp showed a battery hydrometer on property inventory, so it was impossible for truck drivers to properly test batteries.

Irregular contracts: Inspection of contracts in file shows that a general understanding of contract procedure was not had by all concerned with the preparation of contracts.

While it would take up considerable space to set forth all of the irregularities discovered by auditor, in contracts prepared at this park, some of the most important ones are as follows:

Real estate leases: 1. Contract No. I-23p-532, lessor, A. J. Huff, Gatlinburg, Tenn., dated October 21, 1933 (?) (No date on office copy of contract). For rent of "one building approximately 2 feet 2 inches by 16 feet 2 inches for use as an office for Government employees." Beginning October 21, 1933, to as long as needed, with option in either party to terminate same upon 30 days' notice. Rental, $21 a month. Heat and light furnished.

Premises covered by above lease contract consist of an extension that was built onto a building occupied by National Park Service, and owned by Mr. Huff, rent for balance of building being paid out of regular National Park Service appropriations.

Light not being furnished by lessor, as Emergency Conservation Work is paying for all electric light and power used in entire building under contract No. I-23p-718 E. C. W.

Mr. Huff stated to auditor that at the time an extension was built onto the back of the building to house what is now known as the radio room he made a verbal agreement with park superintendent that in place of National Park Service paying additional rent to cover the radio room that it pay for all electric light and power used in the building.

Rent paid out of regular National Park Service appropriations for balance of building being $42 per month, making total rent for building $63 per month, or $756 per year.

2. Contract No. I-23p-748 (Emergency Conservation Work). Lessor A. J. Huff, Gatlinburg, Tenn. Dated December 10, 1934. For rent of "building located in rear of Mountain View Hotel with 1,156 square feet floor space, containing four rooms and toilet." For duration of Emergency Conservation Work and/or 30 days' notice of either party. Rental $53 per month. Heat and water furnished. Premises covered by above lease known as landscape office.

3. Contract No. I-23p-749 (Emergency Conservation Work). Lessor A. J. Huff, Gatlinburg, Tenn. Dated April 1, 1934. For rent of "building located in rear Mountain View Hotel used as a garage containing two stalls." "A garage for two Government-owned passenger cars." "Duration of the Emergency Conservation Work and/or 30 days' notice by either party." Rental $6 per month. No heat, light, or water to be furnished by lessor.

This building being used as a storage for office supplies and not as a garage, at time of audit, and from all appearances had been so used for some time past.

Building is a shed-type frame garage, cheaply constructed.

From the above it will be noted that the National Park Service is paying rent on the three buildings, as follows:

	Per month	Per year
Administration office building (Emergency Conservation Work, $21; regular National Park Service, $42 per month)	$63	$756
Landscape office (Emergency Conservation Work pays all rent)	53	636
Garage or storage (Emergency Conservation Work pays all rent)	6	72
Total	122	1,464

The three Emergency Conservation Work leases above mentioned have never been renewed. Rent paid to June 30, 1936, and invoices from lessor for last rent paid shows above contract numbers.

All three leases above mentioned are on standard form No. 2.

No evidence in file showing:

(a) That selection of premises determined as result of advertising and that award was made to lowest bidder, or any showing as to why advertising was dispensed with and authority therefor.

(b) That form PSC No. 6, "Clearance," was ever prepared or submitted.

(c) That there ever was submitted a statement showing that no space available in Federal building.

Cement contracts: 1. Contracts ER:I-23p-22, 23, and 24. Invitations were sent on February 28, 1936, for "cement in paper bags of 94 pounds net." No quantity stated. Volunteer Portland Cement Co., Penn Dixie Cement Corporation, and Southern States Portland Cement Co., all submitted identical bids of $2.49 per barrel, of four paper sacks, in carload lots of not less than 132 barrels. The above three mentioned firms were equal low bidders; a fourth bidder was 5 cents per barrel higher.

On these three bids, under the same invitation, three contracts were awarded for a carload of 132 barrels, viz: A contract with Volunteer for 132 barrels, one with Penn Dixie for 132 barrels, and one with Southern States for 132 barrels.

2. Contract ER:I-23p-28 (Emergency Conservation Work), dated March 17, 1936, with Volunteer Portland Cement Co. for $414.38. Three equal low acceptable bids were received. Award was made to concern nearest park, instead of by lot, following justification being stated on statement of award: "But it would result in increased cost to split the award, and due to the fact that it would also result in delay and cost to Government to request that representatives of these companies draw lots for award * * *."

Splitting contracts so as to avoid Washington office approval (?): The following contracts were made with Tennessee Metal Culvert Co.: No. I-23p-800, accepted May 28, 1935, for $904.36; No. I-23p-801, accepted May 29, 1935, for $919.20; purchase order No. 653, dated May 27, 1935, covers contract No. 800, and purchase order No. 655, dated May 29, 1935, covers contract No. 801. Invoice for contract No. 800 dated May 28, 1935; invoice for contract No. 801 dated May 31, 1935. Both contracts for metal culvert pipe for delivery to NP-2 Sugarlands. No copies of any rejected bids in file. Fast work for contracting for and delivery of $1,823.56 of metal culvert pipe.

Emergency Conservation Work property used as part payment for services: Contract I-23p-756 (Emergency Conservation Work) with Carolina Auto Parts Co., for vulcanizing tires, amount of contract $498.75, and "143 old tires with more than four injuries," no amount mentioned as consideration for old tires.

Rental of teams, horses, etc.: Several contracts were entered into for horse hire, but as purchase orders were not issued to cover these rentals, vouchers only being prepared, and as some of these vouchers would have noted in proper place a contract number, while others would not, it was impossible for auditor to determine which rentals were covered by contract and those that were not. Several irregularities were noted in these contracts.

1. Contract No. I-23p-509 Emergency Conservation Work, date of acceptance August 26, 1933, with R. N. Wiggins for two teams of horses and harness at P-9 at $4.40 per day per team. Estimated use 1 month, with option for continuing for additional month or fraction. While this contract was made in 1933, for 1 month, with option for additional month, vouchers covering team rentals from June 1935, to January 1936, show this contract number. Other payments were made on vouchers to this same party for team rental during same period, that do not show on voucher, this, or any other contract number.

2. On April 15, 1935, seven contracts were made for team rentals, being numbers I-23p-790 to 797 (except 793). In one instance, it was noted that award was made to one of the bidders, not the low bidder, at price bid by the low bidder. Vouchers covering payments made to these seven parties did not always contain contract reference, so it was impossible to determine the payments that were covered by contract. From files it appeared to auditor that finance officer had returned several rental vouchers for contract reference, and these were then marked "Open Market Purchase," "Temporary Rental," some with rubber stamp "Temporary Hire—Will not exceed $100," etc., and returned to him and paid. Father of procurement clerk, one of the accepted bidders.

Advertising and issuing invitations: All contracts examined, that had attached copy of Form No. 1036, showed that regulations were not being followed as to posting of notice in public places, and method of advertising used, as indicated on form plainly showed that notices were not posted, but no explanation stated on form as required.

Only one copy of bid was required to be signed by contractor, and in the case of successful bidder, this signed copy was forwarded as the Returns Office file, all other copies of contract containing typed signature of contractor, and in the case of rejected bids, the signed copy was included with the Returns Office file, no copy of rejected bid being retained in Park files.

PURCHASES IN EXCESS OF $100 NOT COVERED BY CONTRACTS

Several purchase orders were issued for amounts in excess of $100 that were not covered by contract. Statement made to auditor that it was the understanding of all concerned at the park office that, beginning April 1, 1935, authority was granted to make open-market purchases up to $299.99, and no one had any recollection of the receipt of memorandum advising that any purchases in excess of $100, not covered by contract, were to be reported monthly on a schedule accompanying the allotment ledgers, with explanation of the emergency involved. Supplement No. 297, E. C. W. Handbook, chapter 5, page 26c, dated October 28, 1935, was found in Park Office E. C. W. Handbook, but was evidently never read by anyone, as schedule of open-market purchases in excess of $100 was never submitted for any month, after receipt of above-mentioned supplement No. 297, while open-market purchases in excess of $100 were frequently made, and so far as auditor could ascertain, without any real emergency existing at the time.

Several instances were discovered where invitations were sent, and when low bid was determined and it was found to be less than $300, the contract was never completed, the bids being filed with the file copy of the voucher, and in a few such instances, the voucher paid by finance officer bore the statement that "as purchase was less than $300 no contract was required."

Attached as exhibit A is schedule of open-market purchases in excess of $100 and under $300, and as exhibit A-1, schedule of open-market purchases in excess of $299.99.

AUDIT OF TRAVEL VOUCHERS

Travel orders were issued by superintendent of park, and in a few cases by acting superintendent, reading "Great Smoky Mountains National Park and vicinity," and based on these travel orders files show that travel was performed and paid for by finance officer to and from various places in Tennessee, North and South Carolina, and Georgia. Other travel orders were issued specifying certain places in Tennessee, North and South Carolina, Georgia, and Virginia, all outside of limits of Great Smoky Mountains National Park.

Travel orders issued did not always correctly state headquarters of traveler. For example, Gatlinburg, Tenn., was shown as headquarters on a great many travel orders, whereas actual headquarters of traveler was NP–2 Tennessee, 4 miles from Gatlinburg. Also a great many travel orders were issued showing Bryson City, N. C., as headquarters, whereas official headquarters of traveler was one of the camps within the park area several miles from Bryson City in North Carolina.

Several travel vouchers have been paid out of FD 1670 funds, for travel incident to purchase of land for park, condemnation proceedings in connection with acquisition of land, etc. Park office reported to auditor that all such payments from FD 1670 funds were authorized by letter from Washington office, but clerks unable to find such authorization in files.

Travel orders were issued by Washington office, dated May 1, 1935, to Gordon G. Bruce, George A. MacPherson, Francis R. McGovern, and John B. Quinn, for travel by personal car from Luray, Va., to Gatlinburg, Tenn. (permanent change of station). Paragraph D of all these travel orders was deleted, by crossing (XXX) out the portion of paragraph from "the amount" to "mentioned above." Above change not initialed on park office copy; at the bottom was inserted "Justification: It is determined to be more economical and advantageous to the Government for you to use your personal car at a mileage rate, *that will not exceed cost by common carrier.*" [Italics indicate underscoring supplied by auditor.]

Travel vouchers submitted by Bruce, McGovern, and Quinn each asked reimbursements for use of personal car on mileage basis of 478 miles at 5 cents per mile, $23.90. MacPherson traveled with Bruce, and so stated on his voucher.

Finance officer has paid each of the three men above mentioned $23.00 for mileage. From information obtained by auditor, finance officer apparently overlooked "Justification" at bottom of travel orders, and more than likely General Accounting Office will suspend payments made.

Several vouchers for travel between April 1 and June 30, 1935, show travel orders issued prior to April 1, 1935, appropriation chargeable being FD 570 or FD 870. Letter in file from finance officer conveys impression that he was not aware of the fact that appropriation shown on travel orders referred to on vouchers, and on vouchers, were not the same, as he was of the opinion that new travel orders were required at the beginning of each fiscal year, whereas FD 1670 covered all travel performed on and after April 1, 1935, and new travel orders should have been prepared on that date showing FD 1670 as the appropriation chargeable.

Travel orders for clerks, project superintendents, foremen, and enrollees, whose official duties per appointment do not require travel, do not show justification for travel authorized.

Examination of travel vouchers would give auditor the impression that all travelers were not making deductions for lodgings furnished free of charge at camps, as vouchers plainly show traveler at camp overnight, but no deduction made for free lodging, and statement made that no lodgings furnished free of charge, and of course it was based on this statement that finance officer paid vouchers as submitted.

Several travel vouchers were paid to Emergency Conservation Work clerks in park office, and supervising mechanics, that have the appearance of Federal Government paying for employees' pleasure trips. For example, Emergency Conservation Work clerk in Gatlinburg office being paid for per diem on trips to Knoxville, Tenn., showing leaving headquarters (Gatlinburg) after 4:30 p. m. (office closing time) for Knoxville, Tenn., remaining in Knoxville (a distance of 40 miles from Gatlinburg) overnight, and leaving there the next morning at 7 a. m., arriving Gatlinburg at 8 a. m. Another example was supervising mechanic leaving Bryson City, N. C., at 7.30 p. m., arriving at Knoxville, 11:15 p. m., and leaving Knoxville at 6 a. m. next morning, arriving at Bryson City at 9:45 a. m. This party's headquarters was Smokemont, N. C., several miles from Bryson City, N. C. He spent a great many evenings in Knoxville, Tenn., and Asheville, N. C., arriving at these places after regular closing hours for all kinds of official business, and leaving the next morning before opening hours, and collected per diem for the time away from official station.

Travel orders were issued, and per diem paid thereon, to various parties whose official duties placed them in travel status, who would leave official headquarters, either Bryson City, N. C., or Gatlinburg, Tenn., between 7 and 10 a. m., traveling to places within park or points in vicinity, returning to official headquarters early in the evening.

Statement made to auditor by Chief Clerk and Washington office was furnished with copies of all travel orders issued by park superintendent. No acknowledgment of receipt by Washington office was available for auditor.

AUDIT OF BILLS OF LADING

Very little attention was paid to bills of lading. Of those issued by this office, no record was kept, that is, no register was maintained to account for all numbers, and if a copy of bill of lading was retained at the office at the time of issue, it was not routed through proper channels for purpose of entering on allotment ledger, being filed with other papers pertaining to shipment, no separate file being maintained for bills of lading issued by this office, or for bills of lading issued by other offices chargeable to this office.

A search was made of all files, desk baskets, desk drawers, and all bills of lading found in these places were removed and sorted with the following results:

1. National Park Service (Emergency Conservation Work) bills of lading on hand unused September 29, 1936; Nos. 251 to 300, 500 to 529, 551 to 600, 601 to 650, 651, to 700, 701 to 750, 1051 to 1100, 3851 to 3900, 3901 to 3950, 3951 to 4000.

2. While Mr. Douglas was in Washington office during September 1936, he obtained list of bills of lading issued to this office, the same being Nos. 251 to 400 and 501 to 750, under date of June 26, 1933. Auditor requested a list of bills of lading chargeable to this park, but Chief Clerk was unable to find any such list of bills of lading in park files. It will be noted that the bill of lading numbers listed under "1" accounts for all of the ones issued by Washington office under date of June 26, 1933, except 301 to 400 and 501 to 528, inclusive.

3. The results of above-mentioned search would indicate that Nos. 301 to 400 were evidently issued under FD 570 and FD 870 funds. Of these, no copies were found for the following numbers: 301, 302, 303, 304, 308, 309, 310, 311, 312, 318, 319, 321, 322, 323, 324, 325, 326, 329, 331, 333, 334, 335, 336, 337, 338, 339, 343, 345, 346, 348, 349, 352, 355, 374, 387, 388, 389, 390.

4. Of the bills of lading Nos. 301 to 400 found in the files, no paid copies were found for the following: 316, 327, 330, 342, 344, 345, 353, 354, 358, 359, 361, 362, 363, 364, 365, 366, 367, 368, 370, 371, 372, 373, 378, 379, 380, 381, 383, 384, 394, 395, 398.

5. Of the balance of the numbers to be accounted for, viz, 501 to 528, inclusive, no copies were found for the following: 509, 512, 513, 514, 516, 518, 520, 521; and no paid copies for 517, 524, 525, 526, and 527.

6. Form letters from Washington office forwarding bills of lading that had been paid by finance officer. Accounted for all bills of lading shown on these letters except two. Some of these were encumbered, others were not.

7. All references on allotment ledgers that were presumed to refer to bills of lading were noted. Bills of lading were not always recorded by numbers; sometimes the railroad name only was used, while in other cases description of shipment and point of origin was used. These entries were matched with bills of lading found in files, or reversed on schedule of adjustments. All unencumbered bills of lading properly chargeable to this office were then encumbered on "Schedule of auditor's adjustments" on miscellaneous allotment ledger for October 1936, F. D. 1670 funds, sheets 123 and 124, and entries appearing on these sheets pertaining to above-mentioned schedule verified by auditor.

8. File folders were prepared to classify bills of lading for ready reference and instructions given to all clerks concerned as to proper method for handling bills of lading. Form of register, as outlined in handbook, was drawn up, and definite instructions given to record thereon all bills of lading issued, commencing with No. 529.

AUDIT OF SHIPPING TICKETS

Packing and handling charges on shipping tickets were not encumbered by this office. A thorough search of all files in park office was made, and all shipping tickets found were placed in a file entitled "Shipping tickets," and those showing packing and handling charges against F. D. 1670 funds were scheduled. A copy of this schedule was furnished allotment ledger clerk, with instructions to make entries on October 1936, miscellaneous allotment ledger for F. D. 1670 funds, and same have been properly entered on sheets Nos. 124, 125, and 126, and vouched by auditor, being 65 entries.

Instructions were issued by auditor to all concerned regarding shipping tickets and encumbering of packing and handling charges shown thereon.

AUDIT OF PAY ROLLS

Very few "paid" copies of pay rolls in park files; while a few have voucher number notation of finance officer only; from list of vouchers paid by finance officer, was able to verify copies of pay rolls in file with amounts paid, with a few exceptions.

One pay roll prepared each half month, on Form 1074, for employees at office and all camps, distribution summary being shown on last sheets. Summaries were checked to allotment ledgers, and corrections noted as shown on "Schedule of adjustments." Summaries totaled to see that total of amounts encumbered same as total paid by finance officer. One error found and correction shown on "Schedule of adjustments."

Pay rolls were not prepared from time sheets, but were prepared and sent to finance officer before time sheets were received, and in some cases checks were received from finance officer, and distributed before time sheets were received. Time sheets were used principally for the purpose of placing in file, to be on hand, when and as called for by auditor. Information contained thereon regarding leaves was not always checked against leave slips. Due to sending pay rolls to finance officer before receipt of time sheets, in many cases persons were carried on pay rolls in error, two cases being noted of employees having died before pay rolls submitted, and when checks were received and error discovered, check would then be returned to finance officer for cancelation and reverse entry made on allotment ledger. As no separate file was maintained to show the checks that were returned to the finance officer for cancelation and no notation made on copy of pay roll, it was impossible for auditor to verify that all such checks were returned to finance officer, that had been so issued in error, and that all such checks so returned were covered by proper entries on allotment ledgers. It was noted where office record showed that check or checks had been returned for cancelation, that finance officer's record of voucher payments showed the total pay roll as originally submitted.

Valuation experts, surveyors, etc., carried on pay rolls. Park office reported that Washington office had authorized same by letter, but search of files failed to disclose such authorization. These parties were paid for services in connection with condemnation proceedings in connection with acquisition of parcels of land for park.

No work by supervisory personnel on Saturday mornings before October 8, 1936, and no slips ever prepared for such leave.

Test check of pay rolls showed that files did not contain time sheets, and/or record of leave, Form 1–128, for all persons carried on pay rolls; file of leave slips did not contain slips for leave shown on Form 1–128 and time sheets; leave shown on time sheets not shown on Form 1–128 or by slip in file.

Addressees not shown on pay rolls; all checks sent to park office by finance officer and distributed from there.

Three cases noted where employees on pay roll had also been paid by purchase order amounts for horse and team rental, and one superintendent for typewriter rental, part of which General Accounting Office had discovered and requested reimbursement, which was made; but balance not requested from employee, waiting to see if same discovered by General Accounting Office; one of the cases noted above of horse rental to a foreman, where he was paid twice for same rental, and reimbursement of duplicate payment never requested.

AUDIT OF ACCOUNTS, RECORDS, AND REPORTS

(a) Allotment ledgers.
(b) Schedule of unliquidated encumbrances.
(c) Monthly telegraphic report of encumbrances.
(d) Cost records.
(e) Reimbursable collections.

Allotment ledgers: All entries appearing on allotment ledgers, consisting of 563 sheets, were verified by auditor, with the exception of entries for which no supporting documents were found or satisfactory explanation made as to basis for entries. After making every effort to ascertain the facts regarding these entries, the same were reversed on schedule of auditor's adjustments, on November 1936 allotment ledgers. The majority of these entries were, in the opinion of the auditor, duplication of entries otherwise recorded.

The allotment advices were checked with the record for the period. Amounts shown on allotment advices received monthly and divided between camps, viz, North Carolina allotment between occupied camps in North Carolina, Tennessee allotment between occupied camps in Tennessee. Monthly allotments checked to each State recapitulation sheet for each month and found to be properly entered.

Total allotments, FD 1670 funds, April 1, 1935, to June 30, 1936:

North Carolina	$273,659
Tennessee	259,486
Total	533,145

As shown by Allotment Advice No. 730, dated June 16, 1936.

In view of permission given national parks, in National Park Service Emergency Conservation Work Handbook, chapter III, division G, section 1, sheet 1, second paragraph, it was deemed advisable by auditors to show all allotment ledger entries, commencing with November 1936, on one allotment ledger (for FD 1670 only) and as this was agreeable with superintendent, necessary instructions were given allotment ledger clerk by auditors, and for November 1936 a combined allotment ledger covering all camps in Great Smoky Mountains National Park FD 1670 funds was started, first sheet being numbered "1," and unencumbered balances of allotments shown on Tennessee and North Carolina recapitulation sheets for month of October 1936 were brought forward as "Previous balance" on combined allotment ledger. This procedure saved a great deal of time in many respects. Several errors were discovered during audit, where encumberance had been recorded on allotment ledger of a certain camp, and then liquidated on either "Miscellaneous" or on another camp ledger. If separate ledgers were still to be maintained it would have been necessary to make entries correcting these errors, as between ledgers; whereas by combining all allotment ledgers into one, the above-spoken-of errors were automatically adjusted. Also, if separate ledgers were to be maintained, it would have been necessary to liquidate in some manner the large red balance at the end of October 1936 on "Miscellaneous," whereas that was also accomplished by use of the combined allotment ledger. This procedure also permitted the recording in one ledger of all auditor's adjustments.

All columns in allotment ledger sheets April 1 to July 31, 1935, were machine-added, and no errors found. Commencing with August 1935, through October 1936, a test check was made by adding "Liquidated" and "Authorized" columns, and found only one error in addition, that being in January 1936, as found by Washington office, as per letter of February 28, 1926. (This letter not in file, but above reference from entry on NP–2/10, sheet No. 21, correcting error.)

Also found error of $150 in distribution of "Miscellaneous" to camps in month of August 1935, as per letter from Washington office, dated September 18, 1935, which letter was found in file, and error was corrected in September 1935; distribution of "Miscellaneous," in keeping with above-mentioned letter.

Auditor requested all letters from Washington office pertaining to audit of allotment ledgers by that office, and letter of September 18, 1935, above-mentioned, was only one available.

Totals on all sheets were checked to recapitulation ledger. For month of June 1935 it was discovered that totals on camp sheets did not agree with amounts shown on recapitulation sheets, for several camps; on Tennessee recapitulation sheet, and one camp on North Carolina recapitulation sheet the errors appearing in "Audited vouchers" and "Liquidated" columns in the same amounts, consequently not affecting unencumbered balance of allotment. These errors amounted to $238.47 plus on Tennessee camps and $406.37 plus on North Carolina camps and were never adjusted, as "Totals to date" were carried forward as "Totals previous month" on July 1935 recapitulation sheets, and so on from month to month to and including October 1936 as all "Totals to date" on recapitulation sheets were checked to the subsequent recapitulation sheet as "Totals previous month."

The above-mentioned errors of $238.47 and $406.37 effected the unliquidated encumbrances, when "Liquidated" and "Authorized" amounts in "Totals to date" on both recapitulation sheets for October 1936 were used to arrive at the unliquidated encumbrances as shown by all allotment ledgers on October 31, 1936—this being the only way that this step could be accomplished in view of statements made elsewhere herein.

Adjusting entries were made on schedule of auditor's adjustments on sheet No. 26, November 1936 allotment ledgers to correct the errors last above mentioned.

It was also discovered that errors were made in bringing forward "Totals previous month" on allotment ledgers for camps 4 and 14 and camps 18 and 19, for October 1935. "Totals previous month" on June 1935 allotment ledgers (that being the last previous month for which allotment ledgers were prepared) being shown as "Totals previous month" on October 1935 instead of "Totals to date" on June 1935 being shown as "Totals previous month" on October 1935. These last-mentioned errors do not in any way affect the "Totals to date" on recapitulation sheets, as these last-mentioned totals are brought forward from recapitulation sheet from preceding month.

Schedule of unliquidated encumbrances: At time of starting audit (July 28, 1936) it was discovered that schedule of unliquidated encumbrances was not being prepared at the end of each month. Instructions were given by auditor for preparation of such schedule as of the close of business July 31, 1936, for all funds. The only way that a schedule of unliquidated items for FD 1670 could be prepared, until audit of those funds was completed, was to make a schedule of all unpaid purchase orders, bills of lading, etc., in pending file. This was prepared by allotment ledger clerk and given to auditor. When audit of allotment ledgers of FD 1670 funds was completed, an attempt was made to check this schedule so prepared against open items on allotment ledgers, but without success, as it contained items that had been paid several months before it was prepared, and did not contain several items that were unpaid as shown by allotment ledgers.

From information obtained from all available sources, a schedule was prepared by auditor, as of October 31, 1936, and each item carefully checked by him, and all information so obtained discussed with chief clerk, so that he in turn could see that same were liquidated at earliest date possible. A great many items are believed by auditor to have been paid, but supporting papers showing such payment were either lost, misplaced, or never received from finance officer.

Attached as exhibit B is schedule of unliquidated encumbrances for FD 1670 funds, so found by auditor, totaling $9,809.04, which amount is the difference between "Authorized" and "Liquidated" encumbrances, after all auditor's adjustments have been made.

By reference to this schedule it will be noted that three large items appearing thereon, viz: (1) Purchasing office, Department of Interior, Washington, D. C., $6,456.96; (2) Austin-Western Co., $576; and (3) Alpha Portland Cement Co., $1,080; total $8,112.96, leaving $1,696.08 covering the balance of items shown on schedule.

Purchasing office, Department of Interior, $6,456.96: On June 1, 1935, an entry was made for $9,100 covering estimated cost of tentage being purchased for park through Washington office. Very little was known about the details of this transaction except in a general way, as the matter had been handled by H. A. Hunt, clerk suspended August 1, 1936, and pending file did not contain information showing status of transaction. After audit of allotment ledgers was completed, auditor was able to piece together, from information obtained from various sources, the following:

The following contracts had been awarded by Washington office:

Fulton Bag & Cotton Mills	No. I–1p–3293	$1,486.98
H. Wenzel Tent & Duck Co	No. I–1p–3292	1,210.00
Memphis Tent & Awning Co	No. I–1p–3291	3,559.98
C. R. Daniels, Inc	No. I–1p–3294	2,230.55

The above contracts evidently cover the estimated encumbrance of $9,100, as they cover all items in Invitation No. 655 (PJB) dated April 29, 1935.

Files contain copy of paid voucher in favor of Fulton Bag & Cotton Mills for $1,486.98, less 2 percent of $29.74, net $1,457.24, being No. 3360 paid by finance officer, Washington, D. C., July 12, 1935. Also paid voucher in favor of H. Wenzel Tent & Duck Co., for $1,210 less 2 percent of $24.20, net $1,185.80, being No. 627 paid by finance officer, Washington, D. C., July 2, 1935. The total of these two vouchers—$2,643.04—deducted from the estimated encumbrance of $9,100, leaves a balance of $6,456.96.

As all of this tentage was received during the months of June and July 1935, the auditor feels sure that Memphis Tent & Awning Co. and C. R. Daniels, Inc., have been paid by finance officer,

Washington, D. C., but that copies of paid vouchers have never been received from him, or if received have been lost or misplaced, as the same were not discovered during the audit. Request was sent to finance officer for copies of these vouchers, if paid, and the same had not been received at park office at date of closing audit.

It will be noted that when the two missing vouchers are received and liquidated there will be a balance of $724.34 unliquidated of the original encumbrance of $9,100, and instructions were given by auditor, that when these two last-mentioned paid vouchers were received, if in the meanwhile nothing turns up to throw any light on any additional encumbrance contemplated by the $9,100 entry, that this amount of $724.34 be included in the amount liquidated for the two vouchers above mentioned.

Austin-Western Co., $576: This covers purchase order for repair parts for heavy equipment that finance officer refused to pay on account of its exceeding $300, and same has been referred by him to General Accounting Office. This matter has been the cause of considerable correspondence back and forth but still unpaid at date of investigation, and from the looks of things was going to be a difficult matter to get settled. (For more complete details see exhibit A–1.)

Alpha Portland Cement Co., $1,080: The greater portion of this amount will be liquidated when finance officer's payment advices are received and liquidated covering invoices of company dated September 22, 1936, for 168 barrels at $2.80, $470.40, and 232 barrels at $2.80, $649.60, less 10 cents a barrel for cash discount and 40 cents a barrel for return of sacks, and balance will be liquidated when and if cloth sacks are returned in good condition.

Monthly telegraphic report of encumbrances: Monthly telegraphic reports of encumbrances for the period April 1, 1935, to October 31, 1936, were examined and compared with net encumbrances as shown by allotment ledgers, with the following results:

1. Only 2 months, May and June 1936, were in agreement with allotment ledgers.

2. Telegrams for July, August, September, and October 1936, included only encumbrances for CC 5507 funds.

3. Telegraphic reports did not always state appropriation and none stated total encumbrances being reported.

Instructions were given to study section of new handbook pertaining to telegraphic report, and to prepare telegrams commencing with November 1936 in keeping therewith.

Exhibit C shows total encumbrances by States, both for telegrams submitted and as shown by allotment ledgers.

Cost records: At various times during the audit attempts were made to ascertain if items encumbered were for authorized projects, and if such authorization covered the items in question, but it was found impossible to definitely check any such transactions, due to the manner in which cost accounts were kept.

Cost records are kept at the camps by the project superintendents and camp clerks (enrollees) each camp using its own method of assembling, distributing, and reporting cost data, there being no attempt to reconcile costs as reported with actual encumbrances as disclosed by allotment ledgers.

Monthly cost reports as submitted by project superintendents are checked in a way at the park office, but such checking as they do receive amounts to very little in the way of ascertaining if all costs are being reported.

The entire cost work is supervised by Mr. Spillers in the park office on the Emergency Conservation Work pay roll as technician, $2,600 per annum. Mr. Spillers is an engineer but spends practically all of this time checking reports received from project superintendents and taking care of other matters pertaining to project approval and cost work, and is the only one about the park office that is presumed to know anything about cost work.

A test check was made of FD 1670 funds allotted between April 1, 1935, and June 30, 1936, to ascertain if all funds expended had been reported in costs reports, with the following results:

Total funds allotted	$533,145.00
Less: Type-mapping allotments	19,127.00
Total allotments for work program	514,018.00
Less: Balance unexpended (adjusted)	602.95
Total to be accounted for	513,415.05
Cost reported:	
Fifth period	175,589.98
Sixth period	149,242.10
First half seventh period	56,542.35
Total costs reported	381,374.43
Unaccounted for	132,040.62

As the above-mentioned "Unaccounted for" represents roughly 25 percent of the total to be accounted for, this matter was discussed with Mr. Spillers, and he advised that, during the fifth period (April 1 to September 30, 1935), the detached pay roll was not included in the supervision reported on the monthly cost reports. The detached pay roll for this period amounted to $17,259. Further discussion with Mr. Spillers disclosed that expenditures for equipment, appearing on allotment ledgers, were not included in costs reported. As stated above, it was impossible, without an endless amount of work, to ascertain just what items are included in the cost reported.

The auditors while at NP–2 Sugarlands had the camp clerk show them just how he compiled the data set forth in monthly cost reports, and after thoroughly going into the matter and looking over the working papers submitted by camp clerk the auditors were of the opinion that the methods used were far from accurate and could readily see where 25 percent of actual expenditures were overlooked and never discovered any place along the line.

The entire cost-accounting procedure at this park should be revamped and, in the opinion of the auditor, the correct time to start the new procedure would be at the beginning of a work period.

Instructions were given to check cost reported with allotment ledger encumbrances, but due to the facts stated above there is very little to be accomplished until a new complete cost program is put into effect.

As the work of revamping the cost system would take considerable time, in the way of drawing up forms and instructions to all concerned as to the proper method to be followed, the auditors, due to pressure of other assignments, were compelled to defer the matter and only give such instructions as might help the present system.

Reimbursable collections: From various sources, mostly from unfinished transactions and memoranda in desk baskets of allotment ledger, and voucher clerks, and from references obtained during course of audit, it was discovered that there were several reimbursable collections items that were incomplete, as follows:

1. Standard Oil Co. of New Jersey, $991.67: In safe at park office was check dated August 31, 1936, from Standard Oil Co. of New Jersey, for $991.67. Chief clerk stated as reason for holding check instead of sending through for deposit, it was necessary to ascertain finance officer's voucher numbers for original payments, and due to files being used in audit was unable to do this. This check covers refund of 2 cents a gallon on gasoline purchased under contract I–23p–672 ECW, and paid during the months of May and June 1935. The delayed payment by the Standard Oil Co. of New Jersey explained by the refund being overlooked by Park Office & Co. until brought to attention by General Accounting Office, and then further delayed by the fact that several invoices for this company were held up, the whole matter being the subject of a great deal of correspondence. All invoices paid for out of FD 1670 funds to this company under this contract were checked against schedule attached to check and found to be covered by the refund in the proper amount. FD 1670 funds entitled to $600.60 of this refund and balance to FD 870. Chief clerk stated that as soon as auditors left he would have prepared the necessary data required by finance officer and send check through for clearance.

2. Standard Oil Co. of New Jersey, $32.45: On July 18, 1936, finance officer, Fort McPherson, Ga., acknowledged by proper receipt, check of Standard Oil Co. of New Jersey, for $400.12. Of this amount $32.45 was credited to FD 1670. No entry made in the allotment ledgers for this collection at date of examination. The same covered refund by company for errors in invoicing.

3. R. P. Abbott, $1: On October 28, 1936, finance officers, Fort McPherson, Ga., acknowledged receipt of $1 refund of overpayment to R. P. Abbott on voucher No. 8659 September 1935. This collection not entered on allotment ledger at date of examination.

4. H. C. Wilburn, $9.50: On October 28, 1936, finance officer, Fort McPherson, Ga., acknowledged receipt of $9.50 refund of overpayment to H. C. Wilburn on travel voucher No. 5884 September 1935, $9, and voucher No. 5885 September 1935, 50 cents. This collection not entered on allotment ledger at date of examination.

5. H. A. Hunt, $30: Letter to Washington office, dated October 22, 1936, calls attention to fact that $30 of collection made from H. A. Hunt should be credited to FD 1670, instead of CC 5507, as directed by Washington office letter dated October 10, 1936. This collection not entered on allotment ledger at date of examination awaiting reply from Washington office.

6. Sale of tents to Indian agencies, $279.68: Letter from finance officer, Washington, D. C., dated July 29, 1936, acknowledged receipt of remittances totaling $279.68, covering sale of tents to various Indian agencies. These collections not entered on allotment ledger at date of examination.

7. Rhyne Lumber Co., $49.13: Check of finance officer, Fort McPherson, Ga., to order of Rhyne Lumber Co., dated July 14, 1936, for $49.13 was sent to park office by vendor with statement that it was a duplicate payment. Matter being investigated by clerk. No entry being made on allotment ledger for this collection at date of examination.

8. Carter, Rice & Co., $27.10: On August 6, 1936, finance officer wrote park superintendent, advising that Carter, Rice & Co. had returned his check for $27.10, paid that company on his voucher No. 8382, July 25, 1936, claiming same was a duplicate payment of like amount received on June 2, 1936. On September 6, 1936, finance officer again wrote park superintendent, requesting information, and again on October 14, 1936. On October 19, 1936, park superintendent wrote finance officer that he was unable to find where any previous payment of like amount had been made this company.

9. A. W. Sherrill, Jr., foreman, $18.66: Letter from Washington office, dated November 6, 1936, requested collection be made for excessive leave taken by A. W. Sherrill. On November 20, 1936, $18.66 was transmitted to Washington office. No entry made on allotment ledger awaiting instructions from Washington office.

10. Sale of worn-out tires and tubes, $300.50: During course of audit it was discovered that tires and tubes had been sold from

time to time. Inquiry was made, and information furnished by Chief Clerk that all such collections were handled through the regular channels for park funds, being deposited to "Miscellaneous receipts." A schedule was furnished auditor containing information as to the sale of 1,305 tires and tubes, between September 24, 1935, and April 17, 1936, to nine different contractors, together with deposit number and date. The total of these sales amounting to $330.50.

11. During audit several questionable duplicate payments were discovered and brought to the attention of Chief Clerk for proper investigation.

OTHER MATTER

(a) Unascertained liability for failure to return oil barrels; (b) refunds by railroads for freight picked up by Government; (c) Government-owned automobiles; (d) work on equipment for other governmental agencies; (e) auditor's adjustments; (f) FD 570 funds; (g) FD 870 funds.

Unascertained liability for failure to return oil barrels: As a great many empty oil barrels were noticed at the various camps, and especially at Smokemont, N. C., investigation was made, and it was discovered that Sinclair Refining Co. had been for some time prior to our visit attempting to have returned to it empty oil barrels in which motor oil under Navy contract had been furnished to the various camps. It had been the practice at the various camps to pay no attention to return of oil barrels, and they were allowed to accumulate. It developed that Sinclair representative had made several trips to Smokemont, trying to obtain return of these barrels.

Matter was taken up with park office and auditor informed that the same was being looked into. Several weeks later, while at Smokemont, noticed that nothing had been done, and again took this matter up with Chief Clerk and Mr. White, assistant to the superintendent, and was informed by Mr. White that he had requested one of the men to take care of this situation.

In going over correspondence in park office, came across letters from Gulf Refining Co., demanding that it be paid for the barrels that had not been returned to it, according to terms of contract under which sales were made.

Just before leaving park, noticed that nothing had been done regarding the return of these barrels, they were still where I had first noticed them—that is those that had not rolled down the side of the mountain.

Navy contract with Sinclair Refining Co., contains provision, that if oil barrels are not returned within a specified time, charge will be made for the empty oil barrel. Gulf Refining Co., and all other large oil companies, do the same thing.

Finance officer, at Fort McPherson, Ga., has repeatedly refused to pay purchase orders for oil barrels that should have been returned under terms of sale of oil.

Refunds by railroads for freight picked up by Government: As it has been the custom for railroads in the Southeast to make refunds of 5 cents per hundredweight on all freight picked up by Government trucks at railroad freight station at delivery point for some time past, and as these refunds are sometimes paid in cash by local freight agents to E. C. W. employees, and as no such refunds were discovered in the audit, Mr. Douglas and the writer called on the freight agent at Sevierville, Tenn., of the Tennessee & North Carolina Railroad, this being the railroad over which all freight shipments are received for Tennessee side of the park, and was informed that his railroad did not participate in the tariffs authorizing these refunds.

Chief Clerk was requested by us to obtain letters from the general freight agents of all railroads over which the park had received shipments, stating that these railroads were not required by tariffs covering these shipments to make refunds for pick-up service performed by the Government.

Government-owned automobiles: As a great number of pick-ups were carried on inventory, investigation was made as to work performed by these cars. Attached as exhibit D is schedule showing the drivers that have been assigned pick-ups.

It will be noticed that several regular National Park Service employees are using Emergency Conservation Work pick-ups, and that one was assigned to an employee on Civilian Conservation Corps pay roll, without reimbursement in any manner to Emergency Conservation Work.

So far as auditor could ascertain these cars are used, in most instances, from the time employee leaves his place of residence until he returns, and car is left overnight at place of residence of driver, not under shelter.

A few of these cars are left standing each night in the parking space near the park office, in all kinds of weather. Just before leaving Gatlinburg saw several cars so parked covered with snow.

There is no contract for storage of Government cars in a garage. As stated under contract comments, while it would appear that there was a contract for space for storage of two Government automobiles, this space is used for other purposes.

While engaged on work of audit, an inspection was made by traveling mechanic assigned to district E, region 1, and he advised the writer that his inspection showed that the above-mentioned pick-ups were not receiving the proper attention.

Work on equipment for other governmental agencies: Work reports from Smokemont and Sugarlands garages show that considerable work is performed by Emergency Conservation Work mechanics on equipment belonging to other governmental agencies. No reimbursement is made to this Service for such work. Chief Clerk informed the auditor that parts were replaced by regular National Park Service for any work performed on regular park equipment, but that no attempt was made to reimburse Emergency Conservation Work for the labor.

Auditor's adjustments: A schedule of all auditor's adjustments (except those for shipping tickets and bills of lading, which were recorded as stated in foregoing comments under those two subjects) was prepared and these adjustments were entered on November 1936, combined allotment ledger for FD 1670 funds, sheets 1 to 26, inclusive, and entries so made on allotment ledger sheets checked by auditor with his working papers. For that reason the schedule is not set forth herein, as it was very lengthy, the totals being as follows:

Direct settlements	$2,050.82
Audited vouchers	4,223.99
Encumbrances liquidated	4,066.46
Encumbrances authorized, RE	1,584.04
Reimbursable collections, RE	291.77

FD 570 funds: Auditor requested allotment ledger sheets for FD 570 funds, for purpose only of reporting totals, as our instructions were to omit auditing of these funds. Chief Clerk stated that these allotment ledger sheets had been filed away some place, and he would have to make a search for the same. They were not found by the time we were ready to leave, so Chief Clerk was requested to forward the totals shown on the last recapitulation sheet submitted to Washington office, when the same were found.

The "Totals to date" so obtained, for February 1935, are as follows:

Direct settlements	$2,848.91
Audited vouchers	146,229.23
Encumbrances liquidated	52,807.81
Encumbrances authorized	199,280.26
Reimbursable collections	128.02
Allotments	295,422.57
Unencumbered balance of allotments	None

From the above it will be noted that there is a balance of $146,472.45 of unliquidated encumbrances.

We did not find in any of the files anything pertaining to FD 570 funds, as evidently all vouchers, etc., had been filed away in storage.

There was one adjustment on account of voucher paid by finance officer being charged to FD 1670 instead of FD 570, and superintendent has been instructed by auditor to submit allotment ledgers showing the adjustment, when proper adjustment voucher is received from finance officer.

FD 870 funds: Allotment-ledger sheets for FD 870 funds were found in binder. Totals to date as shown on recapitulation sheet for March 1936, last month for which sheets were found, are as follows:

Column headings	Tennessee	North Carolina	Total
Direct settlements	$2,107.54	$2,159.85	$4,267.39
Audited vouchers	127,823.32	128,311.95	256,135.27
Encumbrances liquidated	10,342.79	11,961.82	22,304.61
Encumbrances authorized	13,367.71	15,168.62	28,536.33
Reimbursable collections	875.81	814.68	1,690.49
Allotments	143,000.00	130,000.00	273,000.00
Unencumbered balance	10,920.03	RE2,863.92	8,056.11

In keeping with instructions, to omit auditing of these funds, nothing was done regarding the same.

From the above it will be noted that there is a balance of $6,231.72 of unliquidated encumbrances. No schedule of these obtainable, as chief clerk stated none was ever prepared.

We found one file drawer completely filled with vouchers, vendors' invoices, etc., of FD 870 funds. As above stated, no check was made of the same, except to ascertain if any papers belonging to FD 1670 funds, were therein included, and such as were found were removed and placed with proper files for FD 1670 funds.

There were several adjustments on account of vouchers paid by finance officer being charged to FD 1670 instead of FD 870, and superintendent has been instructed by auditor to submit allotment ledgers showing the same, when proper adjustment vouchers are received from finance officer.

CERTIFICATE

I hereby certify that, based upon the records and supporting papers examined, and information and explanations obtained, subject to the scope of the examination and the comments thereon, the obligations and disbursements for those transactions reviewed, were proper and in accordance with the regulations of Emergency Conservation Work, except as otherwise stated in above-mentioned report.

Left Gatlinburg, Tenn., at 11 a. m., November 27, 1936, for my official headquarters, Atlanta, Ga., via U. S. D. I. car 10988.

Sincerely yours,

H. E. MYERS,
Regional Fiscal Supervisor.

EXHIBIT D.—*Schedule of Emergency Conservation Work pick-ups and drivers*

License No.	Driver	Pay roll
1328	Morris O. Ross, mechanic	Emergency Conservation Work.
3199	C. S. Trammel, mechanic	Do.
3200	H. F. Holt, project superintendent	Do.
3182	E. S. Tipton, project superintendent	Do.
8584	R. H. Montony, project superintendent	Do.
8585	E. J. Rosser, project superintendent	Do.
2357	Greenbriar Sub Camp	
8589	J. E. Castle, project superintendent	Do.
1329	Mr. Fisher, foreman	Do.
2393	L. M. Anderson, project superintendent	Do.
1327	Labe Myers, warden	National Park Service.
3183	A. J. Fisher, project superintendent	Emergency Conservation Work.
3174	W. C. Phillips, project superintendent	Do.
3173	L. Jones, warden	National Park Service.
2363	M. Wilson, telephones	Emergency Conservation Work.
2388	H. C. Wilburn, foreman	Do.
3163	J. T. Maxey, property supervisor	Do.
2358	Mr. Owenby, warden	National Park Service.
1331	Gatlinburg office	
2356	West Ogle, warden	Do.
2385	Mr. Sisk, warden	Civilian Conservation Corps.
2386	J. M. Price, warden	National Park Service.
3164	W. L. Smith, warden	Do.
8605	G. T. Lucas, engineer	Emergency Conservation Work.
3184	Joe Manley, foreman	Do.
3203	Conley Henry, ranger	National Park Service.
10535	Mr. MacPherson, type-mapping	Emergency Conservation Work.
8600	C. M. Leeman, landscape	Do.
8601	P. L. Cox, engineer	Do.
3201	H. O. Edwards, ranger	National Park Service.
8597	Mr. Bishop, mechanic	Emergency Conservation Work.
8608	Mr. Swope, landscape	Do.
10534	Mr. Miller, type-mapping	Do.
8609	James B. Light, ranger	National Park Service.
2394	Bryson city office	
8610	Mr. Allen, radio	Emergency Conservation Work.
8596	Mr. Stallings, engineer	Do.
8591	Mr. Wentworth, foreman	Do.
1330	J. S. Dutton, warden	National Park Service.
8585	Mr. Abbott, mechanic	Emergency Conservation Work.

DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Washington, February 16, 1938.

The DIRECTOR
National Park Service, Washington, D. C.
(Through Mr. Tolson.)

DEAR MR. DIRECTOR: Pursuant to our instructions we left Washington, D. C., on February 7, 1938, for Great Smoky Mountains National Park and arrived at park headquarters, Gatlinburg, Tenn., at 3 p. m., proceeding immediately with an audit of the accounts and records.

Actual cash on hand for deposit to miscellaneous receipts amounted to $5, $2 being lease fees and $3 topographical map sales. This balance agreed with receipted collection bills although no collection account was maintained in the disbursing officer's ledger. We recommended that a collection account be opened to show all collections, deposits, and balances on hand each day and the chief clerk promised this would be done, effective February 1, 1938.

The agent cashier's cash was verified and found to be correct in accordance with records maintained currently. A balance of $400 was on hand under symbol No. 94–943 and $300 under symbol No. 106–106, both amounts being the full amount authorized.

Topographical maps received from the United States Geological Survey on consignment are sold for 60 cents each, 36 cents of which is remitted to the Geological Survey and 24 cents deposited to miscellaneous receipts. The record of the sale of these maps, however, did not readily disclose the cash on hand from sales and we made suggestions to correct this condition. Some of the maps are purchased by the park for official use and payment had not been made to the Geological Survey for these maps for several months. Chief Clerk Ray agreed to make full settlement for the maps at least once a month and to improve the record kept in accordance with our suggestions.

Postage stamps amounting to a value of $8.36 were on hand in the office safe, agreeing with record kept of stamp purchases and issues. Payments to the Gatlinburg postmaster for office box rent had been made by stamps, and we advised the park that payment should be made in the regular way on a 1034 voucher.

The park had established office hours of less than the 8 hours per day (except Saturday) required by the regulations, basing such action on a misinterpretation of a memorandum issued May 20, 1937, by Mr. Herbert Evison, former Civilian Conservation Corps regional officer, region 1. During our stay, however, Superintendent Eakin issued orders correcting the condition and establishing a working day of 8 hours.

Disbursing ledgers were checked from January 1, 1937, to January 31, 1938, with accounts current and schedule of disbursements. Earlier months were found to be out of balance, but the record for November, December, and January was found correct, indicating proper procedure had been established November 1, 1937, with the exception of a collection account as hereinbefore mentioned.

Deductions were being made on Civilian Conservation Corps pay rolls for National Park Service quarters furnished Civilian Conservation Corps personnel, and rental payments were deposited to "Miscellaneous receipts." We advised the park that the deductions should be deposited as repays to the current park appropriation. The same procedure was being followed on regular park pay rolls, and pay rolls did not refer to the number and type of quarters furnished. This was called to the attention of the Chief Clerk.

Mr. Ray stated that replies to letters of inquiry from the park to the regional office and Washington office were not received within a reasonable time, often not for 60 or 90 days. We explained that often it was necessary to obtain information elsewhere before answering inquiries, but he was not fully convinced that any logical reason existed for the long delays.

Upon examining pay rolls, time slips, memoranda of employment, and personnel records from January 1, 1936, to January 31, 1938, the following discrepancies were noted:

Mrs. Herman Bishop was hired on memorandum of employment Form 10–37 December 1, 1934, as laborer, at $0.25 per hour, and has worked 2 to 5 hours per day as laborer ever since. Her actual duties were those of a telephone operator and she remained on duty all the time instead of only 2 to 5 hours daily. We advised the superintendent that an appointment as telephone operator should be secured at once if the need for the position should continue. Chief Clerk Ray stated that her station would be handled through some other exchange within a week or two, and that her services would be discontinued.

Mrs. Oma K. Ogle was employed November 15, 1934, on a memorandum of employment Form 10-37, as senior laborer, at $0.30 per hour, and according to the time slips, worked as such 3 or 4 hours practically every day from date of her employment to date. During this time she performed janitor work exclusively in the park office. As need for a janitor's services will continue, we suggested that an appointment as janitor be secured in the regular way.

Mr. John Morrell was employed intermittently from January 1 to July 1, 1937, as laborer, at $0.30 per hour, as shown by the time slips and pay rolls. His services were actually utilized in checking land titles to private lands within the park. Mr. Morrell being an attorney, and employed on legal work, it was obviously very irregular to carry him on the rolls as a laborer.

On July 1, 1937, five laborers were carried on the rolls for 12 to 16 hours per day each. No showing of necessity or emergency was made, but Mr. Eakin stated that he believed this was occasioned by a bad landslide and that the overtime was necessary to clear one of the main roads in the park. One Terry Huskey was employed as watchman and worked 10 hours every day from September 1 to October 31, 1937, without any showing of an emergency. We explained that in all cases where it was necessary for per diem men to work more than 8 hours per day that a showing of the emergency should be made.

Memoranda of employment were in poor condition, often not being signed by the superintendent or any park official. When men were discharged and rehired in subsequent years, new memoranda were not obtained. A slight improvement was noted in recent months. Many employments were made prior to December 1, 1937, on a monthly basis instead of at a per diem rate, as authorized by the approved per diem schedule of rates. During the calendar year 1937 practically no memoranda of employment were executed except covering a few men not theretofore employed. We suggested to Chief Clerk Ray that new memoranda be executed at once for all employees on an hourly or per diem basis, and he agreed that this would be done, and that hereafter memoranda would be signed whenever applicable.

Time slips prior to December 1, 1937, were in poor condition. Very few were signed by the employees. Since December 1, 1937, time slips have been signed by the employees and park representatives.

Mr. Eakin and Mr. Ray expressed concern in regard to certifying Bureau of Public Roads vouchers in connection with force account road work without actual knowledge as to the correctness thereof. Mr. Ray suggested that occasionally the pay checks for the men employed by the Bureau should be delivered to the park office for delivery to the employees. While the park did not intimate that any irregularities existed in connection with Bureau of Public Roads pay rolls, it was felt that there was no adequate check on the pay rolls and vouchers cleared through the park for payment by the regional disbursing officer from park funds.

Vouchers submitted by the Bureau for payment were ordinarily in excellent condition. The files disclosed a few cases, however, where vouchers for more than $100 had been paid without contract. In nearly all cases these were vouchers covering payments for truck and equipment repairs and statements were typed on the back of the vouchers to the effect that the repair parts were sold only by the manufacturer or his agents at a fixed uniform price, making it impossible to secure competition. There were several vouchers in favor of C. M. McClung & Co., Knoxville, Tenn., for general hardware, each involving less than $100 but totaling more than $100 for December 1937 purchases.

Equipment cards kept by the park were totaled and the total reconciled with the December 1937 statement of control accounts, as follows:

Total as shown by cards		$37,345.56
Total equipment as shown by statement of control accounts, Dec. 31, 1937	$37,498.81	
Less value of old mimeograph, $163.25, traded in on new mimeograph for $10—net difference	153.25	
Corrected total statement of control accounts (correction to be made on January statement)		37,345.56

The cards were in good condition generally, except that full details as to name of vendor, purchase order number, and unit prices were not shown. This information was being added to the cards, and we were informed that they would be completed as rapidly as possible. A physical inventory of all equipment should also be taken and the cards reconciled to show the actual equipment on hand.

Vouchers were examined from January 1, 1936, to December 31, 1937, those being paid during the calendar year 1937 being more closely scrutinized. They were found to be in very good condition generally.

Gasoline and oil had been purchased in Gatlinburg and Bryson City in the open market exceeding the $100 limitation allowed by law and at a higher cost than the items could have been secured from Civilian Conservation Corps storage tanks in the park filled by tank-wagon delivery under contract. A contract was entered into with a Gatlinburg firm during the latter part of December 1937, but at the time of the audit gasoline and oil were still being purchased at Bryson City without contract greatly exceeding open-market limitation. The park agreed to remedy this situation by soliciting bids and awarding contract.

Whenever practicable gas and oil were being obtained from Civilian Conservation Corps supplies for use in connection with National Park Service cars and trucks, and a record of such issues was being maintained. However, instead of making reimbursement in the regular way by means of adjustment vouchers, the park would buy additional gasoline for delivery to Civilian Conservation Corps camps and make payment from regular funds. In other words, supplies were being replaced instead of being paid for, and we suggested that the proper procedure would be for the park to reimburse Civilian Conservation Corps funds on adjustment vouchers for gasoline actually used.

Many travel vouchers were noted payable to John T. Needham, chief ranger. These vouchers usually covered trips from his headquarters at Bryson City to Maryville or to Gatlinburg, and in practically all cases he would be absent from his headquarters more than 24 hours, or at least overnight. It seems that Mr. Needham is required to make these trips as he collects rents from lessees, handles sales of old buildings on park property, and transacts most of the "outside" work of the park. If Mr. Needham did not take care of this business it would be likely that the superintendent would have to do more traveling. We found few vouchers reimbursing the superintendent for travel. Expense vouchers paid to Mr. Needham from regular funds would average $35 or $40 per month, but no irregularities in connection therewith could be found from an examination of the vouchers.

Office furniture and books had been purchased in a few instances without reference to the Washington office, as shown by Bureau voucher No. 988, January 1937, covering an office safe purchased from Herring-Hall-Marvin Safe Co., general schedule contractor, in the amount of $181. Bureau voucher No. 1303 covered purchase of a dictionary from R. Carter Ballantyne, general schedule contractor, in the amount of $12.95. Chief Clerk Ray stated that he knew about the regulations covering books but did not understand that office furniture was to be procured through the Washington office.

In September 1937 payment of Bureau voucher No. 183 was made to Chas A. Ogle & Co. in the amount of 50 cents for a broom, without clearance being obtained from the Federal Prison Industries, Inc. Other similar purchases had been made properly.

Vouchers covering repairs and parts for passenger-carrying vehicles since July 1, 1937, did not show total costs of such items of each vehicle. Chief Clerk Ray stated that such costs would be assembled and properly shown on all applicable vouchers in the future.

Allotment ledgers were checked and examined from July 1, 1937, to February 1, 1938, and were found to be in excellent condition. Entries were made currently and encumbrances properly entered. Unliquidated encumbrances as of February 1, 1938, were checked for each appropriation and account, and found to be in agreement with the allotment accounts.

Treasury cash for appropriations 14–1007 and 14–1130 had been rather heavily overdrawn for several months and upon our recommendation the park requested the regional disbursing officer to deposit the excess to the credit of the appropriations. Mr. Ray stated that the overdraft occurred by reason of reverse allotments of funds, but no reason appeared why the excess funds should not be returned to the Treasury.

We were cordially received at the park, and all possible assistance was given us in conducting the audit. The park officials displayed a fine spirit of cooperation, and promised that any irregularities would be corrected without delay.

The audit was completed on February 12, and we left the park the same day, arriving in Washington on February 13.

Respectfully submitted.

EARL H. BROWN, *Senior Auditor.*
CARL F. JONES, *Accountant.*

NATIONAL PARK SERVICE,
Cincinnati, Ohio, January 16, 1939.

The DIRECTOR, NATIONAL PARK SERVICE,
Washington, D. C.

DEAR MR. DIRECTOR: Pursuant to my assignment, I left Atlanta, Ga., at 2 p. m. December 1, 1938, arriving at Gatlinburg, Tenn., 9 p. m. same day. I have examined the vouchers, records, and other supporting papers, as hereinafter set forth, on file pertaining to the disbursement of funds allotted to Great Smoky Mountain National Park, Gatlinburg, Tenn., for Civilian Conservation Work for the period beginning December 1, 1937, and ending November 30, 1938

The funds allotted this procurement office for that period aggregated $236,830, of which $232,064.32 had been disbursed or obligated as of November 30, 1938.

There were seven camps under the supervision of this office as at November 30, 1938.

INDEX OF EXAMINATION

1. Audit of purchase orders and vouchers.
2. Audit of pay rolls.
3. Audit of accounts, records, and reports.
4. Other matter.

1. AUDIT OF PURCHASE ORDERS AND VOUCHERS

The audit of purchase orders and vouchers covered an inspection of all purchase orders and vouchers of $25 or more, including a review of the prices for commodities and services, extensions, quantities received as shown by receipted orders or delivery tickets, and other supporting papers, such as requisitions and contracts. Receiving signatures were scrutinized and appear to be regular. Purchase order numbers were in numerical order. Procurement code numbers were checked occasionally and the coding was reasonably accurate. The following irregularities were noted in regard to purchase and contract procedure:

1. Contracts Nos. I–23P–3 and 4 CIV: Real-estate leases with A. J. Huff, Gatlinburg, Tenn., both dated July 1, 1937. For office space for Civilian Conservation Work employees, No. 3 being for a rental of $21 per month and No. 4 for $53 per month. No clearance Form PSC Form No. 6, submitted for either of these two leases. Leases were not renewed for the period beginning July 1, 1938. Rental payments made through November 1938 show above contract numbers as authority. Also see auditor's comments in two preceding audit reports regarding contracts for this same office space.

2. Contract I–23p 20 CIV: Real-estate lease, with J. A. Lowe, chairman, board of commissioners, Haywood County, N. C., dated July 1, 1938, for the term beginning July 1, 1938, and ending with December 31, 1938, with privilege of renewal for 6-month period. Premises leased being office space in Citizens National Bank Building, Waynesville, N. C., for Hiram C. Wilburn, Civilian Conservation Corps foreman, and storage space for museum specimens that have been collected by Mr. Wilburn in conjunction with North Carolina Museum Committee, monthly rental being $10. This contract renews real-estate lease for same premises as covered by contract No. I–23p–CIV–11 for period July 1, 1937, to June 30, 1938, and is on United States Standard Form No. 2 instead of being on Form of Renewal of Government Lease. The reason stated by Mr. Ray, chief clerk, for making lease for 6 months, with privilege of renewal for 6 months, instead of renewing former lease for 1 year as required by regulations governing real-estate lease, was to circumvent the preparation and submission of Clearance Form PSC 6, under the rule that lease was only for 6 months, and annual rental did not amount to $500. No certificate submitted from clerk of board of county commissioners and register of deeds for Haywood County, N. C., that J. A. Lowe was the chairman of the board of county commissioners and authorized to execute leases on behalf of Haywood County. (See letter from Washington office to superintendent, dated October 2, 1937, regarding contract No. I–23p–CIV–11.)

3. Contract I–23p–14 CIV, dated December 3, 1937, with J. C. Mahan Motor Co., Knoxville, Tenn., covering Ford repair parts as purchased. As contract was not approved by the Secretary for purchases thereunder in excess of $1,000, and as contract was still being quoted on vouchers covering purchases, as of the time of audit, the matter was brought to the attention of superintendent immediately by the auditor, when he ascertained that purchases made under contract had exceeded $1,000. Superintendent, on December 5, 1938, sent a memorandum to the director enclosing copies of contract, explaining circumstances and requesting authority to continue use of contract through supplemental approval of the Secretary. Superintendent, on December 10, 1938, received letter from the Director advising that contract could no longer be used and it would be necessary to initiate steps to procure a new contract covering Ford repair parts. Total purchases under this contract that had been paid by finance officer on November 30, 1938, were $2,579.33.

4. Contract I–23p–24 CIV, dated January 26, 1938, with Day Pulverizer Co., Knoxville, Tenn., covering repair parts for Day

crushers, was not approved by the Secretary for purchases in excess of $1,000 and total purchases under contract were $1,544.74. Contract was not used after June 30, 1938, due to general schedule of supplies contract being in effect.

5. Contract I–23p–94 CIV, dated June 13, 1938, with T. L. Lay Packing Co., Knoxville, Tenn. Not on Standard Contract Form No. 33. Statement on Form 1036, "Due to emergency contract handled as per chapter III, division B, section 4, sheet 4 of the Handbook." Attached to office copy of Form 1036 is a copy of a letter from Lay Packing Co., dated June 13, 1938, quoting prices on 100 pounds of beef livers at 16 cents to be shipped June 15 to apply on contract covering weekly shipments for 19 weeks. Under this contract, purchase orders were issued from June 17 to October 10, 1938, for 4,154½ pounds of beef liver for which $664.72 was paid by finance officer. From contract (?) and rejected bids (letters from two other packing companies) it is impossible to determine just what the invitation was, which was evidently handled over telephone.

6. Contract I–23p–24 CIV, dated September 30, 1938, Crane Co., for galvanized pipe. Invitation states: "This pipe shall comply with Federal Specifications WW–P–441." Crane Co., in its bid, called attention to error in specifications, stating that specification WW–P–441 applied to wrought-iron pipe and not galvanized pipe, and that Federal specification for galvanized pipe was WW–P–403. As rejected bids are not in file, impossible to determine if rejected bidders discovered the error in designation of specification. According to abstract of bids, Tidewater Supply Co. was an equal low bidder, except as to discount. Also, plain end pipe was accepted and deduction made of $10.24 on this account. Invitation did not specify whether pipe was to be threaded or not.

7. Contract I–23p–32–CIV, House Hasson Hardware Co., Knoxville, Tenn., for batteries for radio department. Invitation contained provision: "This contract will be awarded as a whole." Quotations invited on items 1, 2, 3, and 4. Only one bid received and that on all four items. Accepted for items 1 and 3 only and items 2 and 4 purchased in open market at higher price from another company on same date as items 1 and 3.

8. Contract I–23p–21–CIV, with National Cast Iron Pipe Co., dated January 18, 1938, and contract I–23p–89–CIV, dated June 28, 1938, Tennessee Mill & Mine Supply Co., both for manhole covers and frames, gray iron castings. No clearance obtained from Federal Prison Industries, Inc.

9. Irregularities in open-market purchase procedure:

(a) Numerous purchases made without obtaining competitive bids.

(b) Like items purchased at different times during fiscal year, the total of such purchase being in excess of limitations stated in memorandum F–15–3.

(c) Items purchased from dealers that should have been purchased from manufacturers direct.

(d) Six purchase orders, all for less than $100 each, issued to C. M. McClung & Co., Knoxville, Tenn., dated June 28, 29, and 30, 1938, totaling $402.44, no competition invited; also 2 purchase orders, dated June 14 and 17, 1938, respectively, for a total of $155.18 to this same concern, and 5 orders dated August 6 and 11, 1938, to same concern for a total of $186.67. Altogether, between June 14 and September 28, 1938, 21 open-market purchase orders, without competition, were issued to C. M. McClung & Co. for total purchases of $1,121.80.

(e) Three purchase orders issued for sanitation supplies for comfort station that should have been purchased from regular funds.

(f) Ice purchased frequently between August 11 and October 14, 1938, from Blount Ice Co., open market.

Travel vouchers: Since July 1, 1938, travel orders issued by superintendent have specified $4 per diem. Before that date, per diem was stated as $5 and $2 when obtaining meals and lodgings at camps. Under plan now in effect, $4 per diem, travelers deduct one-fifth, or 80 cents for each free lodging obtained in Civilian Conservation Corps barracks buildings. Office unable to show any authority for paying $3.20 net per diem when obtaining free lodging at Civilian Conservation Corps camps. Also, per diem of $4 allowed and paid for in two instances to Hiram C. Wilburn where travel in question did not require him to be away from his official headquarters overnight.

2. AUDIT OF PAY ROLLS

The pay rolls for the period were examined and bore the stamp of the finance officer. All names appearing on the pay roll for period November 16 to 30, 1938, as well as all names on all skilled labor or hourly rate pay rolls for the period December 1, 1937, to November 30, 1938, were listed with notations of amounts paid, and in case of hourly rate employees notations made of hours and rate paid, and job numbers on which labor performed. All names were checked against letters of appointment, emergency field agreements (Form 1–325) and memorandums of employment (Form 10–37). During visits to camps by auditor, all names appearing on regular pay roll were accounted for by meeting the employees, in most cases on the job while working, with a few exceptions where employees were on leave and proper leave slips were on file, and where it was impossible to drive to job where men were working, due to conditions of roads or from lack of time, in which cases employees' presence and performance of duties for which appointed were verified by certificate from J. T. Maxey, property supervisor. In the case of skilled labor, those still employed at date of visit were met by auditor, and all jobs on which skilled labor was charged during period were inspected by auditor, and by verbal statements from different members of supervisory personnel, he was able to satisfy himself that skilled labor paid for had actually been employed.

Time sheets (Form 10–42) were inspected and several were missing from files and a list of these exceptions was given to Mr. Ray by auditor with request that correct time sheets be obtained for all such cases and placed in proper files.

AUDIT OF ACCOUNTS, RECORDS, AND REPORTS

(a) Allotment ledgers.
(b) Project cost records.
(c) Property records and equipment.
(d) Records of leave and absence.

(a) Allotment ledgers: All entries for $25 or more, in "audited vouchers" covering purchase-order vouchers, were checked with supporting papers, and adjustments found necessary were entered on January 1939 allotment ledgers.

Reconciliations of expenditures under procurement authorities CC 5507, ECW 5507, and CP 5507 as of July 31, 1938, and GA 91–225 as of September 30, 1938, were handled in keeping with instructions, and one copy of statements with auditor's notations thereon as to findings was mailed to Washington office by auditor under date of January 12, 1939. Schedule of unliquidated obligations for GA 91–225 and CP 5507 were balanced with the difference between the accumulative totals of the encumbrance and liquidated columns. Entries in allotment ledgers are being made currently, which reports the status of funds at all times. Remington Rand electric bookkeeping machine, purchased by park from regular funds, being used to record entries on Civilian Conservation Corps allotment ledgers, to good advantage, showing a saving of clerical time over old method used.

(b) Project cost records: Cost records are maintained showing distribution of encumbrances as between overhead and project accounts, a card system being used, and examination of same disclosed that the same were well kept. Auditor explained to clerks the system of keeping cost records on Remington Rand electric bookkeeping machine, the same as has been installed in the Civilian Conservation Corps central procurement offices, and manager of Remington Rand, Inc., was contacted while auditor was at park regarding instructions on the use of this machine for this phase of the work. These instructions were received just a few days before auditor left the park, but he was informed that the instructions would be carefully studied and if the same could be used to advantage this would be done.

Job applications (Form 10–352) for all jobs shown on monthly distribution of encumbrances (Form 10–351) for November 1938, which showed skilled labor had been charged, and all jobs where material had been charged in excess of $25, were examined by auditor as to approvals and charges and were found to be properly maintained. During visits to camps, auditor viewed such of these jobs as he could readily get to, without taking up too much time, and, generally speaking, from an auditor's viewpoint, found such jobs as were viewed to be in keeping with approvals and cost records as above stated.

During visit to camps, discovered that camps are still being required to submit monthly obsolete Form 4 distributing overhead items over various jobs worked on, and upon inquiry at park office, auditor was informed that these reports were used by the engineers and technicians, and were not a part of the regularly maintained cost accounting. In other words, found two cost systems being used, one by the engineers—the way formerly used in National Park—and the other by the accounting section.

(c) Property records and equipment: Records of nonexpendable property were well maintained, both at office and camps. Test checks made at each camp were very satisfactory. The same applies to the two central garages and the warehouse at Sugarlands.

At each camp found a different method for accounting for gasoline, oil, and grease issues. So that gasoline and oil issues can be readily checked periodically by property supervisor, auditor gave the necessary instructions to all concerned as to how this should be done, so as to have the same method used at all camps.

Issues of gasoline, oil, and grease to regular National Park Service cars being repaid to Civilian Conservation Corps accounts, all of these being handled as reimbursable collections.

It was suggested by auditor that Mr. James T. Maxey, property supervisor, when visiting camps in connection with property matters, also check on oil and gasoline records to see that same are properly maintained, and if his suggestion is followed, feel sure that gasoline and oil accounts will be well maintained at all camps.

(d) Records of leave and absence: Leave taken as shown on time sheets (Form 10–42) checked with leave records (Form 1–128) and several differences were noted. A list of these was given to chief clerk by auditor for purpose of obtaining leave slips (Form 1–034) where necessary.

Discussion of these differences disclosed that leave shown on time sheets (Form 10–42) was not checked by clerks in office. As recent instructions require the submission of time sheets 6 to 8 days before close of the half-month period, it was suggested by auditor that each camp submit on the 15th and last day of each month a report of all leave taken during the preceding half-month period and leave shown on these reports to be checked with leave slips (Form 1–034) and leave records (Form 1–128).

4. OTHER MATTER

In regard to unliquidated encumbrances for FD 570 and FD 870 funds, as mentioned in previous audit reports, it was discovered that nothing had been done during the past year to check these matters out. After discussion of this matter with clerks, auditor came to conclusion that they did not know how to go about it. In other words, were afraid to tackle it, so he spent a half day on FD 870 funds, starting at the beginning in August 1934 and showed one clerk, Mr. Tom Morris, the proper procedure to follow, and believe if some time is spent on this phase of the work each week, we will eventually ascertain the cause for these differences. From the time spent as above stated, auditor is of the opinion that numerous errors were made in recording liquidations, and also it is his opinion that numerous vouchers were paid by finance officer but that liquidation entries were never made, and in such cases it will be necessary to obtain copies of these vouchers from finance officer, where same are not found in park files. The reason for advancing this theory is that similar problems were encountered when checking down the FD 1670 funds for this park in 1936. It was discovered that the clerks do have some spare time, and duties can be arranged so that some time can be spent on this phase of the work each week. It may require more exacting follow-up work on the part of the Washington office to get this done, as the excuse used in the past, of the clerks not having the time, no longer holds good, and it is the auditor's opinion that with the start now made as above stated, and by close follow-up, these old matters should be cleared up, at least more progress made than has been during the past 2 years.

Regarding park property, consisting of steel cases, exhibits and specimens at the University of Tennessee, spoken of in previous audit report, found that all this property is properly marked, and carried on property records at park.

Generally speaking, it will be noted that considerable improvement has been made in fiscal procedure at this park in the past 2 years. However, there is still room for improvement, especially in the contract and purchase department.

Every effort was made on the part of the administrative, office, and camp personnel to expedite the review of their work and the recommendations and instructions were received appreciatively.

CERTIFICATE

I hereby certify that, based upon the records and supporting papers examined and information and explanations obtained, subject to the scope of the examination and the comments thereon, the obligations and disbursements for those transactions reviewed were proper and in accordance with the regulations of civilian conservation work.

Left Gatlinburg, Tenn., 8 a. m., January 14, 1939, arriving at Cincinnati, Ohio, same day at 6 p. m.

Sincerely yours,

HERMAN E. MYERS,
Regional Fiscal Supervisor.

STATEMENT OF HERMAN E. MYERS, REGIONAL FISCAL SUPERVISOR, NATIONAL PARK SERVICE

Senator MCKELLAR. Mr. Myers, early in 1937 you made a report of your examination of the Civilian Conservation Corps work done at the Great Smoky Mountains National Park; did you not?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. You having done that work in October and November of 1936?

Mr. MYERS. Yes.

Senator MCKELLAR. Mr. Burlew was good enough to send me a copy of that report, which is marked "Filed February 23, 1937," and I now have it before me. It is stamped: "National Park Service, E. C. W., Audit Division, February 23, 1937."

What do the initials E. C. W. mean?

Mr. MYERS. That was Emergency Conservation Work.

Senator MCKELLAR. And that was the portion of the work that you examined at the park that year, and in those months?

Mr. MYERS. That is right.

Senator MCKELLAR. What was the condition of the books and vouchers and affairs as kept by those in charge of the park at that time?

Mr. MYERS. For the period I was auditing, they were not in very good shape.

Senator MCKELLAR. What was that period?

Mr. MYERS. I believe it was from April 1, 1935, to June 30, 1936.

Senator MCKELLAR. Was Mr. Ross Eakin the superintendent of the park at that time?

Mr. MYERS. Yes; he was.

Senator MCKELLAR. He had been since 1931, I believe?

Mr. MYERS. I do not know when he came there. During the time I was auditing he was there as superintendent.

Senator MCKELLAR. On page 40 of this report you say:

"Paid vouchers were filed in alphabetical arrangement, as this was the only way they had of ascertaining if an obligation had been paid, and even this method was not used for what it was worth, as numerous duplicate payments were made."

That is a correct statement; is it?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. What do you mean by "duplicate payments"?

Mr. MYERS. Well, they would pay for the same thing twice.

Senator MCKELLAR. They would pay for the same thing twice?

Mr. MYERS. Yes; by their method that they used. I found several instances of that kind.

Senator MCKELLAR. Is not that very unusual?

Mr. MYERS. Yes; it was.

Senator MCKELLAR. If a thing was paid for twice, it might have easily been that only one thing was bought, and the payments just made in that way, and the person paying might have gotten the duplicate money; might he not?

Mr. MYERS. Well, they had to get refunds from those that they had paid twice. I cannot recall offhand how many, but I know they had to get refunds where they had overpaid them, or paid them the second time.

Senator MCKELLAR. Paid them the second time?

Mr. MYERS. Yes.

Senator MCKELLAR. Do you remember about how many of those there were?

Mr. MYERS. I could not tell you offhand; no.

Senator MCKELLAR. And they got refunds?

Mr. MYERS. Yes.

Senator MCKELLAR. Do you know whether they got refunds from the persons to whom the money had allegedly been paid, or whether they had simply used that money and restored it?

Mr. MYERS. As far as I know from all that I found, where there had been duplicate payments made they either got the refund or they offset the overpayment against a later purchase.

Senator MCKELLAR. You again say:

"About February 1, 1936, a copy of purchase order issued was placed in a separate file, but as purchase orders were not issued for all obligations incurred—purchase order numbers being stated on vouchers only—file was not complete."

That would lead to endless trouble, would it not?

Mr. MYERS. Yes. From an audit standpoint, it was very hard to determine.

Senator MCKELLAR. Was it not the easiest way in the world to take the Government's money?

Mr. MYERS. Well, they did not follow our regulations, and that is what I am talking about there. They did not do what we had specified they should do.

Senator MCKELLAR. You really were not able to make an audit of many of these purchases; were you?

Mr. MYERS. Oh, no; there were a lot of them we could not find the substantiating papers for.

Senator MCKELLAR. Do you know how much they were?

Mr. MYERS. No; I do not, offhand.

Senator MCKELLAR. Did they amount to several thousand dollars?

Mr. MYERS. Oh, yes. They would amount to several thousand dollars if you put them all together, I imagine. There was close to half a million dollars involved in the whole period of time.

Senator MCKELLAR. And for many thousands of these there were no substantiating documents to show what had become of the money?

Mr. MYERS. I would not say there were thousands of them; no—thousands of dollars' worth, I mean; not thousands of vouchers.

Senator MCKELLAR. No; I mean, were there many thousands of them? Take the half-million dollars that were expended through this activity during the period of time for which you examined: About how many were there that there were no vouchers for?

Mr. MYERS. It is awfully hard for me to tell you offhand. I had to go down to the finance officer at Fort McPherson and get copies of the vouchers that he had paid. I think I got something around 100 vouchers. Just the amount of money that was involved in those 100 vouchers I could not tell you offhand; I do not know; but, you see, I only got a copy of the voucher. I did not get a copy of the substantiating papers, like the vendor's invoice, or the receipted copy of the purchase order; and those are what I would term "substantiating papers."

Senator MCKELLAR. So in many instances they did not keep the substantiating papers, and could not furnish them to you?

Mr. MYERS. They were not in the files to be furnished to me.

Senator MCKELLAR. And you never did find them?

Mr. MYERS. No.

Senator MCKELLAR. You further say, on the same page:

"Attention is called to letter from Washington office, dated December 23, 1935, directed to superintendent of park, requesting that purchase orders in paid file be filed numerically, beginning January 1, 1936."

Were those orders complied with?

Mr. MYERS. No; they did not do that.

Senator MCKELLAR. So far as you know, they paid no attention to it?

Mr. MYERS. They kept on doing it the other way, the way they had been doing it.

Senator MCKELLAR. And the way they had been doing it, you could not get heads nor tails of it?

Mr. MYERS. We could not find all the papers in the right order. In other words, it took a whole lot longer to do it that way than it would if they had done it right.

Senator MCKELLAR. You say:

"Receipts for materials and supplies were not obtained in majority of instances."

Is that correct?

Mr. MYERS. I mean that nobody signed for them to show that they had been received.

Senator MCKELLAR. Do you mean that of the half-million dollars or about half a million dollars expended there in that period,

receipts were not obtainable in the case of the majority of that money?

Mr. MYERS. I cannot tell you offhand how many they did not have, but I know there were a lot of them for which they did not have the receipted copies.

Senator MCKELLAR. You say here:

"Receipts for materials and supplies were not obtained in majority of instances."

That is correct?

Mr. MYERS. That would be right; yes, sir.

Senator MCKELLAR. It was fresh in your mind then, and you knew?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. Again, you say:

"In some cases copy of invoice attached to voucher would be approved by 'O. K.' of project superintendent."

Is that correct?

Mr. MYERS. I did not quite get your point, Senator.

Senator MCKELLAR. I am quoting from what you say in your report:

"In some cases copy of invoice attached to voucher would be approved by 'O. K.' of project superintendent."

Mr. MYERS. Oh, yes; I know what I mean there. Instead of the project superintendent signing the purchase-order copy acknowledging receipt of the material, he would approve the vendor's invoice, which was wrong.

Senator MCKELLAR. Then you say:

"A few vouchers had a copy of purchase order attached, receipt signed by project superintendent, or H. A. Hunt, E. C. W. clerk, who also acted as purchasing agent."

Who was H. A. Hunt?

Mr. MYERS. He was the clerk who was suspended about the time we started the audit.

Senator MCKELLAR. Do you know of the superintendent ever making any examination as to H. A. Hunt?

Mr. MYERS. I do not; no. I do not know anything about that.

Senator MCKELLAR. He was supposed to be short in his accounts; was he not?

Mr. MYERS. Well, he was the clerk who looked after the majority of the E. C. W. operations.

Senator MCKELLAR. He was under Mr. Eakin; was he not?

Mr. MYERS. Yes.

Senator MCKELLAR. Do you know whether Mr. Eakin suspended him?

Mr. MYERS. I cannot tell you. It happened just as I got there. He was terminated just a day or two after I arrived in the park, and I do not know the particulars about that now.

Senator MCKELLAR. You say:

"Several excuses were given for mistakes that had been made, the favorite one being to place blame on clerk that was suspended on August 1, 1936."

Is that correct?

Mr. MYERS. That is right; yes, sir.

Senator MCKELLAR. In other words, as I understand, Mr. Myers, you found an intolerable mess of the accounts down there, and whenever you suggested anything about mistakes they laid it on Mr. Hunt. Is that correct?

Mr. MYERS. That is right.

Senator MCKELLAR. Did they also lay any blame on failure to receive information from the Washington office? You say that here in your report, and I am wondering if that is correct.

Mr. MYERS. Well, yes; what I mean there is that when I would call their attention to certain regulations that they were not observing they would say that they had never received any such instructions from the Washington office.

Senator MCKELLAR. I quote from the last paragraph on page 40, in which you say:

"It would appear that anything that was wanted by anybody was purchased regardless of regulations, and then every known means used to get the same paid by the finance officer, giving him answers to his questions that were not borne out by the facts, when he would hold up payment of vouchers for additional information."

Is that statement correct?

Mr. MYERS. That is right; yes, sir.

Senator MCKELLAR. In other words, anything that was wanted at that park insofar as the C. C. C. activities were concerned was purchased, and then they undertook to arrange vouchers for the purchase or reasons for the purchase afterward, as best they could?

Mr. MYERS. Yes, sir; that is right.

Senator MCKELLAR. Had you ever run across such a condition in any park before, Mr. Myers?

Mr. MYERS. We had some along that line, but not to that extent.

Senator MCKELLAR. Not to that extent?

Mr. MYERS. No.

Senator MCKELLAR. That was the worst that you ever came in contact with?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. How long have you been examining accounts in parks?

Mr. MYERS. At that time I had been in the Service about a year and 4 or 5 months.

Senator MCKELLAR. Have you been in the Service since that time?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. You are in the Service now?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. And according to your views, that was the worst mess of any park you had ever examined?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. Did they pay any attention to the regulations about amounts over $100 being advertised?

Mr. MYERS. During the time that I was auditing, they did not.

Senator MCKELLAR. They did not. Did they pay any attention to buying where they could buy cheapest, namely, under what was known as the naval contract?

Mr. MYERS. You mean oil?

Senator MCKELLAR. Yes, sir.

Mr. MYERS. I found several instances where they bought oil from other companies, instead of buying it from the company that had the naval contract.

Senator MCKELLAR. They could buy it cheaper from the company having the naval contract; could they not?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. They paid no attention to that, and bought it from whomsoever they pleased?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. Was that to the Government's interest?

Mr. MYERS. No; it was not, because they paid a higher price for it from the other fellow.

Senator MCKELLAR. Did you talk to the people down there, those in charge of the park with whom you came in contact, and tell them that they were doing wrong, and that they ought to change it?

Mr. MYERS. As I would find things of that kind I would take them up with the chief clerk, Mr. Ray.

Senator MCKELLAR. What is his first name?

Mr. MYERS. Tom Ray. Most of my dealings were with him.

Senator MCKELLAR. Most of your dealings were with Mr. Ray?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. Was he fully advised of these improper dealings of which you speak?

Mr. MYERS. Well, he did not know about them, I would say, until I brought them to his attention.

Senator MCKELLAR. I say, did you give him full knowledge of them?

Mr. MYERS. Oh, yes.

Senator MCKELLAR. You explained them to him fully.

You say:

"While audit was being made several suggestions were made to correct errors as they were discovered, and a later check would disclose that suggestions were not followed out immediately, if at all."

Is that a correct statement?

Mr. MYERS. Yes; it is. What I mean there is that things that I told them to do they did not put into effect at once, as they should have.

Senator MCKELLAR. How was motor oil purchased, and by whom was it purchased?

Mr. MYERS. The Government had a contract with the Sinclair Oil & Refining Co. at that time for furnishing all of the motor oil required by our activities, and all of our departments were supposed to buy their oil under that contract.

Senator MCKELLAR. Did the Park Service buy under that contract?

Mr. MYERS. They bought some of it under the contract, and some they bought in the open market from other companies.

Senator MCKELLAR. How much did they buy in the open market from other companies?

Mr. MYERS. I could not remember now.

Senator MCKELLAR. Did their books disclose how much they had bought?

Mr. MYERS. Oh, yes. You could tell by making an examination. I do not know whether I have in my working papers a schedule of those purchases or not. I cannot tell right now.

Senator MCKELLAR. The same state of affairs was carried on in regard to typewriter rentals; was it not? There were not contracts for typewriter rentals; were there?

Mr. MYERS. I found some rentals for typewriters that were not under contract; how many, I do not recall.

Senator MCKELLAR. The purchase of typewriters was the same way?

Mr. MYERS. Well, they bought a typewriter, and the question there was that they should have asked the Washington office to buy the typewriter for them instead of their buying it themselves.

Senator MCKELLAR. They paid no attention at all to that, and bought it themselves?

Mr. MYERS. During the period I was auditing, you understand, they had bought a typewriter.

Senator MCKELLAR. That is what I mean.

What about service-station deliveries of gasoline? They just bought whenever they wanted to; did they not?

Mr. MYERS. Yes; they were buying gas from service stations, and of course that was not under a contract, either. That was wrong.

Senator MCKELLAR. Photographic equipment, printing of forms, time books, field books, ledgers, daybooks, and columnar journals all were bought in the same way, by whomsoever needed them and without regard to the regulations?

Mr. MYERS. That is right; yes, sir.

Senator MCKELLAR. You say here, in this report:

"Repair parts for automobiles not under TPS contract 7807 and 7808."

What did you mean by that?

Mr. MYERS. There was a contract with the Ford Motor Co. for furnishing repair parts for Ford trucks, and there was a contract with the General Motors Co. for furnishing parts for the Chevrolet trucks. All of the parts for those types of trucks should have been purchased under those contracts.

Senator McKELLAR. Could they have been purchased cheaper under the contracts?

Mr. MYERS. Yes, sir.

Senator McKELLAR. But they paid no attention to the contracts, and purchased them during this period wherever they desired?

Mr. MYERS. I found several vouchers that had been paid for repair parts for automobiles that did not specify the TPS contracts on the vouchers.

Senator McKELLAR. Were those parts purchased at a higher price than under the TPS contracts?

Mr. MYERS. I could not tell you whether they were or not.

Senator McKELLAR. Take office furniture, desks, drafting tables, stools, steel decks, steel cabinets and steel files, and drafting instruments: How were they purchased—according to regulations or without regard to regulations?

Mr. MYERS. They were not purchased according to our regulations.

Senator McKELLAR. Were they advertised for where they were over $100?

Mr. MYERS. Well, as near as I can recall, they just went out and bought them in the open market; but I cannot say for sure without referring to my papers.

Senator McKELLAR. The same thing is true of printed envelopes, and spark plugs in large quantities at double TPS contract price, so you say. That is correct; is it not?

Mr. MYERS. Yes, sir.

Senator McKELLAR. Junk batteries traded in on new batteries, a dozen or more at a time—did you find that?

Mr. MYERS. Yes, sir.

Senator McKELLAR. And blowtorches traded in on new ones—is that right?

Mr. MYERS. Yes, sir.

Senator McKELLAR. All of that was against the regulations, was it not?

Mr. MYERS. There was something wrong with the transaction. That is the reason I bring it to the attention of the Department in my report.

Senator McKELLAR. Does not the kind of purchasing that was done there just open the door to any dishonest official of the Government to make almost what he pleases out of that half-million dollars?

Mr. MYERS. Well, I would not say so, no, because they bought what they needed for the park, but they did not buy it under the regulations. I did not find anything bought that was not really used in the park, anything that I could tell about; but they bought excessive quantities of some things.

Senator McKELLAR. Are you sure about that? I call your attention to your next paragraph:

"As a great many partly worn-out tires were in several places, instructions were given to have all of these tires placed in one building under lock and key, and when this was done it was found that one abandoned barrack building at Sugarlands was completely filled with worn-out or partly worn-out tires from camps in Tennessee, some of them, in the auditor's opinion, being good tires, showing very little use."

Mr. MYERS. That is right.

Senator McKELLAR. Is not that right?

Mr. MYERS. Yes, sir.

Senator McKELLAR. You were tremendously impressed, were you not, with the way in which tires had been bought, and the amounts, and the use of them? It made an impression on you; did it not?

Mr. MYERS. Yes, sir.

Senator McKELLAR. Did you not wonder that they had used tires just for a few days or a few hundred miles on their cars and then discarded them?

Mr. MYERS. Yes, sir.

Senator McKELLAR. You say, further:

"Further investigation showed that no uniform truck drivers' report system was in effect, showing care of tires as to inflation."

What did that mean?

Mr. MYERS. What I mean was I tried to check down the tires bought and used, to see if they had all been accounted for; and because they did not have a uniform system of truck drivers' reports I could not do it.

Senator McKELLAR. Mr. Myers, I want to say to you, after having carefully examined this report, that I think you did a splendid job down there in making this examination, and that, as far as I am able to see, if your report had been followed, you probably would have saved an immense amount of money to the Government; and I want to commend you for it. I am not criticizing you in asking you these questions. I am simply trying to get what the facts were as you found them.

I find another statement on page 42, as follows:

"Many purchase orders were issued for batteries of automobiles and trucks, orders being for a dozen, sometimes two dozen, or more at a time."

That is correct?

Mr. MYERS. Yes, sir.

Senator McKELLAR. Was that necessary in a camp like that?

Mr. MYERS. I could not see, myself, where it was.

Senator McKELLAR. You further say:

"Here again it was discovered that as no uniform truck drivers' report system was being used, in fact only one camp showed a battery hydrometer on property inventory, so it was impossible for truck drivers to properly test batteries."

In other words, you just were able to get no information at all about this matter?

Mr. MYERS. That was right.

Senator McKELLAR. It was all done in a harum-scarum manner?

Mr. MYERS. That is right.

Senator McKELLAR. Who is Mr. A. J. Huff, of Gatlinburg?

Mr. MYERS. He owns the Mountain View Hotel.

Senator McKELLAR. Mr. Huff is a big man there?

Mr. MYERS. He owns a lot of property; yes, sir.

Senator McKELLAR. And he owns a number of institutions; does he not? Does he not own the filling station, and the garage, and other things around there?

Mr. MYERS. I do not know whether he owns the filling station and garage, but he owns the hotel and several of the buildings around there.

Senator McKELLAR. Yes, sir. Did they rent these buildings from Mr. Huff?

Mr. MYERS. The office building that the park office is in and the landscape office are rented from Mr. Huff; yes.

Senator McKELLAR. How were they rented? Just like any private citizen would rent them, or were they rented by bids?

Mr. MYERS. I could not find where any bids had been received for the rental of any buildings, because there was nobody down there that had any buildings to rent. That is what they told me.

Senator McKELLAR. How did they fix the value of buildings for rentals; do you know?

Mr. MYERS. I do not; no, sir.

Senator McKELLAR. You say here that one building, approximately 20 feet 2 inches by 16 feet 2 inches, for use as an office for Government employees, was rented for $21 a month, heat and light being furnished. That was just one room?

Mr. MYERS. Yes.

Senator McKELLAR. At a little place like Gatlinburg, is not $21 for one room 20 by 16 feet a tremendous price to pay for an office?

Mr. MYERS. I should say it was. That is the reason I referred to it.

Senator McKELLAR. That was the reason you made that report?

Mr. MYERS. Yes, sir.

Senator McKELLAR. What was that room made of?

Mr. MYERS. The materials it was built of, you mean?

Senator McKELLAR. Yes.

Mr. MYERS. It was just a frame building.

Senator McKELLAR. Just a frame room?

Mr. MYERS. Yes.

Senator McKELLAR. Upright planks?

Mr. MYERS. It was ceiled inside with pine ceiling. It was not plastered.

Senator McKELLAR. It was not plastered; just ceiled. The whole room could have been built for probably $200, could it not?

Mr. MYERS. I do not know, but I should say it would not cost very much.

Senator McKELLAR. I imagine it could be built at very much less cost than that, and yet the Government was paying $21 a month for it, or $252 a year; and even then the light was not furnished by the lessor, as you state here.

Mr. MYERS. It was at first; and then they made another arrangement of some kind, and it was discontinued after that. I remember something about that now. They changed the lease.

Senator McKELLAR. I will ask you if this is correct, to refresh your memory, at the bottom of page 42:

"Mr. Huff stated to auditor that at the time an extension was built on to the back of the building to house what is now known as the radio room, he made a verbal agreement with park superintendent that in place of National Park Service paying additional rent to cover the radio room, that it pay for all electric light and power used in the building."

That is corect, I suppose?

Mr. MYERS. Yes, sir; that is right. That is the way it was.

Senator McKELLAR. What was the balance of the building—just that room, and a shedroom for the radio room?

Mr. MYERS. Well, there was an entrance room that we paid for in this $21 a month. Then, back of that was another room, the balance of the building, that was paid for out of the regular park funds.

Senator McKELLAR. And they paid $756 a year for that, did they not?

Mr. MYERS. I cannot recall offhand how much the regular funds paid, now.

Senator McKELLAR. I will read to you, to refresh your memory, at the top of page 43:

"Rent paid out of regular National Park Service appropriations for balance of building being $42 per month, making total rent for building $63 per month, or $756 per year."

Mr. MYERS. Yes, sir; that is right.

Senator McKELLAR. And that building consisted of these two little rooms?

Mr. MYERS. Well, there was the big room, and then there was—I should say the whole building is about three times the size of this room I mention there, for which we paid $21.

Senator McKELLAR. All of it built out of cheap material and ceiled, with no plastering. What kind of a floor did it have?

Mr. MYERS. An ordinary pine floor.

Senator McKELLAR. The whole thing could have been built for half of $756; could it not?

Mr. MYERS. Oh, no. I should imagine the whole building would cost a couple of thousand dollars, anyway.

Senator McKELLAR. Again you say:

"Contract No. I-23p-748 (E. C. W.): Lessor A. J. Huff, Gatlinburg, Tenn. Dated December 10, 1934. For rent of building located in rear of Mountain View Hotel with 1,156 square feet floor space, containing four rooms and toilet."

Was that the same building?

Mr. MYERS. I imagine it is. As I say, I cannot say without studying it.

Senator McKELLAR (reading):

"For duration of E. C. W. and/or 30 days' notice of either party. Rental $53 per month. Heat and water furnished."

Mr. MYERS. No; that is the building they call the landscape office. That is another building.

Senator McKELLAR. What did they put in that building?

Mr. MYERS. They had the architects in there.

Senator McKELLAR. What use was there for architects in the little town of Gatlinburg, where the principal building was this building?

Mr. MYERS. When I say "architects," I mean all kinds of technicians—the landscape architects and the engineers. Those types of professional men had their offices up there. I do not know just what their work was. That is out of my line entirely and I do not know anything about it.

Senator McKELLAR. What sort of a building was this garage for which you were charged $6 a month?

Mr. MYERS. The garage was up beyond this landscape building, and in there they had room for two automobiles.

Senator McKELLAR. I call your attention to this part of your report, at the bottom of page 43:

"No evidence in file showing (a) that selection of premises determined as result of advertising, and that award was made to lowest bidder, or any showing as to why advertising was dispensed with, and authority therefor."

That was correct; was it?

Mr. MYERS. Yes, sir.

Senator McKELLAR (reading):

"(b) That form PSC No. 6 'clearance' was never prepared or submitted.

That is correct?

Mr. MYERS. That is right; yes, sir.

Senator McKELLAR. What does "PSC No. 6 'clearance'" mean?

Mr. MYERS. That is the form that is required wherever a building is rented by the Treasury Department Procurement Division.

Senator McKELLAR. That was not complied with.

"(c) That there ever was submitted a statement showing that no space available in Federal building."

Was there a Federal building there?

Mr. MYERS. There was no building there; but they should have filed a statement to the effect that there was no space available in a Federal building before they rented this other building.

Senator McKELLAR. Now I come to the very important matter of cement contracts. I will read you the first paragraph:

"Contracts ER:1-23p-22, 23, and 24: Invitations were sent on February 28, 1936, for 'Cement in paper bags of 94 lbs. net.' No quantity stated. Volunteer Portland Cement Co., Penn Dixie Cement Corporation, and Southern States Portland Cement Co. all submitted identical bids of $2.49 per barrel, of four paper sacks, in carload lots of not less than 132 barrels. The above three mentioned firms were equal low bidders, a fourth bidder was 5 cents per barrel higher.

"On these three bids, under the same invitation, three contracts were awarded for a carload of 132 barrels, viz: A contract with Volunteer for 132 barrels, one with Penn Dixie for 132 barrels, and one with Southern States for 132 barrels."

What have you to say about that transaction?

Mr. MYERS. That was an irregular contract procedure that was followed there. That is what I am talking about.

Senator McKELLAR. What was the proper procedure?

Mr. MYERS. They should have advertised, should have shown in their invitation first how much cement they wanted to buy. They did not do that. Then, when they awarded the contracts, they bought three carloads from three different contractors, whereas, if their invitation had been properly sent out for three carloads, they would have then bought it from the one contractor after the award had been made by drawing lots, if they were all equal bidders.

Senator McKELLAR. It appears that there was only one carload advertised for.

Mr. MYERS. They did not advertise for a carload. They advertised for one sack, according to the invitation, if I remember right.

Senator McKELLAR. I suppose the representatives of these three companies were nice men, and Mr. Eakin just thought that he would be kind and gentle and good-natured and generous with all three who had bid exactly the same price, and he would just give each one of them a carload order. Do you know whether they needed three carloads or not?

Mr. MYERS. I do not know offhand what they used the cement for. They were doing a lot of road work there. It was probably used in bridges or something around there. They may have wanted three carloads when they sent out their invitation, but they did not say so. That is the point I am talking about.

Senator McKELLAR. Did you look it up? Was this cement paid for? Did you find receipts for it, or what did you find about it?

Mr. MYERS. Oh, it was paid for; yes. All three carloads were paid for.

Senator McKELLAR. Did you find whether it was ever delivered? Do you know whether it was delivered? Could you tell by any books or papers that the cement was ever delivered?

Mr. MYERS. I could no say offhand now whether I checked into that particular delivery or not. On account of the condition of their records, I could not tell whether there were receipts for all of the material that was bought or not. In some cases there were receipts there, and again there would not be; so I cannot tell now which was which.

Senator McKELLAR. I quote again:

"Contract ER: I-23p-28 (E. C. W.), dated March 17, 1936, with Volunteer Portland Cement Co. for $414.38: Three equal low acceptable bids were received. Award was made to concern nearest park instead of by lot, following justification being stated on statement of award: 'but it would result in increased cost to split the award, and due to the fact that it would also result in delay and cost to Government to request that representatives of these companies draw lots for award——'"

What does that mean?

Mr MYERS. What I am speaking about there is that they evidently did not understand the correct contract procedure in a case of that kind.

Senator McKELLAR. In splitting contracts in that way, their evident purpose was to avoid Washington office disapproval, was it not?

Mr. MYERS. Well, if the total contract exceeded $1,000 it had to be sent here to Washington for approval. I do not know whether that particular case you are speaking about comes under that or not. That was only $414, you said?

Senator McKELLAR. $414.38.

Mr. MYERS. In that particular case it was not necessary to send it to the Washington office for approval; no

Senator McKELLAR. What about the following:

"The following contracts were made with Tennessee Metal Culvert Co.: No. I-23p-800, accepted May 28, 1935, for $904.36. No. I-23p-801, accepted May 29, 1935, for $919.20. Purchase order No. 653 dated May 27, 1935, covers contract No. 800, and purchase order No. 655, dated May 19, 1935, covers contract No. 801. Invoice for contract No. 800 dated May 28, 1935, invoice for contract No. 801 dated May 31, 1935. Both contracts for metal culvert pipe for delivery to NP-2 Sugarlands. No copies of any rejected bids in file. Fast work for contracting for and delivery of $1,823.56 of metal culvert pipe."

What did you think of that contract?

Mr. MYERS. I said in the report, I think, everything that I think about it.

Senator McKELLAR. You put a question mark by it here. That is the reason I asked you what you thought about it. It looks as though they were trying to avoid having to come to Washington to get approval; does it not?

Mr. MYERS. That is what I bring that forward for, because it looks like that.

Senator McKELLAR. One of them is $919, and the other is $904. Does it not look as though that was made into two contracts merely for the purpose of avoiding having to come to Washington for approval?

Mr. MYERS. That is what it looked like to me; yes.

Senator McKELLAR. Is that an honest way of conducting the Government's business?

Mr. MYERS. No; it is irregular, and that is the reason I called it to the attention of the Department.

Senator McKELLAR. Who approved these contracts?

Mr. MYERS. They were accepted, I suppose, by either Mr. Eakin or Mr. White.

Senator McKELLAR. Who is Mr. White?

Mr. MYERS. He is the assistant superintendent.

Senator McKELLAR. The contract had to be approved by one or both of them?

Mr. MYERS. It had to be accepted by them.

Senator McKELLAR. And both are responsible for it, of course?

Mr. MYERS. Yes.

Senator McKELLAR. I next come to "Contract I-23p-756 (E. C. W.) with Carolina Auto Parts Co. for vulcanizing tires, amount of contract $498.75." I stop long enough to ask, ought not that to have been advertised for, where they made a contract for over $100?

Mr. MYERS. It should have been advertised for; yes.

Senator McKELLAR (reading):

"Amount of contract, $498.75, and '143 old tires with more than four injuries,' no amount mentioned as consideration for old tires."

Was that a regular transaction, or an irregular one?

Mr. MYERS. That was irregular.

Senator McKELLAR. If a Government agent were allowed to transact the Government's business in that way, it would just open the door to all kinds of wrongdoing, would it not?

Mr. MYERS. Yes, sir.

Senator McKELLAR. And that is why you referred to it?

Mr. MYERS. Yes, sir.

Senator McKELLAR. That is not an honest method of dealing with the Government's business, is it?

Mr. MYERS. I should say it was irregular, contrary to all the laws and regulations.

Senator MCKELLAR. Is not that dishonest, when it is contrary to all the Government laws and regulations? You would consider it so, would you not?

Mr. MYERS. Well, I would not say it was dishonest. I would say the man that was doing it should have known better.

Senator MCKELLAR. He did not advertise the contract, and he had no right to give the Government's property in trade, or in part trade, had he?

Mr. MYERS. No; he did not.

Senator MCKELLAR. There are regular laws and rules and regulations by which Government-used property can be sold?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. And those were not complied with, were they?

Mr. MYERS. That is right.

Senator MCKELLAR. I hope your mind has gone back to these transactions enough to tell me what was the trouble about teams and horses as you found it there, in your own language. It seems that they rented teams and horses. What was the trouble about that?

Mr. MYERS. We had a regulation requiring that all teams be rented under contract, and they did not do that, if I recall right. We had another way of doing it in the national parks, which was to have their rates approved by the Secretary of the Interior once a year; and they did not do that.

Senator MCKELLAR. They just went out and rented horses and teams and wagons at will, just as you said in the beginning; anybody who wanted anything just went out and got it, and then got it paid for as best he could?

Mr. MYERS. A lot of times they would not know about it, I guess, until the bill would show up for the obligation.

Senator MCKELLAR. And then they would have to get a justification for it, if they could?

Mr. MYERS. That is right.

Senator MCKELLAR. And if they could not get a justification, they left nothing there that you could find as to what had happened; did they? The books were not kept in such a way that you could find them?

Mr. MYERS. The substantiating papers were not always there to show.

Senator MCKELLAR. Four dollars and forty cents a day was a reasonable amount for teams?

Mr. MYERS. Four dollars and forty cents a day for a team?

Senator MCKELLAR. Yes.

Mr. MYERS. That was, I think, down there, considering what they paid to other people.

Senator MCKELLAR. What about advertising and issuing invitations? Did they carry out the regulations about that?

Mr. MYERS. Do you mean for everything?

Senator MCKELLAR. The report says: "Advertising and issuing invitations."

I suppose you mean issuing invitations to bid?

Mr. MYERS. That is right.

Senator MCKELLAR. The regulations were not followed in reference to those things?

Mr. MYERS. What I mean there is that they did not advertise for the team rental, I suppose, the way they should have done under the regulations.

Senator MCKELLAR. Did they pay any attention to the law or the rules and regulations in purchases in excess of $100 not covered by contracts?

Mr. MYERS. As I recall now, there were several instances where they had bought in excess of $100 at one time without complying with the regulations. I cannot state offhand how many of those there were.

Senator MCKELLAR. What about travel vouchers? Did you find a good many irregularities as to travel vouchers?

Mr. MYERS. Yes; there were several in that respect.

Senator MCKELLAR. Your report says that travel orders were issued to persons in the employ of the Government to pay for going to and from various places in Tennessee, North and South Carolina, and Georgia. That is correct; is it not?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. All outside of the limits of the Great Smoky Mountains National Park?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. Was any reason given for it?

Mr. MYERS. Well, I could not understand, under the regulations, where the park superintendent had authority to issue that type of travel orders, because the regulations provided that he was permitted to issue travel orders for the area comprising Great Smoky Mountains National Park, and I did not consider Georgia a part of the Great Smoky Mountains National Park.

Senator MCKELLAR. Neither was Virginia or South Carolina; was it?

Mr. MYERS. No.

Senator MCKELLAR. I call your attention to this part of your report:

"A great many travel orders were issued showing Bryson City, N. C., as headquarters, whereas official headquarters of traveler was one of the camps within the park area several miles from Bryson City in North Carolina."

Is that correct?

Mr. MYERS. Yes, sir.

Senator MCKELLAR (reading):

"Travel orders were issued by Washington office, dated May 1, 1935, to Gordon G. Bruce, George A. MacPherson, Francis R. McGovern, and John B. Quinn, for travel by personal car from Luray, Va., to Gatlinburg, Tenn. (permanent change of station). Paragraph D of all these travel orders was deleted by crossing out the portion of paragraph from 'the amount' to 'mentioned above.' Above change not initialed on park office copy; at the bottom was inserted 'Justification: It is determined to be more economical and advantageous to the Government for you to use your personal car at a mileage rate that will not exceed cost by common carrier.'"

What have you to say about that?

Mr. MYERS. The point I am bringing out there is that the travel order was not properly made out according to the regulations.

Senator MCKELLAR. You go on to say:

"Travel vouchers submitted by Bruce, McGovern, and Quinn each asked reimbursements for use of personal car on mileage basis of 478 miles at 5 cents per mile, $23.90."

What is there in that proposition?

Mr. MYERS. The point I am bringing out there is that they were not paid for their travel in keeping with the travel order.

Senator MCKELLAR. You further say:

"Travel orders for clerks, project superintendents, foremen, and enrollees, whose official duties per appointment do not require travel, do not show justification for travel authorized."

That was true; was it not?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. That is dishonest; is it not?

Mr. MYERS. Well, I do not know. I could not tell why they were traveling. There was no justification for it.

Senator MCKELLAR. Was there ever any explanation made for it by anybody who received the travel pay?

Mr. MYERS. I cannot recall offhand now. I did go into it, but I cannot tell you offhand now just what the answer was.

Senator MCKELLAR. I quote again at the bottom of page 47:

"Examination of travel vouchers would give auditor the impression that all travelers were not making deductions for lodgings furnished free of charge at camps, as vouchers plainly show traveler at camp over night, but no deduction made for free lodging, and statement made that no lodgings furnished free of charge, and of course it was based on this statement that finance officer paid vouchers as submitted."

Is that correct?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. That is dishonest—clearly so.

Mr. MYERS. Well, if they understood what they were doing, it certainly was.

Senator MCKELLAR. Has it not been your experience in life that where men are taking money that does not belong to them, they usually understand what they are doing?

Mr. MYERS. In this particular case, though, the case of these fellows that would travel, it would be understood that they were going to get $4 a day for their per diem while they were out; and they did not know, a lot of them, maybe, that they were not entitled to that when they stayed at the camps.

Senator MCKELLAR. Listen to this:

"Several travel vouchers were paid to Emergency Conservation Work clerks in park office, and supervising mechanics, that have the appearance of Federal Government paying for employees' pleasure trips."

Mr. MYERS. It did look like that; yes, sir.

Senator MCKELLAR. I continue:

"For example, Emergency Conservation Work clerks in Gatlinburg office being paid for per diem on trips to Knoxville, Tenn., showing leaving headquarters (Gatlinburg) after 4:30 p. m. (office closing time) for Knoxville, Tenn., remaining in Knoxville (a distance of 40 miles from Gatlinburg) overnight, and leaving there the next morning at 7 a. m., arriving Gatlinburg at 8 a. m. Another example was supervising mechanic leaving Bryson City, N. C., at 7:30 p. m., ariving at Knoxville 11:15 p. m., and leaving Knoxville at 6 a. m. next morning, arriving at Bryson City at 9:45 a. m. This party's headquarters was Smokemont, N. C., several miles from Bryson City, N. C. He spent a great many evenings in Knoxville, Tenn., and Asheville, N. C., arriving at these places after regular closing hours for all kinds of official business, and leaving the next morning before opening hours, and collected per diem for the time away from official station."

That is correct, is it not?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. That is dishonest, is it not?

Mr. MYERS. That is irregular in every respect; yes.

Senator MCKELLAR. And you did not uphold it. You put it in this report for the purpose of stopping it if you could; did you not?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. Are those employees still working for Mr. Eakin down there?

Mr. MYERS. I could not tell you offhand who they are.

Senator MCKELLAR. Do you know who they are? Do you remember their names?

Mr. MYERS. This clerk that was suspended——

Senator MCKELLAR. Was he one of them?

Mr. MYERS. He was one of them.

Senator MCKELLAR. Who was the other one?

Mr. MYERS. As I say, offhand I cannot tell you. I know their supervising mechanic that you talked about, Mr. Abbott, is dead. He died last fall.

Senator MCKELLAR. Well, we cannot do anything with him.

Mr. MYERS. No. I found out afterward that there was a mistake in one of his travel vouchers; that he had "p. m." down there where he should have had "a. m."

Senator MCKELLAR. I call your attention to another statement on page 48:

"Travel orders were issued, and per diem paid thereon, to various parties whose official duties placed them in travel status, who would leave official headquarters, either Bryson City, N. C., or Gatlinburg, Tenn., between 7 and 10 a. m., traveling to places within park or points in vicinity, returning to official headquarters early in the evening."

That was a very corrupt practice, was it not?

Mr. MYERS. It was not right; no. We did not want them to do that, and we wanted them to stop it.

Senator MCKELLAR. Have you stopped it down there?

Mr. MYERS. Oh, yes. I think the last time I was down there I found one or two instances of that kind.

Senator MCKELLAR. Did Mr. Eakin bring these men before him and tell them that they must stop that kind of practice?

Mr. MYERS. I do not know.

Senator MCKELLAR. Did he dismiss anybody for indulging in that kind of petty thievery?

Mr. MYERS. Not that I know of.

Senator MCKELLAR. But the Chief Clerk did say that the Washington office was furnished with copies of all travel orders issued by the park superintendent, did he not?

Mr. MYERS. Yes.

Senator MCKELLAR. Did they ever get any acknowledgment of receipt by the Washington office?

Mr. MYERS. No; they did not acknowledge receipt of them. He would just mail them down to them.

Senator MCKELLAR. Just to be perfectly plain about it, this travel-order system that you found in vogue down there was just petty thievery, was it not, getting so much for travel on trips into Knoxville and into Asheville and into other towns?

Mr. MYERS. I could not say that it was petty thievery. It did not look right to me, and that is the reason why I put it in my report.

Senator MCKELLAR. I think you were exactly right.

You have a page and a half here about the audit of bills of lading. What does that mean? Can you tell me in a word what that means?

Mr. MYERS. As I recall now, bills of lading had not been properly handled, and it was necessary to spend quite a lot of time trying to find out whether they had encumbered on their records the correct charges for transportation shown by the bill of lading.

Senator MCKELLAR. What do you mean by "encumbered"—written up in the office?

Mr. MYERS. That is, taken up on their records.

Senator MCKELLAR. Put on their records.

Mr. MYERS. Yes.

Senator MCKELLAR. And the same thing is true of shipping tickets?

Mr. MYERS. The packing and handling charges on shipping tickets were not properly handled.

Senator MCKELLAR (reading): "Audit of pay rolls."

You say: "Very few 'paid' copies of pay rolls in park files."

Without those, you could not audit the pay rolls, could you?

Mr. MYERS. No.

Senator MCKELLAR. What you have to say about that here is correct?

Mr. MYERS. That is right.

Senator MCKELLAR. And you found it irregular and improper, and you did not approve it?

Mr. MYERS. Whatever I put in the report was something that I considered irregular, and I wanted to call it to the attention of the Washington office.

Senator MCKELLAR. Do you know what the Washington office ever did with this report after it was received?

Mr. MYERS. Oh, yes; there was quite a lengthy letter written to the superintendent, and I was furnished with a copy of it.

Senator MCKELLAR. Can you send me a copy of the letter from the office here?

Mr. MYERS. Oh, yes.

Senator MCKELLAR. I know Mr. Burlew will get it. Would you mind sending it down, please?

Mr. MYERS. I will ask Mr. Burlew to do so.

Senator MCKELLAR. At this point, while it is on my mind, I should like to have you get a copy of that letter and copies of any correspondence that may have been had regarding your report.

Mr. MYERS. Excuse me for interrupting you, but I understood yesterday in talking with Colonel White that you had been furnished with all of that.

Senator MCKELLAR. It may have come in. I will look it up and see. I believe there is a subsequent letter here, and I must look it up. I want also the two subsequent reports that you made. You were down there in the latter part of 1937 and the latter part of 1938, and made a report in each case.

Mr. MYERS. Yes, sir.

Senator MCKELLAR. And if any letters have been written about that, I should like to have them.

Mr. MYERS. Yes, sir.

Senator MCKELLAR. What about the allotment ledgers? I do not understand just exactly what you mean by that.

Mr. MYERS. The allotment ledger is their regular book where they keep track of their obligations.

Senator MCKELLAR. Were they kept properly?

Mr. MYERS. Not during the period I was auditing.

Senator MCKELLAR. I notice you say:

"These errors amounted to $238.47 plus on Tennessee camps, and $406.37 plus on North Carolina camps, and were never adjusted."

Mr. MYERS. I do not know just what you are referring to.

Senator MCKELLAR. I am reading from page 53.

Mr. MYERS. Yes; but I mean, what comes before that probably tells the story.

Senator MCKELLAR. It is under the general title of "Allotment ledgers." You do not know what that means? Anyhow, if you said they were short in their money, they were short?

Mr. MYERS. It was evidently errors that I found in checking over their records that I had them make adjustments for, I imagine.

Senator MCKELLAR. Under the head of "Schedule of unliquidated encumbrances" you say:

"When audit of allotment ledgers of FD 1670 funds was completed, an attempt was made to check this schedule so prepared against open items on allotment ledgers, but without success, as it contained items that had been paid several months before it was prepared, and did not contain several items that were unpaid as shown by allotment ledgers."

That is correct, is it?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. That is not a proper way of managing the Government's business?

Mr. MYERS. No, sir.

Senator MCKELLAR. You say here:

"A great many items are believed by auditor to have been paid, but supporting papers showing such payment were either lost, misplaced, or never received from finance officer."

That is correct?

Mr. MYERS. Yes, sir.

Senator MCKELLAR (reading):

"Attached as exhibit B is 'Schedule of unliquidated encumbrances' for FD 1670 funds, so found by auditor, totaling $9,809.04, which amount is the difference between 'authorized' and 'liquidated' encumbrances, after all auditor's adjustments have been made."

That is $9,809.04 that has not been accounted for, is it not?

Mr. MYERS. No; that is the amount of obligations that they had incurred that had not been paid or liquidated at the date I closed the audit. That is what I mean.

Senator MCKELLAR. It does not mean that they were short that much?

Mr. MYERS. Oh, no.

Senator MCKELLAR. You say:

"Purchasing office, Department of Interior, $6,456.96: On June 1, 1935, an entry was made for $9,100 covering estimated cost of tentage being purchased for park through Washington office."

Mr. MYERS. Yes; I remember that now.

Senator MCKELLAR. That was a defalcation, was it not?

Mr. MYERS. No. They were authorized, I guess, to purchase the tents. What I am talking about there is that they had not gone ahead and followed through the transaction and cleared it up on their records.

Senator MCKELLAR. You say:

"Very little was known about the details of this transaction, except in a general way, as the matter had been handled by H. A. Hunt, clerk, suspended August 1, 1936."

Hunt was suspended for dishonesty, was he not?

Mr. MYERS. I believe it was for using some Government gas in his automobile. I think that is what the charges were. I am not so sure, but I believe that was it.

Senator MCKELLAR. Was not everybody else doing it at the same time?

Mr. MYERS. Oh, no; not in their own personal cars. He was using Government gas in his personal car, if I recall.

Senator MCKELLAR. Did he ever make it good, or was any effort made to make it good?

Mr. MYERS. I do not know.

Senator MCKELLAR. Do you know how much gas there was?

Mr. MYERS. No; I do not.

Senator MCKELLAR. You could not tell from the books?

Mr. MYERS. Oh, no.

Senator MCKELLAR. Here are a lot of contracts with the Fulton Bag & Cotton Mills and various other concerns—one for $1,486.98, another one for $1,210, another one for $3,559.98, another one for $2,230.55; and then you say:

"The above contracts evidently cover the estimated encumbrance of $9,100, as they cover all items in Invitation No. 655 (PJB) dated April 29, 1935."

But there is a difference, leaving a balance of $6,456.96. That was a strange transaction for you to find there, was it not?

Mr. MYERS. What I am talking about there, as I recall, is a lot of tents that were purchased, and an estimated amount was encumbered to cover the cost of them, and then they did not follow through to get the paid vouchers recorded on their books and liquidate the balance of the encumbrance. They got all the tents, I found out, but they did not properly report them on their records.

Senator MCKELLAR. The tents cost about $6,000, and they put them on their books at $9,100?

Mr. MYERS. No; I think they estimated, when they ordered them, that they would cost $9,100. Just what they did cost I cannot tell you, but something less than that.

Senator MCKELLAR. Were they advertised for?

Mr. MYERS. I think they were purchased from Government departments. No; they were purchased under a Government contract made here in Washington. That was the way it was.

Senator MCKELLAR. Did you ever get copies of the paid vouchers, or could you make head or tail of this transaction?

Mr. MYERS. I finally got that transaction all straightened out over a period of time. I had to correspond with different finance officers and different officers, but I was able to get that cleared up. There was nothing particularly wrong about it after we got it cleared up.

Senator MCKELLAR. What about the cost records?

Mr. MYERS. The cost records during the time that I was auditing there were in very bad shape. They were not kept up in accordance with the ledgers.

Senator MCKELLAR. Now I come to a transaction on page 57. You say:

Total funds allotted		$533,145.00
Less type-mapping allotments		19,127.00
Total allotments for work program		514,018.00
Less balance unexpended (adjusted)		602.95
Total to be accounted for		513,415.05
Cost reported:		
Fifth period	$175,589.98	
Sixth period	149,242.10	
First half seventh period	56,542.35	
Total costs reported		381,374.43
Unaccounted for		132,040.62

Did they ever account for that money, that $132,000?

Mr. MYERS. That means that they did not take up on their cost records $132,040 worth of expenses that they had paid out.

Senator MCKELLAR. Does not that mean that they had $513,415.05 of Government money to be expended, but when you came to find their vouchers and receipts you found only $381,374.43; is not that right?

Mr. MYERS. No; that is not right.

Senator MCKELLAR. What is right?

Mr. MYERS. I found the vouchers eventually for the $513,000, but their cost records where they distributed those disbursements totaled three-hundred-and-some-odd thousand, whatever it is.

Senator MCKELLAR. $381,374.43.

Mr. MYERS. In other words, they had not posted to their cost records all of their disbursements.

Senator MCKELLAR. Then you have nothing to show for that difference of $132,000, have you? Their books do not show where it went?

Mr. MYERS. Their cost records do not show. There are two sets of books. There are the cost records, and there is the allotment ledger.

Senator MCKELLAR. The allotment ledgers just show what they had to pay out and what they have paid out. Is not that right?

Mr. MYERS. The allotment ledgers show, for instance, in this case, that $513,000 was paid out.

Senator MCKELLAR. Yes.

Mr. MYERS. Now, the cost records are a different set of records entirely.

Senator MCKELLAR. The cost records show what that was paid out for; do they not?

Mr. MYERS. What jobs it was charged to.

Senator MCKELLAR. There is a discrepancy of $132,040.62, and nobody on earth could tell from these books where that $132,000 was?

Mr. MYERS. You could not tell what jobs it was properly chargeable to.

Senator MCKELLAR. If you could not tell what jobs it was properly charged to, there is no record of it, is there? In other words, suppose a man on one job had $40,000. He might have spent $30,000 and put the other $10,000 in his pocket so far as the cost record was concerned?

Mr. MYERS. No; that does not mean that. For instance, down there they had a big pay roll at the office, what they call a detached pay roll, and that detached pay roll was not spread over the jobs that were being worked on in the park. I found that that was part of the cause for the difference, but I could not prove it up to the penny. I did not know where it all went.

Senator MCKELLAR. I will give you your explanation of it, as given on page 57:

"As the above-mentioned 'unaccounted for' represents, roughly, 25 percent of the total to be accounted for, this matter was discussed with Mr. Spillers"—

Mr. Spillers was the engineer?

Mr. MYERS. He was the engineer keeping the record.

Senator MCKELLAR (reading):

"and he advised that during the fifth period (April 1 to September 30, 1935), the 'detached pay roll' was not included in the supervision reported on the monthly cost reports. The detached pay roll for this period amounted to $17,259. Further discussion with Mr. Spillers disclosed that expenditures for equipment appearing on allotment ledgers were not included in costs reported. As stated above, it was impossible, without an endless amount of work to ascertain just what items are included in the cost reported."

That was correct?

Mr. MYERS. That is right; yes, sir.

Senator MCKELLAR. You thought this was such an unusual circumstance that you ought to talk to Mr. Spillers, the general engineer who had charge of the books, did you not?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. And you called his attention to this unaccounted-for amount of $132,040.62, did you not?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. And when you did that, he said there was a detached pay roll that would account for it, and when that was brought in, it was $17,259. Is that right?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. If you deduct $17,259 from $132,040.62, it leaves $114,781.62. They never did find any detached or other pay rolls that accounted for that difference, did they?

Mr. MYERS. Well, as I say, they would just tell me of items that they did not include. They did not prove it up to me.

Senator MCKELLAR. You had to take their word for it. They did not prove it up to you, did they?

Mr. MYERS. Mr. Spillers' cost records were in such shape that I could not determine what amounts he had included and what amounts he had left out.

Senator MCKELLAR. So far as the records show—as this record shows—Mr. Spillers accounted for only $17,259 of that unaccounted-for fund; did he not? That is all he accounted for?

Mr. MYERS. Well, as I say, he told me about other things, but he did not show me the amount.

Senator MCKELLAR. Here was $132,000 unaccounted for. You thought it was of such moment that you submitted it to Mr. Spillers and demanded an explanation from him, as a good auditor, did you not?

Mr. MYERS. Yes, sir.

Senator MCKELLAR. And when you submitted it to him, he gave you vouchers on what he called a detached account of $17,259, did he not?

Mr. MYERS. That, as I recall now, was the only specific amount that he pointed out.

Senator MCKELLAR. He told you about other amounts, but he did not get you any other vouchers to show for them, did he?

Mr. MYERS. As I say, the records were in such shape that if he had, it would not have done me a whole lot of good.

Senator MCKELLAR. It would not have done any good.

You go on to make a most remarkable statement here. I want to read it to you:

"The auditors, while at NP–2 Sugarlands, had the camp clerk show them just how he compiled the data set forth in monthly cost reports, and after thoroughly going into the matter, and looking over the working papers submitted by camp clerk, the auditors were of the opinion that the methods used were far from accurate and could readily see where 25 percent of actual expenditures were overlooked, and never discovered any place along the line."

That is correct, is it not?

Mr. MYERS. That is right; yes.

Senator MCKELLAR. Is that the way the Government's business ought to be transacted, Mr. Myers?

Mr. MYERS. We have changed that method. The Park Service has changed that way of reporting those costs since then.

Senator MCKELLAR. Yes; but what about those responsible for it at that time? Was not that about the loosest piece of business that ever you saw?

Mr. MYERS. There was not a whole lot of attention paid to the cost records back in those days.

Senator MCKELLAR. Not only that, but there was not a whole lot of attention paid to the Government's business back in those days at that camp, was there?

Mr. MYERS. Well, they had their own way of doing it. They thought they were doing it right, but they were not.

Senator MCKELLAR. How could they think they were doing it right when they could not account for 25 percent of an enormous sum like $513,000? It is pretty hard to stretch the imagination to think that is right, is it not?

Mr. MYERS. Well, the way they did things out there, I can see, from my experience, where it was possible to do that.

Senator MCKELLAR. And still be honest?

Mr. MYERS. Yes.

Senator MCKELLAR. Where they went out and bought what they pleased, at any price they pleased, without regard to regulations, and used every hook and crook possible to get the officials to approve it afterward—you do not think that was correct, do you?

Mr. MYERS. No; it was not right.

Senator MCKELLAR. It was not right. You do not believe there could be any accuracy in a system of that sort, do you?

Mr. MYERS. Well, whatever they bought went into the park.

Senator MCKELLAR. It might or might not. You have not any record to show it.

Mr. MYERS. I mean, in what I checked into that was irregular, that I am speaking about, there in that part you quote from the report, they did not comply with the regulations and the laws that had been laid down for them; and when they found that out, then they had to do everything they could to get the bill paid.

Senator McKELLAR. Yes. In other words, suppose I had been Mr. Hunt, and I had the Government pay for all my trips to Knoxville. At the same time, under the system here, if I had wanted to do it, I could have bought cars and sold them, and committed almost any other thievery at the hands of the Government, and covered it up, could I not, under that system?

Mr. MYERS. They could have done a lot of irregular business there.

Senator McKELLAR. Yes, sir. Now, about these reimbursable collections—what do you mean by "Reimbursable collections," on page 58?

Mr. MYERS. "Reimbursable collections," in our accounting, mean items, say, for instance, like a man had been overpaid, and he had to refund the amount. The reporting of that refund on the records is called a reimbursable collection.

Senator McKELLAR. Here is one from the Standard Oil Co., the first one, $991.67. Did you find that on the books?

Mr. MYERS. I do not recall, now, the transaction, just what it is.

Senator McKELLAR (reading):

"In safe at park office was check dated August 31, 1936, from Standard Oil Co. of New Jersey, for $991.67. Chief Clerk stated, as reason for holding check instead of sending through for deposit, it was necessary to ascertain finance officer's voucher numbers for original payments, and due to files being used in audit was unable to do this. This check covers refund of 2 cents a gallon on gasoline purchased under contract I-23p-672 ECW and paid during the months of May and June 1935."

And yet he had held that check for 15 months?

Mr. MYERS. Oh, no. The purchase was made in 1935, but I do not know what the date of the refund check was.

Senator McKELLAR. The date of the refund check is given as August 31, 1936, and you were making this report in 1937.

Mr. MYERS. But I was auditing there from August 1936 to November 1936.

Senator McKELLAR. Why should that refund check be held by the man at all?

Mr. MYERS. It is necessary, before you send a check through for deposit by the finance officer, in a case of that kind, to show him, or advise him, the voucher number and the month in which he paid the original amount, before he will accept the check and give you a clearance on it. They did not have time to do that, or did not have the records to do it with, due to the fact that I was using the records in the audit; and they kept the check in the safe in the meanwhile.

Senator McKELLAR. Why would H. A. Hunt hold a check of $30. You thought the handling of these reimbursable checks was highly irregular, did you not?

Mr. MYERS. The reason I wanted to call their attention to that check in the safe was that that was something that should have been recorded during the period that I was auditing, and I did not want it to be overlooked by the next auditor.

Senator McKELLAR. Here is "Sale of worn-out tires and tubes $300.50." What ever became of that money?

Mr. MYERS. I do not recall the transaction, unless you read me the facts about it.

Senator McKELLAR (reading):

"During course of audit it was discovered that tires and tubes had been sold from time to time."

That is irregular, in itself, is it not?

Mr. MYERS. No; they sell them. They advertise for bids and sell them.

Senator McKELLAR. Did they advertise for bids?

Mr. MYERS. I do not believe they did in this case. I do not know.

Senator McKELLAR. They just sold them from time to time. [Continues reading:]

"Inquiry was made, and information furnished by Chief Clerk that all such collections were handled through the regular channels for park funds, being deposited to "Miscellaneous receipts." A schedule was furnished auditor containing information as to the sale of 1,305 tires and tubes between September 24, 1935, and April 17, 1936, to 9 different contractors, together with deposit number and date, the total of these sales amounting to $330.50."

If 1,305 tires and tubes were sold for a total of $330.50, that is approximately 23 cents apiece. Does not that look strange to you?

Mr. MYERS. Yes; there were some of them that looked to me as if they did not get enough for them. I think there were some of them as low as 10 cents apiece. I am not so sure now; but they were advertised.

Senator McKELLAR. To whom were they sold?

Mr. MYERS. I believe in those cases they advertised for bids and awarded it to the highest bidder. I believe that was done.

Senator McKELLAR. Did Mr. Hunt or Mr. Eakin buy them?

Mr. MYERS. Oh, no; they were sold to vulcanizing concerns, somebody that wanted to buy or that dealt in used tires.

Senator McKELLAR. You next take up a number of things—unascertained liability for failure to return oil barrels; refunds by railroads for freight picked up by Government; Government-owned automobiles; work on equipment for other governmental agencies; auditor's adjustments; FD 570 funds; FD 870 funds.

You then go on and discuss them. You thought there were irregularities in regard to all of them?

Mr. MYERS. There was something about them that I had to bring to the attention of the Washington office.

Senator McKELLAR. Do you know whether the Washington office ever took any steps about them?

Mr. MYERS. Oh, yes; in that letter I spoke about.

Senator McKELLAR. That is the only thing.

Then you go on to say, on page 63:

"From the above it will be noted that there is a balance of $6,231.72 of unliquidated encumbrances. No schedule of these obtainable, as chief clerk stated none was ever prepared."

Did you ever get that $6,231.72?

Mr. MYERS. That is their unpaid obligations, according to their allotment ledger, against—I suppose that is the FD 870 funds.

Senator McKELLAR. What is "FD 870 funds"?

Mr. MYERS. That is the total of the procurement authority under which they got their allotment.

Senator McKELLAR. I call your particular attention to your certificate on page 63:

"I hereby certify that, based upon the records and supporting papers examined, and information and explanations obtained, subject to the scope of the examination and the comments thereon, the obligations and disbursements for those transactions reviewed were proper and in accordance with the regulations of Emergency Conservation Work, except as otherwise stated in above-mentioned report."

The fact is that while that certificate is literally true, and, of course, I do not question it, you did not find in your splendid examination of this activity down at the Great Smoky Mountains Park any part of it done in a regular manner, did you?

Mr. MYERS. Oh, yes; there were some transactions that were regular; oh, yes.

Senator McKELLAR. What ones were they?

Mr. MYERS. Well, I could not tell you.

Senator McKELLAR. You do not mention them here.

Mr. MYERS. I do not talk about the ones that are regular. I talk about the ones that are irregular.

Senator McKELLAR. Do you not talk about every phase of the business in this report? On pages 39 to 63, inclusive, of this report you discuss practically every phase of that activity down there, do you not?

Mr. MYERS. I discuss every phase of it, but not all of the transactions within the different phases. There were monthly pay rolls that were paid every month. They were all right. Everybody was properly appointed. They did their work, but maybe the paid copy was not in the files the way it should have been. They had sent the paid copy on to Washington. They had not requested a paid copy for their file. That pay roll was all right.

Senator McKELLAR. But all the irregularities and discrepancies that you recite in this report were there, and they took place just as you reported them?

Mr. MYERS. Oh, yes, sir.

Senator McKELLAR. And I believe you said a while ago that in all your work on parks—and it has been over a period of how many years?

Mr. MYERS. Four years.

Senator McKELLAR. Four years—that this is the worst accounting you have come across anywhere?

Mr. MYERS. That is right; yes, sir.

Senator McKELLAR. And that is absolutely indefensible, is it not? It was absolutely indefensible, was it not?

Mr. MYERS. Well, as I say, I do not know of any other case like it.

Senator McKELLAR. Any sensible man, any man with good, hard common sense, whether he could keep books or not, would not have allowed to go on in that park what you found there, would he?

Mr. MYERS. Well, they claim that there were circumstances that caused it, by this clerk being sent down there that was not able to do the work, and they had all kinds of confidence in him.

Senator McKELLAR. Was he sent down from Washington?

Mr. MYERS. He was sent down to them from Washington.

Senator McKELLAR. And during the entire time of your accounting down there—amounting to how many months?——

Mr. MYERS. I was there at that time 4 months.

Senator McKELLAR. About 4 months—their constant cry, in answer to all these irregularities was that Mr. Hunt, who had been discharged, was responsible for it?

Mr. MYERS. He was given as the excuse in, I should say, 75 percent of the cases.

Senator McKELLAR. Did he do 75 percent of the work down there? Were there not many other clerks?

Mr. MYERS. Well, from what they told you, it looked as if he did everything.

Senator McKELLAR. Mr. Myers, in a letter dated June 2, 1937, Mr. Eakin says:

"There were also extenuating circumstances in many instances which were explained to the auditors; but from their abusive attitude and threats at times when the audit was trying, it was expected that no quarter would be given, and sufficient justification for their extended visit would be recorded."

Did you or your associates abuse Mr. Eakin?

Mr. MYERS. No; in fact, I did not talk to Mr. Eakin except a very few times. I did not discuss anything with him except when I was getting ready to leave the park.

Senator McKELLAR. Did you abuse other officials there?

Mr. MYERS. I do not know what they are talking about. No; we did not.

Senator McKELLAR. You do not look to me like a man who would abuse another one without reason.

Mr. MYERS. We do not do that in auditing. I do not know what they are talking about.

Senator McKELLAR. Did you threaten them?

Mr. MYERS. No.

Senator McKELLAR. Did you assume an abusive attitude toward them?

Mr. MYERS. We might have gotten into an argument about whether we were right or wrong and had arguments; but——

Senator McKELLAR. You did not abuse them or threaten them with anything?

Mr. MYERS. No; I do not know what they are talking about.

(Thereupon, at 1 p. m., the subcommittee adjourned until tomorrow, Saturday, February 25, 1939, at 9 a. m.)

SATURDAY, FEBRUARY 25, 1939.

The subcommittee hearing was resumed at 9 a. m., at room 221, Senate Office Building.

Present: Senator McKELLAR.

CONTINUATION OF STATEMENT OF HERMAN E. MYERS, REGIONAL FISCAL SUPERVISOR, NATIONAL PARK SERVICE

Senator McKELLAR. Mr. Myers, on yesterday I asked you to procure for me a copy of the letter which the Department wrote to Mr. Eakin on May 21, 1937, after receiving your report. Will you look at the copy I hand you and see if that is a copy of the letter?

Mr. MYERS (after examining letter). I should say, without reading it over, that it looks very much like the one I received a copy of at the time; yes, sir.

Senator McKELLAR. I will ask to have that letter made an exhibit to Mr. Myers' testimony.

(The letter is as follows:)

UNITED STATES DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Washington, May 21, 1937.

Mr. J. ROSS EAKIN,
Superintendent, Great Smoky Mountains National Park,
Gatlinburg, Tenn.

DEAR MR. EAKIN: There has been received a 78-page report from Field Auditors Douglas and Myers covering their review of your Emergency Conservation Work accounts and records for the period beginning April 1, 1935, and ending October 31, 1936. The auditors have commented in detail upon the many irregularities in your accounts and the numerous violations of procedure which were disclosed during the examination.

During the 4 years in which this service has participated in the Emergency Conservation Work program there has never been brought to the attention of this office a situation in any park comparable to that which confronted the auditors when they began their assignment. The service files show that only 8 months prior to the arrival of Messrs. Douglas and Myers at your office, another auditor had spent approximately 2 weeks reviewing the Emergency Conservation Works accounts and records and discussing fiscal procedure and regulations with the park personnel.

The irregularities and violations which were reported will be generally discussed even though copies of memoranda of instructions signed by you during the audit indicate that, in most instances, corrective measures have already been instituted to correct the unsatisfactory conditions and eliminate further irregularities in your accounts.

The allotment ledgers had not been prepared in accordance with chapter III, division G, section 1, of the National Park Service Emergency Conservation Work Handbook. The poor system of reference numbers made it impossible to verify many entries in the accounts and in several cases errors had been made in carrying forward balances from one month to the next and in preparing the summary sheets. The detailed audit of the allotment ledgers indicated that the accounts were inaccurate and it was necessary for the auditors to prepare a list of numerous adjusting entries to correct the unencumbered balances.

The monthly telegraphic report of obligations by alphabetical classifications agreed with the total entries in the allotment ledger for the corresponding month in only two instances. There was a difference of approximately $3,000 between the total of the telegraphic report and the total of the FD 1670 allotment ledgers, respectively, for the period beginning April 1, 1935, and ending October 31, 1936. It is important that the obligations report be reconciled monthly with the allotment ledgers.

The allotment ledgers for the FD 570 and FD 870 procurement authorities were not checked in detail but the auditors reported that the last summary sheet for the FD 570 funds showed unliquidated encumbrances amounting to $146,472.45. The FD 870 allotment ledgers showed unliquidated encumbrances amounting to $6,231.72.

Although it seems improbable that unliquidated items to such an extent should remain at such a late date, the figures were taken from the last records for the procurement authorities FD 570 and FD 870, respectively, which were made available to the auditors. The allotment ledgers and files of supporting documents and vouchers were in such poor shape that it would have required the auditors to spend 3 or 4 additional months in the park to verify the accounts in detail. You are requested to assign someone to the task of cleaning up the old accounts and to liquidate the outstanding encumbrances against the FD 570 and FD 870 procurement authorities so the unencumbered balances may be taken up and the ledgers closed.

Every effort should be made to effect early settlements of the remaining items encumbered against FD 1670 funds. It is quite possible that a number of the accounts may have been paid, but the supporting vouchers were not available in your files during the audit.

Your office had failed to encumber packing, handling, and transportation charges on Government shipping tickets. The packing and handling charges which were shown on the shipping tickets should be entered in the direct settlements column of the allotment ledger and the transportation charges, where shipments have been accomplished on bills of lading, should be entered in the authorized encumbrances column and liquidated upon receipt of notices of payment. Correct entries for the shipping tickets were included in the auditors' list of adjusting entries.

A complete audit of charges on Government bills of lading was impossible, because, in a number of instances, copies of bills of lading were not available in the files. To maintain a complete record of the bills of lading issued by your office, it is suggested that you establish a bill of lading register to show the number, date of issue, consignee, carrier, and other information. The register should be maintained currently, and copies of missing bills of lading should be secured to complete the files.

Encumbrances for pay rolls in some instances were not supported by copies of paid vouchers. Sufficient copies of pay rolls should be prepared to provide a copy of the paid voucher for your files and a similar copy for the Washington office. It was reported that pay rolls had been prepared before the receipt of time sheets and in some cases the checks had been issued by the finance officer and actually distributed to the payees before the time sheets had been received in the office. The practice resulted in many overpayments and in at least two cases the employees were deceased before the pay rolls were submitted but no notations were made thereon and the finance officer issued checks for the full amounts due. Your files, however, indicated that the checks were later returned to the finance officer for cancelation.

Individual records of leaves of absences were not posted up to date and in most cases the leave slips which had been recorded did not agree with the absences indicated by the time sheets. Employees had not been charged with absences from duty on Saturday mornings prior to October 8, 1936. The matter should be thoroughly investigated and leave slips to cover all unreported absences must be submitted to this office without further delay. Under the present leave regulations, it is absolutely necessary than an accurate and complete record be maintained for each employee. So your records of leaves of absences will always be complete, the leave slips should be entered in your records prior to their submission to the Washington office for recording.

The examination of travel expense vouchers indicated that travelers were not making deductions for meals and lodgings furnished at camps although the vouchers showed the travelers had stopped at the camps overnight.

There also appear to have been violations of travel regulations in cases where travel of an apparently personal nature was described as official business and a claim for per diem reimbursement was made and paid. For example, in one case, the supervising mechanic left Bryson City at 7:30 p. m., arrived at Knoxville at 11:15 p. m., left Knoxville at 6 a. m. the following morning, and returned to Bryson City at 9:45 a. m. The employee spent a number of evenings in Knoxville and Nashville, arriving at these places after closing hours for business establishments and leaving the next morning before opening hours. Per diem was claimed and received for the time absent from official station and apparently a Government car was used for the transportation.

There were numerous instances reported where travel orders were issued and reimbursement of per diem was claimed by various employees who would leave their official headquarters between 7 and 10 a. m. in the morning for points within the park nearby and return to their official headquarters early in the evening.

You are requested to investigate the circumstances which required the mechanic to visit Knoxville and Nashville on occasions similar to those stated above and to make a complete report to this office. The other apparent violations and abuses of travel regulations should also be investigated and your findings included in the report.

The Emergency Conservation Work monthly progress and cost report was not in agreement with the allotment ledgers. A discrepancy of approximately $132,000 was reported to exist between the totals of the FD 1670 allotment ledgers and the costs reported for the corresponding period. A discrepancy of approximately $800 was noted between the CC 5507 allotment ledgers and the Emergency Conservation Work monthly progress and cost report for the period July 1 through October 31, 1936. Your attention is called to Memorandum to Field Officers, R–11, of March 15, which describes the Monthly Distribution of Encumbrances, Form 10–351, which supersedes and takes the place of the monthly progress and cost report. It should be noted that the totals reported on the Form 10–351 are to be reconciled with the totals of the allotment ledgers for the same period. You will also note in Memorandum R–11 that after April 1 it is not necessary to prorate expenditures for the overhead items such as supervision, tools, and light equipment, gas and oil, etc., to the job accounts. Encumbrances for overhead obligations will be summarized in the overhead accounts.

The audit of the allotment ledgers and supporting vouchers was unnecessarily complicated by the condition of the files and the fact that in many instances proper supporting invoices, receipts, and purchase orders were not available and too frequently the accounts had not been encumbered until copies of paid vouchers had been received from the finance officer.

The auditors reported that there has been a marked improvement in the manner in which the current allotment ledgers were being prepared at the conclusion of their assignment.

In service letter of December 23, 1935, you were requested to file purchase orders and vouchers in numerical order beginning January 1, 1936. The request had not been carried out, and as a result numerous duplicate payments were made.

It was reported that voucher forms 1034 had been prepared in the park office, whereas Emergency Conservation Work regulations provide for the finance officer to prepare the vouchers. It is noted that your memorandum of August 31 provides for the adoption of the regular Emergency Conservation Work voucher procedure as stated in chapter III, division B, section 2 of the Emergency Conservation Work Handbook.

Your procurement procedure had not conformed with Emergency Conservation Work regulations. It was found that numerous deliveries had been made by vendors on verbal instructions and confirming purchase orders or voucher forms 1034 were prepared when the vendors' invoices were received. Other purchase orders prepared prior to the receipt of articles were not signed by an authorized purchasing officer. Supervising mechanics who are not authorized procurement officers have made purchases without prior authority from your office. Too many small purchases were made because requirements were not anticipated in advance and in other instances apparently to avoid contract procedure.

More than $1,000,000 have been allotted to your park from Emergency Conservation Work funds, and, judging from the auditors' report, there has been extreme laxity in control of the funds, and the purchasing and contracting has not been properly supervised. Apparently some unauthorized purchases have been made, because employees have been ignorant of regulations, but too many others have been made in direct violation of instructions.

Under the FD 1670 procurement authority, national parks and monuments were authorized to make emergency purchases in the open market in aggregate amounts not to exceed $299.99, provided a schedule of open-market purchases in excess of $100 be submitted with the allotment ledger for the month during which the purchases were recorded. Your office made purchases in excess of the $100 limitation, but the provisions of supplement No. 297 to the Emergency Conservation Works Handbook dated October 28, 1935, were not followed. Open-market purchases in excess of the $100 limitation were authorized only when public exigencies required immediate deliveries or performance of services. Many of the purchase orders prepared by your office were not of an emergency nature and were therefore issued contrary to regulations.

The auditors reported other open-market purchases in amounts exceeding the statutory limitations for which payments have not been made because competitive bids were not secured or contracts prepared.

Under the current Emergency Conservation Work appropriation, open-market purchases are limited to $99.99, but purchase orders in excess of the amount have been issued subsequent to June 30, 1936. For example, your purchase order No. 2–5 to the W. J. Savage Co. was issued for $170. Purchase order No. 6–25 to the W. J. Savage Co. was issued for the amount of $112.

Purchase orders for motor oil have been issued in the open market and spark plugs and automotive repair parts have not been purchased under the General Schedule of Supplies contracts. The class 8, General Schedule of Supplies contracts for automotive and equipment repair and replacement parts are mandatory on the field offices of this Service. To avoid suspension by the General Accounting Office, you are advised to use the General Schedule of Supplies contracts in every instance where they are mandatory. The TPS contract and item numbers must be shown on the purchase orders as the references are required by the Finance and General Accounting Offices.

Purchase orders have been issued for typewriter rentals and other purchases of services and supplies of a continuous nature. Blueprinting, drafting supplies, films, and similar items have been procured from time to time without compliance with contract procedure. Frequently recurring charges and purchases of a continuous nature must be covered by contracts.

Regulations of the Joint Committee on Printing prohibit the purchase of printed materials, such as time books, field books, record books, and stenographers' notebooks in the field. A number of purchases of this class of items have been made through your office.

The General Accounting Office will suspend payments on purchase orders covering envelopes unless proper clearances have been obtained from the Post Office Department. Your office has made several purchases of envelopes for which proper clearances had not been obtained.

Several cases were reported where teams and a typewriter had been rented from employees on the park pay roll. In one of the cases the employee had received duplicate payment for team hire. Except as provided in office order No. 215, section 9, there is no authority to hire, rent, or purchase property from an employee of the National Park Service. Chapter III, division B, section 1, sheet 2 of the National Park Service Emergency Conservation Work Handbook prohibits the purchase or rental of property from any Federal employee.

A typewriter was purchased by your office contrary to office order No. 136, which requires national parks and monuments to requisition typewriters and other office labor-saving devices through the Washington office and expressly prohibits the purchase of such items in the field.

As stated in the foregoing paragraphs, contracts have not been prepared in many instances where purchases have been made in excess of open-market limitations. Regulations covering the preparation of contracts require that three copies of the bid be signed by the successful bidder. You have not complied with the requirement. Furthermore, the Forms 1036 indicated that notices were not being posted in public places as required by statute.

The leases which your office has executed for office space have not been prepared in accordance with Emergency Conservation Work regulations. There was no evidence to show that selection of the premises had been made as a result of advertising or that awards had been made to the lowest bidder. There was no evidence that a clearance Form PSC–6 had been prepared, even though in two cases the leases exceeded $500 per annum and extended over a period of more than 6 months.

The records indicated that leases dated October 21, 1933, and December 10, 1934, respectively, have never been renewed, but payments of rent under leases have been made through June 30, 1936. The lessor's last rent invoices referred to the contract numbers assigned to the original leases. Leases may not be executed for a period of more than 1 year. You are requested to take steps to renew the leases or to execute new ones without further delay.

Your contract No. I–23p–749 (Emergency Conservation Work) for rental of garage space for two Government-owned passenger cars was dated April 1, 1934, and has not been renewed. It is reported that the space is now being used for storage of office supplies and not as a garage for Government cars. If this is the case, the lease must be executed on standard Form 2. Leases are not required for the rental of garage space, but standard Form 33 should be used.

Your contracts Nos. I–23p–22ER, I–23p–23ER, and I–23p–24ER were awarded in violation of contract regulations. Supporting papers indicate that separate awards were made to three cement companies for one carload of cement each, because identical bids had been received. Where equally low bids are received the award must be determined by drawing lots, and the method of award must be shown on the Form 1036.

In another instance, in which three equally low and acceptable bids were received, the award was made to the concern nearest the park instead of by drawing lots. Your statement on the Form 1036 to the effect that it would result in increased cost to split the award and would result in a delay and additional cost to the Government to request the representatives of the companies to draw lots for the award appears to be inconsistent.

Your contracts Nos. I–23p–800 and I–23p–801, accepted May 28 and 29, 1935, respectively, cover awards to the Tennessee Metal Culvert Co. amounting to $1,823.56. Both contracts were for metal culvert pipe for delivery to NP–2, and it appears that the contracts were prepared in this manner to evade the $1,000 limitation on field approval of contracts.

As provided in office order No. 215, section 10, teams may be rented at rates approved by the Secretary without compliance with the provisions of statute 3709, but in the absence of an approved schedule of rates, team rentals must be covered by regularly executed contracts. Several violations of the regulations governing team hire were reported.

Your contract I–23p–756 (Emergency Conservation Work), in the amount of $498.75, covered the vulcanizing of tires, and the terms of the contract provided for the trade-in of 143 old tires. No amount was mentioned as consideration for the old tires. The procedure for the purchase and trade-in of reconditioned engines, as stated in chapter III, division B, section 1, sheet 3 of the Emergency Conservation Work Handbook, is equally applicable to other articles which are turned in as a partial payment. Your method of trading in used tires and batteries had been irregular and must be discontinued.

During the period July 1 through October 31, 1936, only 11 contracts were prepared by your office, and of this number 7 covered electric and telephone services. It appears that materials for the 8 camps are being purchased in extremely small quantities and requirements are not anticipated sufficiently in advance to permit grouping of purchases on invitations to bid.

When the auditors arrived at the park, the property records were in very poor shape and indicated extreme negligence on the part of the employees who were responsible for the maintenance of the records. The property records for the eight camps which were still in operation were not in agreement with the physical inventories which had been prepared as of June 30, 1936. There was no record to indicate that inventories were being prepared for the property stored at the nine abandoned camps. At four of the camps it was necessary to take new inventories.

Many tools had been lost or destroyed during the fire and it was impossible to determine whether they were the property of the park or had been purchased from Emergency Conservation Work funds. In accordance with chapter III, division G, section 3 of the Emergency Conservation Work handbook, the designation "ECW" shall be stamped on all nonexpendable property purchased from Emergency Conservation Work funds or transferred from other agencies. Wherever practicable, Emergency Conservation Work property must be stored separately and not confused with other property.

Tools had been issued to the fire towers from the abandoned camps and no records had been made of the issues. The Form 10–133, Receipt for Property, had not been used except at the two central warehouses.

The property surveys which were made during the auditors' visits disclosed large quantities of broken and otherwise unserviceable property. Periodic surveys of Emergency Conservation Work property should be made and unserviceable property condemned and disposed of in accordance with regulations so the property inventories will not include useless equipment and tools.

Requisitions for tools, light equipment, automobile batteries and tires, and similar items should be checked against current inventories before additional purchases are made. In this manner excess and surplus stocks may be reduced to a minimum.

The auditors reported that a great many empty oil barrels were accumulated at the various camps, and although the Sinclair Refining Co. had for sometime attempted to secure the return of the barrels, no action had been taken. The auditors brought the matter to the attention of your office, but up until the time of their departure no steps had been taken to return the barrels. The Sinclair Refining Co. contract provides that, if the oil barrels are not returned within a specified time, a charge will be made therefor. The finance officer at Fort McPherson has refused to pay purchase orders covering oil barrels and his action is approved by this office. There is no reason why the barrels when empty cannot be returned to the vendor in accordance with the terms of the contract.

Work reports from the Smokemont and Sugarlands garages show that considerable work has been performed by Emergency Conservation Work mechanics on equipment owned by other governmental agencies and reimbursements have not been made to this Service for the work. The matter should be investigated and the agencies involved should be billed in proper amounts for the services performed.

The auditors devoted an unprecedented length of time to the examination of your accounts and records and their report indicates that many of the irregularities which existed at the beginning of their assignment were corrected or eliminated before the completion of their assignment. Their constructive criticisms have been reflected in certain improvements which have been effected since September 1, 1936. Your memoranda of August 31 and September 30, respectively, indicate that park employees and project personnel have been instructed in the correct procedure for issuing purchase orders and requisitions, accounting for camp, garage, and warehouse property, and the maintenance of accurate property records. The instructions contained in your memoranda should be followed closely to effect better administrative control over the Emergency Conservation Work fiscal operations in the park.

You are requested to follow through on the above comments and to institute whatever additional measures may be necessary to eliminate further irregularities and to correct the unsatisfactory conditions which were reported.

Your assistance and cooperation will be greatly appreciated.

Sincerely yours,

A. E. DEMARAY.

Senator McKELLAR. What kind of force did Mr. Eakin have for this E. C. W. work when you were there; how many employees?

Mr. MYERS. Do you mean in the office?

Senator McKELLAR. Yes.

Mr. MYERS. I think there were four clerks on the E. C. W. pay roll at that time; and I believe the first time I went down there, there were three on the regular National Park pay roll.

Senator McKELLAR. And four on the E. C. W. roll?

Mr. MYERS. I think that is right; yes.

Senator McKELLAR. Did they seem to be men who were efficient or knew their business?

Mr. MYERS. They kept changing around quite a bit. I had to stop to think. We had a very good boy there, I recall, who kept the allotment ledgers, and he left while we were working there. He got a job down here in Washington. Then they brought in a man that they had over at the Bryson City office, and we had to show him how to keep the ledgers, and they had a lot of trouble with him.

Senator McKELLAR. What was his name?

Mr. MYERS. Fleming was the man's name. He resigned or was terminated, or something, by the time we got back there the next time. As I say, they have changed around so much in the 3 years that I cannot just recall offhand who was there at any one particular time.

Senator McKELLAR. If Mr. Eakin had had four competent and efficient clerks, would that have been sufficient to do this work properly?

Mr. MYERS. Oh, yes; it should have been. With the number of camps they had at that time—eight—four good, competent clerks should have done the work properly.

Senator McKELLAR. But your idea was that they were constantly changing and were not competent clerks?

Mr. MYERS. Some of them were and some of them were not. The ones they have left now are very good. Two of the clerks they have there now have been there all the time.

Senator McKELLAR. And two of them were of the shifting kind that did not do anything?

Mr. MYERS. They have gone out. One of them that left was a very good man. He got another job. He was a very good boy.

Senator McKELLAR. But the second one?

Mr. MYERS. The next one was not any good. The one they have now is the best one they have ever had down there.

Senator McKELLAR. Have the FD–570 and FD–870 unliquidated encumbrances ever been closed up?

Mr. MYERS. They had not been when I left there in January of this year.

Senator McKELLAR. So nobody knows what those encumbrances were?

Mr. MYERS. What we call the outstanding, unliquidated encumbrances—you cannot tell what they are, because the schedule of them was never prepared. Consequently, we do not know what represents that outstanding balance until it is checked down.

Senator McKELLAR. Is that the $132,000 that you spoke of?

Mr. MYERS. On the 570 funds there is over $100,000, I think; $143,000, or something like that. On the 870 funds there was somewhere between six and eight thousand dollars.

Senator McKELLAR. And that has never been checked up, never been accounted for, and nobody knows what has happened to that fund?

Mr MYERS. When I was there this last time I spent half a day, as I state in my report, showing this clerk there how to go about checking it down, and I reported to the Washington office that I had done that, to see if that would help them get started on checking it down.

Senator McKELLAR. In his letter Mr. Eakin says:

"Forty-two encumbrances have been liquidated against FD 1670 funds since November 1936, but there are still 83 remaining. The majority of the remainder are for small amounts and are gradually being cleared."

That is not true; is it?

Mr. MYERS. You are talking about 1670 funds now. The 1670 has all been cleared up now.

Senator McKELLAR. But the 870 is not?

Mr. MYERS. And the 570.

Senator McKELLAR. And the 570 is not.

He further says:

"Our failure to encumber packing, handling, and transportation charges on Government shipping tickets was due to ignorance on our part."

Did you explain that to him?

Mr. MYERS. Yes; I cited the regulations or the paragraph in the handbook that required them to pick up the packing and handling charges, and they are doing that now.

Senator McKELLAR. Did they claim then that it was ignorance?

Mr. MYERS. Oh, yes; they said they did not know that they had to be picked up.

Senator McKELLAR. At any rate, those old accounts have never been cleared up?

Mr. MYERS. No—that is, the 570 and the 870.

Senator McKELLAR. One of them involves $143,000, and the other one $6,000?

Mr. MYERS. About, yes; approximately.

Senator McKELLAR. And although that has been 3 years ago, they have never been cleared up by Mr. Eakin?

Mr. MYERS. Nothing was done on them until I was there in January of this year. I spent half a day starting them in on it again to see if I could get them working on it.

Senator McKELLAR. But they have not done it yet?

Mr. MYERS. I do not know what they have done since I was there.

Senator McKELLAR. Again, Mr. Eakin says:

"From time to time during the audit when Mr. Myers or Mr. Douglas called our attention to the procedure outlined therein, since we had not received such instructions we were at a loss to say anything other than to refer him to the instructions dated December 13, 1935, from Auditor Britton, and approved by your office, December 23, 1935."

Is that correct? What did they do?

Mr. MYERS. They did make reference to some instructions that were given by the auditor who was there before we were in there; but they had not followed them, and that was the point that in one instance I remember; and that was the only time that I remember their bringing up this matter.

Senator McKELLAR. What was the difference between the total of the telegraphic report and the allotment ledger due to?

Mr. MYERS. I do not know. That is set forth in my report. I cannot give you the facts about that from memory.

Senator McKELLAR. But what you said about it in your report is correct?

Mr. MYERS. I checked it down; yes. That is a correct statement.

Senator McKELLAR. You found that the leave records were not posted; did you not?

Mr. MYERS. Yes. There was something wrong with the leave records, like I state in my report. I do not recall offhand now just what that was at that time.

Senator McKELLAR. What about employees being required to remain in camp on Saturday mornings?

Mr. MYERS. You see, the enrollees do not work, as a rule, on Saturday morning; so the supervisory personnel are required to be in camp 4 hours on Saturday mornings to complete their 44 hours for the week and do other miscellaneous duties around the camp. If I recall right, they had not been putting in this 4 hours at these camps in the Great Smoky Mountains up until the time I got there, or while I was there, or something like that; and I called it to their attention.

Senator McKELLAR. They had been drawing pay for the 4 hours without actually doing any work?

Mr. MYERS. That is right; or they had not been charging it up to annual leave when they were gone on Saturday morning, due to an interpretation of a ruling, as they understood it, that the supervisory personnel was not required to be on duty when the enrollees were not being worked; something like that. But we got it straightened out while I was there, and from that time on they worked on Saturday morning, or they put in a leave slip.

Senator McKELLAR. Fleming was one of those who was working the Government on per diem and travel orders; was he not?

Mr. MYERS. Yes; he was the clerk in the Bryson City office that we afterwards transferred over to the Gatlinburg office, and I remember he had some travel.

Senator McKELLAR. And per diem, too?

Mr. MYERS. I mean, he got paid per diem for travel. Whatever I say in the report about it is what I found. I do not recall offhand.

Senator McKELLAR. Did he not have a very prolific amount of vouchers there for travel pay and per diem?

Mr. MYERS. I cannot just recall what it is. If you will refer to my report, that would tell the facts.

Senator McKELLAR. And Fleming was one of the men who had to be gotten rid of?

Mr. MYERS. He eventually turned out to be very unsatisfactory and resigned or was terminated; I do not know which.

Senator McKELLAR. Mr. Eakin says:

"Mention is made by you of confirming purchase orders being issued after receipt of the material. We will not attempt to offer excuses or reasons justifying any such instances, but will advise that, even now, some purchase orders made out prior to the receipt of materials must require duplication of work in that receipted purchase orders will not be accepted by the finance officer unless exact prices and terms are listed thereon, even though the auditors instructed estimated figures for encumbrance, where actual quantities, prices, and terms were not available, should be used."

Has that practice of buying the goods and getting the purchase orders afterward been discontinued?

Mr. MYERS. Oh, yes; that has been discontinued now. They do not do that any more.

Senator McKELLAR. But it was all because of your report?

Mr. MYERS. Since we were there they have discontinued it.

Senator McKELLAR. I have already called your attention to the fact that Mr. Eakin said that you and Mr. Douglas were abusive. I call your attention to the letter of Mr. Demaray, or whoever wrote the letter, of June 21, 1937, in which it is said:

"The auditors devoted an unprecedented length of time to the examination of your accounts and records, and their report indicates that many of the irregularities which existed at the beginning of their assignment were corrected or eliminated before the completion of their assignment."

I suppose that is true?

Mr. MYERS. Yes, sir.

Senator McKELLAR. Did they ever complain that you were abusive? Did Mr. Eakin complain that you were abusive of him or of those under him while you were there?

Mr. MYERS. No, sir.

Senator McKELLAR. Or since that time?

Mr. MYERS. No, sir.

Senator McKELLAR. Mr. Eakin says:

"Approximately 85 percent of Mr. Douglas' time was spent in an effort to secure an inventory."

Is that correct?

Mr. MYERS. He spent practically all his time working on the property; yes.

Senator McKELLAR. Mr. Eakin further says:

"In conclusion, I desire to state that in my many years experience as superintendent never has an auditor come into my park with the supercritical attitude of Messrs. Myers and Douglas."

Did you have any supercritical attitude when you went there?

Mr. MYERS. I just do not know what is covered by "supercritical" myself, but, as I say, we got along all right with them. We would have a hot argument once in a while. They would object to doing something that we told them should be done, and we argued it out with them; but we generally won out and got them to do it the way we wanted them to do it. They would not do it right away; but after they got better acquainted with us, and found out we knew what we were talking about, their resistance was not so great.

Senator McKELLAR. Did you have a new accounting system, or did you just apply to this park the same accounting principles that you applied to all other parks?

Mr. MYERS. Just the same as we were doing everywhere else, and had been doing for years.

Senator McKELLAR. You did not apply any new accounting system; did you?

Mr. MYERS. No. Practically everything was the same as we had been doing in other places.

Senator McKELLAR. In 1938 when you went back again you found a good many things wrong; did you not?

Mr. MYERS. The last time, do you mean?

Senator McKELLAR. No; 1938.

Mr. MYERS. That was 1938—the report for 1938.

Senator McKELLAR. This is January 7, 1938.

Mr. MYERS. I was there in December of 1937 then.

Senator McKELLAR. That is right. Well, you found things pretty ratty then; did you not?

Mr. MYERS. Mr. Baldwin and I were there at that time. We found a lot of things had been corrected since we were there the year before.

Senator McKELLAR. But you found a lot of things that were still out of gear; did you not?

Mr. MYERS. Whatever we set forth in the report is what we found out.

Senator McKELLAR. Here are some of the things: As to purchase orders, "office copies in several cases were not receipted." Is that right?

Mr. MYERS. Oh, yes.

Senator McKELLAR (reading):

"A few were receipted by camp clerk (enrollee) instead of by project superintendent."

Was that the case?

Mr. MYERS. Yes; I remember that.

Senator McKELLAR (reading):

"Numerous orders for supplies and services of an administrative nature were receipted by the same clerk who prepared the purchase order and acted as purchasing agent."

Is not that true?

Mr. MYERS. That is right; yes, sir.

Senator McKELLAR. That is all wrong, is it not—that a clerk should act as purchasing agent, and prepare the purchase order, and receipt for it? Nobody under God's heaven could tell what was done with that money except the clerk.

Mr. MYERS. It is against our regulations for them to do that; and I called it to their attention first, and then again in this report.

Senator McKELLAR. Not only that, but—

"Requisitions did not, in all cases, bear the approval signature of the park superintendent or his administrative assistant."

Is not that so?

Mr. MYERS. That is right; yes.

Senator McKELLAR. That is bad business; is it not?

Mr. MYERS. There is a regular form for requisition that has a blank on there to be approved. The idea there is that the park superintendent will approve the requisition before the purchasing department will take any steps to buy it; and what he did in this case was that they would go ahead and buy it, and then he would sign the purchase order and not sign the requisition. That is what I wanted him to do there.

Senator McKELLAR. When you made your first report, in 1937, you found, as I remember the substance of what you said, that anybody at the park would purchase anything at any time that anyone wanted it. That was the substance of it.

Mr. MYERS. Yes.

Senator McKELLAR. You found the same thing in December 1937, did you not?

Mr. MYERS. No; not so much of it.

Senator McKELLAR. Not so much of it?

Mr. MYERS. There might have been a little, but not so much.

Senator McKELLAR. To refresh your memory, I call your attention to your report:

"The following exceptions to purchase procedure were noted:

"1. Open-market purchases of gasoline and oil at service stations by technical personnel, paid for by purchase order."

That is right, is it not?

Mr. MYERS. Yes.

Senator McKELLAR. That is all wrong, too, when it comes to handling the Government's business?

Mr. MYERS. What we wanted them to do there was this: The camp at Sugarlands was just 4 miles from the office; and they could have gone out to Sugarlands and got their gas and oil instead of going across the street to the filling station and buying it there at a higher price.

Senator McKELLAR. That just made it cost the Government that much more?

Mr. MYERS. That is right.

Senator McKELLAR. And then you had no check on it at all?

Mr. MYERS. Everyone who got the gas would receipt for it. We could check it down.

Senator McKELLAR. You could check it down, but you do not know what this clerk did with the gas and what he used it for?

Mr. MYERS. Oh, no. You would have to get the other information to do that.

Senator McKELLAR. And if he signed the purchase order and bought the gas, no man under God's heaven could tell what he did with the gasoline?

Mr. MYERS. Well, but the point I am bringing out there is that there should have been a contract covering the service-station deliveries that had to be made.

Senator McKELLAR. Then you say:

"2. Numerous open-market purchases of kerosene, used for lighting, heating, and cleaning of motors."

That was correct; was it not?

Mr. MYERS. Yes. They did not have any contract, in other words, for kerosene.

Senator McKELLAR. Again:

"Side camp equipment, such as cups, plates, dishes, etc., and lumber and screen doors for mess-hall tent."

They were bought on the side?

Mr. MYERS. I want to tell you: A lot of those things that I referred to in the report I think might be irregular when I am in the field. I do not know, so I put it in my report; and it is up to the Washington office to decide whether any action should be taken on the matter or not.

Senator McKELLAR. Again:

"4. Coal for cooking purposes at side camp."

That was purchased irregularly?

Mr. MYERS. That is one of the matters I spoke about. I do not know whether it is irregular or not, so I put it down.

Senator McKELLAR (reading):

"5. Open-market purchases of fuel oil used in tractors."

Mr. MYERS. What I mean there is that they did not have any contract for the fuel oil.

Senator McKELLAR. They just bought it as they pleased, like they had been doing ever since you first found them down there?

Mr. MYERS. They had not been observing the regulations. That is what I mean.

Senator McKELLAR (reading):

"6. Roofing buildings belonging to J. R. Boyd used as side camp. Cost report shows 87 rolls roofing at $1.50 per roll, total $130.50, were used. No lease contract with J. R. Boyd covering period January 1 to June 30, 1937, period during which work was performed."

Was there any justification for those expenditures?

Mr. MYERS. The point there is that these buildings belonged to another individual. They did not belong to the Government. They were leased, if I remember right, for a dollar rental every 6 months and I believe the lease provided that the man who owned the buildings was to keep them in repair, though he only got a dollar rental every 6 months; and I found that they had reroofed some of these buildings with our funds, and that is what I am calling to their attention.

Senator McKELLAR. When you went down there the first time, you called the particular attention of Mr. Eakin and the others to the rental of the Huff Office Building, so-called, at $53 a month; did you not?

Mr. MYERS. Yes, sir.

Senator McKELLAR. Did you not find that in the same condition when you went back?

Mr. MYERS. In all of my reports there is some question about those leases—that is, that they had not been properly handled according to the regulations.

Senator McKELLAR. You called that to the attention of the authorities down there in 1936, when you were down there. Then you called it to their attention in December 1937, when you were down there. Then you called it to their attention in December 1938, when you were down there—three different times.

Mr. MYERS. Yes, sir.

Senator McKELLAR. And they have not done anything about it to this good day; have they?

Mr. MYERS. Well, they would do part of it, I should say, but did not do all that they were required to.

Senator McKELLAR. They have still got those unauthorized leases; have they not?

Mr. MYERS. Oh, no. They are not what you would call unauthorized leases. They have not complied with the regulations in all respects regarding them.

Senator McKELLAR. They have not complied with them. In other words, they are running that park down there to suit themselves, are they not?

Mr. MYERS. Just why they did not do a lot of the things, I do not know.

Senator McKELLAR. But they did not do it? They have not done it yet?

Mr. MYERS. Anything that they did not do right, I put in the report.

Senator McKELLAR. You were exactly right.

In your report of December 1937, you say:

"When Mr. Wertman was in Gatlinburg during October 1937, the matter of moving the technicians occupying the landscape building to Keener House—a park-owned property—in the park, was discussed with Superintendent Eakin. After Mr. Wertman's departure Mr. Eakin evidently discussed this move with the various technicians affected, and they each then wrote a memorandum to Mr. Eakin setting forth their objections to moving, giving their reasons. At time of making the audit, no action had been taken regarding the move, and from all indications none was contemplated in the near future."

Did you recommend that they go to the Keener House?

Mr. MYERS. I did not recommend it. Mr. Wertman, who is the chief of our department here, was in Gatlinburg before I made the second audit; and in going over the park we got into this Keener House, and both of us were of the opinion that it would be a very good place for them to have their office, instead of paying rent down at the Huff place.

Senator McKELLAR. It was not being used?

Mr. MYERS. It was being used, but there was still plenty of room in there that we thought they could use for their office.

Senator McKELLAR. How far was it from Gatlinburg?

Mr. MYERS. It is in the park, about 4 miles from Gatlinburg, I imagine. I do not know how far it would be. Gatlinburg spreads all over the hills out there, you know.

Senator McKELLAR. Yes.

Mr. MYERS. But it is right in the park, at the entrance to the park on the Gatlinburg side.

Senator McKELLAR. In other words, the Government had the office space there or the room space there for these gentlemen, but they preferred to rent the property from Mr. Huff?

Mr. MYERS. Evidently. I never could find out.

Senator McKELLAR. Have they ever corrected that in any way?

Mr. MYERS. No; they are still there.

Senator McKELLAR. As to the other property owned by Mr. Huff which was rented by them—

"Description of premises leased, 'one building 20 feet 2 inches by 16 feet 2 inches for use as an office for Government employees.' This building is a room that was built onto a building owned by Mr. A. J. Huff, occupied by park personnel as park administrative office, at Gatlinburg, Tenn."

Then you say:

"New lease prepared each year instead of renewal of real-estate lease."

What is the trouble about that?

Mr. MYERS. The regulations provided that, in the case of real-estate leases, where they are renewed, you use a renewal form instead of making out a new lease each time; and, instead of using the renewal form, they would make out a brand new lease with this man.

Senator McKELLAR. Here are references to copies of contracts with cement companies and pipe companies that you criticize. What is the trouble with them?

Mr. MYERS. I cannot recall unless you tell me what is in the report, because I do not remember now.

Senator McKELLAR. They did not show stamp of approval by the Secretary.

Mr. MYERS. Oh, I see. That was probably a contract in excess of $1,000——

Senator McKELLAR. It was.

Mr. MYERS. Which did not bear the stamp of approval of the Secretary; but whatever I found out about it is what I state in the report. I cannot recall it.

Senator McKELLAR. That is all right. Had they quit buying where the purchases exceeded $300?

Mr. MYERS. Do you mean in the open market?

Senator McKELLAR. Yes.

Mr. MYERS. Yes; very little of that had taken place in the past year.

Senator McKELLAR. You call attention to it here.

Mr. MYERS. That was the second audit. I mean now they have corrected it to a great extent.

Senator McKELLAR. They had not corrected it in the second audit?

Mr. MYERS. That is right.

Senator McKELLAR. Now travel vouchers. They had not corrected that either, had they?

Mr. MYERS. Well, you know each time we go down there there is a different set of travel vouchers to examine; and I cannot tell you what was wrong with the ones the second time.

Senator McKELLAR. You set out six paragraphs about it, criticizing it; and what you say about it was correct?

Mr. MYERS. That is right.

Senator McKELLAR. Now, bills of lading: You criticized them again, did you not?

Mr. MYERS. I would not say that I criticized them. We have to put in our reports certain information for follow-up purposes, and I do not know whether there was anything particularly wrong with the bills of lading or not.

Senator McKELLAR. You found there were a number on hand that were unused?

Mr. MYERS. That is all right. That is what we are supposed to do, report that.

Senator McKELLAR. What about the audit of pay rolls? They had not improved their methods about them, had they?

Mr. MYERS. Oh, yes. The pay-roll procedure, if I remember right, now, the second time was in very different shape than it was when we first went there.

Senator McKELLAR. "Audit of accounts, records, and reports." They had not made much progress along that line, had they, judging from your report?

Mr. MYERS. I cannot say. I cannot tell you just what was wrong there unless you read to me what I say.

Senator McKELLAR. It gives it in the report.

In the second report you found a great many irregularities. What about "Technician Helper J. Glenn Smith, $70 a month," who was working at the State university instead of for the park?

Mr. MYERS. We have to check up everybody on the pay roll and meet them.

Senator McKELLAR. Yes, sir.

Mr. MYERS. And I found a young man over at the University of Tennessee who claimed that he was doing work pertaining to the park who was on our pay roll, and I reported it. I did not know whether it was all right or not.

Senator McKELLAR. What about Lewis K. Baxter, rodman, at 60 cents per hour?

Mr. MYERS. That was an unusual case that I did not know about, so I just put it in the report to see if anything was to be done about it.

Senator McKELLAR. Ennis D. Ownby, laborer, at $60 per month. He was drawing $60 a month and had a pick-up car that belonged to the park, did he not?

Mr. MYERS. He must have been one of the caretakers.

Senator McKELLAR. He is listed as a laborer, but you say he "has a pick-up assigned to him, which he drove over 1,200 miles during November 1937."

Mr. MYERS. I know now. These caretakers at abandoned camps were carried on the pay roll as laborers at, I thought, $70.

Senator McKELLAR. $60, so you say here.

Mr. MYERS. I thought it was $70. I had to meet them, of course, under my instructions; and I went over to this camp at Greenbrier—that is where that fellow was supposed to be, I think—and I did not find him there. I understood that these caretakers should be living in some of the buildings at the abandoned camps and be there all the time; so in coming out of the Greenbrier entrance I

noticed a pick-up. It was a Sunday afternoon. Mr. Baldwin and I drove over there on a Sunday afternoon to see this fellow, and we saw this pick-up standing in front of a house or alongside a house or something, and I just dotted down the number of the U. S. D. I. license tag that was on it; and when we got to the office on Monday morning I asked Mr. White, I believe, about this caretaker. I told him I was over there and could not find him. He said, "Oh, he lives in the first house down the road from the camp. That is a park-owned property down there, and he lives there." I told him I had seen this pick-up there, and I went and looked at the record, and I found that this pick-up was assigned to this man Ownby; and I questioned, What would a caretaker at an abandoned camp need with a pick-up?

Senator McKELLAR. You mean by a "pick-up" an automobile?

Mr. MYERS. Yes; that is a Ford automobile that has a truck body on it. I do not recall what they told me, but I did not get a satisfactory answer, anyhow; and I went back and I looked up the record on this pick-up for the month before, and I found it had been run several hundred miles.

Senator McKELLAR. 1,200 miles.

Mr. MYERS. Yes; 1,200 miles. That is about it.

Senator McKELLAR. And how much gasoline had been used?

Mr. MYERS. Well, I could not tell you that offhand. About 15 miles to the gallon is what you get. But anyhow, my point was, what would a caretaker who was supposed to be at the camp all the time be doing with a pick-up and traveling 1,200 miles with it? He was not doing much caretaking. That was the point I brought out there.

Senator McKELLAR. He was on relief; was he not? Mr. Eakin just had him as a relief man. He thought he needed a pick-up. He needed a home, and he needed a car, and for his health he ought to ride around a good deal, and he should be furnished gasoline. The Government was furnishing gasoline and cars and other things to other relief workers, and so they put him in one. Was not that about the way of it?

Mr. MYERS. No; in keeping after the matter I found out that this fellow was doing what they call warden or junior warden duties in the park, and was carried on our pay roll as a laborer or caretaker.

Senator McKELLAR. How many pick-ups have they in that camp?

Mr. MYERS. I do not know now. I remember one time, the first time I was down there and counted them, I think there were around 40 altogether. My first report tells about it. I put it in there, and I give a list of all of them.

Senator McKELLAR. You say your report tells about it?

Mr. MYERS. Yes; in the first report you will find a schedule of them.

Senator McKELLAR. There seem to be 39 of them. Is the Government paying for gasoline for 39 of those pick-ups?

Mr. MYERS. Oh, yes.

Senator McKELLAR. They pay for the gasoline?

Mr. MYERS. They use all Government gas in there; yes.

Senator McKELLAR. And pay for their upkeep. What do those men do?

Mr. MYERS. I cannot tell you offhand, without taking each one of them; but as a rule they are used by different park employees in their duties down there.

Senator McKELLAR. What would a man who has jurisdiction of telephones do with a car?

Mr. MYERS. He has to look after the telephone lines all through the park.

Senator McKELLAR. How many telephone lines are there through the park?

Mr. MYERS. Oh, they go to all these camps and all these firestations and all those kind of places.

Senator McKELLAR. And you pay that man a salary and furnish him an automobile and gasoline and repairs and everything else?

Mr. MYERS. Yes, sir. He is one of the hardest working boys they have down in that camp, too. He has a big job on his hands.

Senator McKELLAR. Here is a property supervisor: Why would a property supervisor have an automobile?

Mr. MYERS. I will tell you about that. When we went down there, like our first report shows, the property was in an awful mess, and we put in charge of it a man by the name of Maxey, who was designated as a property supervisor. We instructed him in his duties and told him what to do.

Senator McKELLAR. Does he get mileage on running around over the park?

Mr. MYERS. Oh, no. He has one of these pick-ups, or Government cars, and he uses Government gasoline in it. He does not have any mileage; no.

Senator McKELLAR. There is one case where a man charged up his mileage here.

Mr. MYERS. That is where he used his own personal car.

Senator McKELLAR. Here is a man doing type-mapping. Why would he need a car?

Mr. MYERS. That is all they are doing, away out in the wilds somewhere. They are doing their work there, whatever type-mapping is. I do not know. I met those fellows once, I believe, when I was down there. I do not know much about their work.

Senator McKELLAR. Here is a Mr. Allen who is in the radio business. I just cannot understand why he would want a pick-up. I can understand why he would want a car, probably, given him, because anybody would take anything the Government has down there, apparently; but why would a radio operator have to have a car? They do not carry the radio around in the car, do they?

Mr. MYERS. He had to go to all these different radio stations that they have.

Senator McKELLAR. How many radio stations have they in there?

Mr. MYERS. I do not know. They have them in all different points of the park. They talk by radio.

Senator McKELLAR. Now I come to the engineer: What in the name of heaven would an engineer do with an automobile for the Government?

Mr. MYERS. Who is that?

Senator McKELLAR. That is Mr. Stallings.

Mr. MYERS. I do not know. He is one of the men on the North Carolina side. He is on the regular park pay roll, by the way. I never met him, I believe.

Senator McKELLAR. What are the duties of wardens?

Mr. MYERS. They are like policemen in the park, caretakers, and so forth.

Senator McKELLAR. It takes 40 cars to take those 40 employees around on their duties?

Mr. MYERS. I do not know anything about that. That is an administrative matter. I do not know anything about what their duties are.

Senator McKELLAR. But you do know that there are 40 men in that park who are using Government automobiles and Government gasoline and Government repairs for these automobiles?

Mr. MYERS. There were at that time. Just how many they are using now, I do not know; but they are still using a lot of them.

Senator McKELLAR. Still using a lot; probably more than ever. I asked you about a radioman a minute ago. Would a radio mechanic need a car to take him around?

Mr. MYERS. He would not need one regularly, but he might need one on special assignments, where he had to go out and do some repair work or something like that.

Senator McKELLAR. Here is Mr. Bishop, a mechanic, at $1,320. He has a car, too.

Mr. MYERS. If it is in there, he had. I do not remember.

Senator McKELLAR. How many other employees are there there; how many employees, all told?

Mr. MYERS. I do not know. You see, I have nothing to do with the regular park pay rolls.

Senator McKELLAR. I know; but you were down there, and I thought you might be able to tell me.

Mr. MYERS. It is a big place. You just travel around, and there are a lot of them I never met in the 3 years I have been going down there; so I do not know.

Senator McKELLAR. Have they any man down there who has not an automobile run by the Government? Do you know of an employee, whether a laborer, mechanic, warden, superintendent, assistant superintendent, or any other person working for the Government in that park who has not an automobile of one kind or another, whether you call it a pick-up or what you call it, that he rides around the park in—a Government-owned-and-run automobile?

Mr. MYERS. I would not say that everybody has one, no; because——

Senator McKELLAR. I was just wondering if you knew of anyone.

Mr. MYERS. Oh, yes.

Senator McKELLAR. Could you name me a man? What man down there has not one?

Mr. MYERS. Well, I will say the clerk in the office.

Senator McKELLAR. What is his name?

Mr. MYERS. There is Tom Morris, the clerk in the office; he does not have any automobile.

Senator McKELLAR. Let us see whether he has or not. [After examining list.] If he has, he has not a pick-up, according to this report.

Mr. MYERS. He works in the office. He does not have to have one; and there are a lot of employees like that who do not have any use for an automobile, so they do not have any.

Senator McKELLAR. As I remember, there are only about 30 employed around there, are there not, all told; or are there more than that?

Mr. MYERS. Oh, no. You see, a lot of these technicians, as they call them, are there. Some of the technicians are there that are on the regional office pay roll—that is, the Richmond pay roll—and there have been some of them down there that were on the Washington pay roll, assigned there; so I cannot tell, because there are a lot of employees. Those are all administrative matters. All I have to do is to check up the ones on the pay rolls that are being audited.

Senator McKELLAR. You know that Mr. Eakin has a car?

Mr. MYERS. He has a regular park car.

Senator McKELLAR. A regular park car?

Mr. MYERS. Yes.

Senator McKELLAR. And he has a chauffeur?

Mr. MYERS. No; not that I know of. I do not know of his having a chauffeur.

Senator McKELLAR. Does Mr. White, the assistant, have a car?

Mr. MYERS. I do not know whether he has one of our cars, one of the C. C. C. cars, or whether he has a regular park car.

Senator McKELLAR. But he has one or the other?

Mr. MYERS. Yes.

Senator McKELLAR. Is it not a fact that practically everybody, from laborers on up, have Government cars down there?

Mr. MYERS. If they have to do any traveling around on Government business, they have one.

Senator McKELLAR. Yes, sir.

How did you find the gasoline and the cars charged? Here is $500,000 that was spent in the park on the E. C. W. side of it. How is the gasoline charged? How does it appear in the accounts of the superintendent?

Mr. MYERS. They keep a record, at each one of these camps where there is a pump, of the car that any gasoline was furnished to. They do not put the gasoline in anything but a Government car.

Senator MCKELLAR. Where they buy it from a private concern, a private filling station, like they have done so much, there is not any way to keep track of that, is there?

Mr. MYERS. They have to account for it. Everybody who has a Government car has to submit a report each month.

Senator MCKELLAR. It just depends on what person submits. These cars are driven outside of the park?

Mr. MYERS. Well, they do not report, as a rule, every place they go with them, no; but they are all administrative matters handled by the one in charge.

Senator MCKELLAR. You could not tell about it?

Mr. MYERS. As an auditor, I am not interested in it. I do not go into it.

Senator MCKELLAR. Now I come to your last report, made January 16, 1939 That was last month. You report again about Mr. Huff's real estate.

Mr. MYERS. Yes, sir.

Senator MCKELLAR. They never have fixed that?

Mr. MYERS. There is still something wrong with their leases down there that they have not straightened out.

Senator MCKELLAR. Mr. Huff and Mr. Eakin are great friends, are they not?

Mr. MYERS. I do not know. I suppose they are.

Senator MCKELLAR. And so Mr. Eakin is really still running that real estate that he is renting from Mr. Huff, about which you complained three times, to suit himself, is he not?

Mr. MYERS. I do not know why they do not get it straightened out. I cannot tell you that. I never went into it.

Senator MCKELLAR. But you know it has never been straightened out?

Mr. MYERS. That is right.

Senator MCKELLAR. And Mr. Eakin is running it just as he has always been running it?

Mr. MYERS. Those matters I have always talked over with Mr. Ray, the Chief Clerk.

Senator MCKELLAR. But they have never conformed to the law and the regulations?

Mr. MYERS. No; they have always had some excuse about it, of something or other. As I said before, I do not know whether it is all right or not, the way they are doing it, so I report it the way I find it, and it is up to the Washington office to tell them about it if they are wrong

Senator MCKELLAR. You referred to the real-estate lease with J. A. Lowe, chairman of the Board of Commissioners of Haywood County, N. C. What was the trouble about that? Well, you have reported it here.

Mr. MYERS. It is what I put in my report. There are two or three points involved about it. Whatever I say in the report is what I find wrong with it.

Senator MCKELLAR. You also reported you found something that you did not approve in a contract with the J. C. Mahan Motor Co. at Knoxville.

Mr. MYERS. Yes.

Senator MCKELLAR. Disregarding the contract?

Mr. MYERS. No. In that case there was a contract for Ford motor parts, and they had bought over $1,000 worth under that contract, and the contract had not been approved by the Secretary of the Interior for purchases in excess of $1,000. That was what was the matter.

Senator MCKELLAR. Was that the same trouble in the case of the Day Pulverizer Co. of Knoxville?

Mr MYERS. Yes; that was a similar situation.

Senator MCKELLAR. And the T. L. Lay Packing Co. of Knoxville?

Mr. MYERS. No; that had to do with some beef liver that was bought to feed the fish with. I considered that irregular. I do not know whether there was anything wrong about it or not. It was not uniform, in other words

Senator MCKELLAR. Another one was the Crane Co., for galvanized pipe.

Mr. MYERS. All of those points I am bringing out there are exceptions I am taking to their contract procedure. They are not regular.

Senator MCKELLAR. You went back to your old friend, "Irregularities in open-market-purchase procedure." You have been fighting with them for 3 years about that, have you not?

Mr. MYERS. Yes.

Senator MCKELLAR. And they never have improved it?

Mr. MYERS. They keep getting better right along, but they do not come 100 percent.

Senator MCKELLAR. In this report you say:

"Numerous purchases made without obtaining competitive bids."

Mr. MYERS. That was open-market purchases where they have not been inviting competition.

Senator MCKELLAR. They were in excess of the limitations, too?

Mr. MYERS. I do not recall what I found about that.

Senator MCKELLAR (reading):

"Like items purchased at different times during fiscal year, the total of such purchase being in excess of limitations stated in memorandum F-15-3."

Mr. MYERS. That has to do with the purchase of like items during a fiscal year on the open market.

Senator MCKELLAR. You specifically refer to—

"Six purchases orders, all for less than $100 each, issued to C. M. McClung & Co., Knoxville, Tenn., * * * totaling $402.44, no competition invited."

Mr. MYERS. That is right.

Senator MCKELLAR. That was against the law and against the rules and regulations?

Mr. MYERS. They were not doing the thing according to our regulations and the laws.

Senator MCKELLAR. I notice that you still complain about our old friend "Travel vouchers" again.

Mr. MYERS. Not so many.

Senator MCKELLAR. Not so many, but they are still there?

Mr. MYERS. You see, their funds are being cut down. They do not do so much travel as they used to do.

Senator MCKELLAR. And the "Audit of pay rolls" is still with us.

Mr. MYERS. We make the regular comment on pay rolls in every report. I do not think there was a whole lot wrong with their pay rolls this time, but I have to make the regular statement about what I find.

Senator MCKELLAR. We find our old friends the allotment ledgers, the project-cost records, the property records and equipment, and the records of leave and absence. They are still with us.

Mr. MYERS. Yes, sir.

Senator MCKELLAR. And our hoary friend "Unliquidated encumbrances for FD 570 and FD 870 funds." They are still with us?

Mr. MYERS. They have not done a thing on those; and, as I state in the report, I instructed one clerk how to go about it.

Senator MCKELLAR. It rather looks as though that $143,000 and that $6,000 is gone forever, is it not? It is like the foreign debts due to the United States.

Mr. MYERS. It is awfully hard to explain what that is.

Senator MCKELLAR. That is what our foreign debtors say.

Mr. MYERS. I do not think it involves any money, because I think all of the obligations have been paid. There is nobody asking for the money. There is no vendor claiming he has not been paid, but still this $143,000 appears as outstanding and unpaid. So there must be some errors made in their records, and what I wanted to do was to find out and check it down and get it cleaned up.

Senator MCKELLAR. I see here also a copy of a report from Messrs. Earl H. Brown and Carl F. Jones, accountants.

Mr. MYERS. I would not know anything at all about that. Those are the regular accounts, and I do not know a thing about those.

Senator MCKELLAR. You only took part in the E. C. W. work, and you do not know whether their accounts were straight or not?

Mr. MYERS. I do not know a thing about the regular accounts.

Senator MCKELLAR. You did not come in contact with Mr. John L. Humbard, did you?

Mr. MYERS. I have met him; that is all. I just know the gentleman. He used to come to the hotel for dinner once in a while. Outside of that, I do not know anything about him.

(Thereupon, at 11 a. m., the subcommittee adjourned.)

GREAT SMOKY MOUNTAINS NATIONAL PARK,
Gatlinburg, Tenn., June 2, 1937.

The DIRECTOR, NATIONAL PARK SERVICE,
Washington, D. C.

DEAR MR. DIRECTOR: This will acknowledge your letter of May 21 advising of the receipt of a 78-page report from Field Auditors Douglas and Myers covering their review of our E. C. W. accounts and records for the period beginning April 1, 1935, and ending October 31, 1936.

We heartily regret your apparent consternation in receiving the unsatisfactory report, but believe you will understand from this explanation that the records were not as irregular and the violations as numerous as portended in the report. There were also extenuating circumstances in many instances which were explained to the auditors, but from their abusive attitude and threats at times when the audit was trying, it was expected that no quarter would be given, and sufficient justification for their extended visit would be recorded.

We interpret from your letter that it is not understood why the conditions prevailed since only 8 months prior to the arrival of Messrs. Douglas and Myers at our office, another auditor had spent approximately 2 weeks reviewing the E. C. W. accounts and records. This was in December 1935, and that audit should have covered 8 months or approximately one-half of the period in question. We do not know what the report contains, but believe a check of it will discern more irregularities from April 1 to November 30, 1935, than in the subsequent period not audited until the arrival of Mr. Myers and Mr. Douglas.

It might be stated at the inception of the emergency conservation-work program when former Director Albright advised me of the opportunity to accomplish worth-while work in this park and requested that I ask for as many camps as possible, I hesitated advising him that the skeleton organization available could not handle but a few, but upon his insistence I asked for and received nine comps. At that time the clerical force comprised one clerk and one temporary assistant clerk who both had their hands full with regular disbursing, accounting, stenographic, and other office work. This may or may not be accepted as an excuse for the lack of supervision and maintenance of the FD 570 and FD 870 accounting records which were maintained a short time after start of the work by an employee sent to us from your office with rec-

ommendation that he was qualified for carpentry or forestry work, but because of the mass of office work was placed here as a clerk upon your approval. Whether these old accounts can be cleared is questionable. When Mr. Britton was here in June 1935, if a proper audit was made at that time, the balances would not have appeared so ridiculous. A study of these old accounts will be made just as soon as the employee capable of making it can get away from his regular work, which must be kept current, and you will be advised in the near future what can be accomplished.

Your attention is called to the fact that the numerous violations and irregularities in procedure were contrary, as stated in your letter, to instructions contained in chapter III, division G, section 1, of the National Park Service E. C. W. handbook, which were received in this office November 27, 1936, sometime after the audit was completed. From time to time during the audit when Mr. Myers or Mr. Douglas called our attention to the procedure outlined therein, since we had not received such instructions we were at a loss to say anything other than to refer him to the instructions dated December 13, 1935, from Auditor Britton, and approved by your office, December 23, 1935, as well as assist him in clearing up such discrepancies as existed. This fact in itself, which was known to the auditors, should have prevented citation of charged violations of procedure of which we were unaware.

The difference between the total of the telegraphic report and the allotment ledgers was due to delay in entering charges on the last day of the month. With installation of the improved system, there should be no recurrence of this error.

It will be a difficult matter to clear the FD 570 and FD 870 unliquidated encumbrances. If the auditors estimate that it would take an adidtional 3 or 4 months to clear up these old accounts without assistance, this office will be handicapped in clearing the matter, as no one can be taken away from regular work that must be kept current, and there is only one clerk available who might clear up the major portion of it.

Forty-two encumbrances have been liquidated against FD 1670 funds since November 1936, but there are still 83 remaining. The majority of the remainder are for small amounts and are gradually being cleared.

Our failure to encumber packing, handling, and transportation charges on Government shipping tickets was due to ignorance on our part. Since they have been picked up, and we are now familiar with the work, this error will not occur again. A bill of lading register has been established, and an encumbrance is made at the time of issuance supported by a copy of the bill of lading.

The stamped copy of paid pay-roll vouchers were sent to your office, our copy being inked in as to number of voucher and date of payment. Sufficient copies are now being sent to the finance office to keep a stamped-paid copy in our files.

At the beginning of E. C. W., time sheets were not required for reporting time of salaried men, and we do not have any record of receiving such instructions prior to Mr. Britton's of December 13, 1935, effective January 1, 1936, at which time they were originated. Prior to then, the project superintendents were required to keep the time of their supervisory and facilitating personnel, reporting to this office any periods of absences. The pay rolls were prepared twice a month; on the 14th and next to the last day of each month, and the project superintendents were instructed to advise this office of any changes within the current period which would affect the pay roll, prior to its preparation. After the leave privileges were extended E. C. W. personnel the project superintendents were required to keep leave records of their personnel and of course this office also kept an individual record of each. This procedure proved very satisfactory. When the first E. C. W. auditor, Mr. Richard D. Britton, visited the park in June 1935, he reviewed our procedure and approved continuance of same. The only recommendation he made in this connection contrary to the regular procedure was that the pay-roll clerk should not distribute the checks when the pay rolls were paid, and this was complied with. The practice did not result in many overpayments. The two deceased employees referred to in your letter are junior foremen, A. J. Gunter and Stewart Ramsey. A. J. Gunter died on March 20, 1936, and his project superintendent immediately advised us of this fact. The regular E. C. W. pay roll for the period March 16–31, 1936, carried A. J. Gunter for 5 days, with the following notation appearing in the remarks column of said pay roll: "Died March 20." The finance officer struck his name off the roll, mailing the other checks to us, and requesting that a separate supplemental roll be submitted for decedent, which was done. The check returned in this connection was a check paid employee for the previous period, March 1–15, 1936, which he had not endorsed and the administrator of his estate requested that it be returned for reissuance to the estate. Payment was made in March 1937 to the estate of Mr. Gunter for salary due to him for the period March 16 to 20, $23.33, but we have not been advised of disposition of the check for the period March 1–15, 1936, $70, which was returned to the finance officer April 7, 1936, for transmittal to, and disposition by the General Accounting Office, and is still an obligation against FD 1670 funds. Mr. Stewart Ramsey died on May 24, 1936, at 5 a. m. He was not placed on the regular roll, but entered on a supplemental roll for the period May 16–31, 1936, with a credit for 8 days, and notation in the remarks column, "Died May 23." The finance officer asked to be advised the exact day and hour of employee's death and when advised, he returned this pay roll and instructed that since the employee died during the day of the 24th, even though not reporting for duty, was entitled to full pay for that day. The pay roll was changed accordingly.

The statement that the leave records were not posted to date is also unfounded. The leave slips are posted on our records as they are received in this office and prior to their submission to the Washington office, with each copy of the semimonthly pay rolls. What Mr. Myers actually observed was that when he reviewed our file of leave applications a number of applications had been posted and returned by your office, approximately 1 month, and had not been filed, but they had been posted here before being submitted to your office. In view of the fact that these applications are held in your office for such a long time it is a hard matter to keep this leave application file current for audit. For instance, on April 26, 1937, we received 281 leave applications from your office, ranging in dates from September 1936 to January 1937, and they had been submitted to your office with each corresponding semimonthly pay roll for the periods within that time.

It is true that E. C. W. supervisory and facilitating employees had not been charged with absences from duty on Saturday mornings prior to October 8, 1936. In the old handbook, paragraph 5, chapter III, page 8, it is stated that "it is recognized that if foremen, for example, have nothing to do but to supervise enrolled crews their working hours cannot be greater than those of enrolled men. This may happen occasionally; but there is always a multitude of things demanding the time of competent foremen and facilitating personnel on such work and it is believed that regular national park hours will be fully occupied in the great majority of cases." Two foremen have always been required to remain in camp Saturdays and Sundays during fire season, and one at all time of the year, and were considered sufficient from both our and the project superintendents' standpoint for ordinary details that might arise. When enrollees were required to work Saturday to make up time lost because of inclement weather all foremen of course were required to be on duty the entire day. Foremen were not given any compensatory time for many nights during weeks of fire seasons for overtime required of them.

The only regulations that might cancel the regulation recognizing that working hours of foremen supervising enrolled crews cannot be greater than those of enrolled men is contained in your memorandum of June 27, 1936, received July 6, 1936, to which was attached list of the working hours prescribed by the Secretary for all employees. Since October 8, 1936, all E. C. W. employees are required to remain in camp on Saturday mornings, and during this 4-hour period when enrollees are not available for work, a picture of their activities would be far from what is expected of an employee in a work status for the simple reason that their work is in the field, or on roads, trails, etc, which cannot be prosecuted without the aid of workmen. The grounds, of course, are kept clean, and tools in their proper places, but during hours of the enrolled men. It is recommended under the circumstances that you do not require that leave slips be submitted to your office for Saturday mornings, at least not more than for the period from July 1, 1936, to October 8, 1936, and if proper not at all. Please let us have your further reaction to this matter.

The example cited wherein apparent personal business was described as official business and a claim for per diem reimbursement was made and paid is wholly unsupported. Since a paid voucher and an encumbrance sheet is still in our files, we are sending herewith the encumbrance copy of the voucher for your perusal. The total amount claimed, $38.75, covers the period from November 2, 1935, to March 28, 1936, at the rate of $5 per diem. The examples of the number of evenings in Knoxville, and Nashville (Asheville, N. C.) evidently first refer to the trip of November 2. It will be noted that no change in date was made for p. m. and a. m. notations, left Bryson City, N. C., 7:30 p. m., arrived Knoxville, Tenn., 11:15 p. m. Left Knoxville, Tenn., 6 a. m., arrived Bryson City, 9:45 a. m. The travel, according to Mr. Abbot, took place on November 2, only, and should have been recorded: Left Bryson City, N. C., 7:30 a. m., arrived Knoxville, Tenn., 11:15 a. m., left Knoxville, Tenn., 6 p. m., arrived Bryson City, N. C., 9:45 p. m., which would make no difference in the claimed allowance. Reference to order No. 5–1714, Dempster Bros., Inc., of Knoxville, Tenn., shows the purchase of a dipper stick for a Hanson shovel at a price of $125, November 4. So that this shovel would be in working order the following work day, Engineer White authorized the trip to Knoxville by Mr. Abbot, Saturday, November 2, 1935, to see if a dipper stick could be made up special for the shovel at a savings in cost and delivery, both of which were accomplished, and this dipper stick was picked up the following Monday morning.

The other trip, February 24, 1936, covered an authorized trip to Knoxville, Tenn., to a moving picture showing by Sam Horne Co. of methods and tools used to correct motor trouble on tractors and trucks. Messrs. Inskeep, Tramell, and Thurman were at this showing, but did not claim allowance. Mr. Abbott also on this trip made arrangements with Burdette Oxygen Co. to have acetylene and oxygen left at Sam Horne Co., which was needed and taken back with him.

There were not numerous instances where travel orders were issued and reimbursement of per diem claimed by various employees who would leave their official headquarters between 7 and 10 a. m. in the morning for points within the park nearby and return to their official headquarters early in the evening. We will explain here one of the examples, that of O. B. Fleming, Jr., clerk, who was stationed at the Bryson City office and prepared for a time all orders for the North Carolina camps, and in a number of instances was required to get the material. There is a prolific appearance on vouchers approved for him recording leaving

Bryson City at 7 a. m., returning at 6 p. m., left Bryson City at 9 a. m., returned at 8 p. m., and so forth. Even though the claims were within the law, for a long period consideration was not given to them on our reasoning that the employee was only out lunch money, and it was not a fair claim, but after deliberation he was advised that sufficient claims to reimburse him for his lunches would be presented for payment. He withheld submission of some, none would be considered until Chief Ranger Needham had placed a penciled O. K. on them, and even thereafter vouchers were returned to cut down on some of the claims. Mr. Fleming entered on duty July 22, 1935, and from then until October 31, 1936, a period of 15 months, five vouchers were placed in line for payment, totaling $44.50. Other travel vouchers originating in the Bryson City office had to receive a penciled O. K. by Mr. Needham before being given consideration, and violations of travel regulations are grossly misrepresented to you by the auditors. Your files will show that one former landscape architect of this park who used a Government truck for a joy ride was summarily recommended for dismissal.

To refute the examination that indicated travelers were not making deductions for meals and lodgings furnished at camps although the vouchers showed the travelers had stopped at the camps overnight, there is sent herewith letter of January 22, 1935, prior to the period of audit covered, from the finance officer, returning two travel vouchers insisting that a statement must be placed on page 2 of the vouchers signed by the claimant showing whether or not any Government meals and/or lodgings were furnished without charge, etc. A copy of the letter has been made for our files. This at least shows that the finance officer was watching for any such irregularity, and so were we, and I am sure the General Accounting Office was. There were six particular travel vouchers presented quite regularly each month during the most of the period audited, by the type mappers, Horace Denton, Victor Denton, George McPherson, Dempsey Jenkins, Francis R. McGovern, and John B. Quinn, that may have been misconstrued as showing them staying in E. C. W. camps. To provide for their subsistence during the estimated 18-month period that they would be at different points in the park, for from 4 to 10 weeks at each, they were allowed a $1.50 per diem. Statements on the vouchers show "at Mingus Creek side camp," "at Forney Creek side camp," etc. This cannot be interpreted as staying at E. C. W. camps, nor being furnished quarters, as a tent was merely pitched at each so-called side camp, miles in the woods, and the allowance of $1.50 per diem was trimmed to that figure to provide for their subsistence only. This is substantiated by the fact that $2 was the regular allowance and even with a deduction of one-fifth for lodging, they would still be entitled to $1.60 per diem. The finance officer questioned these vouchers at first, but, upon proper explanation, passed them for payment.

The cost reports were not in agreement with the allotment ledgers, as indirect charges of overhead of detached employees, cost of their trucks, and purchase of tools and equipment were not included in the monthly progress and cost report submitted for each camp, although possibly we should have understood this expense should have been distributed on some percentage basis over all the camps. The instructions in memorandum R–11 have been carefully noted, and are being followed.

It will be noted in the report of Auditor Britton, December 13, 1935, approved by you, that reference is made to the preparation of vouchers, in this office, and was apparently condoned up to that time. Now that the new procedure has been installed since the visit of the auditors, we are as well pleased with it as they and you are. Mention is made by you of confirming purchase orders being issued after receipt of the material. We will not attempt to offer excuses or reasons justifying any such instances, but will advise that, even now, some purchase orders made out prior to the receipt of materials must require duplication of work in that receipted purchase orders will not be accepted by the finance officer unless exact prices and terms are listed thereon, even though the auditors instructed estimated figures for encumbrance, where actual quantities, prices, and terms were not available should be used. They did say that quotations should be secured prior to purchase whenever possible on materials. You will note for example in the instructions issued August 31, 1936, and effective September 1, 1936, upon recommendations of the auditors, orders for estimated monthly quantities of gasoline should be made at the beginning of each month. This, of course, necessitates reconciliation of the estimated quantity with the deliveries made during the month for each particular purchase order issued, and rewriting the purchase order to correspond with each delivery. Nor can it be expected, being 37 miles distant from the nearest city where an assortment of the materials required can be secured that at the time of issuance of the purchase order we can in all cases have the correct prices and terms on a purchase order where the quantity and kind required are small. The delay and cost incident to securing exact figures at the time of issuance would be detrimental to the Government and unwarranted. You may be assured, however, that the instructions are being closely followed in that purchase orders are prepared and obligated prior to the receipt of material.

As to not anticipating our needs far enough in advance, this may have happened in some instances, but it is not our practice or intention. At certain times, particularly at the close of an E. C. W. period where a change in appropriation is made, it would be beneficial to good accounting under the system now installed, rather than stocking up and using all available balances, for it easily can be seen that the inventory of stock on hand at such times are charged to the old appropriations, rather than being carried to the next where they will be used.

Although more than $1,000,000 has been apportioned to this park under the E. C. W. program, it can be stated that no General Accounting Office exceptions have been received on the accounts thus far that could not be readily clarified, and even though there has been considerable pressure on the clerical division to secure materials and get the jobs started after in some cases long delays in necessary approval of the projects, there have not been many instances of direct violation of instructions. This reflection is overlooked as far as we are concerned but noted. However, does it not seem a gross exaggeration and reflection upon the intelligence of the General Accounting Office and the Finance Office, whom we would be prone to say are ignorant of regulations? They might miss one or two, but not numerous violations.

As to open-market purchases reported by the auditors in amounts exceeding the statutory limitations for which payments have not been made because competitive bids were not secured or contracts prepared, we fail to find any outstanding on our books. There was one particular outstanding open-market purchase in the amount of $576 from the Austin-Western Road Machinery Co. at the time of the departure of the auditors, which was explained in detail to the finance officer and the General Accounting Office. In this instance not only was a Cletrac "55" tractor valued at $4,100 broken down and holding up important road work, but the parts were secured at the factory at the lowest available prices. Prices could only be secured from the factory, or its dealer at a fixed price, and each day's delay held up the work of several enrollees, and work on a road in extremely bad condition. The questions raised by the unit head of the General Accounting Office were principally as to difference in prices appearing on our order from those billed, which was explained by the fact that prices on the order had been taken from a 1934 price list, which had been supplemented September 1, 1935, and at the time of preparing the order we did not have the latter price list. The voucher was approved by the General Accounting Office and paid by the Finance Department March 8, 1937.

Purchase Order 6–25 was not issued to W. J. Savage Co. in the amount of $112. This order number is in favor of Tidewater Supply Co. for $26.95. Purchase Order 2–5 was issued to W. J. Savage Co. in the amount of $170 less 2 percent. It constituted the purchase of two double-drum, double-purchase derrick crabs, which were required for handling heavy rocks and stone for the Elkmont Bridge. It is a known fact that Engineer P. L. Cox, upon instructions from Engineer Robert P. White, secured informal bids on this purchase from Dempster Bros., Inc.; W. J. Savage Co.; and Brooks-Payne-Osborne Co., of Knoxville, Tenn.; and the W. J. Savage Co. bid was the only one below $300. There is no record of this attached to the encumbrance copy, possibly because they may have been attached to the original voucher or that in July 1936 it was our understanding that the $300 limitation was still in effect. The statement that informal bids were secured may, however, be further substantiated through the companies mentioned.

It is to our advantage to secure materials from departmental contracts, whether mandatory or not, and this is done when we have knowledge of it, as it saves considerable clerical labor. It is unfortunate that the old method of a bound volume for all classes of materials contracted has been discontinued. The present method of issuance of loose-leaf awards on each class is unsatisfactory from our standpoint, as we receive some that are mandatory and some that are not, and do not receive them all, but we endeavor in all cases to adhere to the requirements of the General Schedule of Supplies. If there were numerous violations, it is a positive fact that at least one would have been caught by the Finance Office of the General Accounting Office.

We have had two exceptions on team hire and typewriter rental from the General Accounting Office with respect to rentals from employees on the park pay roll, which were deposited in the Treasury, and when this was called to our attention, the practice was immediately discontinued, and prior to the arrival of the auditors, or issuance of the E. C. W. Handbook.

The finance officer has withheld from payment a few invoices covering emergency purchases of time books, field books, etc., on which we were required to secure the necessary authority, which was done, and the bills have since been paid.

Your reference to the purchase of a typewriter contrary to office order No. 136 which requires national parks and monuments to requisition typewriters and other labor-saving devices through the Washington office has been carefully noted, and if this violation occurred in the 18-month period audited we will endeavor to eliminate a further recurrence.

Thus far we have received no complaint from the returns office requiring a signed copy of the low bid, and it has also been our practice to send to the contractor a copy signed by the procuring officer only. Original signatures are on the copy sent to the Audit Division. However, we will immediately take steps to secure three signed copies of the low bid in the future. In issuing bids, since Auditor Myers called the matter to our attention, a copy has been mailed to post offices for posting.

The present office location was established prior to the beginning of Emergency Conservation Work, but an addition to one office, and another building close by were rented for E. C. W. occupancy. All leases were renewed June 30, 1936, and heretofore as a survey of Gatlinburg has shown that no space was available, which was noted on the contracts, bids were not issued. You should carefully note on the contracts the amount of space secured

for the cost, for comparison with other rentals in the service. If one of the buildings leased is moved, they must all be moved; that is, the space rented for office, storage of office supplies, and garage space for two cars. We do not believe it is your intention that we move into the park until administrative headquarters have been authorized and established. If it is your desire, prior to June 30, 1937, we will post notice in the Gatlinburg post office covering the rental of office space, garage space, and warehouse space required, which may or may not cause an increase in cost of the space now used. We know the lessor will not reduce his rate, when there is no other competition in the vicinity. He has been approached relative to this matter on several occasions.

Reference to contract I-23p-187 under the regular park appropriation will refute the report that under contract I-23p-749 E. C. W. rental of garage space was used for the purpose of storing of office supplies. This is the only space rented for storage of office supplies by the park, and the contract number has remained the same, dated July 1 of each year for the past 3 years. Contract No. 1-23p-993, dated July 1, 1936, payable from the regular appropriation under the passenger-car account. There was no set-up for maintenance, repairs, and operation of these passenger cars prior to that time under the regular appropriation, and it was proper to make the charge to E. C. W. as they were used almost wholly on E. C. W. work.

We cannot see where any violation of contract regulations took place in the awarding of contracts numbered I-23p-22ER, I-23p-23ER, and I-23p-24ER, merely because of the fact that no quantity was stated in the bid that was sent out. It may have been desired that we try out the cement of each company, and since a minimum carload was required and ordered from each at no additional cost to the Government, there was nothing detrimental in the awards made under these contracts. Otherwise, it had been our policy where equal bids were received to favor the local merchant, as it was our understanding that this was the purpose of emergency or relief appropriations, with reference to the securing of both labor and material. We have carefully noted and will follow the instructions contained in the handbook, received November 27, 1936, as to drawing lots where bids are equal, and have also noted decision A-81117 dated November 28, 1936, of the General Accounting Office to the Secretary of the Interior suggesting that this is the preferable method. Both of these instructions were received after completion of the audit.

Contracts Nos. I-23p-800 and I-23p-801 accepted May 28 and 29, 1935, respectively, covering awards to the Tennessee Metal Culvert Co., in the total amount of $1,823.56 have been noted, and the assumption of the auditor that the contracts were prepared in a manner to evade the $1,000 limitation on field approval of contracts cannot be refuted at this time. We can only say that this is not our intention.

We are familiar with the regulations governing team hire, and it may be stated that this office was not responsible for the violations of hiring teams in amounts exceeding the open-market limitation. Project superintendents would advise this office of the necessity of this rental, estimating the use of same for short periods, at the expiration of which they would give justification for an extension of the rental, and prior to issuance of bids in some cases these rentals had exceeded the open-market limitation.

Your reference to the trade-in of tires and tubes under contract No. I-23p-756 E. C. W. has been noted, and there will not be a repetition of this irregularity. During the period audited, there were several sales of old tires and tubes recorded through the issuance of posted notices, and the amount secured for them was covered in the Treasury.

You have stated that 11 contracts were prepared by this office during the period July 1 through October 31, 1936. I-23p-12 E. C. W., dated October 31, 1936, was issued to McAfee-King Co. At the project superintendents' meeting today instructions will be given to these employees to anticipate their needs for a reasonable period sufficiently in advance to secure the materials through bid invitations where possible.

The property records were in poor condition, and are not correct as yet. Approximately 85 percent of Mr. Douglas' time was spent in an effort to secure an inventory. He succeeded in getting the work started, and after his departure an inventory of all E. C. W. equipment was submitted to the regional office on October 21, 1936. The cards 10-191, are in agreement with the inventory and quarterly corrections subsequent to that time, and Forms 10-133 are being used to cover transfers of property. All tools are being marked, and when adjustments are made to cover all changes in N. P. S. property, during this month, the card records will be in agreement with the field records, and all properly stamped. This has been a considerable task, but there has been a decided improvement in this work.

The accumulation of empty oil barrels was disposed of to the various companies from whom they were secured, and project superintendents have been instructed at meetings to promptly return them, and a memorandum will be issued immediately so that responsibility will rest with the superintendents for prompt return of these barrels. We have received one bill from the Gulf Refining Co. for the loss of two empty oil barrels in 1933, which we spent considerable time in trying to locate. The persons signing for the barrels could not be held responsible for them, as they did not use the oil contained in them. We have done nothing about this bill for $16, as we do not know what action to take in the matter. The responsibility will be fixed for future return of oil barrels.

The garages have been instructed to report to this office work done and parts used on equipment of other Government agencies. To cover work done and parts used on trucks payable from the park appropriation, we believe it should be sufficient to cover replacement of the parts only, which is being done.

There has been improvement in the accounting work of this park due in part to the assistance of the auditors, issuance of clarified instructions in the handbook, and to the fact that employees are becoming more familiar with the work. We do not believe that there is a park in the system that has had as many as 17 E. C. W. camps at one time, nor do we believe there is one that has been handicapped with less experienced help. All of our office employees have started without previous knowledge of Government procedure, and the chief clerk has always had to do as much as fellow clerks, thereby allowing little time for supervision, and having to instruct each and every one of the clerks. At the present time, two under clerks are needed, one for each of the garages, if records are to be maintained properly. Recommendations are going to be made for these positions in the very near future, and it is hoped that favorable consideration will be given to our recommendations.

In conclusion, I desire to state that in my many years' experience as superintendent, never has an auditor come into my park with the supercritical attitude of Messrs. Myers and Douglas. Helpfulness should have been their first objective, but it was secondary to criticism. The most of their criticisms could have been covered by a simple statement that our system was not in line with the newly approved accounting system, of which we had not the slightest inkling until they arrived. This statement would have obviated the necessity of a 78-page report. Their attitude and manner of speaking were most objectionable. I venture the assertion that few if any chief clerks in the Service could have done better than Chief Clerk Ray under the circumstances.

Sincerely yours,

J. R. EAKIN, *Superintendent.*

Mr. McKELLAR. Before I close, Mr. President, I wish to say one other thing. I do not know whether or not Senators have informed themselves as to the tremendous misuse of automobiles in many of the Departments.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. CONNALLY. It seems to me that the proviso seeking to prevent any of the appropriation going to this superintendent is not sufficient. Could not the Secretary transfer him to some other division in the Department of the Interior and pay him out of some other fund?

Mr. McKELLAR. I was told that the language of the amendment was sufficient. If the Senator can make the language any stronger, I will cheerfully accept his suggestion.

Mr. CONNALLY. We can very easily make it stronger by saying that no part of any appropriations carried in the bill shall be used for that purpose.

Mr. McKELLAR. Very well.

Mr. CONNALLY. I am not interested in the matter.

Mr. McKELLAR. Perhaps the language suggested by the Senator would be better.

Mr. President, I move that the committee amendment be amended by the use of the words just suggested by the Senator from Texas.

The PRESIDING OFFICER. The Senator's suggestion will be in the form of an amendment to the committee amendment. Will the Senator please state it?

Mr. McKELLAR. In line 5, on page 112, after the word "appropriation", I move to insert the words "in this act."

Mr. CONNALLY. I suggest to the Senator that after the words "no part of" he move to strike out "this" and insert "any."

Mr. McKELLAR. I move that after the word "appropriation" the words "in this act" be inserted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee to the committee amendment. [Putting the question.] The Chair is in doubt.

On a division, the amendment to the amendment was agreed to.

Mr. McKELLAR. I now move to amend the committee amendment on page 112, line 4, by striking out the word "this" just before the word "appropriation" and inserting the word "any."

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. HAYDEN. I suggest to the Senator, as a matter of parliamentary justice, that the limitation would be proper in this bill; but to say that no other appropriation shall be expended for the purpose would be a change in existing law.

Mr. McKELLAR. No; "no part of any appropriation in this act." That is all right.

Mr. HAYDEN. I thought the Senator meant any appropriation.

Mr. McKELLAR. No.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment, as amended.

Mr. TAFT. Mr. President, in the first place I wish to say that I never heard of Mr. Eakin before last week. I do not know him. I do not know what his party affiliations may be. I have read the testimony which the Senator has submitted; and it seems to me to show a large number of minor irregularities. I do not see, however, that the gentleman has ever been charged with any moral turpitude.

By the amendment, particularly as amended, we are throwing out, without any trial or any hearing, a man who has spent his entire life in the Park Service, who has grown up in the Service until he has reached the position of superintendent of one of the great parks in the United States. The Senator conducted some kind of a star-chamber session in which he examined Mr. Myers, the accountant. Mr. Myers did not come before the committee. The committee did not have any opportunity to cross-examine him. The chairman of the subcommittee has just admitted that Mr. Eakin, or his representative, requested an opportunity to appear before the committee if the question came up. He had no hearing before the committee. Even if there had been a hearing, it seems to me perfectly clear that this is not the body to try anybody for any offense against the laws of the United States. If Mr. Eakin has committed any offense he can be tried, and if he is convicted he can be removed. This is not the place to do it. It seems to me that the proposed procedure is simply trial by lynch law because of the personal feeling of one Member of the Senate against a particular man.

I have not been able to obtain the letter from the Secretary of the Interior, but certainly the Senate will not act unfavorably to this man without at least hearing from his superior officer. We have a right to that hearing.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. TAFT. It seems to me the Senate of the United States is not constitutionally empowered to try persons in the executive service and remove this man or that man simply on charges which are submitted, without even a trial by an investigating committee of the Senate.

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Tennessee?

Mr. TAFT. I yield.

Mr. McKELLAR. The Senator referred to personal feeling on my part. I am sure the Senator will correct his statement. I personally have nothing against Mr. Eakin. My objections to the man are as an official. I hardly know the man. I would not know him if I were to see him today. I met him on one occasion. He came up to speak to me when I was in Gatlinburg, Tenn. That is the only time I recall ever seeing him. I would not know him today if I should see him. I have nothing personal against him, but I am opposed to that kind of a man having such a place as he occupies in the Government service and handling as much as $500,000 or $600,000 of the Government's money.

Mr. TAFT. Any court or any department would give a man a full hearing and a chance to present his own case. The Senate of the United States, if it adopted the amendment, would be denying to him the constitutional right that every man has and would be throwing him out of his livelihood and the occupation in which he has spent his entire life. I submit the amendment should be defeated.

Mr. VANDENBERG. Mr. President, there is just one point I should like to clear up, if I can. Do I understand that there is in existence a letter from the Secretary of the Interior on this subject which has not been produced for the information of the Senate?

Mr. McKELLAR. I do not know of any such letter. I appeal to my friend the Senator from Arizona if he has such a letter to produce it. I have not any such letter.

Mr. HAYDEN. Mr. President, will the Senator from Michigan yield to me?

Mr. VANDENBERG. Yes; I yield to the Senator from Arizona.

Mr. HAYDEN. The Secretary of the Interior sent me a letter—frankly, I will say to the Senator I have never read it— in regard to this matter, upon the assumption that there would be a hearing before the subcommittee of which I am chairman. The Senator from Tennessee [Mr. McKELLAR] came to me and indicated that he wanted such a hearing. I suggested to the Senator that if a hearing were held, nothing would be accomplished, because, as the matter then stood, it was wholly for executive determination. Then the Senator from Tennessee indicated that he would be entirely satisfied if there were printed in the hearings the matter that now appears there as the report of the investigator, and certain comments on it. That was all that happened so far as my subcommittee was concerned. There was no hearing; there was no occasion for the agent to appear; there was no occasion for the Secretary to appear; and there was no occasion for a defense, because the matter stood in the situation I have outlined to the Senate. I have sent for the letter from my files and shall be glad to insert it in the RECORD, if that will help the Senator from Michigan.

Mr. VANDENBERG. If it is a letter asserting the attitude of the Secretary of the Interior toward one of his old employees, I should think that, as a matter of simple justice, the Senate should have the benefit of the Secretary's official opinion before it determines to do what the Secretary himself should have done if the charges are true. Upon what possible theory can the Senate proceed to convict this man in the absence of a letter from his superior officer which is known to be existent but which is not produced?

Mr. HAYDEN. Mr. President, I now have the letter, and I ask unanimous consent that the clerk read it. I never have read it.

Mr. VANDENBERG. I am glad that finally we will hear the letter read.

The PRESIDING OFFICER. Without objection, the letter will be read.

The legislative clerk read as follows:

THE SECRETARY OF THE INTERIOR,
Washington, April 4, 1939.

Hon. CARL HAYDEN,
United States Senate.

MY DEAR SENATOR HAYDEN: I am writing you as chairman of the subcommittee of the Senate Appropriations Committee which is now considering the appropriation bill for the Department of the Interior for the fiscal year 1940. It has come to my attention that certain charges have been made before your committee concerning Mr. J. Ross Eakin, Superintendent of the Great Smoky Mountains National Park. I believe that the injustice which is done to Mr. Eakin by those charges is sufficiently great to warrant a letter of explanation so that the facts may be available to you and your committee.

At the outset I wish to point out that Mr. Eakin has had an enviable record in public service over a long period of years, a record doing great credit to his reputation for honesty, sincerity, industry, and competence. He is a World War veteran who had had considerable experience in Government service as an engineer of the Geological Survey before his transfer to the National Park Service in 1921. Since that time he has held responsible positions with the National Park Service which he has discharged with great credit to himself and to the Service. As superintendent of Glacier National Park and of Grand Canyon National Park he established a reputation for being able to cope with and overcome particularly difficult situations in park development and public relations. Consequently, it was not unnatural that in 1931 he was transferred to the superintendency at Great Smoky Mountains National Park, a newly created park in a then new area for national park opera-

tions, where a particularly difficult problem in park development was anticipated.

Although I do not know the exact charges which have been made against Mr. Eakin before your committee, I understand that they are similar to charges which have formerly been the subject of correspondence and discussions between Senator McKellar and this Department. Broadly speaking, the accusations may be considered in two categories: Those involving mismanagement and possible loss or misuse of funds, and those involving political activity or favoritism. The accusations of both types have been determined to be entirely without foundation.

The charges involving mismanagement and possible loss or misuse of funds are based on audit examinations and reports made by this Department. It is true that the audit reports revealed irregularities in the accounts and records of the park, particularly in connection with Civilian Conservation Corps activities during the period from 1933 to 1936. It is also true, however, that those irregularities have been constantly diminished in scope since attention was first called to them and are now almost entirely eliminated. Furthermore, I wish to emphasize the fact that the irregularities which were found to exist were, with very few exceptions, merely irregularities in accounting and clerical procedure and the maintenance of the records. No actual shortage or misuse of funds has been discovered despite very careful and thorough examination

That there should have been irregularities in the accounting and clerical procedure and in the records is not surprising. In 1933 this was a new park in the process of initial development. The clerical and office staff was small. The superintendent himself was then and thereafter required to spend most of his time outside the office in actual development work. During 1933 the Civilian Conservation Corps became operative. Sixteen camps were created to assist in the development of the Great Smoky Mountains National Park—a larger number than were assigned to any other park. Naturally the responsibilities of the superintendent for actual supervision of development work were greatly increased by the creation of that large number of camps. And, likewise, the amount and complexity of the clerical and accounting work of the park office increased manyfold. There was no compensating increase in clerical assistance. Ultimately one additional clerk was supplied for the park by the Washington office, but his incompetence became apparent and he was separated from the service. Furthermore, the emphasis in the Civilian Conservation Corps program was to create camps and to get their personnel on constructive work as quickly as possible. The formulation and promulgation of regulations governing the clerical and accounting work incident to the activities of the camps necessarily lagged far behind. At the time of the audit of the Great Smoky Mountains National Park for the period ending October 31, 1936 (which is the audit from which the charges against Mr. Eakin arose), it appears that the park office had not even yet received the new comprehensive regulations governing procedure, on the basis of which the audit was conducted. In view of all these circumstances it seems clear to me that Superintendent Eakin cannot be held subject to valid criticism for the irregularities which were found.

I have stated that none of the irregularities have been found to have resulted in any shortage or misuse of funds. The auditors actually did question, on the basis of the books alone, the propriety of a few items of expenditure, but all of those have been satisfactorily explained by additional information. One item, however, I wish to mention specially, since it is an item on which Senator McKellar has placed some emphasis. In the audit for the period ending October 31, 1936, the auditors reported that the costs reports left "unaccounted for" a total of $132,040.62. It has been suggested that this figure represents a shortage in the funds of the park. That is not so. The audit report itself makes it clear that the $132,040.62 was not a shortage, but was merely the amount expended which should have been posted to particular projects but was not. The $132,040.62 discrepancy was purely one of bookkeeping and, in fact, one pertaining to supplemental accounts and having no effect on the general ledger accounts of the park. A supplemental account is set up showing the amounts of the total funds available which are allocated to each individual project to be undertaken. As expenditures are made they are to be shown not only in the general accounts but also they are to be prorated and charged to particular projects and, as so prorated, are to be entered on the supplemental account to offset the allocations to the particular projects which have been entered there. The $132,040.62 item is merely the amount of expenditures actually made and recorded in the general accounts, which had not then been entered in the supplemental account. It is therefore apparent that no shortage of funds is involved.

Those charges against Mr. Eakin which concern alleged political activity or favoritism were fully and carefully investigated at my direction by the Division of Investigations of this Department and were shown to be entirely unfounded. I can most simply present this matter to you by quotation from the memorandum, reporting the result of the investigation, from the Director of the Division of Investigations. The substance of that memorandum is fully borne out by the voluminous evidence collected as a result of the thorough and impartial inquiry conducted by that Division. The more important portions of the memorandum are as follows:

"Senator McKellar, of Tennessee, stated he had information that a concerted effort was being made by Superintendent J. Ross Eakin of the Great Smoky Mountains National Park to prevent residents of Tennessee and Democrats from obtaining positions in the park, and that substantially all the employees are Republicans. He further stated he had information that Superintendent Eakin was politically active and was involved in some trouble at the polls; that Mr. Eakin unlawfully solicited landowners for the sale of land adjacent to the park to the National Park Service; and that all reports concerning Mr. Eakin showed his unfitness for the position he now occupies.

"The investigation discloses that the informants to whom the special agents were referred by Senator McKellar had no knowledge of their own which would substantiate the aforesaid allegations; that of the 27 National Park Service employees employed in the park, 12 were born in Tennessee and 5 in North Carolina; that 15 were listed in congressional districts in Tennessee and 6 in North Carolina, leaving 6 employees listed from other States; that these latter 6 obtained their positions in the park either by transfer within the National Park Service or were selected from the national civil-service registers without regard to political affiliations; and that Mr. Eakin was not politically active nor was he involved in any trouble at the polls.

"It is shown that Mr. Eakin, as part of his duties, facilitated the acquisition of park land within the proposed boundary line by contacting some of the landowners adjacent to the park, but that no undue pressure was exerted upon them by Mr. Eakin. All employees of the park, with but one exception, and numerous persons of prominence in the community gave sworn statements that Mr. Eakin is competent, efficient, and a fit person for the position he now occupies. W. Conley Henry, park ranger, stated that, considering Mr. Eakin's age and the problems confronting him at the park, he would say Mr. Eakin was not fit for the position of superintendent."

* * * * * * *

"According to the sworn statements of D. Neal Adams, Clarence C. Corpening, and J. Mayes, camp manager, senior clerk, and clerk, respectively, for the Bureau of Public Roads, Department of Agriculture, Gatlinburg and Elkmont, Tenn., they conspired to obtain information as to how Superintendent Eakin, Robert P. White, engineer, Chief Clerk Thomas J. Ray, and other employees at the park would vote in the 1936 election. The manner and method as to how this information was to be obtained was left to the discretion of J. Mayes, election officer at the Gatlinburg precinct, Gatlinburg, Tenn. Mr. Mayes stated that he marked the ballots of the above-named park employees by ink smears from his fingertip and after they were counted he took them into his possession. These ballots were turned over to W. T. Kennerly, attorney, at Knoxville, Tenn., who recently transmitted them to Senator McKellar.

"During the course of the investigation an opportunity was afforded all persons having any information relative to the issues involved to submit whatever evidence they had and it is believed that the report presents a comprehensive summary of the attitude and feeling of the citizens in the locality concerning Superintendent Eakin and his administration of the Great Smoky Mountains National Park."

In this connection I also quote a sworn affidavit made by Mr. Eakin concerning his ballot in the 1936 election:

"On this 28th day of March 1939, at Washington, D. C., before me, Harold W. Lincoln, a special agent, of the Department of the Interior, personally appeared J. R. Eakin, who, having been advised of the penalty of law for making any statement of a material fact knowing it to be false, deposes and says:

"I am J. Ross Eakin, residing in Gatlinburg, Tenn., and am the same person who made affidavit to Special Agents Drexler and Lincoln by writing, dated January 20, 1939, and desire to make the following supplemental statement:

"It is my understanding that it has been claimed that in the 1936 general election I voted for Landon for President. This is untrue for I voted for President Roosevelt.

"I had heard rumors from a source which I do not remember that my ballot was to be checked to see for whom I voted. I marked my ballot, laid it on top of the ballot box, turned around and walked from the room. Any ballot voted for Mr. Landon was certainly not the ballot I marked.

"I have read the above statement and, to the best of my knowledge and belief, it is true and correct.

"J. Ross Eakin.

"Sworn to and subscribed to before me this 28th day of March 1939.

"Harold W. Lincoln,
"Special Agent."

If the election officials saw fit to mark Mr. Eakin's ballot for identification, as is clearly established, it may well be wondered whether they might not also substitute a ballot.

From a careful consideration of all the facts I am convinced that there is no merit in any of the charges against Superintendent Eakin, and it is my desire that you and your committee may also understand this matter fully.

Sincerely yours,

Harold L. Ickes,
Secretary of the Interior.

Mr. McKELLAR. Mr. President, this is the first time I have ever seen or heard that letter. The letter evidently was prepared by the Department and signed by the Secretary of the Interior. The Secretary of the Interior is entirely mistaken about the matter. He says there was no

shortage in this man's accounts. Here is the statement of his own examiner:

Total funds allotted	$533,145.00
Less: Type-mapping allotments	19,127.00
Total allotments for work program	514,018.00
Less: Balance unexpended (adjusted)	602.95
Total to be accounted for	513,415.05
Cost reported:	
Fifth period	175,589.98
Sixth period	149,242.10
First half seventh period	56,542.35
Total costs reported	381,374.43
Unaccounted for	132,040.62

When an examiner examines the accounts of a man, and states that there is $132,040.62 unaccounted for, what does it mean? That seemed to me at the time to be unusual. It now seems to me to be unusual. Therefore, I took occasion to examine Mr. Myers about that very matter.

Senator McKELLAR. There is a discrepancy of $132,040.62, and nobody on earth could tell from these books where the $132,000 was?

Mr. MYERS. You could not tell what jobs it was properly chargeable to.

Senator McKELLAR. If you could not tell what jobs it was properly charged to, there is no record of it, is there? In other words, suppose a man on one job had $40,000. He might have spent $30,000 and put the other $10,000 in his pocket so far as the cost record was concerned?

Mr. MYERS. No; that does not mean that. For instance, down there they had a big pay roll at the office, what they call a detached pay roll, and that detached pay roll was not spread over the jobs that were being worked on in the part. I found that that was part of the cause for the difference, but I could not prove it up to the penny. I did not know where it all went.

Senator McKELLAR. I will give you your explanation of it, as given on page 57:

"As the above-mentioned 'unaccounted for' represents, roughly, 25 percent of the total to be accounted for, this matter was discussed with Mr. Spillers—"

There was $513,000 in the hands of this man to be accounted for; one-fourth of it was unaccounted for and the auditor wanted to know where it went.

Mr. Spillers was the engineer?

Mr. MYERS. He was the engineer keeping the records.

Senator McKELLAR [reading]:

"And he advised that during the fifth period (April 1 to September 30, 1935), the 'detached pay roll' was not included in the supervision reported on the monthly cost reports. The detached pay roll—"

That is the one he referred to—

"for this period amounted to $17,259. Further discussion with Mr. Spillers disclosed that expenditures for equipment appearing on allotment ledgers were not included in costs reported. As stated above, it was impossible, without an endless amount of work to ascertain just what items are included in the cost reported."

That was correct?

Mr. MYERS. That is right; yes, sir.

Senator McKELLAR. You thought this was such an unusual circumstance that you ought to talk to Mr. Spillers, the general engineer who had charge of the books, did you not?

Mr. MYERS. Yes, sir.

Senator McKELLAR. And you called his attention to this unaccounted-for amount of $132,040.62; did you not?

Mr. MYERS. Yes, sir.

Senator McKELLAR. And when you did that, he said there was a detached pay roll that would account for it; and when that was brought in, it was $17,259. Is that right?

Mr. MYERS. Yes, sir.

Senator McKELLAR. If you deduct $17,259 from $132,040.62, it leaves $114,781.62. They never did find any detached or other pay rolls that accounted for that difference, did they?

Mr. MYERS. Well, as I say, they would just tell me of items that they did not include. They did not prove it up to me.

There was a shortage of $114,000. The Secretary of the Interior says that is an "irregularity." A shortage of $114,000 may be an irregularity to the Secretary of the Interior, but it ought not to be a mere irregularity to the Senate or to the Congress.

I read further:

Senator McKELLAR. You had to take their word for it. They did not prove it up to you, did they?

Mr. MYERS. Mr. Spillers' cost records were in such shape that I could not determine what amounts he had included and what amounts he had left out.

Senator McKELLAR. So far as the records show—as this record shows—Mr. Spillers accounted for only $17,259 of that unaccounted-for fund; did he not? That is all he accounted for?

Mr. MYERS. Well, as I say, he told me about other things, but he did not show me the amount.

Senator McKELLAR. Here was $132,000 unaccounted for. You thought it was of such moment that you submitted it to Mr. Spillers and demanded an explanation from him, as a good auditor, did you not?

Mr. MYERS. Yes, sir.

Senator McKELLAR. And when you submitted it to him, he gave you vouchers on what he called a detached account of $17,259, did he not?

Mr. MYERS. That, as I recall now, was the only specific amount that he pointed out.

Leaving $114,000, plus, short in this man's account, which the Secretary says, in the long letter of 10 pages he has written, was an "irregularity."

Senator McKELLAR. Is that the way the Government's business ought to be transacted, Mr. Myers?

Mr. MYERS. We have changed that method. The Park Service has changed that way of reporting those costs since then.

Senator McKELLAR. Yes; but what about those responsible for it at that time? Was not that about the loosest piece of business that ever you saw?

Mr. MYERS. There was not a whole lot of attention paid to the cost records back in those days.

I desire to read further at another place. Mr. Ickes says the defalcations and irregularities have been later. In the two reports, one made in 1938 and the other in 1939, the same auditor shows that the same superintendent is still conducting an improper, incompetent, and inefficient business there, and criticizes him most severely.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. LUCAS. How can the Senate reconcile the statement made by the examiner, or the auditor, with the letter which has just been read by the clerk of the Senate, written by the Secretary of the Interior?

Mr. McKELLAR. I do not think they can be reconciled.

Mr. LUCAS. Whom is the Senate to follow? It seems to me we are in somewhat of a dilemma. The examiner says that this man is a crook. On the other hand, the Secretary of the Interior, by written testimony, says that the general reputation for uprightness and good character and honesty of this man is excellent, and he wants him retained.

Mr. McKELLAR. The Senator heard the letter. The letter, like the letter of Mr. Eakin himself, was in confession and avoidance. The truth is that Mr. Ickes knew that these charges were made and that they were before the committee; and the record shows, by the Secretary's letter, that Mr. Eakin was in Washington and going over this matter with the Department officials. Yet he did not come before the committee, and he did not ask to come before the committee. He let the committee alone; he let them severely alone. He virtually confessed.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. McNARY. I am not a member of the committee, and know nothing about the matter personally, but I think the able Senator from Arizona stated he had received a letter wherein this gentleman said he wanted to be heard.

Mr. McKELLAR. Did the Senator from Arizona say that?

Mr. HAYDEN. No; I received a letter a month or more ago stating that if this matter came before the subcommittee and there was a hearing, he would like to be heard. We had no hearing.

Mr. McNARY. It was the same thing; no hearing was held, hence he was not called.

Mr. McKELLAR. Oh, yes; his attention was called to it.

Mr. McNARY. Wait a moment.

Mr. McKELLAR. The report of the investigator was published in the Knoxville papers.

Mr. McNARY. Oh, well——

Mr. McKELLAR. Everyone knew about it, and this man has been here.

Mr. McNARY. Who reads the Knoxville papers, anyway?

Mr. McKELLAR. Mr. Eakin read them; and they were all on his side, too.

Mr. McNARY. I base my question on the simple and frank statement of the chairman of the subcommittee, that he did receive a letter from this gentleman, the committee did not hold hearings, and hence he was not called; but the simple fact is that he wanted to be called.

Mr. McKELLAR. I do not understand the Senator from Arizona to say that.

Mr. HAYDEN. Mr. Eakin wrote me a letter a month or more ago stating, in substance, that he understood there might be some matters affecting him before the committee, and if there were, he would be glad to appear. That was the last I heard of him.

Mr. McKELLAR. He was here and made an affidavit just about 2 weeks ago. We were having hearings at that time. He was here in Washington.

Mr. GLASS. Mr. President, may I ask the Senator from Tennessee a question?

Mr. McKELLAR. Indeed the Senator may.

Mr. GLASS. The examiner and auditor, whose report is so absolutely in conflict with the letter of the Secretary of the Interior, is still in the employ of the Interior Department?

Mr. McKELLAR. He is still in their employ, made a report on this very question in 1938, on this very superintendent, another one in 1939, and sets out a host of delinquencies—not so many as in the first, but, as the Senator will see in the record, sets out a number of delinquencies.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. LUCAS. In line with what the distinguished Senator from Virginia just said, I wish to make a final observation in connection with what seems to me a very unusual situation in the Department of the Interior. If the report of this examiner is true, Eakin should be discharged. If we take what the Secretary of the Interior, Mr. Ickes, says, as correct, then the examiner who made the report ought to be discharged.

Mr. McKELLAR. That may be so. I have no facts to indicate that there is anything wrong with Mr. Myers, who comes from the State of the distinguished defender of Mr. Eakin, the Senator from Ohio [Mr. TAFT]. I saw him but once. He impressed me as being a very honest man and a very able accountant.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. Was this letter presented to the Senate Committee on Appropriations when it passed judgment on Mr. Eakin?

Mr. McKELLAR. The Senator means Mr. Eakin's letter?

Mr. VANDENBERG. Yes.

Mr. McKELLAR. It was not.

Mr. VANDENBERG. The letter had been received prior to the action of the committee, had it not?

Mr. McKELLAR. I do not know. I never heard of the letter until we got on the floor today.

Mr. HAYDEN. Mr. President, this action was taken at the very end of the proceedings of the committee. I did not have the letter with me. I had not read it, never heard it read, until now. The letter was sent to me purely as a precautionary measure, that if hearings were held by the committee, it might go into the record. No hearings were held, and it did not go into the record; and that is all there is to it.

Mr. VANDENBERG. No hearings were held, except ex parte, to the extent that Mr. Eakin was indicted and not given a chance to defend himself.

Mr. McKELLAR. Mr. Eakin was in Washington all the time while the committee was sitting. He was in Washington fully a week, to my knowledge. I did not see him, but I know he was here. He could have defended himself if he had wanted to. He knew about this testimony, about these reports.

Mr. VANDENBERG. How could he have defended himself?

Mr. McKELLAR. He saw the reports which had been published in the hearings.

Mr. VANDENBERG. If the thing was done so suddenly that even the chairman of the subcommittee could not produce a letter, I do not know how Mr. Eakin could have produced himself.

Mr. McKELLAR. The thing to which the Senator from Arizona is referring is the amendment which was offered prohibiting the Secretary of the Treasury from using the funds appropriated in paying this superintendent.

Mr. VANDENBERG. That is his death warrant.

Mr. McKELLAR. Unless some private person, or unless the Senator from Ohio, perhaps, or someone else——

Mr. TAFT. Why should a man ask for a hearing before the Committee on Appropriations when, so far as he knew, there were no proceedings before the Committee on Appropriations charging him with anything, or proposing to oust him, or cut off his salary? He did not know that. It seems to me the Committee on Appropriations is the last place where a man would think he was going to be tried and driven from office, and I cannot think of any reason why he should have requested the Committee on Appropriations for the right to appear, unless he was informed that a proceeding was pending before that committee to oust him.

Mr. McKELLAR. There is another provision in the same bill as it came from the House, is there not?

Mr. HAYDEN. To what does the Senator refer?

Mr. McKELLAR. Another provision of the exact kind, because it was that which gave me the suggestion to take the matter up in this way.

The Department refuses absolutely to get rid of this dishonest and, I believe, utterly corrupt superintendent, and I think this is the effective way to get him out.

Mr. GLASS. Mr. President, it is perfectly clear to me that if the report of the examiner and auditor of the Department is true, the Department itself is subject to severe criticism for not removing this man. If it is not true, Secretary Ickes himself is a proper subject of severe criticism for not removing the examiner and auditor, because his letter and the report are in absolute contravention of one another, and it seems to me that he ought to appear before the committee and justify his conduct in retaining these people in office if they have slandered Mr. Eakin, as he suggests they have done.

The PRESIDING OFFICER. The question is on the committee amendment, as amended. [Putting the question.] The nays appear to have it.

Mr. McKELLAR. I demand the yeas and nays on this question.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I transfer that pair to the junior Senator from New Hampshire [Mr. TOBEY] and will vote. I vote "nay."

The roll call was concluded.

Mr. DAVIS. I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. Not knowing how he would vote on this question, I transfer my pair to the senior Senator from Vermont [Mr. GIBSON] and will vote. I vote "nay."

Mr. BYRNES. I have a general pair with the Senator from Maine [Mr. HALE]. In his absence, I withhold my vote.

Mr. AUSTIN. I am requested to announce the following general pairs:

The Senator from New Hampshire [Mr. BRIDGES] with the Senator from Louisiana [Mr. OVERTON]; and

The Senator from Maine [Mr. WHITE] with the Senator from West Virginia [Mr. NEELY].

Mr. MINTON. I announce that the Senator from Arizona [Mr. ASHURST], the Senator from Michigan [Mr. BROWN], the Senator from South Dakota [Mr. BULOW], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. HARRISON], the Senator from New York [Mr. MEAD], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Louisiana

[Mr. OVERTON], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Georgia [Mr. RUSSELL], the Senator from Texas [Mr. SHEPPARD], the Senator from New Jersey [Mr. SMATHERS], the Senator from South Carolina [Mr. SMITH], the Senator from Maryland [Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are detained on public business.

The Senator from Iowa [Mr. GILLETTE], the Senator from West Virginia [Mr. HOLT], the Senator from Delaware [Mr. HUGHES], and the Senator from Indiana [Mr. VAN NUYS] are unavoidably detained.

The Senator from Ohio [Mr. DONAHEY], the Senator from California [Mr. DOWNEY], the Senator from Louisiana [Mr. ELLENDER], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. HERRING], the Senator from Nevada [Mr. PITTMAN], and the Senator from Maryland [Mr. RADCLIFFE] are attending various committee meetings.

The PRESIDING OFFICER. On this vote the yeas are 28, and the nays are 30.

Mr. McKELLAR. Mr. President, I ask for a recapitulation of the vote.

The PRESIDING OFFICER. The vote will be recapitulated.

The vote was recapitulated.

Mr. WAGNER. Mr. President, I inquire how I am recorded?

The PRESIDING OFFICER. The Senator is not recorded.

Mr. WAGNER. I vote "yea."

Mr. HATCH. I am recorded as voting "yea." I desire to be recorded as voting "nay."

The result was announced—yeas 28, nays 31, as follows:

YEAS—28

Adams	Clark, Mo.	Johnson, Colo.	Murray
Andrews	Connally	King	Pepper
Bankhead	Glass	Lee	Stewart
Barkley	Green	McCarran	Thomas, Okla.
Bilbo	Guffey	McKellar	Thomas, Utah
Bone	Hayden	Miller	Truman
Caraway	Hill	Minton	Wagner

NAYS—31

Austin	Frazier	Lucas	Schwellenbach
Bailey	Gerry	Lundeen	Shipstead
Barbour	Gurney	McNary	Taft
Burke	Hatch	Maloney	Townsend
Byrd	Holman	Norris	Vandenberg
Capper	Johnson, Calif.	Nye	Walsh
Danaher	La Follette	Reed	Wiley
Davis	Lodge	Schwartz	

NOT VOTING—36

Ashurst	Downey	Hughes	Russell
Borah	Ellender	Logan	Sheppard
Bridges	George	Mead	Smathers
Brown	Gibson	Neely	Smith
Bulow	Gillette	O'Mahoney	Tobey
Byrnes	Hale	Overton	Tydings
Chavez	Harrison	Pittman	Van Nuys
Clark, Idaho	Herring	Radcliffe	Wheeler
Donahey	Holt	Reynolds	White

So the amendment of the committee, as amended, was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The next amendment of the Committee on Appropriations was, on page 115, line 4, after the name "General Grant National Park", to strike out "$126,735" and insert "$131,735", so as to read:

Sequoia National Park, Calif.: For administration, protection, and maintenance, including not exceeding $1,275 for the purchase, maintenance, operation, and repair of motor-driven passenger-carrying vehicles for the use of the superintendent and employees in connection with general park work, including maintenance and repair of the Generals Highway between the boundaries of Sequoia and General Grant National Parks, $131,735, and the unexpended balance of the appropriation of $25,000 contained in the Interior Department Appropriation Act, 1939, under this head for the development of Crystal Cave and the approach road thereto is continued available for this purpose until June 30, 1940.

The amendment was agreed to.

The next amendment was, on page 117, after line 16, to insert:

Manassas National Battlefield Park, Va.: For the construction of an administration-museum building in the Manassas National Battlefield Park, Va., $56,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, on page 118, line 25, after the word "protection", to insert "improvement", and on page 119, line 7, after the name "Nevada", to strike out "$99,730" and insert "$124,730", so as to read:

Boulder Dam, National Recreational Area, Arizona and Nevada: For administration, protection, improvement, and maintenance of the recreational activities of the Boulder Dam National Recreational Area and any lands that may be added thereto by Presidential or other authority, including not exceeding $800 for the purchase, maintenance, operation, and repair of motor-driven passenger-carrying vehicles, and not to exceed $10,000 for the lighting of the airplane landing field at Boulder City, Nev., $124,730.

The amendment was agreed to.

The next amendment was, on page 119, after line 7, to insert:

Jefferson National Expansion Memorial: The unexpended balance of the funds made available by the Emergency Relief Appropriation Act of 1935 and allocated by Executive Order No. 7253 for the acquisition and development of a historic site under the act of August 21, 1935 (49 Stat. 666), to be known as the Jefferson National Expansion Memorial, contingent upon a contribution thereafter made by the city of St. Louis, Mo., as its proportionate sum for such purposes, is hereby reappropriated and made available until expended for acquisition and development of the said memorial.

The amendment was agreed to.

The next amendment was, on page 123, line 5, after the word "expended", to strike out "$4,000,000" and insert "$5,000,000", and in line 7, after the word "That", to strike out "$1,200,000" and insert "$1,500,000", so as to read:

Blue Ridge and Natchez Trace Parkways: For continuing the construction and maintenance, under the provisions of section 8 of the act of June 8, 1938 (52 Stat. 635), of the Blue Ridge and Natchez Trace Parkways, including not exceeding $3,100 for the purchase, maintenance, operation, and repair of motor-driven passenger-carrying vehicles, to be immediately available and remain available until expended $5,000,000, of which amount not to exceed $50,000 shall be available for personal services in the District of Columbia: *Provided*, That $1,500,000 and any other sums received from other sources for said Natchez Trace Parkway shall be allotted and expended ratably between the States of Mississippi, Alabama, and Tennessee according to mileage of said parkway in each respective State and said allotments shall be used for no other purpose: *Provided further*, That the Secretary of the Interior shall make a detailed statement of expenditures from this appropriation to the Senate and House Committees on Appropriations at the beginning of the next regular session of Congress.

The amendment was agreed to.

The next amendment was, under the heading "Office of Education—Vocational education", on page 129, at the end of line 19, to strike out "$422,600" and insert "$428,200", so as to read:

Salaries and expenses: For carrying out the provisions of section 7 of the act entitled "An act to provide for the promotion of vocational education, and so forth", approved February 23, 1917, as amended by the act of October 6, 1917 (20 U. S. C. 15), and of section 4 of the act entitled "An act to provide for the further development of vocational education in the several States and Territories", approved June 8, 1936 (49 Stat. 1488), $428,200.

The amendment was agreed to.

The next amendment was, under the heading "St. Elizabeths Hospital", on page 140, line 17, after the word "friends", to insert a semicolon and "not exceeding $1,000 for expenses of attendance at meetings or conventions concerned with the work of psychiatry, medicine, and other scientific subjects of interest to St. Elizabeths Hospital, when specifically authorized by the Secretary of the Interior", so as to read:

For support, clothing, and treatment in St. Elizabeths Hospital for the Insane of insane persons from the Army, Navy, Marine Corps, and Coast Guard, insane inmates of the National Home for Disabled Volunteer Soldiers, persons charged with or convicted of crimes against the United States who are insane, all persons who have become insane since their entry into the military and naval services of the United States, insane civilians in the quartermaster service of the Army, insane persons transferred from the Canal Zone who have been admitted to the hospital and who are indigent, American citizens legally adjudged insane in the Dominion of Canada whose legal residence in one of the States, Territories, or the District of Columbia it has been impossible to establish, insane beneficiaries of the United States Employees' Compensation Commission, insane beneficiaries of the United States Veterans' Administration, and insane Indian beneficiaries of the Bureau of Indian Affairs, including not exceeding $27,000 for the purchase (including one at not to exceed $1,200), exchange,

maintenance, repair, and operation of motor-propelled passenger-carrying vehicles for the use of the superintendent, purchasing agent, and general hospital business, and including not to exceed $185,000 for repairs and improvements to buildings and grounds, $1,227,280, including cooperation with organizations or individuals in scientific research into the nature, causes, prevention, and treatment of mental illness, and including maintenance and operation of necessary facilities for feeding employees and others (at not less than cost), and the proceeds therefrom shall reimburse the appropriation for the institution; and not exceeding $1,500 of this sum may be expended in the removal of patients to their friends; not exceeding $1,000 for expenses of attendance at meetings or conventions concerned with the work of psychiatry, medicine, and other scientific subjects of interest to St. Elizabeths Hospital, when specifically authorized by the Secretary of the Interior; not exceeding $1,500 in the purchase of such books, periodicals, and newspapers as may be required for the purposes of the hospital and for the medical library, and not exceeding $1,500 for the actual and necessary expenses incurred in the apprehension and return to the hospital of escaped patients.

The amendment was agreed to.

The next amendment was, under the heading "Freedmen's Hospital", on page 143, line 5, before the word "for", to strike out "$314,620" and insert "$318,640"; in the same line, after the word "light", to insert "not exceeding $1,000 for expenses of attendance upon meetings of a technical nature, pertaining to hospital administration and medical advancement, when authorized by the Secretary of the Interior"; in line 20, before the word "including", to strike out "$480,820" and insert "$484,840"; and in line 22, after the word "of" where it occurs the second time, to strike out "$480,820" and insert "$484,840", so as to read:

For officers and employees and compensation for all other professional and other services that may be required and expressly approved by the Secretary of the Interior, $318,640; for subsistence, fuel and light, not exceeding $1,000 for expenses of attendance upon meetings of a technical nature, pertaining to hospital administration and medical advancement, when authorized by the Secretary of the Interior, clothing, to include white duck suits and white canvas shoes for the use of internes, and cotton or duck uniforms or aprons for cooks, maids, and attendants, and rubber surgical gloves, bedding, forage, medicine, medical and surgical supplies, surgical instruments, electric lights, repairs, replacement of X-ray apparatus, furniture; purchase, maintenance, and operation of passenger-carrying vehicles, including not exceeding $500 for the purchase of books, periodicals, and newspapers; and not to exceed $2,000 for the special instruction of pupil nurses, and other absolutely necessary expenses, $166,200; in all, for Freedmen's Hospital, $484,840, including reimbursement to the appropriation for Howard University of actual cost of heat and light furnished, of which amount of $484,840 one-half shall be chargeable to the District of Columbia and paid in like manner as other appropriations of the District of Columbia are paid.

The amendment was agreed to.

The PRESIDING OFFICER. That concludes the committee amendments.

Mr. HAYDEN. Mr. President, by direction of the committee I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 14, line 2, after the word "exhibits", it is proposed to strike out the colon and the word "*Provided,*" and insert:

not to exceed $25,000 for employing persons or organizations, by contract or otherwise, for special reporting, engineering, technical, legal, and other services determined necessary by the Administrator, without regard to section 3709 of the Revised Statutes (41 U. S. C. 5), and without regard to the civil-service laws and the Classification Act of 1923, as amended: *Provided*, That of the $4,500,000 hereby made available for administrative expenses of the Authority, not to exceed $1,500,000 shall be available for such expenses incurred at the site, and in connection with the construction, of the United States Housing Authority non-Federal projects, and shall be reimbursed by the public housing agencies constructing such projects, and such reimbursements shall be available for administrative expenses of the Authority: *Provided further*, That hereafter all necessary expenses in connection with the management and operation of projects transferred to the Authority by Executive Order No. 7732 of October 27, 1937, as modified by Executive Order No. 7839 of March 12, 1938, may be considered as nonadministrative expenses for the purposes hereof, and be paid from the rents received from each transferred project: *Provided further*, That hereafter the funds made available for administrative expenses of the United States Housing Authority shall be available for the payment, when specifically authorized by the Administrator, of actual transportation expenses and not to exceed $10 per diem in lieu of subsistence and other expenses to persons serving, while away from their homes, without other compensation from the United States, in an advisory capacity to the Authority: *Provided further*.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona on behalf of the committee.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I offer a further committee amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 36, line 9, after the word "annum", it is proposed to insert a colon and the following:

Provided further, That hereafter the appropriation "Development of Indian arts and crafts" shall be available for the payment of not to exceed $10 per diem in lieu of subsistence and other expenses of members of the Indian Arts and Crafts Board, serving without other compensation from the United States while absent from their homes on official business of the Board.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona on behalf of the committee.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, on behalf of the committee I offer a further amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 144, line 13, it is proposed to insert a new section, as follows:

SEC. 4. That hereafter no part of this or any other appropriation for any executive department, establishment, or agency shall be used for the payment of long-distance telephone tolls except for the transaction of public business which the interests of the Government require to be so transacted; and all such payments shall be supported by a certificate by the head of the department, establishment, or agency concerned, or such subordinates as he may specially designate, to the effect that the use of the telephone in such instances was necessary in the interest of the Government.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona on behalf of the committee.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Acting Comptroller General relating to the amendment just adopted.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, February 27, 1939.

Hon. CARL HAYDEN,
United States Senate.

MY DEAR SENATOR: There has been received your letter of February 13, 1939, as follows:

"Please furnish me with a statement of the statutory authority by which the Government pays charges for telephone messages made by administrative officials on departmental business. Could this authority be abolished or curtailed, in your opinion, without serious inconvenience to the functions of government?"

The authority for the payment by the Government of charges for telephone messages made by an administrative official on departmental business is an appropriation authority. For instance, the act of June 16, 1937, making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1938 (50 Stat. 261), provides under the heading of contingent expenses for the Department of State (50 Stat. 262), and under the heading contingent expenses for the Department of Justice, page 273, for the payment of "tolls." Under the heading of contingent expenses, Foreign Service, page 266, the appropriation authority is for the payment "for telephones and other similar services." As to the Department of Commerce and the Department of Labor, pages 283 and 298, respectively, the appropriation authority is for the payment "for telephone service." Similar provisions will be found in the annual appropriations for other departments and establishments of the Government.

Section 7 of the act of August 23, 1912, 37 Stat. 414, provided: "That no money appropriated by this or any other act shall be expended for telephone service installed in any private residence or private apartment or for tolls or other charges for telephone service from private residences or private apartments, except for long-distance telephone tolls required strictly for the public

business, and so shown by vouchers duly sworn to and approved by the head of the department, division, bureau, or office in which the official using such telephone or incurring the expense of such tolls shall be employed."

This statute clearly recognizes as legal and proper charges against appropriated moneys long-distance telephone tolls where the calls are on strictly public business even when made from private residences or private apartments.

It is not believed that the authority to make payment for telephone messages should be abolished, for to do so would unquestionably be a serious inconvenience to the functions of government. The use of telephones for the transaction of Government business is, of course, primarily an administrative matter and the authority for the use of telephones by administrative officers on departmental business could be curtailed through appropriate legislation and if such curtailment is deemed necessary there is suggested for your consideration a provision, to be attached to some pending appropriation bill, as follows:

"That hereafter no part of this or any other appropriation for any executive department, establishment, or agency shall be used for the payment of long-distance telephone tolls except for the transaction of public business which the interests of the Government require to be so transacted; and all such payments shall be supported by a certificate by the head of the department, establishment, or agency concerned, or such subordinate as he may specially designate, to the effect that the use of the telephone in such instances was necessary in the interest of the Government."

I trust this will serve the purpose of your inquiry.

Sincerely yours,

R. N. ELLIOTT,
Acting Comptroller General of the United States.

Mr. McNARY. Mr. President, I offer the following amendment to be inserted on page 85, after line 13:

Deschutes project, Oregon: For continuation of construction, $400,000, from the reclamation fund, special fund, fiscal year 1940, to remain available until expended (52 Stat. 321–322), $400,000.

This amendment is based on an estimate which reached the committee today. At the request of the chairman of the subcommittee I am offering the amendment. It relates to a project in my State, and the money comes out of the reclamation fund. The project is in course of construction. The amendment is to carry on the construction and comply with the contracts entered into for this year.

Mr. HAYDEN. Mr. President, the amendment offered by the Senator from Oregon is supported by a Budget estimate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, on my own motion I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 61, after line 3, it is proposed to insert the following:

Reindeer industry, Alaska: For the purchase, in such manner as the Secretary of the Interior shall deem advisable, of reindeer, abattoirs, cold-storage plants, corrals and other buildings, and communication and other equipment, owned by nonnatives in Alaska, as authorized by the act of September 1, 1937 (50 Stat. 900), $820,000; and for necessary administrative expenses in connection with such purchase and the establishment and development of the reindeer industry for the benefit of the Eskimos and other natives of Alaska, as authorized by said act, including personal services in the District of Columbia (not to exceed $2,300) and elsewhere, traveling expenses, erection, repair, and maintenance of corrals, fences, and other facilities, $250,000; in all, $1,070,000, to be immediately available: *Provided*, That under this appropriation not exceeding an average of $4 per head shall be paid for reindeer purchased from nonnative owners. *Provided further*, That the foregoing limitation shall not apply to the purchase of reindeer located on Nunivak Island.

The PRESIDING OFFICER. Without objection, the amendment will be agreed to.

Mr. ADAMS. Mr. President, I do not believe the reindeer amendment of the Senator from Arizona should be adopted without any consideration.

The PRESIDING OFFICER. The Chair did not hear any objection. The question is on agreeing to the amendment offered by the Senator from Arizona; and the Senator from Colorado is recognized on the amendment.

Mr. ADAMS. Mr. President, this matter has repeatedly been before the Committee on Appropriations. It was rejected by the committee. As the Senator from Arizona says, he is presenting the amendment on his own account because of his own belief in the soundness of the theory embodied in the amendment.

Mr. HAYDEN. Mr. President, I will state that I advised the committee that I should offer the amendment on the floor.

Mr. ADAMS. The amendment involves the expenditure by the Government of over a million dollars in the initial purchase of reindeer in Alaska. That is not the only thing involved. Under the program to be inaugurated, the Federal Government not only is to purchase the reindeer, but is to undertake their supervision and management. It means the creation of a Reindeer Bureau and the employment of personnel to look after and herd the reindeer for the benefit of the natives every year. It is estimated in the testimony that there will be at least $150,000 of administrative expense. As I have stated, it also means the creation of a bureau.

Briefly, the reindeer situation is this:

About 1892 the Federal Government imported into Alaska some 1,200 or 1,300 reindeer in order that the natives might have something to substitute for other game which had disappeared and for the domestic uses of the natives. The reindeer have now increased until there are probably half a million of them. It is estimated that 320,000 of them belong to the natives, and 180,000 belong to the nonnatives. However, the nonnatives have filed statements of claim to the effect that they own 500,000 reindeer. The proposed appropriation is based upon the estimate of the committee which visited Alaska, and the idea that the reindeer were to be purchased at $5 per head. The amount proposed to be appropriated is that which will be necessary if there are only 180,000 reindeer.

If there are 500,000 reindeer, as is claimed, there will have to be a far greater appropriation. It is testified, and I think accurately, that the reindeer can be looked after properly only after being herded. They have been turned out on the Alaska ranges. They are ranges of a kind adequate, apparently, for reindeer.

We were told a year ago that the reindeer had increased to such an extent that they were depleting and destroying the moss upon which they fed, and that unless the reindeer herd was regulated and decreased, the range would be permanently destroyed. We are told this year that unless we buy the reindeer the ranges will be destroyed.

The Eskimos who are involved number from 18,000 to 19,000. That is the total number of Eskimos in Alaska. It is proposed to buy 180,000 reindeer, to turn over to the Eskimos practically in their own ownership over 500,000 reindeer, in order to provide clothes and domestic animals for 19,000 Eskimos, at a cost of management of $150,000 a year, and excluding from the ranges of Alaska every owner unless he be one of the natives.

It seemed to some members of the committee that we were not ready to indulge in this expensive and extensive program. It was difficult for some of us to disagree with the much-beloved and very able chairman of the subcommittee, but I felt that some such statement ought to be made. I think we are not ready to enter upon such a program. If we were to go into Alaska and say to the natives, "We will buy for you so many reindeer, provided you look after them," that would be one thing, and that was the original theory of the Reindeer Act under which we were operating. But the Eskimos apparently does not propose to herd his own reindeer. He is objecting now because, as he says, if he herds them, he is going to be herding some of the white men's reindeer at the same time, and he does not propose to do that.

I will be willing to go a reasonable way to provide the Eskimos with a reasonable number of reindeer, but with the understanding that he look after his own reindeer, and that the United States Government should not undertake the herding and the feeding of his livestock.

Mr. HAYDEN. Mr. President, I would not bring this matter to the attention of the Senate but for the fact that the recommendation is made based upon the report of a committee appointed by the Congress. It is not an Executive recommendation.

We had before us last year a Budget estimate for over a million dollars. Congress adopted an authorization, made upon the recommendation of the late Senator Kendrick and a number of other Senators who visited Alaska, among them the Senator from Oklahoma [Mr. THOMAS], the senior Senator from North Dakota [Mr. FRAZIER], and the junior Senator from North Dakota [Mr. NYE]. Based upon their recommendations we passed an act authorizing an appropriation of $2,000,000. Nothing was done about it last year, because we thought we did not have the proper information. So Congress provided that the chairman of the House Committee on Appropriations, Representative TAYLOR of Colorado, and the chairman of the Senate Committee on Appropriations, the senior Senator from Virginia [Mr. GLASS], should appoint three men to go to Alaska and make an investigation for our information. Three men were appointed. One was a very able stockman from Colorado, experienced in handling livestock. There was a very able representative of the agricultural college of Virginia, and a representative from the Forest Service familiar with range management. They were our committee. We sent them to Alaska, and they brought back their report. They appeared before the House Committee on Appropriations, and upon recommendation of that committee this item was reported in the bill to the House. It is not the full sum of money they recommended; it is a substantial sum, however, to carry out their report. It was stricken out of the bill on a point of order in the House because there was some reference to a statute.

I am offering the language exactly as it was reported from the House committee. I would not offer it, as I have said, if it were merely an ordinary routine recommendation from the department which the committee passes on and accepts or rejects; but it is our committee making a report to us, and it seems to me it ought to be passed upon by the Senate.

What is the other side of the picture? We have sent three competent men to Alaska to tell us what to do, and we refuse to do what they recommend. Are we gaining anything by letting the reindeer situation run on just as it is? The testimony of these men is that the number of reindeer in Alaska are rapidly decreasing, because wolves and other predatory animals are preying upon them. Their testimony is that the Eskimo will not look after the reindeer if, mingled with them, are reindeer belonging to white men. If we give them the deer and say they are their deer they will look after them.

The reindeer is a domesticated animal, and it would be just as sensible to turn a herd of sheep loose in the Arctic as to turn loose a herd of reindeer. They were domesticated a thousand or more years ago by the Lapps. They have to have care, and that care is provided for in the bill. When we acquired Alaska we found the Eskimo taking care of himself. The Eskimo had the seal, the walrus, and fish. The seal and walrus supplies have been cut off, and the fish supply has been diminished. Keeping reindeer is the only way he has of taking care of himself. I can call upon any Senator in this body who has been in Alaska to testify that what is proposed is the only practical way of meeting the situation, and that is why I am asking the Senate to adopt the amendment.

Mr. TAFT. I was not able to understand the matter in the committee, and my reason for opposing the amendment is that it is stated that the natives will not look after their 320,000 reindeer because 180,000 reindeer belonging to white men are mixed with them. I cannot see why there is any assumption that various native groups of reindeer will not get mixed up together. I cannot see how by buying the reindeer and giving them to the natives, we are going to increase the natives' interest in herding reindeer. It seems to me that if we are to spend $150,000 a year, after we get through, without buying the reindeer with the $150,000, we can provide herding regulations which will make the natives, as well as others, herd their deer. One hundred and fifty thousand dollars is a fairly large sum to be appropriated to handle such a matter for 19,000 people, whether they be Eskimos or others. Why do we have to spend a million dollars, or practically a million dollars, to buy reindeer? What do we gain? Why cannot the Eskimos save their herds, why can we not make them herd their deer properly? I could not get an answer from those testifying before the committee, and I still do not understand the matter. Why should we pay $800,000 for reindeer and then spend $150,000 in regulating the manner in which the natives are going to herd their reindeer?

Mr. HAYDEN. I thought there was a very satisfactory answer given to the Senator when I listened to the witnesses. It is perfectly plain that until the matter of the white ownership of the reindeer is disposed of we cannot solve the problem, and it will take some money to do that. Whether it will require $150,000 or $50,000 a year, as years go on, Congress will take care of the matter as it makes the annual appropriations. But the Eskimos stand in exactly the same relation to our Government as do the Indians, and we carry in this bill over a million dollars for the Indians. Yet we hesitate to appropriate $150,000 to take care of the Eskimos, who are equally wards of the Government.

Mr. TAFT. We are not going to give these herds to the natives right away. As I understood the testimony, it is going to take a number of years before it will be possible finally to work out a method for giving the reindeer back to the natives.

Mr. HAYDEN. It is a bad situation. It is true, too, that the Eskimos and Indians in Alaska do not understand the reindeer business as the Lapps of Norway understand it, they having learned it a thousand years ago. But if a Navajo Indian in Arizona who did not have a horse and who did not have a cow and who did not have a sheep can now become a great stockman, I do not see why the Indians in Alaska and the Eskimos, if given this animal which is suitable to that climate, cannot do well with it.

Mr. TAFT. They already have 320,000 animals. It is now proposed to give them 180,000 more. If they cannot take care of the 320,000 I do not see any evidence that they can take care of 500,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. HAYDEN]. [Putting the question.] The Chair is in doubt.

On a division, the amendment was agreed to.

Mr. HAYDEN. I ask unanimous consent that the clerks may be authorized to change the totals in the bill.

The PRESIDING OFFICER. Without objection, that order will be entered.

The bill is still before the Senate and open to further amendment.

Mr. WAGNER. Mr. President, I wish to make an inquiry of the Senator from Arizona. There is a proviso on page 14 of the bill, beginning in line 2, as follows:

> *Provided*, That no part of the funds made available in this paragraph for administrative expenses of the Authority shall be used to increase the salary of any position which on the date of the approval of this act is provided for at the rate of $4,000 or more per annum, except in consequence of a reallocation of position under the Classification Act of 1923, as amended.

I have been informed that the measure now contains a provision that not more than the general average of pay in any particular class under the Classification Act may be paid to any individual under the U. S. H. A. Under the provisions of the bill an administrative promotion cannot be made within a particular classification. For instance, if an employee now receives a salary of $4,000, and it is desired to give him an administrative promotion, and the limit of pay in that particular class is, say, $4,600, under the provisions of this measure he cannot be given the extra $100 or $200 or $300. If it is desired to promote him, his position would have to be reallocated, which may mean that if he is to be promoted at all his salary will have to be raised to $5,000 in order to get into the new classification. It seems to me—and I should like to be corrected if I am mistaken—that this provision would lead rather to extravagance than to economy.

Mr. HAYDEN. The limitation applies only to this one appropriation. If it does not work, we can change it in another year.

Mr. WAGNER. I was going to mention that.

Mr. HAYDEN. The reason the Senate committee did not change the House provision is because of what was stated in the House report, which I shall read to the Senate:

In studying the break-down of personnel as submitted in the Budget, the committee was impressed by the fact that the rates of pay for positions were in excess, in many instances, of the amount required to carry on this program in an efficient manner, and that numerous promotions were contemplated in many of the higher salary grades. The committee is opposed to such a promotion program and has inserted in the bill a limitation prohibiting the use of funds for promotions where a position is provided for at the rate of $4,000 or more per annum, except in cases where a position is reallocated under the Classification Act of 1923, as amended.

Mr. WAGNER. If I may interrupt the Senator, I do not see that the language provides a limitation on the payment of salaries. And by the way, the restriction is only against one particular agency, the United States Housing Authority. It does not apply to any other agency in the Government.

Mr. HAYDEN. That is true.

Mr. WAGNER. If it is desired to make a promotion, the U. S. H. A. will be compelled, under the provisions of the bill, to reallocate the position, which would mean to pay the individual a higher salary than the Authority could promote him to if the restriction in the bill were not imposed.

Mr. HAYDEN. But the allocation could not be made unless it were justified.

Mr. WAGNER. The promotion can only be made within limitations, I mean within two or three hundred dollars, or $400 a year.

Mr. HAYDEN. Our committee felt that we would not be justified in overriding the judgment of the House in this matter; and that we could throw it out after having tried it for a year, if we found that it did not work.

Mr. WAGNER. It is being tried out on one particular agency. That does not seem to me to be fair. I do not want to press the point by asking to have the provision eliminated, although it does not really seem to be fair.

The PRESIDING OFFICER. If there be no further amendment, the question is on the engrossment of the amendments, and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill H. R. 4852 was read the third time and passed.

PAINTING OF SIGNING OF THE CONSTITUTION FOR CAPITOL BUILDING

Mr. BARKLEY. From the Committee on the Library I report back favorably House Joint Resolution 224 to authorize the painting of the signing of the Constitution for placement in the Capitol Building, and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the House joint resolution?

There being no objection, the joint resolution (H. J. Res. 224) to authorize the painting of the signing of the Constitution for placement in the Capitol Building was considered, ordered to a third reading, read the third time, and passed as follows:

Resolved, etc., That a commission consisting of the Vice President of the United States, the Speaker of the House of Representatives, and the Architect of the Capitol be, and is hereby, created and authorized and directed to employ an artist to paint upon canvas (approximately 20 feet by 30 feet in size), at a price not exceeding $30,000, a painting of the scene at the signing of the Constitution. The said painting shall be subject to the approval of the Joint Committee on the Library, and, when so approved, shall be mounted in a space in the Capitol Building to be selected by the commission. The commission shall consult the Commission of Fine Arts and any suggestion for such suitable painting by any artist shall be considered by the Commission.

AUTHORIZATION FOR REPORTING AND SIGNING OF BILLS, ETC.

Mr. BARKLEY. Mr. President, I ask unanimous consent that during the adjournment of the Senate all committees may have authority to report bills, resolutions, and nominations, including any minority reports that may be filed; that the Vice President may be authorized to sign bills and resolutions; and that the Secretary of the Senate may be authorized to receive messages from the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair), as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations (and the withdrawal of the nomination of Thomas R. Amlie, of Wisconsin, to be an Interstate Commerce Commissioner), which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

ADJOURNMENT TO WEDNESDAY

Mr. BARKLEY. I move that the Senate adjourn until Wednesday next.

The motion was agreed to; and (at 5 o'clock and 28 minutes p. m.) the Senate adjourned until Wednesday, April 19, 1939, at 12 o'clock meridian.

NOMINATIONS

(Executive nominations received by the Senate April 17, 1939)

CIVIL AERONAUTICS AUTHORITY

Edward P. Warner, of Connecticut, to be a member of the Civil Aeronautics Authority for the remainder of the term expiring December 31, 1940, vice Edward J. Noble.

UNITED STATES PUBLIC HEALTH SERVICE

Dr. Herman E. Hilleboe to be passed assistant surgeon in the United States Public Health Service, to take effect from date of oath.

The following-named doctors to be assistant dental surgeons in the United States Public Health Service, to take effect from date of oath:

Edward J. Driscoll
William C. Neaf.

The following-named assistant surgeons to be passed assistant surgeons in the United States Public Health Service, to rank as such from the dates set opposite their names:

Robert F. Martin, April 1, 1939.
Theodore McC. Burkholder, April 6, 1939.
John R. McGibony, May 1, 1939.

PROMOTIONS IN THE REGULAR ARMY

MEDICAL CORPS

To be colonels

Lt. Col. William Dey Herbert, Medical Corps, from May 9, 1939.

Lt. Col. George Fairless Lull, Medical Corps, from May 11, 1939.

Lt. Col. Charles Clark Hillman, Medical Corps, from May 12, 1939.

Lt. Col. Sidney Lovett Chappell, Medical Corps, from May 13, 1939.

Lt. Col. Harry Louis Dale, Medical Corps, from May 15, 1939.

Lt. Col. George Russell Callender, Medical Corps, from May 18, 1939.

Lt. Col. Edward Weidner, Medical Corps, from May 19, 1939.

Lt. Col. Raymond Whitcomb Bliss, Medical Corps, from May 20, 1939.

Lt. Col. Norman Thomas Kirk, Medical Corps, from May 22, 1939.

Lt. Col. William Benjamin Borden, Medical Corps, from May 23, 1939.

Lt. Col. Robert Henry Duenner, Medical Corps, from May 26, 1939.

To be lieutenant colonel

Maj. Henry Stevens Blesse, Medical Corps, from May 25, 1939.

To be captains

First Lt. William Calaway, Medical Corps, from March 10, 1939.

First Lt. Howard Amos Van Auken, Medical Corps, from May 1, 1939.

First Lt. John Henry Taber, Medical Corps, from May 6, 1939.

First Lt. Thomas Morrison Arnett, Medical Corps, from May 11, 1939.

First Lt. Charles Henry Moseley, Medical Corps, from May 19, 1939.

DENTAL CORPS

To be colonels

Lt. Col. Eugene Milburn, Dental Corps, from May 5, 1939.

Lt. Col. Lowell B. Wright, Dental Corps, from May 6, 1939.

Lt. Col. Harry Morton Deiber, Dental Corps, from May 7, 1939.

VETERINARY CORPS

To be captains

First Lt. Stephen Grieve Asbill, Veterinary Corps, from May 14, 1939.

First Lt. Benjamin Francis Leach, Veterinary Corps, from May 16, 1939.

CHAPLAINS

To be chaplain with the rank of lieutenant colonel

Chaplain George Jefferson McMurry (major), United States Army, from May 6, 1939.

To be chaplains with the rank of captain

Chaplain Silas Edward Decker (first lieutenant), United States Army, from May 14, 1939.

Chaplain Martin Carl Poch (first lieutenant), United States Army, from May 14, 1939.

Chaplain Wallace Irving Wolverton (first lieutenant), United States Army, from May 14, 1939.

Chaplain James Corey Bean (first lieutenant), United States Army, from May 14, 1939.

Chaplain Charles Irving Carpenter (first lieutenant), United States Army, from May 14, 1939.

Chaplain James Thomas Wilson (first lieutenant), United States Army, from May 14, 1939.

PROMOTIONS IN THE NAVY

MARINE CORPS

Maj. Donald K. Kendall to be a lieutenant colonel in the Marine Corps from the 1st day of February 1939.

Capt. Evans F. Carlson to be a major in the Marine Corps from the 1st day of February 1939.

POSTMASTERS

ARKANSAS

Buren Flannigan to be postmaster at Leachville, Ark., in place of E. H. Taber, removed.

Inez C. Crain to be postmaster at Wilson, Ark., in place of R. H. Craig, resigned.

CALIFORNIA

John J. Freeman to be postmaster at North San Diego, Calif., in place of Nellie Heck, resigned.

COLORADO

Beth C. Byers to be postmaster at Eagle, Colo., in place of H. H. Brown. Incumbent's commission expired June 18, 1938.

CONNECTICUT

Ernest R. Knopf to be postmaster at Clinton, Conn., in place of E. R. Knopf. Incumbent's commission expired February 5, 1938.

FLORIDA

Benjamin F. Reames, Jr., to be postmaster at Dania, Fla., in place of I. C. Williams. Incumbent's commission expired June 18, 1938.

GEORGIA

Charles E. Head to be postmaster at Cleveland, Ga., in place of E. L. Russell. Incumbent's commission expired March 15, 1938.

Kenneth S. Hughes to be postmaster at Homerville, Ga., in place of R. E. Wilson, deceased.

ILLINOIS

Frances S. Sprague to be postmaster at Hull, Ill., in place of C. H. Knodel, resigned.

INDIANA

Walter J. Ritterskamp to be postmaster at Freelandville, Ind. Office became Presidential July 1, 1938.

KANSAS

Raleigh M. Caldwell to be postmaster at Robinson, Kans., in place of E. V. Benton, not commissioned.

LOUISIANA

Claire C. Gonsoulin to be postmaster at Sunset, La. Office became Presidential July 1, 1937.

MASSACHUSETTS

Ieleen C. Galvin to be postmaster at Byfield, Mass., in place of D. E. Gagnon, removed.

Frank W. Dix to be postmaster at Prides Crossing, Mass., in place of M. R. Cloutman, resigned.

MICHIGAN

Ward W. Baker to be postmaster at Union City, Mich., in place of V. C. Wolcott, removed.

MINNESOTA

William L. Hubel to be postmaster at Maynard, Minn., in place of R. P. Harris. Incumbent's commission expired July 15, 1936.

MISSISSIPPI

Sarah Brown to be postmaster at Lorman, Miss. Office became Presidential July 1, 1936.

MONTANA

Pypsy B. Snelson to be postmaster at Great Falls, Mont., in place of W. A. Brown, resigned.

NEW HAMPSHIRE

Susie J. Foote to be postmaster at Seabrook, N. H. Office became Presidential July 1, 1936.

NEW MEXICO

Dolores I. Lujan to be postmaster at Des Moines, N. Mex., in place of D. I. Lujan. Incumbent's commission expired June 7, 1938.

Thomas W. Horne to be postmaster at San Jon, N. Mex. Office became Presidential July 1, 1938.

NORTH CAROLINA

Alexander C. King to be postmaster at Flat Rock, N. C., in place of S. F. Thompson, removed.

Gertrude B. Owens to be postmaster at Fountain, N. C. Office became Presidential July 1, 1938.

Geneva J. Weaver to be postmaster at Robersonville, N. C., in place of F. F. Cox, deceased.

PENNSYLVANIA

Joseph F. Gallagher to be postmaster at Philadelphia, Pa., in place of J. F. Gallagher. Incumbent's commission expired February 21, 1939.

TEXAS

John R. Killgore to be postmaster at Rosebud, Tex., in place of J. R. Glass. Incumbent's commission expired April 4, 1938.

VERMONT

Frank L. Barney to be postmaster at St. Johnsbury, Vt., in place of A. S. Juneau, deceased.

WASHINGTON

Oscar E. Foster to be postmaster at Hoquiam, Wash., in place of O. E. Foster. Incumbent's commission expired January 16, 1939.

WISCONSIN

Alwin W. Kallies to be postmaster at Bonduel, Wis., in place of A. W. Kallies. Incumbent's commission expired June 15, 1938.

Clarence G. Lockwood to be postmaster at Markesan, Wis., in place of C. G. Lockwood. Incumbent's commission expired June 12, 1938.

Bernard J. Rabbitt to be postmaster at Neshkoro, Wis., in place of B. J. Rabbitt. Incumbent's commission expired June 18, 1938.

Cleon E. McCarty to be postmaster at Osceola, Wis., in place of C. E. McCarty. Incumbent's commission expired June 12, 1938.

John J. Voemastek to be postmaster at Rib Lake, Wis., in place of J. J. Voemastek. Incumbent's commission expired June 18, 1938.

Helen T. Donalds to be postmaster at St. Croix Falls, Wis., in place of H. T. Donalds. Incumbent's commission expired May 28, 1938.

James S. Kennedy to be postmaster at Shell Lake, Wis., in place of J. S. Kennedy. Incumbent's commission expired June 12, 1938.

John S. Dodson to be postmaster at Siren, Wis., in place of J. S. Dodson. Incumbent's commission expired June 15, 1938.

WITHDRAWAL

Executive nomination withdrawn from the Senate April 17, 1939

INTERSTATE COMMERCE COMMISSION

Thomas R. Amlie to be an Interstate Commerce Commissioner.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 17, 1939

The House met at 12 o'clock noon.

The Reverend Alcuin W. Tasch, O. S. B., St. Vincent College, Latrobe, Pa., offered the following prayer:

Almighty and eternal God, Creator of the universe and Ruler over the hearts of men, we humbly come to Thee and beg Thine assistance for the important task that lies before us today. Give us, O Lord, wisdom that we may have a true insight into the serious problems that affect our national life. Endow our minds with prudence and understanding that we may work out a solution that is based on justice and charity and whatever safeguards the blessings of liberty, the precious heritage of our free people.

Fill our hearts with courage that we may do our duty as we honestly see it. As representatives of a Christian nation, we acknowledge Thy supreme dominion over us, and implore Thy blessing on our deliberations.

Bless us, O God, we beseech Thee. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Thursday, April 13, 1939, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 136. An act to authorize contingent expenditures, United States Coast Guard Academy;

H. R. 534. An act for the relief of Hallie H. Woods;

H. R. 590. An act for the relief of Macey N. Bevan;

H. R. 2056. An act for the relief of the Shipowners & Merchants Towboat Co., Ltd.;

H. R. 2064. An act for the relief of Allen L. Abshier, Verne G. Adams, Oliver D. Chattin, William K. Heath, and Harry B. Jennings;

H. R. 2073. An act to allow credit in the accounts of certain former disbursing officers of the Veterans' Administration, and for other purposes;

H. R. 2595. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.;

H. R. 3655. An act to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931;

H. R. 3946. An act to authorize the attendance of the Marine Band at the United Confederate Veterans' 1939 Reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939, and for other purposes;

H. R. 4830. An act to amend the act approved April 27, 1937, entitled "An act to simplify accounting"; and

H. R. 5482. An act to increase the authorization for appropriations for the administration of State unemployment compensation laws.

The message also announced that the Senate had passed, with an amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4117. An act to provide for the payment of attorney's fees from Osage tribal funds.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 38. An act for the relief of Curtis Jett;

S. 70. An act to amend section 90 of the Judicial Code, as amended, with respect to the terms of the Federal District Court for the Northern District of Mississippi;

S. 197. An act to amend the Judicial Code in respect to claims against the United States for just compensation;

S. 289. An act for the relief of the West Virginia Co.;

S. 431. An act for the relief of Mrs. Quitman Smith;

S. 474. An act to amend section 92 of the Judicial Code to provide for a term of court at Kalispell, Mont.;

S. 821. An act for the relief of Charles L. Kee;

S. 891. An act for the relief of J. C. Grice;

S. 919. An act for the relief of William Boyer;

S. 1016. An act to authorize reimbursement of appropriations on account of expenditures in connection with disposition of old material, condemned stores, and so forth;

S. 1020. An act to authorize the purchase of equipment and supplies for experimental and test purposes;

S. 1088. An act to authorize the Administrator of Veterans' Affairs to exchange certain property located at Veterans' Administration facility, Tuskegee, Ala., title to which is now vested in the United States, for certain property of the Tuskegee Normal and Industrial Institute;

S. 1096. An act to amend section 8c of the Agricultural Marketing Agreement Act of 1937, as amended, to make its provisions applicable to Pacific Northwest boxed apples;

S. 1109. An act to amend the act entitled "An act to aid the several States in making or for having made, certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes," by providing that funds available under such act may be used to match regular and secondary Federal-aid road funds;

S. 1164. An act for the relief of Nadine Sanders;

S. 1275. An act to amend the United States Housing Act of 1937, and for other purposes;

S. 1339. An act for the relief of Grace S. Taylor;

S. 1416. An act to make the provisions of the Employees' Compensation Act applicable to civil officers of the United States;

S. 1487. An act for the relief of the Postal Telegraph-Cable Co.;

S. 1569. An act to amend the Agricultural Adjustment Act of 1938, as amended;

S. 1574. An act to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Pittsburgh, Pa., from August 27 to September 1, inclusive, 1939;

S. 1688. An act for the relief of Joseph W. Parse;

S. 1773. An act to provide that no statute of limitations shall apply to offenses punishable by death;

S. 1796. An act to amend the Tennessee Valley Authority Act of 1933;

S. 1871. An act to prevent pernicious political activities;

S. 1882. An act for the relief of Thomas A. Ross;

S. 1886. An act to extend to June 16, 1942, the period within which certain loans to executive officers of member banks of the Federal Reserve System may be renewed or extended;

S. 1899. An act to provide for the detail of a commissioned medical officer of the Public Health Service to serve as Assistant to the Surgeon General;

S. 1985. An act to extend the time within which the States may cause toll bridges to be made free in order to qualify for aid under the act of August 14, 1937; and

S. 2050. An act to authorize a sale of the old Carson City (Nev.) Mint site and building notwithstanding the provisions of Joint Resolution No. 18 of February 23, 1865.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 911. An act for the relief of Roscoe C. Prescott, Howard Joslyn, Arthur E. Tuttle, and Robert J. Toulouse.

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 1117) entitled "An act to provide for the reimbursement of certain enlisted men or former enlisted men of the United States Navy for the value of personal effects lost in the hurricane at the submarine base, New London, Conn., on September 21, 1938," with an amendment.

EXTENSION OF REMARKS

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address made by a former Member of the House, Hon. Edward C. Eicher, of Iowa, at Wichita, on Thursday.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BYRNS of Tennessee. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein a resolution of the Senate of the State of Tennessee.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

T. V. A. MINORITY REPORT—PEOPLE OF NEW JERSEY OVERCHARGED $49,352,200 A YEAR FOR ELECTRIC LIGHTS AND POWER

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, on last Wednesday, April 12, the gentleman from New Jersey [Mr. WOLVERTON] placed in the CONGRESSIONAL RECORD a speech which he delivered over the radio attacking the T. V. A. yardstick as a proper measurement for electric-light and power rates to the ultimate consumer. In that speech he invited his hearers to write him "care of the House of Representatives Office Building in Washington," and stated that he should "be glad to send you a copy of the minority T. V. A. report," which looks like an attempt to flood the country with that minority report for propaganda purposes. I wonder who is going to pay for the printing of those extra copies.

As I pointed out on the floor of the House several days ago, that minority report, signed by the gentleman from New Jersey [Mr. WOLVERTON], the gentleman from Ohio [Mr. JENKINS], and the Senator from Pennsylvania [Mr. DAVIS], is largely a rehash of the propaganda that is being put out against the T. V. A. yardstick, of which the radio speech of the gentleman from New Jersey [Mr. WOLVERTON] is a fair sample, as I shall show in the course of these remarks.

This proposition vitally affects everyone who pays an electric bill. Practically every one of them is overcharged at least 100 percent. The man who is paying two or three times what his electricity is worth, the woman who is denied the use of an electric iron or a refrigerator because of these high rates, the power consumers generally who are paying this billion dollars in overcharges each year—they are beginning to think of their Congressmen, their Senators, and every other elected official every time they turn an electric switch or pay an electric bill.

That should be particularly true in New Jersey, and I will tell you why. The gentleman from New Jersey [Mr. WOLVERTON], in the course of this radio broadcast in which he invited his hearers to write him for copies of the minority report attacking the T. V. A. yardstick says, "Electricity is being furnished to the consumers in the Tennessee Valley by the T. V. A. at less than cost." In other words he tells you the T. V. A. yardstick rates are too low.

Now, let us see about that. Let us see what those rates are and whether or not they are justified. Remember the yardstick rates are the retail rates—the rates the ultimate consumer has to pay.

Here are the T. V. A. yardstick rates. I wish everyone who turns an electric switch could read them. They are not too low; if anything, they are too high, and will be reduced as time goes on. Everybody in America should be able to get electricity at these rates. But that is what the opposition is fighting to prevent.

T. V. A. residential yardstick rates to ultimate consumers

	Cents per kilowatt-hour
First 50 kilowatt-hours per month	3
Next 150 kilowatt-hours per month	2
Next 200 kilowatt-hours per month	1
Next 1,000 kilowatt-hours per month	.4
Excess over 1,400 kilowatt-hours per month	.75

If a residential consumer uses 1,400 kilowatt-hours or more a month, the average cost will be 7½ mills a kilowatt-hour.

T. V. A. commercial yardstick rates to ultimate consumers

	Cents per kilowatt-hour
First 250 kilowatt-hours per month	3
Next 750 kilowatt-hours per month	2
Next 1,000 kilowatt-hours per month	1
Excess over 2,000 kilowatt-hours per month	.8

T. V. A. industrial yardstick rates to ultimate consumers

DEMAND CHARGE

	Per kilowatt
First 1,000 kilowatt-hours of demand per month	$1.00
Excess over 1,000 kilowatt-hours of demand per month	.90

ENERGY CHARGE

	Mills per kilowatt-hour
First 10,000 kilowatt-hours per month	10
Next 25,000 kilowatt-hours per month	6
Next 65,000 kilowatt-hours per month	4
Next 400,000 kilowatt-hours per month	3
Next 1,500,000 kilowatt-hours per month	2.5
Excess over 2,000,000 kilowatt-hours per month	2

These are the retail rates that should be paid by the ultimate consumers of electricity for the three classes of service in every State in the Union, including New Jersey, Ohio, and Pennsylvania.

The T. V. A. is selling this power at wholesale to the municipalities and cooperative associations throughout the T. V. A. area. Now remember the T. V. A. sells this power at wholesale to the municipalities and cooperative associations and they retail it to the ultimate consumers at the yardstick rates.

During the month of February 1939 the city of Tupelo, Miss., which is about 100 miles from the Wilson Dam, and which uses on an average of about 10,000,000 kilowatt-hours a year, paid the T. V. A. 5.35 mills per kilowatt-hour for electricity laid down in Tupelo, while Florence, Ala., which is in sight of the Wilson Dam, and which uses about the same amount of electricity used in Tupelo, or a little more, paid the T. V. A. 4.82 mills a kilowatt-hour for its electricity during the month of February 1939.

During the Hoover administration, when the Republicans were in power, that administration made a contract to sell this power generated at Wilson Dam to the Commonwealth & Southern, for 5 years, at less than 2 mills a kilowatt-hour, which they said would yield the Government a reasonable return on that part of the investment charged to power.

Two of the gentlemen who signed this minority report, Mr. WOLVERTON and Mr. JENKINS, were Members of Congress at that time and alined with the Hoover administration, and Senator DAVIS, the other signer, was a Member of Mr. Hoover's cabinet.

If it was profitable to sell this power to the Power Trust at less than 2 mills a kilowatt-hour when the Republicans were in power, then how can they contend that it is being sold at a loss now when it is being delivered to Florence, Ala., in sight of the dam, at 4.82 mills a kilowatt-hour, or more than three times the price at which it was sold to the Power Trust by the Hoover administration?

The record shows that the Commonwealth & Southern paid the Government only 1.56 mills a kilowatt-hour for this power the last year this contract was in force.

During the life of that contract the power company was selling this power to the residential consumers in Florence, Ala., in sight of the dam, at 10 cents a kilowatt-hour, or a spread of approximately 6,000 percent. The city of Florence is now selling it at the T. V. A. yardstick rates, which is a maximum of 3 cents a kilowatt-hour, as shown by the tables which I have just inserted, and is making money by the transaction.

The following table showing the power company rates in Florence, Ala., in 1932, and the T. V. A. yardstick rates now in force in Florence, furnishes a deadly parallel that every power consumer in America should see. It also applies to Tupelo, Miss., and all the cities, towns, and communities that were then served by the power companies and are now enjoying T. V. A. power at the T. V. A. yardstick rates.

Here is a comparative table up to 1,400 kilowatt-hours per month:

Residential rates, Florence, Ala.

	Power-company rates, 1932	T. V. A. yardstick rates, 1939
First 30 kilowatt-hours a month	$3.00	$0.90
Next 170 kilowatt-hours a month	13.60	3.60
Next 300 kilowatt-hours a month	21.00	2.40
Next 350 kilowatt-hours a month	21.00	1.40
Next 550 kilowatt-hours a month	27.50	2.20
Total (1,400 kilowatt-hours a month)	86.10	10.50

I wish every person who pays an electric-light bill anywhere in the United States, and especially in New Jersey, Ohio, and Pennsylvania, could see this table and could take these T. V. A. yardstick rates and compare them with the rates they now have to pay. Then they would understand why those of us who are leading this fight are struggling so desperately to force reduction of light and power rates to the T. V. A. yardstick levels in every State in the Union.

But the gentleman from New Jersey [Mr. WOLVERTON] tells you that this electricity is being furnished to the consumers in the Tennessee Valley by the T. V. A. "at less than cost." Surely he is not trying to say that the T. V. A. wholesale rates are too low, when they are about three times the rates at which his administration was selling this power to the Power Trust in 1930.

Is he trying to say that the T. V. A. yardstick rates are too low, when every municipality that handles T. V. A. power is making a profit?

Let us turn to his State of New Jersey and see what the rates are in his State and what they should be.

During the year 1937 the New Jersey Power & Light Co. sold to the Metropolitan Edison Co. 174,220,000 kilowatt-hours of electricity wholesale at 3.85 mills a kilowatt-hour, and during the first 6 months of 1938 the New Jersey Power & Light Co. sold to the Metropolitan Edison Co. 90,824,000 kilowatt-hours of electricity at 3.79 mills per kilowatt-hour.

That power was sold at wholesale, at a lower rate than the T. V. A. sells power to Florence, Ala., or to any other municipality or cooperative association in the entire T. V. A. area.

That is not unusual; during the year 1937 the Alabama Power Co. sold to the Mississippi Power Co. 145,580,000 kilowatt-hours of firm power, delivered in Mississippi at points ranging from the immediate T. V. A. area to the Gulf coast, at 4.22 mills a kilowatt-hour, which is a lower rate than the T. V. A. sells power wholesale to Florence, Tupelo, Amory, Corinth, or any other municipality or cooperative association in the entire T. V. A. area.

During the year 1937 the Louisiana Power & Light Co. sold and delivered to the Arkansas Power & Light Co. in Arkansas 235,195,000 kilowatt-hours of firm power at 3.5 mills a kilowatt-hour. During the first 6 months of 1938 the Louisiana Power & Light Co. sold to the Arkansas Power & Light Co. 54,179,000 kilowatt-hours of firm power at 2.39 mills a kilowatt-hour—or less than half the rate paid the T. V. A. by the city of Tupelo, or even by Florence, Ala., right at the dam, or by any other city, town, or cooperative association throughout the entire T. V. A. area.

All of this power could have been distributed to the people of these States at the T. V. A. yardstick rates shown in the tables which I have inserted. But instead of that, let us see what happened. In the State of New Jersey, we will say, the home of the distinguished gentleman [Mr. WOLVERTON] who so bitterly attacks the T. V. A. yardstick, as I have just pointed out, this power was sold by the New Jersey Power Co. to the Metropolitan Edison Co. wholesale at 3.79 mills a kilowatt-hour. It could have been distributed to the people of New Jersey at the T. V. A. yardstick rates with a profit to the power company that distributed it.

Witnesses for the power companies testified in the T. V. A. investigation that electricity could be produced with coal at $3 a ton at 4.18 mills a kilowatt-hour anywhere in the United States. That power could also be distributed profitably at the T. V. A. yardstick rates.

But let us see what actually happened.

In 1937 the people of New Jersey used 3,070,594,000 kilowatt-hours of electricity, for which they paid $94,549,900. Under the T. V. A. yardstick rates it would have cost them $45,197,700, or $49,352,200 less than they actually paid for it.

In other words, the people of New Jersey, the ultimate consumers who turn the switches and pay the bills, were overcharged $49,352,200 a year for electric lights and power, according to the T. V. A. yardstick rates—when power is being sold wholesale to the power companies in that State at a lower rate than that paid to the T. V. A. by the municipalities that are distributing this power throughout the T. V. A. area at the yardstick rates.

Under the Tacoma, Wash., rates these 3,070,594 kilowatt-hours, for which the people of New Jersey paid $94,549,900 in 1937, would have cost them $41,219,600, or $53,330,300 less than they actually paid for it, showing an overcharge to the people of New Jersey for electricity in 1 year, according to the T. V. A. rates, of $53,330,300.

Under the Ontario rates, now in effect throughout the Province of Ontario, Canada, this power which cost the people of New Jersey, the ultimate consumers, $94,549,900, would have cost them $35,902,500, which shows that, according to the Ontario rates, the people of New Jersey were overcharged $58,647,400 for electric lights and power during the year 1937.

At the rates this power was sold to the power companies wholesale throughout that area, they could have retailed it to the ultimate consumers at the Ontario rates without loss.

It seems to me that instead of attacking the T. V. A. yardstick, or trying to destroy the last hope of the power consumers of America for cheap electricity, or for rates based upon the cost of generation, transmission, and distribution, the gentleman from New Jersey [Mr. WOLVERTON] should be devoting his time to trying to relieve the people of his own State of this enormous burden of $58,000,000 a year in overcharges which they are now paying as tributes to the Power Trust.

There are 988,703 residential consumers of electricity in the State of New Jersey. Last year they used 640,527,000 kilowatt-hours of electricity, for which they paid $36,004,300. Under the T. V. A. yardstick rates it would have cost them $17,894,100, which shows that these helpless residential users of electricity in New Jersey paid overcharges, according to the T. V. A. rates, amounting to $18,110,200 a year. Under the Tacoma rates the cost to them would have been $17,642,100, which shows an overcharge, according to the Tacoma rates, of $18,362,200 a year. Under the Ontario rates, instead of costing $36,004,300, this amount of electricity would have cost the residential consumers of New Jersey during the year 1937, $12,781,500, which shows an overcharge, according to the Ontario rates, of $23,222,800 a year. The result is that the people of New Jersey have to pay such high rates that they use the minimum amount of

electricity. The residential consumers of that State use only about 50 kilowatt-hours a month when they should use more than 200 kilowatt-hours a month, as they do in Tupelo.

These high rates not only hold down the consumption of electricity, but they prevent the use of those electrical appliances necessary for the comforts and conveniences of their homes, and for the successful operation of every business establishment in New Jersey.

Now let us turn to the commercial consumers in New Jersey, the merchants, the hotel, restaurant, and filling-station operators, and all others who pay commercial rates, and see how they suffer as a result of these overcharges. There are 194,475 commercial consumers of electricity in New Jersey. In 1937 they used 749,312,000 kilowatt-hours of electricity, for which they paid $34,282,100. Under the T. V. A. yardstick rates they would have paid $14,055,700, or $20,226,400 less. Under the Tacoma rates they would have paid $14,672,700, or $19,609,400 less; while under the Ontario rates they would have paid $11,450,200, or $22,831,900 less.

In other words these helpless commercial consumers of electricity in New Jersey paid approximately three times as much for their electricity as they would have paid under the Ontario rates, and more than twice as much as they would have paid under the Tacoma rates or under the T. V. A. yardstick rates.

Now let us see what the industrial consumers in New Jersey have to pay for this power that is being sold wholesale to the private power companies there at a lower rate than the T. V. A. is selling power to the municipalities throughout the T. V. A. area:

There are 24,664 industrial consumers of electricity in the State of New Jersey. During the year 1937 they used 1,680,755,000 kilowatt-hours of electric energy, for which they paid $24,263,500. Under the T. V. A. yardstick the cost would have been $13,247,900, or $11,015,600 less than they paid—showing that these industrial consumers in New Jersey were overcharged approximately 100 percent according to the T. V. A. rates.

According to the Tacoma rates the cost would have been $8,904,700, which shows that they paid an overcharge of $15,358,000, according to the Tacoma rates, which is more than 100 percent—almost 200 percent. Under the Ontario rates the cost would have been $11,670,700, or $12,592,800 less than they actually paid, which also shows an overcharge of more than 100 percent.

How in the world can the industrial consumers of New Jersey compete with the industrial consumers in the Province of Ontario, Canada, when they have to pay more than twice as much for power as their competitors in Ontario have to pay?

No wonder industries in New Jersey are breaking down.

This power could be delivered to their residential consumers, to their commercial consumers, and to their industrial consumers throughout the State of New Jersey at the T. V. A. yardstick rates, at the Tacoma, Wash., rates, or at the Ontario rates, without loss, if it were not for the exorbitant overcharges which these people are compelled to pay in order to pay dividends on watered stocks, maintain useless holding companies, pay high-salaried and often useless officials, pay the cost of high-priced propaganda, and other graft and waste which enters into the rate base of the private power interests throughout every section of the country.

They want to get rid of the T. V. A. yardstick, because it is teaching the American people what electricity should cost the man who uses and pays for it.

The gentleman from New Jersey [Mr. WOLVERTON] lives at Camden, N. J., a city of 118,000; I live at Tupelo, Miss., a town of less than 8,000. Tupelo has a municipal distribution system that buys its power wholesale from the T. V. A. at an average of about 5.35 mills a kilowatt-hour, while Camden, N. J., is served by the Public Service Electric & Gas Co., a private power company.

As I have shown, electricity was sold at wholesale to a private power company in New Jersey last year at 3.79 mills a kilowatt-hour. The Public Service Electric & Gas Co. can either purchase its power wholesale at that price or manufacture its own power at a cost of not to exceed 4 mills a kilowatt-hour, and could distribute it at the T. V. A. yardstick rates, in effect in Tupelo, as shown in the tables which I have inserted, and make a reasonable profit.

But the trouble is that the Public Service Electric & Gas Co. is burdened with overhead expenses. For example, the president receives a salary of $50,000 a year—about two and one-half times as much as the salary of the Justices of the Supreme Court of the United States. Then there are 10 vice presidents, two of whom receive $30,000 a year each, one receives $19,710, one receives $22,500, one receives $22,725, one receives $24,840, two receive $24,300 a year each, one receives $18,999 a year, and another receives $27,000 a year.

In addition to that, this company has an assistant to the president, who receives a salary of $16,200 a year; a general superintendent, who receives $15,999.96; a general manager, who receives $19,999.92; and an assistant to the general manager, who receives $16,249.92 a year. A general electrical engineer draws $16,666.64 a year, and a general auditor receives $18,000 a year. The superintendent of distribution receives $15,999.96.

In addition to that, this company is controlled by the Public Service Corporation of New Jersey, which has the same president who receives an additional $45,000 a year salary as president of the holding company, and also has two vice presidents who are vice presidents of the Public Service Electric & Gas Co., who receive salaries of $39,000 a year each from the Public Service Corporation of New Jersey.

Compare these high salaries with the salaries of the three directors of the Tennessee Valley Authority who receive only $10,000 a year each.

Note that some of these vice presidents of the operating company, that serves Camden, N. J., draw more salary from the operating company than is received by all three of the directors of the Tennessee Valley Authority, and at the same time some of these vice presidents draw additional salaries from the holding company amounting to more than the combined salaries of all three directors of the Tennessee Valley Authority.

No wonder the people of Camden are overcharged 100 percent for their electric lights and power for all classes of service.

This is a fair sample of the shocking conditions that exist in the private power companies, and the holding companies that control them, throughout the whole country. That is the reason that the private power business has degenerated into the greatest racket of modern times, for which the American consumers of electric lights and power are now paying "through the nose" tributes in exorbitant overcharges amounting to more than $1,000,000,000 a year.

As I said a moment ago, the city of Tupelo, Miss., purchases its power wholesale from the T. V. A. The record shows it is now paying 5.35 mills a kilowatt-hour. Remember that private power companies in New Jersey are buying power, wholesale, at 3.5 mills a kilowatt-hour. In Maryland it is being purchased by them, wholesale, at 2.59 mills a kilowatt-hour, while in New York it is being purchased, wholesale, by private power companies at 2.9 mills a kilowatt-hour.

Yet the city of Tupelo, a small town with a population of less than 10,000, buying power wholesale from the T. V. A., and paying more for it than the average price paid by private power companies, distributes it to the ultimate consumers at the yardstick rates, and after paying all operating expenses, after paying taxes, or money in lieu of taxes, in an amount greater than that paid by any power company in any other city of its size throughout that area—after paying interest on the indebtedness on its distribution system, after paying the installments due on its sinking fund, after setting aside a reasonable amount for replacements and paying itself 6-percent interest on the entire investment in its distribution system—after paying all these expenses, Tupelo's electric system made a net profit of more than $40,000 last year.

In other words, the Tupelo plant purchased a little less than 10,000,000 kilowatt-hours of electricity during last year, for which it paid approximately $50,000. It distributed that electricity to the ultimate consumers at the yardstick rates, paid all of its operating expenses, paid interest on its debts, paid the amount due on its sinking fund, paid in lieu of taxes $12,759.51, which is more than any private power company paid in any city of the size of Tupelo in that area, paid itself interest at the rate of 6 percent on the entire investment in its electric system, and made a net profit of $40,003.19.

Neither the T. V. A. nor the Federal Government has ever subsidized Tupelo's electric light and power system one dollar. Although the system was badly damaged by a cyclone in 1936, the repairs were made at the expense of the system and without outside financial assistance.

Rates in Tupelo have been reduced several times since the first contract with the T. V. A. in 1934. Every time rates have been reduced profits have increased as a result of increased consumption.

In 1932, before the T. V. A. was created, the city purchased its power from a private power company at 17 mills a kilowatt-hour, although the private power company was buying this energy at Muscle Shoals at 1.56 a kilowatt-hour. This power was distributed at the old standard power company retail rates that were in effect throughout that area at that time—with a maximum of 10 cents a kilowatt-hour where we now pay a maximum of 3 cents a kilowatt-hour. The municipal power plant made a profit that year of $27,282.02.

In 1936 the light and power department of Tupelo purchased its power from the T. V. A. at the standard wholesale rates and sold it at the T. V. A. yardstick rates, with an additional surcharge of 10 percent imposed on industrial and commercial consumers, which was permissible under the contract, and after paying all the expenses, taxes, or money in lieu of taxes, sinking fund, and so forth, made a profit of $33,147.05.

Thus it will be seen that the light and power department made more profit when buying its power around 5 or 5½ mills a kilowatt-hour and selling it at a maximum of 3 cents a kilowatt-hour than it did when buying it at 17 mills a kilowatt-hour and selling it at a maximum of 10 cents a kilowatt-hour, because low rates always bring increased consumption and increased profits.

After those 10-percent surcharges were removed, as I have pointed out, the municipal light and power department in Tupelo made a net profit last year of $40,003.19.

In order to dispose of that surplus there were only three courses to be pursued. First, to extend the service; second, to pay it on the debts of the plant; and third, to reduce rates.

No extensions of the service were possible since it has been extended to reach everyone within its jurisdiction. Its funds could not be applied to the debts against the plant for the reason that the bondholders would not accept them, as these bonds are amply secured and the interest rates are adequate.

So the only thing to be done was to further reduce the rates. That reduction was given to the commercial consumers, the merchants, hotels, restaurants, filling-station and office building operators. My prediction is that the net profits next year will increase again because of the increased consumption.

In other words, as I said, reduced rates increase consumption and increase the profits. If private power companies were more interested in service and less interested in the manipulation of stocks and bonds, they could reduce their rates to the standard T. V. A. yardstick levels and make money in every section of every State in this Union.

Now, let us see what the effect of cheaper electricity has been on the ultimate consumers. In 1932 there were 875 residential and 300 commercial consumers in Tupelo. Only 19 percent of these residential consumers operated electric refrigerators, 6 operated electric ranges, and 296 had electric irons, but none operated electric water heaters. Electric house heating in that section was unknown.

Last year there were 1,606 residential consumers of electricity in Tupelo, 90 percent of whom operated electric refrigerators. There were 391 electric ranges, 125 electric water heaters, and 1,816 electric irons. Some of these irons, of course, were in business establishments.

In 1932 the average residential consumption of electric energy in Tupelo was only about 35 kilowatt-hours a month. During the month of January 1939 it was 215 kilowatt-hours a month. Low rates always increase consumption, and also increase the use of electrical appliances.

During the year 1932, when paying the old power-company rates, the commercial consumers in Tupelo used on an average of only about 150 kilowatt-hours a month. During the year 1938, under the T. V. A. yardstick rates, they used on an average of 461 kilowatt-hours a month; and, in addition to that, 28 homes and 5 apartment houses were heated exclusively with electric energy.

In other words, the people of Tupelo are living in an electric age, enjoying the benefits of electricity at rates based upon the cost of generation, transmission, and distribution, which we hope to see spread to the rest of the country.

Now, since it is shown that power generated by hydroelectric plants, or by coal, can be laid down in any community in the United States, wholesale, at cheaper rates than those now paid by the city of Tupelo for T. V. A. power, then, with the proper economy and efficiency in the management of their distribution systems, they can distribute it to the ultimate consumers at the T. V. A. yardstick rates, pay all operating expenses, including taxes, and make a reasonable return on their investments.

So, Mr. Speaker, instead of attacking the T. V. A. yardstick, which, as I have said before, is the greatest weapon ever placed in the hands of the American people for their protection against overcharges for electric light and power the gentleman from New Jersey [Mr. WOLVERTON], and his associates who signed the minority report, had better join us and help to secure relief from these exorbitant rates for the people of their own States as well as for the people of the whole country.

If the public utilities commission in the State of New Jersey would do its duty it could reduce light and power rates to the T. V. A. yardstick levels to all classes of consumers in every city, town, village, and community in that State without injury. But the trouble is that the average State utilities commission, instead of regulating utilities, seems to be regulated by them and to do their bidding.

Not only could the utilities commission in the State of New Jersey reduce light and power rates to the T. V. A. levels without injury to the private power company, but the same thing could be done in every other State in the Union, and it will be done when the people rise up and demand justice at their hands.

So I admonish the distinguished gentleman from New Jersey [Mr. WOLVERTON], instead of trying to destroy the T. V. A. yardstick, that he join us in trying to extend its benefits to the people he represents and help us lift from the shoulders of the people of New Jersey the exorbitant overcharges they now pay for electric lights and power to the amount of $49,000,000 a year; and that he and his associates join us in extending these benefits to the light and power consumers throughout the Nation, and relieve them of the overcharges they are now paying amounting to $1,000,000,000 a year.

BIRTHDAY OF THE SPEAKER

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, reminded of the birthday of our Speaker by the ovation in the House which followed the tribute paid him on Wednesday, April 12, 1939, by the minority leader, the gentleman from Massachusetts [Mr. MARTIN], the New York Times printed in its edition for Thursday morning, April 13, 1939, a deserved editorial tribute to the gentleman from Alabama [Mr. BANKHEAD]. Mr. Speaker, I ask unanimous consent to insert this editorial at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The editorial referred to follows:

[From the New York Times of April 13, 1939]

BIRTHDAY CARD

Speaker BANKHEAD was 65 yesterday. The House took affectionate notice of the anniversary. A graduate of that eminent school, the Rules Committee, he knows his business. His courtesy, fairness, and impartiality are natural. Son of a Senator, brother of a Senator, he was born to politics. He tried in vain to squirm out of his horoscope. He wanted to be an actor. He skipped to Boston with that intention. The family forbade. A daughter of genius carried out and perhaps surpassed her father's early hopes. Most people have forgotten that young Mr. BANKHEAD came to New York to recover from the Boston chill and tried his prentice hand in politics here.

Home called him. Politics took to him. He has been in the House for 22 years, but we don't have to introduce him. Both in opposition and in power, he has made his mark. He is as tolerant as a politician can afford to be. As a legislator, he doesn't talk about things without having studied them adequately. He is a competent Speaker. He is a good fellow. It is always pleasant to see Representatives scrape off their war paint and reveal in the Chamber something of the kindly feeling of the cloakroom. Yesterday anybody could catch the Speaker's eye. The Members recognized the Speaker and told him how much they thought of him.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a Gallup poll and a description of the necessity for education in the treatment of cancer. This poll shows 90 percent of the people interviewed interested in a bill I introduced for cancer control.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PHILIPPINE INDEPENDENCE

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. THORKELSON. Mr. Speaker, in behalf of Dr. B. M. Gancy, a distinguished citizen and attorney from the Philippine Islands, who is also a loyal subject to the United States, and whose suit for a declaratory judgment upon his rights as affected by the Philippine Independence Act against the United States was dismissed recently for lack of jurisdiction, I introduce this bill, which is designed to confer jurisdiction upon the United States District Court for the District of Columbia, to hear and determine the claims of Dr. Gancy and to settle by proper court decision two conflicting theories involved in the Philippine-American relation. This is, whether or not Congress has the power to withdraw sovereignty over a territory. I hope that the committee to which this bill is referred will allow Dr. Gancy's request so that this issue may be settled for the general welfare of the parties concerned.

I am speaking in behalf of the people of the United States who do not wish to be dispossessed of valuable property, which in the future, with proper development, will not only furnish a market for our products but will also be of vital importance to the United States as a distributing point for our merchandise to the Orient. This property is the Philippine Islands, and all other Territorial possessions acquired by the United States. No part or parts of the United States or its Territories are for disposal except by unanimous consent of all the States, and in agreement with the people who are to be dispossessed.

I contend that the Seventy-second and the Seventy-third Congresses had no constitutional power to pass the Philippine Independence Act and set up an independent State, as outlined in the constitution for the Philippine Islands:

SECTION 1. The Philippine Legislature is hereby authorized to provide for the election of delegates to a constitutional convention, which shall meet in the hall of the house of representatives in the capitol of the Philippine Islands, at such time as the Philippine Legislature may fix, within 1 year after the enactment of this act, to formulate and draft a constitution for the government of the Commonwealth of the Philippine Islands, subject to the conditions and qualifications prescribed in this act, which shall exercise jurisdiction over all the territory ceded to the United States by the treaty of peace concluded between the United States and Spain on the 10th day of December 1898, the boundaries of which are set forth in article 3 of said treaty, together with those islands embraced in the treaty between Spain and the United States concluded at Washington on the 7th day of November 1900. * * *

This is section 1 of the Philippine Independence Act, in which Congress cedes jurisdiction over all the territories ceded to the United States by the treaty on December 10, 1898, together with those islands embraced in the treaty concluded on the 7th day of November 1900. In other words, the Seventy-second and Seventy-third Congresses ceded all this property to the Philippine government without consulting or informing the States of its action. I venture to say that 95 percent of our people are completely ignorant of the loss we sustain in this transaction. It is not only unconstitutional but it is a terrible mistake which should be corrected before it is too late.

I cannot understand what sinister influence impelled the Seventy-second and Seventy-third Congresses to enact this legislation, because it is certainly a blow to the United States.

Farther on in this act I find a paragraph with this language:

When used in this section in a geographical sense, the term "United States" includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam.

And in section 7:

Until the final and complete withdrawal of American sovereignty over the Philippine Islands.

We find in section 7 (1):

Every duly adopted amendment to the constitution of the government of the Commonwealth of the Philippine Islands shall be submitted to the President of the United States for approval.

We do not withdraw from the Philippine Islands. Such clear-cut decision cannot be expected from this administration. The Philippine Independence Act is a misnomer. It will not free the islands or provide independence for the people. It will instead keep them enslaved in our political system and pawns to exploitation. In other words, the Philippine Independence Act makes a political football of the islands, open to exploitation, graft, and other evils which, without doubt, will finally drag us into war.

Our colonial policy is a joke, for being political it becomes an instrument which provides a haven for political patronage and its evils. This is very unfortunate, for under an economical government that understands colonial administration the Philippine Islands would be one of the most productive colonies in the world. The islands would not only be able to sustain themselves but would, in addition to that, pay a profit and be an economical asset to the United States. Under a sound administration these islands can be made an international trading post.

In the Philippine Independence Act, Congress has delegated all power of administration to the President of the United States and his political appointees but furnishes the money as usual—about the only power of Congress which has not been diminished. The strange part of this act is the exclusion of the Philippine Islands, the Virgin Islands, the American Samoa, and the island of Guam, for they are not supposed to be included in the words "United States."

One would almost think that the Philippine Independence Act was drafted by order of Japanese instruction. It would, indeed, be interesting to know the reason for excluding the Virgin Islands, the American Samoa, and the island of Guam in the words "United States." Is it possible that those who drafted the Philippine Independence Act intended to declare the independence of all the islands excluded from the words "United States"?

This act will not provide independence for the Philippine Islands, but will, instead, be destructive to them and a continual hazard to the United States. The act is so drawn that the United States is not released from implication or responsibility, but will, instead, be involved to such extent that it may lead us into war.

We must decide one of two things: Either to declare the Philippine Islands independent and free or to retain the islands as a colony or territory of the United States. The

Filipinos may in justice expect to be informed whether they are to be free, to regulate themselves, and become a part of another nation, if they so select, or if they are to be tied by strings to the political party in power in the United States. This is also of the utmost importance to us, and particularly so if we look ahead three or four hundred years.

In the treaty with Spain the United States accepted responsibility for and ownership of the Philippine Islands. We paid $20,000,000 for our oriental bride, and Congress approved and legalized the ceremony. This is a solemn obligation which Congress should not forget, for it is still binding, and Congress cannot now issue a decree of divorce, as it attempts to do in the Philippine Independence Act, without exposing the bride to attack.

Separation destroys friendship, creates animosity, and provokes revenge. We could not criticize the citizens of the Philippines if for protection they would negotiate an alliance with another power, and, being an independent nation, they, of course, would have a perfect right to consummate such pact. The question for us to consider is, How will it affect the United States? The independence of the Philippine Islands will threaten the security of all our possessions in the Pacific, and what will this mean to us? It opens the west coast of the United States to attack from the Orient; it retards economic trade with the Orient, including India, and the islands south of the Philippines, and will in reality terminate in the loss of foreign markets. The danger of this should be recognized now, if we had statesmen in the Federal Government in place of international gigolos.

It is absolutely important that our merchant marine have access to friendly ports and well-protected trade lanes. This is necessary for repair, for supplies, and for harbors of refuge. The Philippine Islands, however, are more than that, because they will serve as a commercial trading center with the Orient and India. Properly prepared, these islands, if retained by us, will provide peaceful harbors for our ships when the rest of the world may be in a turmoil.

The Philippine Independence Act should be studied by those who have the interest of the United States at heart, and I am sure that in it they will find a most impossible and queer instrument for the creation of a new nation, not only in its unconstitutionality but also in its ambiguity. It is a fine example of malignant legislation.

Congress has no power to deprive the United States of property acquired by conquest or by purchase, for such property belongs to the people, and the right of disposal of such property is not within the power of Congress but is instead reserved to the States and the people themselves.

The Constitution of the United States provides for all contingencies, and this is particularly true if we believe in it and are willing to accept it as a concise document in which interpretations must not depend upon a few words, phrases, or paragraphs, but must instead be interpreted on their relation to the body of the instrument itself. As an example, article IV, section 3:

> New States may be admitted by the Congress into this Union; but no new State shall be formed or erected within the jurisdiction of any other State; nor any State be formed by the junction of two or more States or parts of States, without the consent of the legislatures of the States concerned, as well as of the Congress.
>
> The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States or of any particular State.

In the Philippine Independence Act the Seventy-second and Seventy-third Congresses employed the following interpretation as power to set the Philippine Islands free:

> The Congress shall have power to dispose of * * * territory or other property belonging to the United States.

If this were true, this interpretation would allow power to Congress to dispose of anything belonging to the United States, but it is not the actual and true meaning of article IV, section 3. It is, instead, an unfortunate misinterpretation of paragraph 2 of article IV, section 3. In interpretation of the Constitution the interpreter must always have in mind amendment 9:

> The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people.

And amendment X:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people.

Having this in mind, the words "dispose of" refer to rules and regulations respecting the territory or similar property, so that boundaries may be adjusted in such manner that the territory in question may at some time be incorporated in the Union as a State. The meaning of the words "dispose of" is further qualified in the second paragraph in the following sentence:

> Nothing in this Constitution shall be so construed as to prejudice any claims * * * of any particular State.

The Philippine Islands, including all territories, are properties of the United States in which each and every State has a claim. Congress has no power to dispose of this property unless consent is given by the owners, and they are the 48 States. This is clearly set forth in article IV, section III, paragraph 2.

The most important point at issue, however, is: Congress has no constitutional power to deprive the United States of territories and set such property aside as a new and independent nation.

However, Congress has the power to dispose of territories in such manner that they may become useful as a State in the Union or dispose of them in such manner that they may provide greater protection for themselves or for the United States.

This is the intended meaning of article IV, section III. It is to bring about greater security and protection for the United States instead of insecurity and destruction of the United States.

EXTENSION OF REMARKS

Mr. O'BRIEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech made in Rochester, N. Y., by the gentleman from New York [Mr. REED].

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York asked and was given permission to extend his own remarks in the RECORD.

DISTRICT OF COLUMBIA MILK INVESTIGATION

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

Mr. SHAFER of Michigan. Mr. Speaker, a month ago this Congress passed a resolution authorizing an investigation of the milk situation in the District of Columbia. At that time the chairman of the District of Columbia Committee stated that his Subcommittee on Public Health, of which I am a member, would conduct the investigation and promised that a thorough job would be done.

That is the last this Congress has heard of the investigation. No action has been taken to carry out the wishes of Congress. There has been no meeting of the Public Health Subcommittee of the District of Columbia Committee. It appears to me that unless action is soon taken it might be necessary for this Congress to authorize an investigation of the investigation committee.

Being a member of the subcommittee chosen to make the milk investigation I have undertaken a study of the situation and my findings should not only interest every Member of Congress but the citizens of the Nation as well. I am convinced that the citizens of the District of Columbia and the dairy farmers of the Nation will demand remedial legislation when facts concerning the milk situation in Washington are placed in their possession.

In the first place the milk and cream supply for the District of Columbia is controlled by an act of Congress approved February 27, 1925. There have been no amendments since the act was passed.

There is no doubt in my mind but that it was originally intended by the sponsors of this legislation to create a closed milk market for the city of Washington. As originally drafted the act provided that no milk or cream for any purpose would be allowed to come into the city unless produced in the local milkshed and after inspection and licensing. Before the act was passed, however, wholesale ice-cream manufacturers of Washington discovered what was happening, and by bringing pressure to bear from western creameries brought about an amendment to permit the importation of milk and cream from beyond the local milkshed but limited the use of such milk and cream to the manufacture of ice cream.

On November 4, 1925, the Commissioners of the District of Columbia, under authority granted them by the act, promulgated certain regulations. These regulations—28 in number—have not been amended or added to since 1925, except in unimportant details and except to legalize and define ice-cream mix. It is true that an effort was made last year to change the regulations to exclude cream for ice-cream purposes, but the effort was abandoned when several midwestern Congressmen, including myself, offered successful opposition.

So it remains that the regulations and the law of 1925 constitute all of the rules governing milk, cream, and ice cream for the District of Columbia.

Section 4 of the act of 1925 provides that—

> Nothing in this act shall be construed to prohibit interstate shipments of milk or cream into the District of Columbia for manufacturing into ice cream: *Provided*, That such milk or cream is produced or handled in accordance with the specifications of an authorized medical milk commission or a State board of health.

Because the act was originally designed to create a completely closed market for milk in Washington, and because section 4 was inserted in the last moment without any effort to fit it in with the rest of the act, many anomalous situations have resulted.

In this connection western cream may be shipped into the District of Columbia for manufacture into ice cream, provided it is produced and handled as specified in the act, but this same western cream cannot be used for fluid purposes. All cream for fluid purposes must come from locally inspected and licensed farms in nearby Virginia and Maryland.

Now, let us stop and consider the result of this law. Cream in fluid form is largely consumed by adults in coffee and tea. Babies and children are not permitted to drink coffee and tea and babies are not given desserts on which fluid cream is used. They are, however, permitted to eat ice cream.

Now, if the cream from the West is kept out of the fluid channels by health regulations, there must be some definite public-health consideration which keeps it out. It is difficult to find this consideration when it is realized that thousands of gallons of ice cream, made from western cream and uninspected at its source by the District's Health Department, are consumed every month by babies and children of the city of Washington.

There is nothing in the manufacture of ice cream which reduces the bacteria in ice cream except pasteurization before freezing. But this same pasteurization takes place with fluid cream before it is sold for use. The pasteurization of ice-cream mix does not destroy any more bacteria than does the pasteurization of fluid cream.

The Maryland and Virginia Milk Producers' Association, organized under the laws of the State of Maryland in 1922, a farmers' cooperative organization, is composed of approximately 1,300 farmers producing milk in the Washington milkshed. This organization, I am informed, supplies 90 percent of the milk and cream used as such in the District of Columbia.

This association for a number of years has been dissatisfied with the act of 1925 because the act permits the importation of western cream for ice-cream purposes. Until now the association has hesitated to bring the matter to the attention of Congress by asking for an amendment to the law. The association, I am informed, has been fearful that if Congress did learn of the real situation created by the act of 1925 it might change the law, but not to the liking of the association. Therefore the association sought to have the District Commissioners exercise legislative authority to change the law by promulgating regulations and throwing new barriers in the way of western cream coming into the city, even for the manufacture of ice cream. This demand for new regulations presupposes public-health considerations, and such considerations alone.

It would be interesting to know what protection this association desired to give the people of Washington when it proposed health regulations to further close this market to western cream. Perhaps a statement by Mr. Frank S. Walker, president of the Maryland and Virginia Milk Producers' Association, in his 1937 annual report will shed some light on the subject. Mr. Walker said:

> During the year the District of Columbia Health Department made a ruling that they would not inspect milk for another market. If any of our producers ship to another market, their permit with the Washington Health Department will be canceled. This will make us bring all our cream sales back to the District. We appealed to the health department for assistance, so that we might get a better price for our cream for ice-cream purposes. The regulations now before the commission covering cream for ice-cream purposes is the result of the cooperation of the health department to see that we have fair competition in the sale of our product. The approval of these regulations by the commission is most essential. The Washington market has a satisfactory supply and quality of milk and we hope that it will not be necessary for the health department to give any permits outside of the present production area.

Mr. B. B. Derrick, secretary-treasurer and manager of the association, in his 1937 annual report, said:

> Unfortunately, several excellent outlets for our cream in Pennsylvania were lost during the year, which materially affected our average price. We have been able to secure about $2 per can more for cream in Philadelphia than we can in Washington. But beginning in September we were forced through health regulations to discontinue selling cream in Pennsylvania. Since being cut off from this premium outlet we have been forced to move our cream in the local market. Direct competition of western cream makes it very difficult to bolster cream prices in Washington, as the local market will not pay a premium for extra quality. Your association has been very active in attempting to have adopted a set of cream regulations that will improve the quality of outside cream being shipped into Washington for manufacturing purposes, which, of course, will enable us to sell more of our own cream in the local market at better prices. These regulations have a good chance of being adopted in the early part of 1938.

Again, Mr. Walker, in his 1938 annual report, said:

> In March 1938 Virginia passed a bill regulating the importation of cream into the State. We have been asking the District of Columbia for 2 years to make such a regulation, and so far we have been unable to get any satisfactory regulation to control cream imported into the District for ice-cream purposes. This unlicensed cream is the worst leak that we have on the Washington market, so far as we are concerned. We feel that here we have very unfair competition, and we are hoping that the health department will correct this condition with suitable regulations.

Again, Mr. Walker, in his 1938 annual report to the association, said:

> Under this new arrangement you are receiving premiums on 20 percent more of your milk. This is a very evident recognition of the quality of the milk that you are producing. From the results of the hearing we feel confident that all parties interested want to uphold the hands of the health department in continuing their wonderful work in giving the city of Washington the world's best milk. The producers as a whole are proud of the results they are getting and are even going the limit in bettering their record. We can assure the health department and the consumers a satisfactory supply of this high-quality milk at all times.

In a publication of the association entitled "Washington Milk Market," published in 1938, there is listed as one of the objectives of the association the following:

> Aid in establishment and continuance of health regulations.

Where can there be found more complete evidence of the attempt to use health regulations, to foster and encourage health regulations, for the purpose of erecting trade barriers?

The Maryland and Virginia Milk Producers' Association makes no secret of the fact that it has always tried, and is still trying, to have its economic problems worked out through the use of health regulations without one single thought of public health.

Let us return for a few moments to notice just some of the many anomalous situations created by the Milk Act of 1925.

If you buy a chocolate milk shake in a drug store and you desire it to be extra rich or heavy, or you go to those places where this type of milk shake is made, you will find that a half pint of locally inspected milk and four scoops of ice cream made from western cream are used, and to that is added chocolate sirup, the principal component part of which is western cream, and they are all mixed together into fluid form. In other words, the western cream in this process of making a milk shake is reduced again to a liquid and that liquid contains not only western cream but uninspected skimmed and skimmed condensed milk. It is difficult to see how under these circumstances the closing of a market to western cream for any other purpose than the manufacture into ice cream protects the public health. In this milk shake you are drinking as fluid approximately 40 percent locally inspected milk and approximately 60 percent western cream. It is not difficult, however, to convince you that children are the principal consumers of milk shakes in this city.

Butter may not be manufactured in the District of Columbia from any other than locally inspected and licensed milk, and western cream is excluded from the District of Columbia for manufacture of butter, but it may come into the District of Columbia already made from western cream, or from any other cream, without inspection at the source of the cream or milk used in the making of that butter. A merchant in Georgetown cannot bring western cream into Georgetown for manufacture into butter, but a merchant in Rosslyn, Va., across the river, may buy western cream, manufacture it into butter, and then send it into the District of Columbia without hindrance.

Western cream or milk may not come in the District of Columbia for manufacture into bread, in cakes, in pies, or in candy, but all of these articles of food made outside of the District of Columbia with western cream may come in and be legally sold and consumed by the people of this city. High-grade caramels require a large amount of cream for their successful manufacture. The caramel manufacturers in the District of Columbia must use a high-priced locally inspected cream, but the manufacturers of caramels all over the United States, outside of the District of Columbia, may use any kind of cream which they please, and their candy is shipped here without any regulation. You have all seen caramels on the confectioner's shelf advertised as being dairy made and coming from various parts of the country, but no manufacturer in the District of Columbia would be permitted to make these dairy-made caramels unless he used locally inspected cream, and at a price about twice as high as that for which he could buy it outside of the District of Columbia.

A baker in the District of Columbia is not permitted to use western cream for decorating pies or cakes with whipped cream, but a baker in Bethesda or in Rosslyn, Va., may send pies and cakes decorated with whipped cream into the District of Columbia, and they make the whipped cream out of any kind of cream they choose to buy. An ice-cream manufacturer in the District of Columbia who makes an ice-cream mold may decorate this mold with whipped cream made from western cream, but whipped cream served by a drug store on the top of a sundae as decoration must be made out of locally inspected cream.

An ice-cream manufacturer in the District of Columbia may use western cream, and use it only on condition that it is produced or handled in accordance with the specifications of an authorized medical milk commission or State board of health. No inspection is made by the Health Department of the District of Columbia, and no certification of the soundness of the cattle producing the cream is required, but if a manufacturer of ice cream is located in Bethesda or Arlington, he may not send cream into the District of Columbia until he has furnished the health department with a certificate from a veterinarian that every cow contributing to the supply of cream with which the ice cream is made has been examined within the year by a veterinarian and has been found to be physically sound.

It is difficult for me to understand how this law can be said to have been written and designed in the protection of public health.

The milk law of the District of Columbia does not attempt to regulate the production and handling of evaporated milk or condensed milk, yet every mother and housewife knows the extent to which these products are used in the home. Hundreds and thousands of babies are literally raised on evaporated milk, and there are a hundred different uses for condensed milk and cream, including its use in coffee, in desserts, and to drink. Yet Congress completely ignored these products, and the health officer of the District of Columbia, because of lack of authority, has not and cannot make any regulations concerning its production and handling. The health officer does not know where this milk is produced and does not know where and how it is handled, and no license or permit of any kind is required to ship it into the District of Columbia and to sell it for the fluid consumption of human beings, including babies. Condensed milk is nothing more nor less than whole milk which through a heating process has been reduced in volume with a concentration of the fats and the solids. It ordinarily takes about 4 or 5 gallons of whole milk to make 1 gallon of condensed milk. No rules or regulations are set down for the condensation nor to govern the health of the cows from which this milk comes. There is only one source of milk, whether it be fresh milk or frozen milk, condensed or skimmed milk, or any other kind of milk, and that is from the cow, and a diseased cow cannot produce healthful milk.

When economic conditions become bad, and when the price of milk goes up, the average consumer, but particularly the less-than-average consumer, turns to canned milk in place of fluid milk. Scientists have not found a substitute for fresh milk, and canned milk is not fresh milk, nor does it contain the health-giving qualities of fresh milk. It has neither the flavor nor the chemicals contained in fresh milk, and a great deal of health-giving properties are lost in the condensation process.

If the milk law of the District of Columbia was not designed and intended to protect public health, and to protect public health alone, then what was its purpose? The answer is, unquestionably, that it was designed to meet economic conditions and to protect the local producers of milk by giving them a closed market in the District of Columbia, and a virtual monopoly on the milk and cream used in the District of Columbia. In the hands of the individual farmers this would not be a serious menace to the health of the people of the District of Columbia, but in the hands of an organization of 1,300 farmers it does constitute such a menace, and in practice has proven to be a menace to health by virtue of the high prices charged and the efforts made by this organization, not only to keep the market closed, but to increase the restrictions on the importation of pure clean products in the District of Columbia if they come from any other source than the farmers who belong to this organization. I refer to the Maryland and Virginia Milk Producers' Association.

With the Maryland and Virginia Milk Producers' Association handling 90 percent of the fluid milk and cream coming into the District of Columbia for use as such, and constantly striving, through all sorts of means, to increase this percentage to 100, and attempting to use health regulations to close the market to all milk and cream coming from farms other than those of the members of this organization, it is not particularly difficult to understand why the price of milk on the Washington market is higher than in any other city in the United States, and why there is less consumption per capita here than in much poorer cities of the country.

If this is not enough to convince any one that a deliberate effort is being made to erect trade barriers around the Dis-

trict of Columbia to the detriment of the consumers, and for the benefit of a small and selfish group of farmers, let us examine the situation just a little bit further and see what we find.

The first thing which appears is the National Dairy Products Corporation. The set-up which this Nation-wide Milk Trust has in Washington is as follows: It owns and operates the largest wholesale and retail fluid milk dairy in the city known as Chestnut Farms-Chevy Chase Dairy. This dairy supposedly purchases approximately 75 percent of all the milk sold by the Maryland and Virginia Milk Producers' Association, and this dairy does over 60 percent of all the milk business in the District of Columbia. In addition to the dairy plant located in Washington, the National Dairy Products Corporation also owns Southern Dairies, a wholesale ice cream manufacturing plant which does the largest ice cream business in Washington. National Dairy Products Corporation also owns and operates a receiving station at Frederick, Md., in conjunction with its fluid-milk business in Washington, where practically all of the surplus milk owned by the Maryland and Virginia Milk Producers' Association is handled and processed. It also owns a receiving station at Walkersville, Md., where it gathers milk from various sources for shipment into the District of Columbia for manufacture into ice cream. It is the only dairy dealing with the association which has a receiving station. This plant at Frederick is licensed to ship milk and cream to Washington for fluid uses. I am told that an average of over 15,000 gallons of milk daily went into this plant in 1938. It performs the following functions: Cools and pasteurizes milk, separates cream from milk, condenses milk, makes skimmed milk powder, and manufactures cheese. All surplus belonging to the association is separated at this plant, and the dairy receives the skimmed milk for nothing and holds the cream for the association orders. It receives an allowance for plant loss in handling all surplus milk, and all milk coming into the plant is paid for by the dairy at approximately 2¼ cents per gallon less than the price paid by the other distributors in Washington. The farmers deliver this milk to this receiving station at their own cost. The Frederick plant sells this skimmed condensed, skimmed milk, and other products to the various subsidiaries of the National Dairy Products Corporation. It is estimated that surplus milk handled at this plant for the association during the flush season will run as high as 25,000 gallons daily.

Who gets the benefit of all this? The consumer does not, because the price is not reduced; the farmer does not, as those farmers shipping milk and cream to that plant get 2¼ cents less for that milk than if they shipped to Washington direct. The answer is obvious. When it comes time to change the price of milk, and the terms and conditions upon which the association sells milk to the distributors, it is not difficult to know who has the most say about it and who dictates conditions. Chestnut Farms Dairy is a subsidiary of the largest milk combine in the world, having plants in practically every State in the Union and eight foreign countries, and having subsidiaries which make and sell dairy products and related products of every kind and description. National Dairy Products Corporation owns one of the largest manufacturers of ice cream in the world—Breyer Ice Cream Co. of Philadelphia. One of the essential ingredients in the manufacture of commercial ice cream is condensed skimmed milk, and this the Chestnut Farms Dairy has in abundance at its Frederick plant which it receives from the association without cost.

It is to the interest of the Maryland and Virginia Milk Producers' Association and the National Dairy Products Corporation to keep this market absolutely closed, and up to the present time they have succeeded admirably in doing so. The only way this situation can be changed is by appropriate legislation by the Congress of the United States.

Stringent health regulations governing the production of milk and requiring a large outlay of money on the part of the farmer, very definitely discriminates against the real dirt farmer, and tends to place production in the hands of a comparatively few so-called farmers who, because of their financial circumstances, are able to operate dairies without doing any work themselves, but by hiring cheap labor. The successful country businessman, lawyer, doctor, generally own farms and produce milk. Because they are able to do so, they build elaborate barns and set standards for the others to follow. In this same class are those who are engaged in breeding cattle for show purposes as a hobby, and sell their milk to fluid milk markets.

All these people can easily meet stringent health requirements, but what of the real dirt farmer who gets up at 4 o'clock in the morning and works like a dog all day long until late at night in order to eke an existence out of his farm? He may produce the cleanest milk, but he cannot get on the fluid-milk markets unless he buys all of the fancy gadgets required by health requirements and used by his wealthy neighbor who may be engaged in dairying merely as a hobby. This dirt farmer, simply because he cannot afford to buy this extra equipment, is compelled to sell his milk to a creamery which makes butter or canned milk. The price he receives for his milk is ridiculously low, and hardly pays for feed for his cows.

City fluid-milk markets are gradually being supplied exclusively by gentlemen farmers who have made their money in various other ways and turned to farming merely because of the natural urge of human beings to get back to the soil. Increasingly stringent health regulations will ultimately place fluid-milk markets exclusively in the hands of this type of farmer, to the almost utter and complete ruin of the small but real dirt farmer.

What is the solution of this problem, and how can this trend toward high prices for fluid milk and control of fluid-milk markets by wealthy producers be stopped? The answer is very simple, and the problem is really not complex.

The first thing is for health departments to get down to brass tacks and honestly and conscientiously calculate just what is essential by way of regulations for the protection of public health alone and to eliminate all the fancy and expensive and silly gadgets and rules which now act as trade barriers and which do not contribute in the slightest to public health. This would substantially lessen the cost of production of milk and would enable more people to buy it. Tremendously larger quantities of milk would go into fluid channels and less into the butter market.

The universal lowering of health regulations governing production of milk to a point where they actually protect public health but do not protect anyone's economic interest would result in a general leveling of prices all over the United States and would permit more small dirt farmers to get on the fluid markets. It would also result in a substantial decrease in the tremendous milk surpluses which now go into butter and create a ruinous condition in the butter market. There would be less canned milk sold and more fresh milk used by the people who need it.

If health departments will not voluntarily cut down their requirements, then it is up to the legislatures to pass laws which will take out of the hands of the health officials much of the discretion and rule-making power which they now have.

In the District of Columbia this is a matter which deserves the serious and thoughtful consideration of the Congress. The Congress of the United States can engage in no better undertaking than to reduce the price of milk in this city to the consumer and to set up for the District of Columbia a model milk law governing the production, handling, and distribution of fresh milk in this city. Cheaper milk can be had in Washington, but it can only be accomplished through a determination on the part of Members of the Congress that a few people are not entitled to a monopoly, and that milk which is produced under decent and sanitary conditions is fit for human consumption even though it comes from places other than the farms within the so-called milkshed of the District of Columbia.

GRAND ARMY OF THE REPUBLIC

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1574) to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Pittsburgh, Pa., from August 27 to September 1, inclusive, 1939.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to permit the band of the United States Marine Corps to attend and give concerts at the national encampment of the Grand Army of the Republic to be held at Pittsburgh, Pa., from August 27 to September 1, inclusive, 1939.

SEC. 2. For the purpose of defraying the expenses of such band in attending and giving concerts at such encampment, there is authorized to be appropriated the sum of $8,500, or so much thereof as may be necessary, to carry out the provisions of this act: *Provided*, That in addition to transportation and Pullman accommodations the leaders and members of the Marine Band be allowed not to exceed $5 per day each for additional living expenses while on the duty, and that the payment of such expenses shall be in addition to the pay and allowances to which they would be entitled while serving at their permanent station.

The bill was ordered to be read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. RICH]?

There was no objection.

Mr. RANKIN. Mr. Speaker, may we have order? This is the gentleman's maiden speech, and we want to hear it.

Mr. RICH. Mr. Speaker, I hope the gentleman from Mississippi and all other Members of the Congress will hear me. We are now $40,000,000,000 in debt. Twenty billion have been created the past 6 years by the party of Jackson, Jefferson, and Roosevelt. So far this year under Mr. Roosevelt, we have gone in the red to the extent of $2,600,000,000—a travesty to America. A committee of the House has reported the Florida ship canal bill, which, if passed by the House, will involve an expenditure of an additional $200,000,000. I hope when the bill comes to the floor of the House that we will not create any more debt for your children and children's children to pay, because of the fact the Government is so badly in debt and because of the folly of spending by the New Deal, it is time to get some common sense. I hope the Florida ship canal will not be built at this time, because it is one of the most ridiculous things I ever heard of by the New Deal to date to spend money. It will involve $200,000,000 of the taxpayers' money to construct this canal. It is almost unbelievable that the Members of Congress will spend these millions of dollars for such an unworthy and unwarranted project.

Mr. RANKIN. That Florida canal is for national defense.

Mr. RICH. National defense nothing. It is "pork barrel." Why were all Congressmen who wanted it given a free trip to Florida with all expenses paid, if it is not "pork barrel" legislation?

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. YOUNGDAHL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. YOUNGDAHL]?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include the platforms of the Republican and Democratic Parties for the last 47 years on the subjects of reclamation of arid lands and conservation.

The SPEAKER. Is there objection to the request of the gentleman from Oregon [Mr. ANGELL]?

There was no objection.

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial by R. E. Bennett.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. SECCOMBE]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. STEARNS of New Hampshire. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire [Mr. STEARNS]?

There was no objection.

Mr. STEARNS of New Hampshire. Mr. Speaker, the very deep interest of thousands of people in my State in the subject of old-age pensions is illustrated by a resolution passed almost unanimously by both Houses of the New Hampshire Legislature for transmission to the Congress. I believe the subject has been receiving full and conscientious hearings before the committee that has been entrusted with consideration of this matter. I sincerely hope the matter will be properly studied and not be made a partisan political football, but considered seriously to the end that a program may be worked out that will be just and fair to all.

[Here the gavel fell.]

Mr. STEARNS of New Hampshire. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include the resolution to which I have referred.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire [Mr. STEARNS]?

There was no objection.

The resolution referred to follows:

Resolution memorializing the Congress of the United States to provide ample old-age security and to insure complete and impartial consideration of the General Welfare Act of 1939

Whereas the principle of old-age security is now fully recognized throughout this Nation; and

Whereas it is becoming increasingly imperative that ample comfort and freedom from economic stress be provided for the aged; and

Whereas thousands of the citizens of New Hampshire believe that the enactment into law of the General Welfare Act of 1939 (Townsend national recovery plan) would accomplish the above purposes and also be of immense benefit to business in general: Therefore be it

Resolved, That the Senate and House of Representatives of the State of New Hampshire in General Court convened do hereby urge the Congress of the United States to take immediate action designed to solve the problem of old-age security, and to continue and expeditiously to complete full and impartial hearings on the General Welfare Act of 1939; and be it further

Resolved, That a copy of these resolutions be forwarded to the President of the United States and to the presiding officers of the legislative branches of the Federal Government; and be it further

Resolved, That a copy of these resolutions be forwarded to the United States Senator H. STYLES BRIDGES, United States Senator CHARLES W. TOBEY, Congressman ARTHUR B. JENKS, and Congressman FOSTER STEARNS, requesting them to do all in their power to expedite the purposes of this resolution.

Mr. HARNESS. Mr. Speaker, at the conclusion of the legislative program for today I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. HARNESS]?

There was no objection.

EXTENSION OF REMARKS

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial taken from yesterday's Star.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. ANDERSON]?

There was no objection.

Mr. McLEAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address I made before the Alumni Association of the George Washington University.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey [Mr. McLEAN]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. THILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. THILL]?

There was no objection.

Mr. THILL. Mr. Speaker, President Roosevelt, consciously or unconsciously, is giving the American people the "war jitters." Just recently I journeyed to my district, and I was astounded to find that practically every person I met asked me the same question, "Are we going to have war?"

I discovered that this was due almost entirely to the utterances of our Chief Executive on foreign affairs. When the President recently stated, "I'll be back in the fall if we don't have war" he revealed his negative attitude.

When Roosevelt adopted the editorial article in the Washington Post, which included the words, "Nothing less than a show of preponderant force will stop them"—Germany and Italy—he theoretically committed this country to the use of arms. For how else can we effectively show force than by the utilization of our war machine?

Does not Roosevelt realize the temper of the American people is for peace, and they will never approve going to war by fall. Why cannot the President set our minds at rest by proclaiming that he will not urge America to enter another European war.

The remarks of the man in the White House are disheartening to the American people who love peace.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on Wednesday next following the legislative program and any special orders heretofore made, my colleague the gentleman from Wisconsin [Mr. MURRAY] may be permitted to address the House for 20 minutes on the subject of the fur farmers of our country.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. MARTIN]?

There was no objection.

EXTENSION OF REMARKS

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a very fine and illuminating address made by the gentleman from Minnesota [Mr. H. CARL ANDERSEN] on the subject of cost of production, made last Friday over the Columbia network.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. ALEXANDER]?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein two radio speeches of mine, one on the subject of the foreign-born, and the other on the subject of our foreign policy.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CELLER]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. GREEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker, I have introduced a resolution to provide for the issuance of a Stephen Foster memorial postage stamp.

Criticism has recently been leveled at our laxity in according official recognition to America's men of letters, arts, and music. Such recognition usually takes the form of a special postage stamp issue, such as has from time to time been authorized to commemorate outstanding events in our national progress. More than one of our immortal statesmen, explorers, and men of action have decorated a stamp issue with their distinguished countenances—and rightly so. For stamps, though small in size, circulate far, wide, and often, bringing reminders of our great men into the humblest of homes. Indeed, were most of the Nation's leaders to have a choice, while still alive, of their final resting place, it is almost a certainty that they would choose a 1-, 2-, or 3-cent stamp. Greater honor can come to no man. Of course, a few personages have gotten their faces on our currency, but it is appropriate to print stamps in memory of character and achievements. However, the very abundance of stamps may have served to defeat their purpose—not, I hasten to add, as postal adjuncts, but as monuments to our illustrious public servants. Stamps have come to be taken for granted, and seldom get a second glance from buyer, seller, or receiver. Even the philatelists, or stamp collectors, value stamps more for errors in production than for the distinguished portraits on them. And yet no art gallery can be assembled finer than the etchings on our stamps.

With these prefatory remarks, I hope now to make clear the reason why as yet no stamp issue has been authorized in honor of an American composer, painter, or writer. Congressmen usually await the will of their constituents before proposing legislation for any special issues of stamps. Recently a group of citizens saw fit to make contacts for this worthy purpose. On January 18 of this year—1939—a movement was launched which may well end with a special stamp issue dear to the hearts of American music lovers.

On that January day Mr. Andre Kostelanetz, as the head of a committee of distinguished musicians, including Lawrence Tibbett, Deems Taylor, John Erskine, and others, wrote to me. In his letter he explained that I had been selected as the Kostelanetz committee's voice in Congress because the famed Suwannee River flows through the Florida district which I represent. Mr. Kostelanetz suggested that we join forces—his committee representing the musical phase, with myself representing the geographical and nautical interests—so that with our combined strength we might influence Congress or its delegated committee to authorize a special stamp issue honoring Stephen Foster.

As a result of our extensive correspondence, and because of my profound love for Stephen Foster's matchless songs, to say nothing of my eagerness to foster any movement that would redound to the glory of my native Florida, on January 23, 1939, I introduced House Joint Resolution 128, which was thereupon referred to the Committee on the Post Office and Post Roads, where it now rests. Incidentally, I want to take this opportunity to caution my fellow Floridian and House colleague, JOE HENDRICKS, who is a member of the stamp subcommittee, to keep his weather eye on the gentleman from Georgia, Mr. FRANK B. WHELCHEL, also a stamp subcommittee member. The fair State of Georgia has long laid claim to the Suwannee River and may take this opportunity to steal a march on Florida. But, then, I suppose that not even a gentleman from Georgia would flout the evidence of Bob Ripley, who once itemed that the Suwannee is primarily a Florida river; of the atlas, which proves Ripley to be correct; and of the Kostelanetz committee, which selected a Floridian to be its voice in Congress.

I would not have brought this matter into the open at this time, being content to let JOE HENDRICKS handle Florida's and Foster's interests, but for the fact that a certain group, headed by Mr. Jerry Livingston, a Broadway composer, is reported to have invaded Washington with the purpose of getting a stamp issued in honor of Reginald De Koven. Now, by my musical friends I am assured that the late Mr. De Koven was indeed a celebrated composer. More than that, he founded and directed the Washington Symphony Orchestra. So his position in American musical history is rightfully assured. However, when it comes to ranking in the hearts of the American people, I do not hesitate to believe that Mr. De Koven would himself grant first place to Stephen Foster, as would ninety-nine people out of a hundred.

It is true, as Mr. Livingston alleges, that De Koven was a strangely neglected composer, never attaining the popularity

of Victor Herbert and other contemporaries. However, from the days of the founding of our great Republic, I doubt if any man of genius endured more hardships, gained less reward, and was more thoroughly neglected than ill-starred Stephen Foster. His tragic life story is too well known to be repeated by me, but his songs are likewise too well known to be defended by me.

Among his other compositions, Mr. De Koven wrote the famed Oh, Promise Me, which at nuptial ceremonies ranks second only to the Wedding March. But, in all seriousness, I maintain that, if and when our Nation sees fit to issue a special stamp honoring composers, there is only one first logical candidate for that honor—Stephen Foster.

The fact that Andre Kostelanetz, usually identified with more complex music, and his committee associates, all of them opera and concert stars, are unanimous in espousing the right of Stephen Foster to have his likeness on a United States stamp—that fact is proof enough that the composer of Suwannee River is worthy of his high honor first.

I urge favorable consideration of my colleagues, and I trust you will join in for passage of House Joint Resolution 128, authorizing the issuance of a special stamp in honor of Stephen Foster.

No river in the world is possessed of greater majesty and beauty than the Suwannee River. Stephen Foster eloquently carried its virtues to the world, and now this stream, its beauty and tradition, are known world wide. In this accomplishment he did subsequent generations of all nations an outstanding service.

His accomplishments have not passed unnoticed by the Florida people. At this time the erection of a suitable memorial to Stephen Foster is being sponsored by the music clubs of Florida, and particularly by the Stephen Foster Music Club. Mrs. W. A. Saunders, of White Springs, is patriotically leading these clubs and other organizations in our State for the establishment of an appropriate memorial on the banks of the Suwannee River in Florida for this noted composer. She is ably assisted in this work by Mrs. Amy Cone Mathers, also of White Springs, Fla., and others. The project will involve local, State, and probably national scope during the process of its establishment.

The printing of the stamp as provided under House Joint Resolution 128 is in keeping with the wide and noble purposes of commemorating the achievements and deeds of Stephen Foster.

Mr. FISH. Mr. Speaker, I ask unanimous consent to address to House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, I commend President Roosevelt for his belated peace move, and hope that it will have some effect toward averting war in Europe. However, I do not believe, sponsored by the President, that it will amount to more than a sensational and dramatic gesture. I am afraid that the President's references to totalitarian states as vandal and gangster nations precludes any acceptance of peace overtures from him. If he had not engaged in name calling and hymns of hate, his plea to avert war would have stood a better chance of success.

For over a year President Roosevelt and his Cabinet have denounced Hitler and Mussolini in violent and provocative language. For the first time in our history our foreign policy has been based upon hatred, threats, and attacks on the forms of government and rulers of foreign nations. It is the most amazing departure from American traditions and has created war hysteria at home and hatred abroad.

I am convinced that if President Roosevelt had refrained from meddling in the European situation, by encouraging England and France to believe that we would fight their battles, they would have long ago reached an agreement by peaceful means to protect their own interests. [Applause.]

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein excerpts from an article by Roger Babson appearing in a morning paper.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement by the 21 railroad brotherhoods.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, the civilized world applauds and American public opinion unanimously approves President Roosevelt's dramatic plea for world peace. In Europe and Asia the fate of whole nations rests upon the whims of power-mad dictators, hate-inflamed apostles of war and destruction spilling the blood of millions in a crazed orgy of conquest.

Each hour holds the threat of war, starvation, and death. Were this Nation to remain indifferent now, future generations would condemn our abandonment of every principle of humanitarianism and democracy.

President Roosevelt has earned the plaudits of people everywhere. I am surprised that a Member of this House would rise to criticize him. It is to be expected that the Nazi and Fascist imitators in this country would rant against the President's message, but I never expected the gentleman from New York [Mr. FISH] to lend himself to their purposes. Let no one imagine I misinterpret his remarks. Knowing him as I do, I realize that they are words politically inspired, not indicating a sympathy with the policies of the dictators, but harmful, because they bespeak an opposition to the President's purpose which is almost entirely confined to the gentleman [Mr. FISH] himself.

President Roosevelt, avowedly determined to keep this Nation out of war unless our life is threatened, is realistic enough, unlike the gentleman from New York, to realize that only by lending the moral support of this country to that of other democracies can the integrity of nations and the peace of the world be preserved. Already we have seen treaties and pledges violated and the pleas of the heads of nations, statesmen, and high church dignitaries coldly ignored. Four nations have already been unwillingly conquered by sheer force. The ruthless march of the dictators, threatening to throw the world into barbarism and savagery, can only be halted by the restraining influence of nations such as ours, determined to have peace, and so notifying the world.

The gentleman from New York speaks for the Republican Party as a political unit grasping for issues, he speaks for some partisan newspapers, and he speaks for himself. He does not speak for the masses, Democrats or Republicans, and in the masses is the strength of our President. Well do they realize that the step he has taken is the highest promise for peace he could possibly give the American people. This extraordinary effort by the President to preserve peace should forever silence those who accuse him of heading the Nation toward war.

EXTENSION OF REMARKS

Mr. JONES of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by John Galvin before the meeting of Ohio businessmen in the Mayflower Hotel.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THE CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

AMENDMENT OF THE SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

The Clerk called the first bill on the Consent Calendar, H. R. 3800, to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. GILCHRIST. Reserving the right to object, Mr. Speaker, I hope the gentleman will not press that request, because we might as well kill this bill as have it go over again. May 1 is the time by which farmers throughout the Middle West must comply with this law, and if the bill goes over for another 2 weeks the bill is dead. You might just as well object to the consideration of the bill here and now and kill the bill.

I believe this bill is greatly misunderstood. It proposes simply to change the law so the small man, the tenant farmer and the sharecropper, can participate in these payments. If it goes over for 2 weeks, the bill is dead, that is all. I wish the gentleman would withdraw his request.

Mr. RANKIN. All the gentleman has to do is object to the request of the gentleman from Arkansas.

Mr. GILCHRIST. The bill ought not to be betrayed with a kiss here today by asking that it go over. If the gentleman wants to draw his stiletto and stab it to death, he can do it just as well this way as by objecting to it in its entirety.

The SPEAKER. Does the gentleman from Arkansas insist on his request?

Mr. GATHINGS. Mr. Speaker, I insist on my request.

Mr. AUGUST H. ANDRESEN. Reserving the right to object, Mr. Speaker, I do so for the purpose of asking the gentleman from Texas a question. Is it the purpose to bring up this measure at some time other than on Consent Calendar day if the bill is passed over at this time?

Mr. JONES of Texas. I had hoped that we might have an opportunity to do so. On the other hand, I had hoped that in order to have the measure passed in time for it to be effective this year there would be no objection to its consideration.

As the law stands at present, the only limitation that is placed on what anyone may draw in the way of benefit payments, under the Soil Conservation Act, is $10,000. It also makes no provision for handling the payments where a great group of tenants is involved. It is hoped that this measure, if passed, would protect the tenants.

Mr. AUGUST H. ANDRESEN. Let me say to the chairman of my committee——

Mr. JONES of Texas. We do not control the ownership of land in the Congress; that is a matter for the States. But under the terms of this bill there is an absolute limitation of $5,000 that any man may draw on a farm that he is operating himself, even though he owns a great tract of land. There is a further reduction of 25 percent on all he draws over $1,000. In order to protect the tenant, we have this provision in this bill, which I think is very desirable, that if a man owns a tract of land and is using tenants and he divides the payment with the tenants on the basis of the customary division of rents prevailing in the community, the amount the landowner draws in connection with that landlord and tenant relationship shall be exempted from the limitation.

I think this is wise, because otherwise I think a lot of tenants are going to be driven off the land.

Mr. AUGUST H. ANDRESEN. The objection to the consideration of the bill does not come from this side of the aisle today. Several Members here, including myself, have amendments to offer. I think it should be disposed of today, due to the lateness of the season, so that the farmers will know just what they may expect by way of benefit payments; but if gentlemen on the other side are——

Mr. JONES of Texas. The objections probably have come as much from the gentleman's side of the aisle as from this side heretofore, but I think in every instance it has been by those who did not fully understand the purport of the proposed legislation, and I hope the gentleman from Arkansas may be constrained to withdraw his objection to the bill. You know we have had a good many complaints that certain landlords have been disposed to do away with their tenants or to move them off of their lands in order to get the increased payments. I think there are a few human hogs that would take advantage of a Government program that is intended to give the farmer an equal chance in his Government by providing an offset to the tariff system in which he can have no part. I do not propose, so far as I am concerned, to have legislation that will tend to encourage those big producers to take an unfair advantage of the program and get more benefits than they are entitled to. This legislation would tend to protect the man who is farming in this country an average or a family-size farm. There may be a few instances where some man with a large tract of land will be put at a disadvantage, but they are so few and far between as to be negligible, whereas, if this bill is not passed, there are literally thousands of small-type farmers who will suffer by virtue of the failure of its passage. If a man wants to take that responsibility, that is his responsibility, but I want him to understand what he is doing.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Mr. Speaker, it takes just one objection to the gentleman's request and I demand the regular order. If the gentleman wants to object, he can do so. This is just a request that this bill be passed over without prejudice. If the gentleman from Minnesota wants to object, then the bill comes to the floor for consideration.

The SPEAKER. The gentleman from Mississippi demands the regular order. Is there objection to the request of the gentleman from Arkansas that the bill be passed over without prejudice?

Mr. CASE of South Dakota. Reserving the right to object, Mr. Speaker——

Mr. RANKIN. I have demanded the regular order, Mr. Speaker.

The SPEAKER. The regular order has been demanded. Is there objection to the request of the gentleman from Arkansas that the bill be passed over without prejudice?

There was no objection.

THE STABILIZATION FUND AND ALTERATION OF THE WEIGHT OF THE DOLLAR

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 165), which was referred to the House Calendar and ordered printed:

House Resolution 165

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 3325, a bill to extend the time within which the powers relating to the stabilization fund and alteration of the weight of the dollar may be exercised. That after general debate, which shall be confined to the bill and shall continue not to exceed 7 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Coinage, Weights, and Measures, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

CONSENT CALENDAR

The SPEAKER. The Clerk will call the next bill on the Consent Calendar.

CONSTRUCTION OF VESSELS FOR COAST AND GEODETIC SURVEY

The Clerk called the bill (H. R. 138) to authorize the construction of certain vessels for the Coast and Geodetic Survey, Department of Commerce, and for other purposes.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

PAYMENT OF BURIAL EXPENSES, NATIVE EMPLOYEES, SERVING ABROAD

The Clerk called the bill (S. 1523) to authorize the payment of burial expenses and expenses in connection with last illness and death of native employees who die while serving in offices abroad of executive departments of the United States Government.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. BLOOM. Mr. Speaker, I object.

The SPEAKER. Is there objection to the immediate consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938

The Clerk called the bill (H. R. 3955) to amend section 335 (d) of the Agricultural Adjustment Act of 1938.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 335 (d) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the words "one hundred" and inserting in lieu thereof the words "two hundred."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

REIMBURSABLE FEATURES OF ACT OF JUNE 16, 1933, RESPECTING INDIANS

The Clerk called the bill (H. R. 4679) to amend title II, section 208, of the act approved June 16, 1933 (48 Stat. 205–206), to authorize the Secretary of the Interior to adjust or cancel reimbursable features of said act insofar as they apply to Indians, and for other purposes.

The SPEAKER. Is there objection?

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

NAVY AND MARINE MEMORIAL

The Clerk called the bill (H. R. 3234) to provide for the completion of the Navy and Marine Memorial.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $189,634, of which not to exceed $9,850 for architectural fees and $44,384 to the sculptor for the design, professional services, disbursements, and material or so much thereof as may be necessary to be expended under the direction of the National Park Service for the completion of the Navy and Marine Memorial, in accordance with the official plans therefor as approved by the Fine Arts Commission, except that the contract proposal shall not exclude any suitable green granite or stone appropriate for that use, and the discharge of all outstanding obligations with respect to the Navy and Marine Memorial project, including the performance of all uncompleted contracts, except for material not yet furnished.

SEC. 2. All contracts shall be on condition that the work shall be completed within 1 year from the passage of the act.

SEC. 3. The National Parks Service is further authorized and directed to provide adequate drives, parking space, and landscaping to provide for the enjoyment of this memorial by its visitors.

With the following committee amendments:

Line 5, page 1, strike out the entire line beginning with "189,634."

Strike out line 6, page 1.

Line 7, page 1, strike out the words "services, disbursements, and materials."

Insert in lieu thereof the following words: "$100,000, said sum to be expended as follows: Not to exceed $5,000 for architectural fees and full satisfaction of all obligations in connection with the original contract between the Navy and Marine Memorial Association and the architect, and not more than $44,384 for the design, professional services, disbursements, materials, and in full satisfaction of all obligations in connection with the original contract between the Navy and Marine Memorial Association and the sculptor, and the remainder."

Line 1, page 2, strike out the words "and the."

Line 2, page 2, strike out the entire line.

Line 3, page 2, strike out the entire line.

Line 4, page 2, strike out the entire line.

Line 5, page 2, strike out the entire line and insert in lieu thereof the words "The National Park Service is authorized to modify the structural details, if necessary, without deviating from the design."

The committee amendments were agreed to; and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

NATURALIZATION OF ALIEN VETERANS, WORLD WAR

The Clerk called the bill (H. R. 805) to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes.

The SPEAKER. Is there objection?

Mr. GORE. Mr. Speaker, I object.

Mr. CELLER. Mr. Speaker, will the gentleman reserve his objection?

Mr. GORE. No.

AMENDING NATURALIZATION LAWS

The Clerk called the bill (H. R. 4100) to amend the naturalization laws in relation to an alien previously lawfully admitted into the United States for permanent residence and who is temporarily absent from the United States solely in his or her capacity as a regularly ordained clergyman or representative of a recognized religious denomination or organization existing in the United States.

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

PUBLIC SCHOOL AT WOLF POINT, MONT.

The Clerk called the next bill, S. 961, for expenditure of funds for cooperation with the public-school board at Wolf Point, Mont., for completing the construction, extension, equipment, and improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That here is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $50,000 for the purpose of cooperating with the public-school board of district No. 45, town of Wolf Point, County of Roosevelt, Mont., for completing the construction, extension, equipment, and improvement of the public high-school building at Wolf Point, Mont.: *Provided*, That the expenditure of any money so authorized shall be subject to the express conditions that the school maintained by the said district in the said building shall be available to all Indian children of the Fort Peck Indian Reservation, Mont., on the same terms, except as to payment of tuition, as other children of said school district: *Provided further*, That plans and specifications for construction, extension, or improvement of structures shall be furnished by local or State authorities without cost to the United States, and upon approval thereof by the Commissioner of Indian Affairs actual work shall proceed under the direction of such local or State officials. Payment for work in place shall be made monthly on vouchers properly certified by local officials of the Indian Service: *Provided further*, That any amount expended on any project hereunder shall be recouped by the United States within a period of 30 years, commencing with the date of occupancy of the project, through reducing the annual Federal tuition payments for the education of Indian pupils enrolled in public or high schools of the district involved, or by the acceptance of Indian pupils in such schools without cost to the United States; and in computing the amount of recoupment for each project interest at 3 percent per annum shall be included on unrecouped balances.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRANTING PENSIONS AND INCREASE OF PENSIONS TO CERTAIN SOLDIERS AND SAILORS

The Clerk called the next bill, H. R. 2301, to amend section 2 of the act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the War with Spain, the Philippine Insurrection, or the China Relief Expedition, to certain maimed soldiers, to certain widows, minor children, and helpless children of such soldiers and sailors, and for other purposes," approved May 1, 1926.

The SPEAKER. Is there objection?

Mr. COSTELLO. Mr. Speaker, reserving the right to object, the present bill before the House proposes to advance the marriage date for veterans of the Spanish-American War from September 1, 1922, down to May 1, 1926. It means that any Spanish-American War veteran who married at any time within 38 years after the war had terminated, his widow will then be entitled to receive compensation. I think this is one of the bad features of some of the veterans' legislation that has been passed by the Congress, in that we frequently allow the marriage date to be changed, and as a result we find that a hundred years after the war has been terminated there are widows of veterans still receiving pensions arising out of service in the war.

As a result of the Revolutionary War, fought from 1776 to 1783, it was my understanding that the last widow died in 1906. In the War of 1812, which ended in 1814, the last soldier died in 1905. There is one beneficiary who is still drawing a pension. I believe the last widow died in November of last year, more than 125 years after the war was over.

From the Indian wars, from 1890 to 1898, there are 2,114 living veterans and 4,663 dependents. In the War with Mexico, 1846 to 1848, there are no living veterans, but there are 195 dependents still on the pension rolls. With the Civil War, fought from 1861 to 1865, we still have 5,048 veterans and we have 64,507 widows, largely because we extended the marriage date of the Civil War veterans down to a period 40 years after the termination of that war.

It is my thought that the marriage date should not be extended. The passage of this legislation means that approximately 2,000 women who married veterans between the years 1922 and 1938 would be entitled to recover compensation. In other words, they married veterans 20 years after the war was over. If he suffered any disability they certainly must have been aware of that disability at the time of marriage. Already 2,000 of them have become widows. In other words, they were married to the veteran 20 years after the war and lived with him less than a period of 15 years and will become permanently attached to the pension rolls under this legislation. I think it is a dangerous precedent. I think the Congress should leave the date in 1922, where it now is, and not establish the precedent to be followed by veterans of the World War. While there are not a large number of veterans of the Spanish-American War, you must remember that in the World War we have over 4,000,000 veterans. If you extend the marriage date for World War veterans over 40 years or more you will be paying for the results of the war not only in 2050, but perhaps 2090. I think it is legislation such as this that does greatest harm to those veterans who are deserving and who are entitled to compensation.

Mr. SMITH of Washington. Mr. Speaker, will the gentleman yield?

Mr. COSTELLO. I yield.

Mr. SMITH of Washington. The precedent of which the gentleman from California complains has already long since been established in the case of widows of veterans of the Civil War. We have established that precedent in legislation which the Congress has enacted and which is now upon the statute books. This bill, which is very simple and highly meritorious, merely accords to the widows of veterans of the Spanish-American War the same rights and benefits enjoyed by widows of veterans of the Civil War, a precedent which has been recognized by the Congress for many years. The cost of the bill would be comparatively small. The United Spanish War veterans estimate that it could not possibly affect more than 3,500 persons, and would cause an additional cost of $1,000,000. The cost for the first year would probably be much less than $739,000, the estimate of the Veterans' Administration. We purposely fixed the date at January 1, 1938, which is 40 years from the end of the Spanish-American War, the same period as that of the widows of the veterans of the Civil War, so that there would be no inducement or incentive for women to now marry veterans of the Spanish-American War in order to secure those benefits which the gentleman from California seems to fear, which I do not.

The pension to the widow only amounts to $30 per month, which is certainly small enough. These veterans of the Spanish-American War are as much entitled to the companionship and help of a wife as are the veterans of the Civil War at the same period of their lives, and the argument of the gentleman that the veterans of the World War are going to come along and ask for the same relief does not impress me one bit. If it was right and just in the case of the Civil War veterans, it is equally so in the case of the Spanish-American War veterans, and we will take care of the widows of the World War veterans at the proper time. Why must economy always be practiced at the expense of the veterans of our wars and their dependents? When President Roosevelt signed the act in 1935 restoring the pensions to the veterans of the Spanish-American War he reiterated in a statement issued by him at the time the principle and precedent that the Spanish War veterans were to be accorded the same rights and benefits as the veterans of the Civil War. That is all that we are providing in this legislation so far as the widows are concerned and the cost is comparatively small for the good that would be accomplished.

Mr. COSTELLO. So far as the cost is concerned, the gentleman is correct. The first year is estimated at $379,000. The peak of the cost, however, is estimated at approximately $3,000,000. How long it will be before we reach that peak I do not know. I will state to the gentleman that while we have the precedent of the Civil War to rely upon in passing this legislation, we are merely establishing a second precedent so that veterans of the World War will make exactly the same claim. You will make it impossible to break such a precedent. Personally, I do not believe that a woman who marries a veteran 30 or 40 years after the termination of the war is entitled to receive pension benefits. If the veteran whom she marries is suffering a disability, she knows that at the time of marriage and she should get married subject to those conditions and not with the anticipation that she would be entitled to receive compensation for the rest of her days. It is with that thought in mind that I am making these remarks at this time, that unless this precedent of the Civil War is broken, it will be impossible to break the precedent in the future. It becomes more permanently established.

Mr. SMITH of Washington. The gentleman realizes, does he not, that he is advocating a discrimination against veterans of the Spanish-American War?

Mr. COSTELLO. I am advocating a change in not following the precedent that was established for Civil War veterans.

Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. SMITH of Washington. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COSTELLO, Mr. LEWIS of Colorado, and Mr. LORD objected.

The SPEAKER.. Three objections are heard, and the bill is stricken from the calendar.

LOUISIANA-VICKSBURG BRIDGE COMMISSION

The Clerk called the next bill, H. R. 3224, creating the Louisiana-Vicksburg Bridge Commission; defining the authority, power, and duties of said Commission; and authorizing said Commission and its successors and assigns to purchase, maintain, and operate a bridge across the Mississippi River at or near Delta Point, La., and Vicksburg, Miss.

Mr. MILLS of Louisiana. Mr. Speaker, inasmuch as efforts are being made to work out certain amendments to the bill which will remove present objections to the bill, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

SPANISH WAR VETERANS

The Clerk called the next bill, H. R. 2320, to provide domiciliary care, medical and hospital treatment, and burial benefits to certain veterans of the Spanish-American War, the Philippine Insurrection, and the Boxer Rebellion.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in addition to persons entitled to domiciliary care, medical and hospital treatment, and burial benefits under the provisions of sections 6 and 17, Public Law, No. 2, Seventy-third Congress, as amended (U. S. C., title 38, secs. 706 and 717) and regulations issued pursuant thereto, as amended, those persons recognized as veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, under public laws in effect on March 19, 1933, are hereby included within the provisions of the aforesaid section 6, as amended, and the second proviso of the aforesaid section 17, and regulations issued pursuant thereto, as amended, in the same manner and to the same extent as the provisions are now or may hereafter be applied to veterans of any war as specified therein.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BENEFITS TO WORLD WAR VETERANS

The Clerk called the next bill, H. R. 2296, to restore certain benefits to World War veterans suffering with paralysis, paresis, or blindness, or who are helpless or bedridden, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That on and after the date of enactment of this act any World War veterans suffering from paralysis, paresis, or blindness, or who is helpless or bedridden, as the result of any disability, may be awarded compensation under the laws and interpretations governing this class of cases prior to the enactment of Public Law No. 2, Seventy-third Congress, March 20, 1933, subject, however, to the limitations, except as to misconduct or willful misconduct, contained in sections 27 and 28 of Public Law No. 141, Seventy-third Congress, March 28, 1934: *Provided*, That the language herein contained shall not be construed to reduce or discontinue compensation authorized under the provisions of section 26 of Public Law No. 141, Seventy-third Congress: *Provided further*, That where a World War veteran dies or has died from disease or injury, and service connection for such disease or injury is established under the provisions of this act, the surviving widow, child, or children, and/or dependent parents shall be entitled to receive compensation at the rates prescribed in Veterans Regulation No. 1 (a), part I, paragraph IV, and amendments thereto: *Provided further*, That for the purposes of awarding compensation under this act, service connection of disability may be determined or redetermined in any cases where claim has been or is filed by the veteran, widow, child, or children, and/or dependent parent or parents.

SEC. 2. In the administration of the laws granting benefits for service-connected disabilities or deaths, any increase of disability during World War service shall be deemed aggravation in the application of the rules, regulations, and interpretations of the Veterans' Administration.

SEC. 3. Payments under the provisions of this act shall be effective the date of enactment of this act or the date of filing claim therefor, whichever is the later.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 2, line 18, strike out all of section 2.

Mr. COSTELLO. Mr. Speaker, section 2 of the bill reads as follows:

In the administration of the laws granting benefits for service-connected disabilities or deaths, any increase of disability during World War service shall be deemed aggravation in the application of the rules, regulations, and interpretations of the Veterans' Administration.

I propose to strike out this section because it states that any increase of disability, regardless of whether the increase of disability was caused by reason of service or not, shall be deemed an aggravation in applying the rules of the Veterans' Administration. I think this is not sound legislation. It seems to me that if there be an increase of any disability a veteran may have because of a disability sustained prior to service, that increase should not be related to his service, it should not be deemed due to his service and should not automatically be considered an aggravation because of service. I have, therefore, offered this amendment to strike this section from the bill.

The probable cost of this legislation has not been estimated because of the difficulty of making such an estimate, but I feel that this particular section should be stricken from the bill. I am not opposing the entire bill, but only this one section which makes the normal increase of a disability become a matter of statutory aggravation which the Veterans' Administration must recognize. There is no obligation on the part of the veteran to prove that the increase in disability was due to his service; on the contrary any increase in disability becomes by law an increase in disability due to service. How we can justify such a provision in this bill is inconceivable, and I therefore am opposed to this section and urge that it be stricken from the bill.

LET HIM THAT IS WITHOUT GUILT CAST THE FIRST STONE

Mr. RANKIN. Mr. Speaker, I rise in opposition to the amendment offered by the gentleman from California [Mr. COSTELLO].

Mr. Speaker, of all the cruel and inhuman laws that have ever been passed by the Congress of the United States one of the most cruel was the one which singled out World War veterans for punishment because of alleged social misconduct, denied them compensation for 20 years, held them up to public scorn and ridicule, and visited that punishment upon their wives and children.

Large numbers of these veterans were the best soldiers that ever followed a flag, men who went over the top, if you please; men who bared their breasts to the enemies' bayonets, men who asked for no quarter, men who responded to their country's call when they had no voice in the declaration of war; yet because some medical officer or research worker found that in the veteran's blood was evidence, to him, of former misconduct on the part of the veteran, he has been denied compensation, held up to scorn, and contempt and disgrace; and that disgrace has been visited upon his wife and his children to the third and fourth generation.

For years I have been trying to get this misconduct provision stricken out, and I expect to continue my effort as long as I am a Member of this House, and especially as long as I am charged with the responsibilities with which I am now charged, as chairman of the Committee on World War Veterans' Legislation.

Let us see what effect this amendment would have on these men who went to the war and in the course of that strenuous drilling, in the course of the endurance of all those shots or innoculations they gave the veterans, in the course of bayonet practice, in the course of gun-squad drill, in the course of mounted drill, if you please, by men who had never had their hands on a horse before, in the course of their services on the front standing in muddy trenches, going over the top in the face of blinding fire or standing the shock of shells bursting on every hand. If in the course of that strenuous service they broke down, or came back and found themselves unable to carry on, and some doctor in the Veterans' Administration, or elsewhere, found in his blood evidence of social misconduct somewhere, or something that probably could not be accounted for otherwise, they deny him compensation, and would let him go to the poorhouse, even though he may have a perfect war record and been cited for bravery in the face of the enemy. They not only hold him up to scorn, ridicule, and contempt, and besmirch him for life, but, as I said, they visit that punishment upon his wife and his children, even upon his children's children.

The rest of you can do as you please, but I hope you will vote this amendment down. Many of these men are now blind, many of them are paralyzed and utterly unable to care for themselves.

I certainly hope all who vote for this amendment will put yourselves in the position suggested by the Saviour when He said, "Let him that is without guilt cast the first stone."

Mr. Speaker, I hope the amendment offered by the gentleman from California will be defeated. [Applause.]

Mr. VAN ZANDT. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the legislation we are now considering very vitally concerns approximately 1,200 veterans of the World War and their dependents. Many of you are familiar with the fact that it was my good privilege to head one of America's great veteran organizations for 3 years, and as a result of that service to my comrades, daily I am in receipt of communications asking why the veteran of the World War is faced with the misconduct clause in existing World War veterans' legislation. Then we receive letters from the wife of the veteran, the children of the veteran, as well as relatives of the veteran, asking why, though he, the veteran, may be disabled from a service-connected disability, is not receiving the benefits similar to other veterans of the World War who suffer from identical service-connected disabilities.

The Veterans' Administration cannot tell the wife, the children, the father, or the mother of the veteran why he is not entitled to these benefits, nor can we who speak for the veteran tell him; but oftentimes the wife, the children, the father, and the mother of the veteran receives in a roundabout way information that the veteran is not entitled to benefits simply by reason of a misconduct. As the chairman of the Committee on World War Veterans mentioned a moment ago, the veterans were taken to France, were placed in camps, away from their mothers and fathers and wives; were subjected to various conditions, and now even though they served their country honorably in time of war, even though a machine-gun bullet drilled their bodies, shrapnel mangled their bodies, and even though they inhalted poison gas, by reason of this misconduct clause they are denied benefits.

Mr. Speaker, I appeal to the Members of this House in the name of the veterans of the World War and the organized veterans to join the veterans in voting down this amendment and support the bill without the amendment.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. As a member of the Pensions Committee for many years, I became convinced it was costing the Government more in investigations to deny this particular class of pensioners their benefits than the Government saved. I am for this bill.

Mr. VAN ZANDT. I thank the gentleman for his contribution.

[Here the gavel fell.]

Mr. BULWINKLE. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, when the Veterans' Committee was established in the House of Representatives, we found on investigation that there were any number of cases of men suffering from the so-called social diseases who had paresis, blindness, insanity, and other disabilities incident thereto.

We remembered that when we went into the war any number of young men were taken from their homes. They were told to "do as you please, provided you go to a prophylactic station." Some of these diseases may have been due to their own misconduct. Part was due to the fact that in some instances prophylactic stations were not provided for. I believe in at least three-fourths of the cases through no misconduct of their own this disease was brought upon them. It is one of the most pitiful things we have to contend with to see these men in the hospitals, to see these men suffering from the diseases mentioned, the great majority of them not through any misconduct of their own but from the mere fact that possibly they may have been caused by an innocent contact or by heredity.

This is a harsh and cruel law. In 1924 we provided under an act that they should receive compensation as well as hospitalization. Later on under the Economy Act that law was repealed. I am firmly of the opinion that the Congress of the United States should reenact this bill which comes from the Committee on World War Veterans in order to do justice to these men.

Mr. RANKIN. Will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Mississippi.

Mr. RANKIN. I realize that no man in the House is better qualified to speak for World War veterans than is the gentleman from North Carolina [Mr. BULWINKLE]. No man in this House has a better war record than he has, no man in this House saw more service, and no man has been more diligent in looking after the World War veterans. May I ask the gentleman from North Carolina [Mr. BULWINKLE] if it is not his opinion that a large number, if not a vast majority, of these men who have been thus penalized have not been guilty of the misconduct charged to them?

Mr. BULWINKLE. The gentleman is absolutely right; a very large number from our investigation. I am therefore asking that the amendment offered by the gentleman from California be voted down.

[Here the gavel fell.]

The SPEAKER. The question is on the amendment offered by the gentleman from California [Mr. COSTELLO].

The amendment was rejected.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. FOLGER. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein a statement from the Honorable Frank W. Hancock.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

THE CONSENT CALENDAR

ADJUSTMENT OF RAILROAD OBLIGATIONS

The Clerk called the next bill on the Consent Calendar, H. R. 5407, to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Reserving the right to object, Mr. Speaker, I should like to ask a question of the gentleman from Tennessee [Mr. CHANDLER]. On page 9, line 4, of this bill, there is a provision that for the ratification of the plan there is needed the consent of creditors holding only three-fifths of the aggregate amount of the claims of each affected class. This means that the holders of 40 percent of the bonds under one mortgage may be bound by the action of holders of the other 60 percent. I know the gentleman from Tennessee has taken great pains to draw up a bill which would be fair to all, but I wonder if the gentleman believes this provision of the bill fully safeguards the widows and orphans and other unorganized small minority holders?

Mr. CHANDLER. Mr. Speaker, I am pleased that the gentleman from New Jersey has asked that question, because it relates to one of the important provisions in the pending bill, and I am glad to have an opportunity to answer the question.

The proviso referred to by the gentleman from New Jersey relates to the final confirmation of the plan of adjustment. It is part of the requirement that creditors holding at least 75 percent of the aggregate amount of claims held by all classes of creditors shall assent to the plan of adjustment, and that creditors holding at least 60 percent of all of any one class of obligations shall assent. This means that there must be affirmative vote by at least 60 percent of that class in whom the gentleman from New Jersey is particularly interested; that is, the individual investors, the widows, orphans, and those who are generally not advised about these matters. This provision does not mean that only 60 percent of this class are in agreement or are willing to assent to this plan, but simply means that there must be affirmative action by at least 60 percent. Naturally, in order for 75 percent of the aggregate of all classes to assent, there will be a larger percentage than 75 percent of

some of the classes, and for the protection of some of the smaller classes the 60-percent minimum has been provided.

Under the present law, section 77, such a high percentage is not required; as a matter of fact, the assent of only 66⅔ percent of those who vote on a plan is required. Obviously, under section 77, there can be a minority reorganization, whereas under this bill there can be no such thing. For the plan to be confirmed it must be almost unanimous, as a practical matter.

The actual agreement of at least 75 percent of all classes and 60 percent of each class indicates that there is no real opposition to the plan of adjustment. For example, assuming that 40 percent of any class of security holders do not vote on a proposed plan of adjustment, that by no means indicates that they oppose the plan. They may favor the plan, as for instance, fiduciaries, such as guardians, executors, administrators, and trustees who are unwilling to assume responsibility or who think they have no legal power to assent. There are many people who keep their securities in the names of nominees and collect their coupons through banks or brokers and with whom the railroad is in no direct communication. Many security holders show indifference to their investment affairs or procrastinate about making up their minds. Ordinarily those people would vote in favor of any reasonable plan rather than oppose it.

There are also foreign investors scattered all over the globe, persons who are traveling, or who are ill and incapable of assenting. Astonishingly, there are many security holders who cannot be located, and I have been informed reliably that where valuable rights are offered to stockholders of corporations, for illustration, from 4 to 8 percent of those rights are not taken up by the beneficiaries.

On the other hand, there are some who definitely will not act or who oppose the plan either on account of its terms or their personal circumstances. To these and all others, full opportunity is given to be heard, both before the Interstate Commerce Commission and by the three-judge court. Any one person who may feel himself affected by the proposed plan can have his day in court.

The most troublesome group are those not of investor types but who frequently acquire securities at low prices and institute legal proceedings to enforce full payment. Recognizing that the majority have assented or will assent to the plan and in the hope that the railroad wants to avoid receivership, they take full advantage of the situation. The actual number of these people is relatively small, but their influence is large. Many investors favor a plan but do not wish to be imposed upon and refrain from signing an assent for fear of preferential treatment to such a minority.

It should be mentioned that under section 77, although the requisite number of assents to a plan of reorganization may not be obtained, the court, nevertheless, can confirm a plan if the judge is satisfied that it is fair and equitable. No such minority confirmation is possible under the bill now before us, and I have no hesitancy in saying that this bill contains the highest protective provisions ever placed in a bankruptcy act.

It should be said that only two material objections were made to the bill in committee, and one of them was that the percentages required for confirmation of a plan of adjustment are too high. Hon. Jesse Jones, Chairman of the Reconstruction Finance Corporation, wrote the committee that he thought that "where as many as two-thirds of all security holders and a majority of each class agree upon a modification or rearrangement of the capital structure of a railroad there should be a legal way of making it effective." However, the committee decided that if error was inevitable they would prefer to err on the side of conservatism, and the higher percentages were adopted after thorough consideration.

Mr. Speaker, I shall be pleased to explain any other phases of the bill, if I can.

Mr. HOBBS. Reserving the right to object, Mr. Speaker, is there not a class including a great many persons who hold securities as trustees and who, in order to consent, would have to petition a court? Therefore, the time element involved would tend to prevent such persons from voting in the affirmative.

Mr. CHANDLER. Yes; there are security holders who fall in that category, and the court proceeding under this bill must be completed within 1 year after it is started, unless good cause is shown justifying a brief extension of time.

Mr. LEWIS of Colorado. Reserving the right to object, Mr. Speaker, although, unfortunately, I am not very familiar with this bill, my understanding of the gentleman's statement before the Rules Committee is that if a railroad is already in a section 77 proceeding it is not possible to work out a composition unless the section 77 proceeding is dismissed.

Mr. CHANDLER. The gentleman from Colorado is correct, and there are very practical reasons for that.

In section 77 proceedings the railroad is placed in the hands of trustees who take over management, control, and operation of the properties. Counsel are engaged, and the railroad undergoes thorough overhauling from the ground up. Under this bill the railroad continues to operate under its own management as usual. No trustees, attorneys, and so forth, are required, and there is no disturbance of employee relationships, or the operation of the railroad by cutting off trains, and so forth. Section 77 proceedings can be involuntary, but proceedings under this bill are voluntary only. Under section 77 payments stop on preexisting obligations of the railroad, and bondholders get no interest. Under this bill taxes, operating expenses, wages, employment contracts, equipment trust certificates, unliquidated claims, and other similar obligations are not affected, and during the pendency of the proceeding, the petitioning railroad must continue to make payments to all creditors affected by the plan of obligations currently payable and equal to the amounts proposed to be paid under the plan, thereby preventing the discontinuance of interest payment, and so forth, as would be the case if the petition were filed in accordance with section 77, or in equity.

Under section 77 the plan of reorganization is worked out after the railroad is in court, and there are many hearings by the Federal courts and also by the Interstate Commerce Commission. In the pending bill the plan is prepared by the railroad and submitted to creditors and stockholders before any proceedings whatever are started, and if the holders of 25 percent of the claims affected by the plan indicate a willingness to go along, the railroad then submits the proposed plan to the Interstate Commerce Commission for careful study in accordance with section 20 (a) of the Interstate Commerce Act. There are other differences which might be mentioned if I had time. Suffice it to say that under the pending bill the procedure is direct and simple, whereas under section 77 it is complicated and sometimes interminable, and I am sure that the gentleman from Colorado will see readily how difficult it would be to merge a section 77 proceeding with a proceeding under the pending bill.

Mr. LEWIS of Colorado. I can see the difficulty. Nevertheless, the procedure proposed under the pending bill has been received in general with great approval. The difficulty is that you might dismiss the proceeding under section 77 without any assurance that you could work out a composition plan under the provisions of the pending bill.

Mr. CHANDLER. But the beginning of a proceeding under this bill is entirely out of court. If the security holders desire at any time to prepare a plan with the assistance of the railroad itself they can do so, and if they get the requisite number of security holders to assent to such a proceeding, they should be able to dismiss the section 77 case, and complete the reorganization under the new statute. However, they cannot carry through this proceeding with a section 77 proceeding still pending.

Mr. LEWIS of Colorado. It would be possible, however, to initiate such a proceeding under the pending bill even though the proceedings under section 77 were still pending?

Mr. CHANDLER. Yes; it is possible to initiate such a proceeding because it is initiated out of court.

Mr. MICHENER. Reserving the right to object, Mr. Speaker, as a matter of fact, hearings were held on this bill and extensive publicity was given to them. Everyone appearing—and many did appear—was for the bill. Organized railroad labor is for it, the owners are for it, the insurance company investors are for it, and the savings-bank investors are for it. All those interested appearing favored the bill, and the committee gave very careful consideration to the whole matter. Is not that correct?

Mr. CHANDLER. That is correct; and the gentleman from Michigan [Mr. MICHENER] took an especially valuable part, may I say in justice to him, in the work on this bill, and has been of great assistance to the Subcommittee on Bankruptcy and Reorganization.

Mr. HOBBS. Mr. Speaker, will the gentleman yield?

Mr. CHANDLER. I yield to my colleague on the committee from Alabama.

Mr. HOBBS. Is it not also a fact, in answer to the question of the gentleman from Colorado [Mr. LEWIS], that the railroads that are in process of reorganization under 77 are for the most part so much more involved financially than that class of railroads that this legislation is aimed to benefit that they would probably not be interested in this plan at all?

Mr. CHANDLER. Yes; the gentleman is correct; and may I say that this legislation will be of great benefit to railroads which have not reached the status where they must apply for relief under section 77.

Mr. LEWIS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. CHANDLER. I yield to the gentleman from Colorado.

Mr. LEWIS of Colorado. By my interrogatories of the gentleman I did not wish in any way to criticize but to praise this bill. However, some question has been raised by those interested and who have found so much merit in the pend'ng bill that they are wondering if they might not avail themselves of its provisions, even though they are already, as they express it, "enmeshed in 77."

Mr. CHANDLER. I think it may be possible and quite probable that many railroads now in court in one way or another may be able to work out their problems and then seek relief under this bill if enacted into law. I have the feeling that this bill's usefulness will expand with experience under it.

Mr. McLAUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. CHANDLER. I yield to the gentleman from Nebraska, a member of the committee.

Mr. McLAUGHLIN. Is it not a fact that this bill provides for voluntary reorganization on the part of railroads which are not hopelessly insolvent with a minimum of court procedure?

Mr. CHANDLER. Right.

Mr. McLAUGHLIN. And referring to the question of the gentleman from New Jersey [Mr. KEAN], is it not true that this bill provides for and requires a greater acquiescence on the part of security holders than is required under section 77, the present law?

Mr. CHANDLER. Correct.

Mr. McLAUGHLIN. And to that extent further protects the security holders?

Mr. CHANDLER. That is entirely true.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. CHANDLER. I yield to the gentleman from Montana.

Mr. O'CONNOR. I want to say to the gentleman that I have received great support for his bill and I favor the legislation, but am wondering how, if at all, stockholders will be affected by this procedure.

Mr. CHANDLER. Stockholders, I think, will gain a distinct advantage in that they will have their investment salvaged, as it were, by working out this proceeding, which will be for their benefit along with the benefit of security holders of the various classes.

Mr. O'CONNOR. In other words, this bill will not only be beneficial to the railroads but to the stockholders as well, and also to the creditors.

Mr. CHANDLER. Yes; and particularly to the people who work for the railroads.

Mr. O'CONNOR. And to the public generally.

Mr. CHANDLER. It will not interfere with the employee relationships and the contracts with the employees of the railroads, or interfere with the payment of taxes and running expenses in the operation of the railroads.

Mr. FLANNERY. Mr. Speaker, will the gentleman yield?

Mr. CHANDLER. I yield to the gentleman from Pennsylvania.

Mr. FLANNERY. Is it not a fact that every party who might have an interest, direct or indirect, has approved of this legislation?

Mr. CHANDLER. Yes; it has the approval of every interest.

Mr. McLAUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. CHANDLER. I yield to the gentleman.

Mr. McLAUGHLIN. In connection with the question of the gentleman from Pennsylvania, will the gentleman permit me to call attention to the last paragraph of the report which was drawn by the distinguished gentleman from Tennessee and which reads as follows:

> The proposed legislation has the endorsement and approval of railroad owners, railroad employee organizations, railroad managements, investors, newspapers, public officials, and, it is believed, has the sanction of the public generally.

This correctly states the situation, does it not?

Mr. CHANDLER. Yes; it does.

Now, Mr. Speaker, I would like to call to your mind the fact that it was you who first suggested the working out of this bill. You will remember that following receipt of the President's message last year urging Congress to take necessary steps for the immediate relief of railroads you invited to your office the chairman of the Committee on the Judiciary, the distinguished gentleman from Texas [Mr. SUMNERS], whom we all love and admire, and invited me with him, and you asked the Committee on the Judiciary to begin the study of this question.

We have not undertaken to decide here all of the problems of the railroads. In fact that is not possible in any single statute, but the Committee on the Judiciary has tried to provide a bill whose purpose is to enable railroads which are fundamentally sound as transportation systems but which are handicapped financially by maturing obligations or unnecessarily heavy capital structures, to enter into agreement with their creditors and security holders for the postponement or modification of obligations, and submit such agreements to the Interstate Commerce Commission and then to courts of bankruptcy for hearing and appropriate action by which such agreements are made effective without impairing the normal operations, employee relations, and the permanent stability of the railroads.

Generally speaking, American railroads may be divided into three groups:

First. Those clearly solvent and in position to operate successfully.

Second. Those insolvent and needing complete reorganization as provided by section 77 of the Bankruptcy Act.

Third. Those in temporary financial difficulties and requiring temporary relief but not so involved as to require thorough overhauling of their capital structures.

This bill, if enacted, will make available to the railroads in the third group, and to their subsidiaries and lessor corporations, the bankruptcy power contained in article I, chapter 8, clause 1, of the Constitution of the United States, which permits Congress to establish uniform laws on the subject of bankruptcies.

Stated briefly, any railroad desiring to effect an adjustment of certain of its obligations, as well as the modification or postponement of its securities or its capital structures, prepares a proposed plan of adjustment and secures assurances of acceptance of the plan from creditors and security holders having at least 25 percent of the claims affected thereby. Whenever the minimum of 25 percent of the aggregate amount of the claims affected by the proposed plan of adjustment give such assurance, the railroad is authorized to submit the proposed plan to the Interstate Commerce Commission

for examination in accordance with the requirements of section 20a of the Interstate Commerce Act. Should all of the requirements of said section 20a be met, the Commission is authorized to issue an order approving the issuance or modification of the securities involved in the plan.

Among the salient provisions of section 20a on which the Interstate Commerce Commission is required to make findings prior to the issuance of the order referred to are:

Such proposed issuance or modification of securities is in the public interest, is consistent with the continuance by the railroad corporation of service to the public as a common carrier, and will not impair its ability to perform such service.

Thereafter the railroad desiring to effect such proposed plan shall obtain assents thereto by its creditors holding "more than two-thirds of the aggregate amount of the claims affected by said plan, which two-thirds shall include at least a majority of the aggregate amount of the claims of each affected class." When such assents are secured, the railroad may file a petition in the United States district court having jurisdiction as provided in the bill, and a special court of three judges is convened to conduct the proceedings relative to such plan, hold hearings, and exercise jurisdiction over the petitioning railroad and its property, although the court does not appoint a receiver or trustee or undertake to control the operation of the carrier.

If the three-judge court, after hearings, be satisfied that the proposed plan of adjustment has been assented to by the requisite percentages aforesaid, and "that the plan is fair and equitable, is in the public interest, affords due recognition to the rights of each class of creditors and stockholders, does not discriminate unfairly in favor of any class of creditors or stockholders, and will conform to the requirements of the law of the land regarding the participation of the various classes of creditors and stockholders," the court shall file an opinion setting forth its conclusions and the reasons therefor and shall enter a decree approving and confirming such plan, provided the plan, as submitted to or as modified by the court, has been accepted by creditors holding more than three-fourths of the aggregate amount of the claims affected by the plan, including at least three-fifths of the aggregate amount of the claims of each affected class.

Upon confirmation of the plan, the decree of the three-judge court is binding on the petitioner and on all the creditors and security holders of the railroad. While the effect of the decree of the court is to establish the plan of adjustment over the possible objection of a dissenting minority of less than 25 percent of all of the creditors and security holders affected thereby, care has been taken that the rights of minority interests shall be properly safeguarded and that due process of law shall be exercised.

The Interstate Commerce Commission is given a maximum of 120 days within which to discharge fully its responsibilities as set forth in section 20a of the Interstate Commerce Act, and the public interest in the proceeding is protected by the finding of the Commission, after hearing, that the issuance or modification of securities as proposed conforms to section 20a. The private rights of creditors and stockholders are protected in the proceedings conducted by the three-judge court, and by its findings as required by section 725 of the bill. Moreover, the plan of adjustment approved by the three-judge court may contain appropriate provisions for the safeguarding of the interests of creditors and others affected by the plan "in all matters of the petitioner's financial policy and operation."

Prompt review of the decision of the three-judge court is authorized by certiorari to the United States Supreme Court.

Mr. Speaker, one further point should be mentioned. This legislation expires in 5 years, and is designed to help meet what we all hope is a temporary condition of hard times for the railroads. The Committee on the Judiciary thought that legislation of a permanent character might have some unfavorable effect on railroad credit, and many of us believe that economic conditions furnish the principal obstacle to railroad reorganization. However, if the time of the law should be extended, that can be done in the light of the experience which will develop within 5 years.

As the gentleman from Maryland [Mr. COLE] wrote me recently about the bill:

Designed, as it is, to facilitate voluntary adjustments between railroad companies and a substantial majority of the holders of their securities with the possible avoidance of long and expensive bankruptcies and the shock to our general business and economic situation of having a number of additional large systems forced into bankruptcy, there would appear no ground for opposition.

The committee has had fine cooperation from all interested parties, and we hope that there will be no objection to the passage of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States," as amended, is hereby further amended by adding thereto a new chapter, to be designated chapter XV, and to read as follows:

"CHAPTER XV—RAILROAD ADJUSTMENTS

"ARTICLE I—JURISDICTION

"SEC. 700. In addition to the jurisdiction otherwise exercised, courts of bankruptcy shall exercise original jurisdiction, as provided in this chapter, for postponements or modifications of debt, interest, rent, and maturities, or for modifications of the securities or capital structures of railroads.

"ARTICLE II—DEFINITIONS

"SEC. 705. The following terms, as used in this chapter, unless a different meaning is plainly required by the context, shall be construed as follows:

"(1) 'Petitioner' means any carrier as defined in section 20a of the Interstate Commerce Act, including any corporation in equity receivership, petitioning for a plan of adjustment, as hereinafter defined.

"(2) 'Claims' includes debts, whether liquidated or unliquidated, certificates of deposits of securities (other than stock and option warrants to subscribe to stock), including demands and obligations of whatever character made, assumed, or guaranteed by the petitioner.

"(3) 'Debt' shall be considered to include all claims held or owned by 'creditors' as hereinafter defined.

"(4) 'Creditors' shall include all holders of claims, demands, and obligations of whatever character against the petitioner or its property, whether or not such claims would otherwise constitute provable claims in bankruptcy, including the holders of claims made, assumed, or guaranteed by the petitioner.

"(5) 'Securities' shall include those defined in section 20a of the Interstate Commerce Act, as amended, and also certificates of deposit and all other evidences of ownership of or interest in securities.

"(6) 'Commission' refers to the Interstate Commerce Commission.

"(7) 'Adjustment' shall include postponements or modifications of debt, interest, rent, and maturities and modifications of the securities or capital structures.

"SEC. 706. No creditor shall be deemed to be 'affected' by any plan unless such plan proposes a modification of the evidence of debt or other instrument defining the rights of such creditor, or a modification of the security, if any, for the claim of such creditor.

"ARTICLE III—PETITION AND POWERS OF COURT

"SEC. 710. Any railroad corporation not in process of reorganization under section 77 of the Bankruptcy Act which, before or after the effective date of this chapter, shall have—

"(1) Prepared a plan of adjustment and secured assurances satisfactory to the Commission of the acceptance of such plan from creditors holding at least 25 percent of the aggregate amount of the claims affected by said plan of adjustment; and

"(2) Thereafer obtained an order of the Commission, under section 20a of the Interstate Commerce Act, authorizing the issuance or modification of securities as proposed by such plan of adjustment (other than securities held by or to be issued to Reconstruction Finance Corporation), such order of the Commission to include also a specific finding that such proposed issuance or modification of securities is in the public interest, is consistent with the continuance by the railroad corporation of service to the public as a common carrier, and will not impair its ability to perform such service; and

"(3) Secured assents to such plan of adjustment by creditors holding more than two-thirds of the aggregate amount of the claims affected by said plan, which two-thirds shall include at least a majority of the aggregate amount of the claims of each affected class,

may file in the United States district court in whose territorial jurisdiction such railroad corporation has had its principal executive or principal operating office during the preceding 6 months or a greater period thereof, its petition averring that it is unable to meet its debts, matured or about to mature, and desires to carry out the plan of adjustment.

"If a receiver of such railroad corporation has been appointed by a court of the United States and is in office, such petition shall be filed in the court having primary jurisdiction in such receivership proceeding.

"A copy of the order obtained from the Commission, as above provided, shall be filed with the petition and made a part thereof.

"SEC. 711. Any corporation which has complied with subparagraphs (1), (2), and (3) of the first sentence of section 710, and in which corporation the majority of the capital stock having power to vote for the election of directors is owned, directly or indirectly, through an intervening medium by any railroad corporation which has filed a petition hereunder, or any corporation which is a lessor of the petitioning corporation and which has complied with the aforesaid subparagraphs (1), (2), and (3) of section 710, may file its petition in the same court in which the petition first aforesaid shall have been filed, and such petitions shall be heard and disposed of in a single proceeding.

"SEC. 712. The petition shall be accompanied by payment to the clerk of a filing fee of $100, which shall be in addition to the fees required to be collected by the clerk under other sections of this act, or any other act.

"SEC. 713. Immediately following the filing of the petition, there shall be convened a special court of three judges in the manner provided by section 266, as amended, of the Judicial Code, and thereafter all proceedings relative to such plan or any modification thereof shall be conducted before such court. Such three-judge court shall be vested with and shall exercise all the powers of a district court sitting in equity and all the powers as a court of bankruptcy necessary to carry out the intent and provisions of this chapter, including the classification of claims at such time and in such manner as the court may direct.

"SEC. 714. The special court, after hearing, promptly shall enter an order approving the petition as properly filed under this section if satisfied that such petition complies with this section and has been filed in good faith, or dismissing such petition if not so satisfied.

"SEC. 715. If the petition is approved by the special court, the said court, during the pendency of the proceedings under this chapter, shall have exclusive jurisdiction of the petitioner and of its property wherever located to the extent which may be necessary to protect the same against any action which might be inconsistent with said plan of adjustment or might interfere with the effective execution of said plan if approved by the court, or otherwise inconsistent with or contrary to the purposes and provisions of this chapter: *Provided, however,* That nothing herein contained shall be construed to authorize the court to appoint any trustee or receiver for said properties or any part thereof, or otherwise take possession of such properties or control the operation or administration thereof.

"ARTICLE IV—HEARINGS

"SEC. 720. The special court shall fix a date for a hearing to be held promptly after the filing of the petition and notice of such hearing or hearings shall be given to all creditors affected by the plan in such manner as the court shall direct. In such proceeding, the court may allow such interventions of parties in interest as it may deem just and proper, but any holder of securities of the petitioner shall have the right to present evidence and be heard thereon, in person or by attorney, with or without intervention.

"SEC. 721. After such hearing, the special court may approve the plan as filed or modify such plan and approve the same as so modified. If the court shall modify the plan in a manner which the court shall find substantially or adversely affects the interests of any class or classes of creditors, such plan shall be resubmitted, in such manner as the court may direct, to those creditors affected by such modification and shall not be finally approved until after reasonable time, fixed by the court, is allowed for said creditors to be heard thereon.

"SEC. 722. If the United States, or any agency thereof, or any corporation (other than the Reconstruction Finance Corporation) the majority of the stock of which is owned by the United States, is a creditor or stockholder, the Secretary of the Treasury is hereby authorized to act in respect of the interests or claims of the United States or of such agency or other corporation. If in any proceeding under this chapter the United States is a creditor on claims for taxes or customs duties (whether or not the United States has any other interest in or claim against the debtor as creditor or stockholder), no plan shall be approved by the court if it provides for the payment of less than the full amount of such claim or provides for any postponement of such payment unless the Secretary of the Treasury shall certify to the court his willingness to accept a lesser amount or agrees to such postponement.

"ARTICLE V—PROCEEDINGS SUBSEQUENT TO APPROVAL OF PETITION

"SEC. 725. If the special court shall be satisfied—

"(1) That, at the time of the filing of said petition as provided in article III hereof, the proposed plan of adjustment had been assented to by not less than two-thirds of the aggregate amount of all claims of the petitioner affected by such plan, including at least a majority of the aggregate amount of claims of each such class;

"(2) That the plan of adjustment as submitted or as modified by the court has been accepted as submitted or as modified by or on behalf of creditors affected by such plan holding more than three-fourths of the aggregate amount of the claims affected by said plan, including at least three-fifths of the aggregate amount of the claims of each affected class;

"(3) That the plan is fair and equitable, is in the public interest, affords due recognition to the rights of each class of creditors and stockholders, does not discriminate unfairly in favor of any class of creditors or stockholders, and will conform to the requirements of the law of the land regarding the participation of the various classes of creditors and stockholders; and

"(4) That all corporate action required to authorize the issuance or modification of securities pursuant to such plan shall have been duly taken;

Said court shall file an opinion setting forth its conclusions and the reasons therefor and shall enter a decree approving and confirming such plan and the adjustment provided thereby, which decree shall be binding upon the petitioner and upon all creditors and security holders of the petitioner; and thereafter the petitioner shall have full power and authority to and shall put into effect and carry out the plan and the orders of the special court relative thereto and issue the securities provided by the plan without further reference to or authority from the Commission or any other authority, State or Federal, and the rights of all creditors and security holders with respect to claims and securities affected by the plan shall be those provided by the plan as so approved and confirmed: *Provided, however,* That the title of any owner, whether as trustee or otherwise, to rolling-stock equipment leased or conditionally sold to the petitioner, and any right of such owner to take possession of such property in compliance with the provisions of any such lease or conditional sale contract, shall not be affected by the provisions of this chapter.

"The plan of adjustment may contain appropriate provisions whereby the interests of creditors affected by the plan shall be safeguarded in all matters of the petitioner's financial policy and operations.

"SEC. 726. After the special court shall have approved as properly filed a petition pursuant to article III hereof, the special court, from time to time during the pendency of the proceedings hereunder, may enjoin the institution of, or stay, any action or proceeding to enforce any right against the petitioner or its property basis upon claims affected by the proposed plan of adjustment in any court, State or Federal, whether for the enforcement of any such claim or for the appointment of receivers in equity or of the institution or prosecution of a proceeding under section 77 of the Bankruptcy Act or otherwise: *Provided, however,* That no such stay shall affect any proceeding to enforce any claim which would be required to be paid if the plan of adjustment proposed by the petitioner were then in effect.

"SEC. 727. Unless the plan of adjustment as submitted or as modified shall have been confirmed by the special court within 1 year from the date of filing the petition, the proceedings shall be dismissed unless, for good cause shown, on motion of any party in interest the court shall determine otherwise.

"SEC. 728. Without prejudice to existing rights of all creditors, including those affected by the plan, and as a condition to the approval of any plan by the special court, the petitioner, from and after the filing of the petition with the court and until the making of a final order by the special court approving a plan or dismissing the petition, shall continue to make or tender payment to all creditors affected by the plan of sums currently payable to such creditors equal to the amounts proposed to be paid to such creditors under the plan. If, from and after the filing of the petition with the special court, there shall be any failure to make or tender such payments, the special court, unless there is good cause shown for the failure, shall dismiss the proceedings. In finally approving any plan, the court may make or require to be made such adjustments with respect to said payments or any of them as may be necessary to make the same conform to the provisions of said plan as finally approved.

"SEC. 729. In providing for any such payments the petitioner may require any bond or other security, including interest coupons affected by such payments to be presented to or deposited with a paying agent or depositary named by the petitioner for appropriate stamping to show the amounts and circumstances of such payment.

"ARTICLE VI—TAX PROVISIONS

"SEC. 735. The provisions of sections 1801, 1802, 3481, and 6482 of the Internal Revenue Code and any amendments thereto, unless specifically providing to the contrary, shall not apply to the issuance, transfer, or exchange of securities or the making or delivery of conveyances to make effective any plan of adjustment confirmed under the provisions of this chapter. No income, gain, or profit taxable under any law of the United States or of any State, now in force or hereafter enacted, shall in respect to the adjustment of the indebtedness of any petitioner in a proceeding under this chapter be deemed to have accrued to or to have been realized by such petitioner by reason of a modification of or cancelation in whole or in part of any of the indebtedness of the petitioner affected by a proceeding under this chapter.

"SEC. 736. In addition to the notices elsewhere expressly provided, the clerk of the court in which any proceedings under this chapter are pending shall forthwith transmit to the Secretary of the Treasury copies of—

"(1) Every petition filed under this chapter;

"(2) The orders approving or dismissing petitions;

"(3) The orders approving plans as filed or as modified, together with copies of such plans as approved;

"(4) The decrees approving and confirming plans and the adjustments provided thereby, together with copies of such plans as approved;

"(5) The injunctions or other orders made under section 726 of this chapter;

"(6) The orders dismissing proceedings under this chapter; and

"(7) Such other papers filed in the proceedings as the Secretary of the Treasury may request or which the court may direct to be transmitted to him.

"SEC. 737. Any order fixing the time for confirming a plan which affects claims or stock of the United States shall include a notice of not less than 30 days to the Secretary of the Treasury.

"ARTICLE VII—INTERSTATE COMMERCE COMMISSION

"SEC. 740. If, in any application filed with the Commission pursuant to section 20a of the Interstate Commerce Act for authority to issue or modify securities, the applicant shall allege that the purpose in making such application is to enable it to file a petition under the provisions of this chapter, the Commission shall take final action on such application as promptly as possible, and in any event within 120 days after the filing of such application.

"ARTICLE VIII—FINAL DECREE AND REVIEW

"SEC. 745. Any final order or decree of the special court may be reviewed by the Supreme Court of the United States upon application for certiorari made within 30 days after the entry of such order or decree, pursuant to the provisions of the Federal Judicial Code.

"SEC. 746. In the decree approving and confirming the plan the court may require such reports of the action taken by the petitioner thereunder in the execution of the plan as may be necessary to a final disposition of the cause, and in its final decree disposing of the cause the court shall retain jurisdiction in the district court to the extent necessary to protect and enforce the rights of the parties under said plan and the orders of the court thereon.

"ARTICLE IX—SAVING CLAUSE

"SEC. 750. If any provision of this chapter, or the application thereof to any railroad corporation or circumstances, is held invalid, the remainder of this chapter, or application of such provisions to other railroad corporations or circumstances, shall not be affected thereby.

"ARTICLE X—TERMINATION OF JURISDICTION

"SEC. 755. The jurisdiction conferred upon any court by this chapter shall not be exercised by such court after 5 years from the effective date of this chapter, except in respect of any proceeding initiated by filing a petition under section 710 hereof on or before the termination of such 5-year period."

Mr. CHANDLER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHANDLER: On page 10, in line 20, after the word "property", strike out the word "basis" and insert the word "based."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF SOLDIERS WHO SERVED IN PHILIPPINE ISLANDS

The Clerk called the bill (H. R. 289) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain, who were held to service in the Philippine Islands for service in the Philippine Insurrection after April 11, 1899, and after the conclusion of peace with the Kingdom of Spain, shall be entitled to the travel pay and allowance for subsistence provided in sections 1289 and 1290, Revised Statutes, as then amended and in effect, as though discharged April 11, 1899, by reason of expiration of enlistment, and appointed or reenlisted April 12, 1899, without deduction of travel pay and subsistence paid such officers or soldiers on final muster out subsequent to April 11, 1899: *Provided*, That no benefits shall accrue under any provision of this act to any person whose claim is based upon the service of any such officer or soldier discharged in the Philippine Islands at his own request.

SEC. 2. Claims hereunder shall be settled in the General Accounting Office, and shall be payable to the officer or soldier, or if the person who rendered the service is dead, then to his widow, children in equal shares (but not to their issue), father, or mother as provided by existing acts relating to the settlement of accounts of deceased officers and soldiers of the Army (34 Stat. 750), but if there is no widow, child, father, or mother at the date of settlement, then no payment on account of the claim shall be made.

SEC. 3. The Comptroller General is authorized and directed to certify to the Congress, pursuant to the provisions of section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266), all claims allowed hereunder.

SEC. 4. Application for the benefits of this act shall be filed within 3 years after the date of its passage.

SEC. 5. Payment to any attorney or agent for such assistance as may be required in the preparation and execution of the necessary papers in any application under this act shall not exceed the sum of $10; any person collecting or attempting to collect a greater amount than is herein allowed shall be guilty of a misdemeanor and shall be punishable by a fine of not more than $500 or by imprisonment for not more than 2 years, or by both such fine and imprisonment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend in the RECORD at this point in regard to the bill just passed, H. R. 289, and to include statements of United Spanish War Veterans and Veterans of Foreign Wars.

The SPEAKER pro tempore (Mr. WARREN). Is there objection?

There was no objection.

PHILIPPINE TRAVEL PAY

Mr. SMITH of Washington. Mr. Speaker, the passage of H. R. 289, for the payment of travel pay to the officers and enlisted men of State Volunteer regiments who served in the Philippine Islands beyond the period of their enlistment in the same sum as was paid to enlisted men of the Regular Army who were discharged in the Philippines, is a performance of the promise which was made by our Government at the time, 40 years ago. It is to be hoped that the bill will now be promptly passed by the Senate and receive the approval of the President so that these veterans may finally receive their just dues.

I insert at this point as part of my remarks certain statements by veterans' organizations relating to the merits of this legislation.

Statement of United Spanish War Veterans and National Tribune, Washington, D. C.:

In the spring of 1898 Volunteer soldiers were enlisted to serve the United States in the Spanish-American War, their enlistments, reading "for 2 years or until the expiration of the War with Spain." Fifteen thousand of these men were sent to the Philippine Islands.

On February 4, 1899, the Filipinos started an uprising against the American forces then in Luzon and our Volunteers there were used to repel their attacks. On April 11, 1899, the treaty of peace between the United States and Spain was ratified and the services of these Volunteers automatically came to a close. But the islands were 10,000 miles away, trouble was in the air, and troops were needed.

In the meantime The Adjutant General of the United States Army had cabled to General Otis, commanding officer of the Philippines, asking if he could reenlist the Volunteers in the islands and use them until replacement troops could be sent over. General Otis cabled back most of them would remain upon the condition that the United States would allow them their travel pay home in cash (this being their just due for Spanish War enlistment) and also transport them back to the States at the end of their extended service period. Our Government proceeded along these lines and General Otis told his officers to so instruct the men. This was done and practically all soldiers remained and, though never reenlisted, fought for from 4 to 6 months longer than their original enlistment called for.

They were brought back to America in the fall of 1899, but Congress had made no appropriation and we were discharged without the promised travel pay. President McKinley, who knew the facts and who was understood to acknowledge this was an obligation of the Government to the Volunteer soldiers, who assassinated before he could accomplish its settlement, and to this day the Government has never discharged its obligation to the Philippine volunteers.

They deserve and ask payment of the money promised and due them for service rendered the United States after April 11, 1899, because:

1. Travel pay was the authorized money promised them for 6 months' reenlistment, the same as other soldiers received whose time had expired and who reenlisted in the Army.

2. Thirty-nine years is too long a time for any just government to withhold payment of an obligation.

3. The War Department received and thoroughly understood General Otis' cablegram of March 16, 1899, and their subsequent action was based upon information furnished in this message.

4. This travel pay was a proposition made by the Government to the soldiers—not a proposition of the soldiers to the Government.

5. Had they refused the Government's own proposition to remain and fight, the United States would have spent many times over the amount of this travel allowance in an effort to regain territory lost by their retirement.

6. The Army officers simply held them to additional service. They did not go through the formality of muster out and remuster in when their original enlistments had expired. Under existing circumstances the procedure would have been physically impossible.

7. The fact that the Volunteers on duty April 11, 1899, were not mustered out and remustered in does not alter the condition. They performed for the Government above and beyond the terms of their enlistment, for which the Government has never made good

its financial obligation promised them by the officers in charge in the Philippines.

8. Without the work of these Volunteers in the spring and summer of 1899 the United States would have found herself in a sorrowful plight, a plight that would have cost millions and millions of dollars, many more troops, and the sacrifice of lives untold.

9. The United States received immense benefits from this extended service, payment for which, though promised at the time, was never made.

10. The Government's word should be as binding as the law.

11. The Philippine soldier never questioned the word of his superior officers. When told he would receive the travel pay he believed this statement to be true. This confidence was the enlisted man's right as well as his duty.

12. The Government itself, more than any other organization, should set an example of honesty and integrity in meeting its obligations and upholding the officers of the Army in their promises to the enlisted men.

13. The veterans for years have never demanded or insisted upon payment of this back salary because they have always trusted in the honesty of the United States Government and felt that in due time they would receive what their country owed them.

14. The Government has paid out, and is still spending, hundreds of millions for the needy. This six or seven million dollars, a just and long-overdue obligation, should be paid and charged to the fund for which it is really going—relief.

15. These Philippine veterans now average more than 60 years of age. They are past the age of employment, and many of them are on charity. It is only equitable and right that the Government should do its duty toward them in the evening of their life and in their hour of need.

16. The fact that these soldiers were mere individuals and correspondingly helpless should spur the Government on toward paying its honest obligations.

17. The United States Government has not kept faith, nor can it ever keep faith with the dead, the 30 percent of that great Philippine army who since 1899 have silently passed on to their Maker.

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
NATIONAL HEADQUARTERS,
Kansas City, Mo., April 17, 1939.

The Honorable MARTIN F. SMITH,
Chairman, House Committee on Pensions,
House Office Building, Washington, D. C.

Re: Philippine travel pay, H. R. 289.

MY DEAR CONGRESSMAN SMITH: The so-called Philippine travel pay bill, H. R. 289, introduced by you, and recently favorably reported out by the House Committee on War Claims, will very probably be called on the Consent Calendar of the House today.

It is hoped that no objections will be voiced against the adoption of this meritorious bill by the House. This bill would discharge a long overdue promised payment of travel pay, to about 15,000 veterans of the Spanish-American War, who, in response to a plea by President McKinley and the Secretary of War, volunteered to remain in the Philippines, after the termination of that war in order to repel the Philippine Insurrection until the Regular Army could be brought over.

Superior officers directly advised all of these volunteers that if they did remain in the Philippine Islands to take care of the Philippine Insurrection they would be entitled to travel pay and commutation back home, as though they had been discharged and reenlisted, in addition to their actual transportation back home. Those who did insist upon going through the technical paper process of then being discharged did receive their travel pay, and after the completion of service incident to their immediate reenlistment were subsequently transported back to the United States.

It would appear that this moral obligation on the part of the United States to pay such travel pay to these men should now be liquidated, 40 years after the promises to make such payment to them were originally proffered to induce them to remain in the Philippine Islands for the purpose of repressing the Philippine Insurrection.

Your able presentation of this question is indeed much appreciated, and will, we hope, impel Members of the House of Representatives to voice no objection against the passage of this justifiable legislation.

With kindest regards, I am

Respectfully yours,

MILLARD W. RICE,
Legislative Representative.

EMIGRATION OF FILIPINOS FROM UNITED STATES

The Clerk called the bill (H. R. 4646) to provide means by which certain Filipinos can emigrate from the United States.

The SPEAKER pro tempore. Is there objection?

Mr. SCHAFER of Wisconsin. Mr. Speaker, I object.

UNIFORM RULE OF NATURALIZATION OF ALIENS

The Clerk called the bill (H. R. 5030) to amend section 4 of the act of June 29, 1906, entitled "An act to establish a Bureau of Immigration and Naturalization and to provide for a uniform rule for the naturalization of aliens throughout the United States."

The SPEAKER pro tempore. Is there objection?

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ALLOTMENT OF SEAMEN'S WAGES

The Clerk called the bill (H. R. 199) to amend section 10 (b), (c), and (d) of the act of June 26, 1884, as amended (U. S. C., 1934 edition, title 46, sec. 599), relative to the allotment of wages by seamen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsections (b), (c), and (d) of section 10 of the act of June 26, 1884, as amended (U. S. C., 1934 edition, title 46, sec. 599), are amended to read as follows:

"(b) That it shall be lawful for any seaman to stipulate in his shipping agreement for an allotment of any portion of the wages he may earn to his grandparents, parents, wife, sister, or children, or for deposits to be made in an account opened by him and maintained in his name at a savings bank or a United States postal-savings depository subject to the governing regulations thereof.

"(c) That no allotment shall be valid unless in writing and signed by and approved by the shipping commissioner. It shall be the duty of the said commissioner to examine such allotments and the parties to them and enforce compliance with the law. All stipulations for the allotment of any part of the wages of a seaman during his absence which are made at the commencement of the voyage shall be inserted in the agreement and shall state the amounts and times of the payments to be made and the persons to whom the payments are to be made, or by directing the payments to be made to a saving bank or a United States postal-savings depository in an account maintained in his name.

"(d) No allotment except as provided in this section shall be legal. Any person who shall falsely claim to be such relation, as above described, or to be a savings bank or a United States postal-savings depository and as such an allottee of the seaman under this section shall for every such offense be punished by a fine not exceeding $500 or imprisonment not exceeding 6 months, at the discretion of the court."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RENEWAL OF VESSEL LICENSES

The Clerk called the bill (H. R. 1784) to amend section 4498 of the Revised Statutes of the United States, as amended, relative to the renewal of licenses of vessels.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4498 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 46, sec. 496), is hereby amended to read as follows:

"A register, enrollment, or license shall not be granted, or other papers be issued by any collector or other chief officer of customs to any vessel subject by law to inspection under this title (R. S. 4399–4500) until all the provisions of this title applicable to such vessel have been fully complied with and until the copy of the certificate of inspection required by this title for such vessel has been filed with said collector or other chief officer of customs: *Provided*, That the license granted to any vessel, if presented to any collector of customs at any time within 30 calendar days prior to the date of expiration shown thereon, may be renewed by endorsement by the collector of customs for a period of 1 year from the date of expiration shown on the license, if there be on file in the office of the collector at that time a copy of the certificate of inspection required by title LII of the Revised Statutes, which is in force on the date renewal is made."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LICENSES OF VESSELS

The Clerk called the bill (H. R. 1786) to amend section 4325 of the Revised Statutes of the United States, as amended, relative to renewal of licenses of vessels.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4325 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 46, sec. 267), is hereby amended to read as follows:

"The license granted to any vessel shall be presented for renewal by endorsement to the collector of customs of the district in which the vessel then may be within 3 days after the expiration of time for which it was granted, or, if she be absent at that time, within 3 days from her first arrival within a district. In

case of change of build, ownership, district, trade, or arrival under temporary papers in the district where she belongs the license shall be surrendered. If the master shall fail to deliver the license he shall be liable to a penalty of $10. Such penalty on application may be mitigated or remitted by the Secretary of Commerce."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENT OF $15 EACH, RED LAKE BAND OF CHIPPEWA INDIANS

The Clerk called the bill (H. R. 3248) authorizing a per capita payment of $15 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ONE HUNDRED AND FIFTIETH ANNIVERSARY, LIGHTHOUSE SERVICE

The Clerk called House Joint Resolution 241, providing for the participation of the United States in the celebration of the one hundred and fiftieth anniversary of the establishment of the United States Lighthouse Service.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the week commencing August 7, 1939, is hereby designated as Lighthouse Week in commemoration of the one hundred and fiftieth anniversary of the enactment by the First Congress of the United States of the ninth act of said Congress, which was approved by President George Washington on August 7, 1789, and laid the foundation of the United States Lighthouse Service by providing that all expenses in the necessary support, maintenance, and repairs of all lighthouses, beacons, buoys, and public piers to render navigation safe and easy should be paid for by the Treasury of the United States. During said week all Government officials are hereby directed to display the flag of the United States on all Government buildings, and are requested in appropriate manner to celebrate the enactment and approval of said act.

SEC. 2. That the President of the United States is hereby requested, by appropriate proclamation, to call attention of all citizens of the United States to said event and to request the cooperation of all citizens, communities, civic organizations, States, municipalities, counties, public agencies, churches, and schools in an appropriate recognition of the devoted, efficient, faithful, and splendid work of the Lighthouse Service for 150 years in the safeguarding of life and property upon the sea.

SEC. 3. That the heads of all departments and independent establishments of the Government are requested to take such steps respectively as each of said heads may deem most appropriate to celebrate said event, to commemorate the work of the Lighthouse Service, to acquaint the public generally with the responsible, devoted, and hazardous work of the said Service, and to express the thanks and gratitude of the Nation to all employees of said Service for the fearless manner in which their work has been performed continuously from the date of the creation of said Service to the present time.

With the following committee amendment:

At the end of the joint resolution add a new section, as follows:

"SEC. 4. That the Commissioner of Lighthouses is hereby authorized to expend, out of any moneys appropriated or allotted for the Bureau of Lighthouses, not exceeding $2,500 for any expenses conected with ceremonies for the celebration authorized and requested by this act, including the printing and issuance of appropriate literature, pamphlets, and programs."

The amendment was agreed to; and the joint resolution as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROMOTION OF NAUTICAL EDUCATION

The Clerk called the bill (H. R. 5375) to promote nautical education, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Commandant of the Coast Guard is authorized, in his discretion, when so requested by proper authority, to detail persons in the Coast Guard for duty in connection with maritime instruction and training by the several States and, when requested by the United States Maritime Commission, to detail persons in the Coast Guard for duty in connection with maritime instruction and training by the United States: *Provided*, That the service rendered by any person so detailed shall be considered Coast Guard duty.

Mr. BLAND. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Page 1, line 6, after the word "States", insert the words "and Territories."

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. WOLCOTT. I wonder if the gentleman might not use the language which is usually used in this connection, to name the Territories and also include the District of Columbia?

Mr. BLAND. I have no particular objection to that. This question was raised by the Delegate from Hawaii and the Delegate from Alaska, who said that under the law the general term "States" would not include "and Territories," and they asked to have that included.

Mr. WOLCOTT. I know the purpose of the gentleman's amendment. I wonder if the gentleman would accept an amendment to include the District of Columbia as well?

Mr. BLAND. Yes. I have no objection.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the amendment as offered by the gentleman from Virginia [Mr. BLAND] be amended to include the words "the District of Columbia."

The SPEAKER pro tempore. The Clerk will report the amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT to the amendment offered by Mr. BLAND: After the word "Territories" in the amendment offered by Mr. BLAND insert "and the District of Columbia."

Mr. IGLESIAS. Mr. Speaker, I would like to ask the chairman of the committee if he will include Puerto Rico?

Mr. BLAND. I would rather not make it apply to the insular possessions. That can be done later. It is purely to permit these men to go to these nautical schools if they should have any. I would suggest that the Commissioner from Puerto Rico take that up with the Members in the Senate. I do not know just what the effect would be.

Mr. IGLESIAS. Mr. Speaker, I request the House to amend the amendment to include Puerto Rico.

Mr. BLAND. Mr. Speaker, before the word "Territories" there was the word "and." I would modify my amendment, as follows:

After the word "States", strike out the word "and" where it appears first and insert a comma and "the District of Columbia and Puerto Rico."

The SPEAKER pro tempore. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendment offered by Mr. BLAND, as modified: On page 1, line 6, after the word "States", strike out the word "and", insert a comma and the words "Territories, the District of Columbia, and Puerto Rico."

The SPEAKER pro tempore. Without objection, the amendment, as modified, will be agreed to.

There was no objection, and the amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMIGRATION OF FILIPINOS FROM UNITED STATES

Mr. WELCH. Mr. Speaker, I ask unanimous consent to return to No. 91 on the calendar, H. R. 4646. The gentleman from Wisconsin [Mr. SCHAFER] objected previously, and upon reading the bill more thoroughly the gentleman informs me he will withdraw his objection.

The SPEAKER pro tempore. It has been the uniform policy of the Speaker not to recognize a Member for that purpose until after the calendar has been completed. If the present occupant of the chair is here at that time, he will be glad to recognize the gentleman from California later on.

The Clerk will report the next bill.

CHANGE OF MASTERS OF VESSELS

The Clerk called the next bill, H. R. 1782, to amend section 4335 of the Revised Statutes of the United States, relative to change of masters of vessels.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4335 of the Revised Statutes (U. S. C., 1934 ed., title 46, sec. 276) is hereby amended to read as follows:

"Whenever the master of any licensed vessel, ferryboats excepted, is changed, the new master, or, in case of his absence, the owner or one of the owners thereof, shall report such change to the collector residing at the port where the same happens, if there be one; otherwise, to the collector residing at any port where such vessel next arrives, who, upon the oath of such new master, or, in case of his absence, of the owner, that such master is a citizen of the United States, and that such vessel shall not, while such license continues in force, be employed in any manner whereby the revenue of the United States may be defrauded, shall endorse such change on the license, with the name of the new master. Whenever such change is not reported, and endorsed, as herein required, such vessel, if found carrying on the coasting trade or fisheries, shall be subject to pay the same fees and tonnage as a vessel of the United States having a register, and the new master shall be liable to a penalty of $10: *Provided*, That the Secretary of Commerce may authorize the endorsement of not more than two alternate masters in addition to the one already endorsed on the license, whenever in his judgment the condition of employment of the vessel warrants such action: *Provided further*, That in the case of vessels navigated within the limits of the harbor of any town or city, except such vessels which are subject to the provisions of section 4417 (a) of the Revised Statutes (U. S. C., 1934 ed., Supp. 3, title 46, sec. 391 (a)), the owner or some responsible person acting for the owner who otherwise meets all requirements of the laws of the United States with regard to masters, may be endorsed on the license of such vessel, although not actually employed thereon, in accordance with rules and regulations prescribed by the Secretary of Commerce: *And provided further*, That in the case of unrigged vessels which are not required by law to have on board a certificate of inspection, the owner or any responsible person acting for the owner who otherwise meets all requirements of the laws of the United States with regard to masters, may be endorsed on the license of such unrigged vessel although not actually employed on board the vessel.

"SEC. 2. In the case of those vessels on the licenses of which there are endorsed the names of more than one master, the master actually in charge of the vessel shall assume all of the duties and responsibilities imposed by any statute upon masters of vessels, and incur the liabilities provided by any law against masters of vessels during any period in which he is in charge of the vessel.

"SEC. 3. The term 'unrigged vessel' as used herein means any vessel that is not self-propelled."

With the following committee amendments:

On page 1, line 6, before the word "whenever", insert "(a)."

On page 2, line 18, after the word "city", strike out the balance of line 18, all of lines 19 and 20, and insert the words "the name of."

On page 3, line 3, after the word "inspection", insert "the name of."

On page 3, line 9, strike out "sec. 2" and insert "(b)."

On page 3, line 16, strike out "sec. 3" and insert "(c)."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FURTHER RELIEF TO WATER USERS ON UNITED STATES AND INDIAN RECLAMATION PROJECTS

The Clerk called the next bill, H. R. 5076, to authorize further relief to water users on United States reclamation projects and on Indian reclamation projects.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to determine as to each United States and Indian reclamation project whether any of the water users' organizations or water users, as the case may be, owing construction charges to the United States on each such project are unable, due to partial crop failure attributable to a water shortage or due to other causes beyond the control of the water users, to pay without great hardship or undue burden the full amount of the construction charges due and payable for the calendar year 1938 and of any unpaid construction charges required to be paid as a condition precedent to delivery of water in 1939. Said Secretary shall base his determinations on such data furnished by water users' organizations and water users and on such investigations and reports by the Bureau of Reclamation and the Office of Indian Affairs as he deems necessary. As to any such water users' organization or water user who according to the said Secretary's determination is unable to pay in full the construction charges due and payable for the calendar year 1938 and any unpaid construction charges required to be paid as a condition precedent to delivery of water in 1939, said Secretary is hereby authorized to grant an extension of time for the payment of such proportion of said charges as in his judgment in each case is just and equitable: *Provided*, That said Secretary may make any extension granted pursuant to the authority of this act subject to such conditions as in his judgment are desirable in the interest of the United States. The charges so extended shall be paid at such time or times as the said Secretary may determine.

SEC. 2. As used in this act the term "United States reclamation project" shall mean any irrigation project constructed by the United States, or in connection with which there has been executed a repayment contract with the United States, pursuant to the Reclamation Act of June 17, 1902 (32 Stat. 388), or any act amendatory thereof or supplementary thereto; the term "Indian reclamation project" shall mean any irrigation project constructed by the United States under the direction of the Office of Indian Affairs, or in connection with which there has been executed a repayment contract with the United States, pursuant to acts of Congress relating to Indian reclamation projects; and the term "construction charges" shall mean the installments on the principal obligations due each year to the United States under water-right applications, repayment contracts, orders of the Secretary of the Interior, or other forms of obligations entered into pursuant to said Federal reclamation laws, or acts of Congress relating to Indian reclamation projects.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 8 (F) OF THE SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

The Clerk called the next business, House Joint Resolution 258, to amend section 8 (f) of the Soil Conservation and Domestic Allotment Act, as amended.

There being no objection, the Clerk read the joint resolution as follows:

Resolved, etc., That section 8 (f) of the Soil Conservation and Domestic Allotment Act, as amended, is amended to read as follows:

"(f) Any change in the relationship between the landlord and the tenants or sharecroppers, with respect to any farm, that would increase over the previous year the amount of payments or grants of other aid under subsection (b) that would otherwise be made to any landlord shall not operate to increase such payment or grant to such landlord. Any reduction in the number of tenants below the average number of tenants on any farm during the preceding 3 years that would increase the payments or grants of other aid under such subsection that would otherwise be made to the landlord shall not hereafter operate to increase any such payment or grant to such landlord. Such limitations shall not apply if on investigation the local committee finds that the change is justified and approves such change in relationship or reduction."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COOPERATIVE AGRICULTURAL EXTENSION WORK

The Clerk called the next bill, S. 518, to provide for the further development of cooperative agricultural extension work.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. DOXEY. Would the gentleman mind stating the reason?

Mr. WOLCOTT. I may say I have had several objections to the bill and those who have objected to it have asked me to do this. They do not happen to be on the floor at the present time. I am merely doing it for them. I hope the gentleman will not object to it.

Mr. DOXEY. If there are objections, we would like to know what they are.

Mr. WOLCOTT. I may say to the gentleman from Mississippi that so far as I personally am concerned, I have no objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

INTEREST ON FARM BOARD LOANS

The Clerk called the next bill, H. R. 2179, to ratify and confirm certain interest rates on loans made from the revolving fund authorized by section 6 of the Agricultural Marketing Act, approved June 15, 1929 (46 Stat. 11), and for other purposes.

Mr. PACE. Mr. Speaker, reserving the right to object, will the gentleman from Mississippi give us an explanation of this bill?

Mr. DOXEY. Mr. Speaker, explaining this bill briefly, I may say that it is more or less a matter of bookkeeping.

The Agricultural Marketing Act approved June 15, 1929, provided for loans to be made by the old Federal Farm Board to various corporations, cooperatives, and the Stabilization Corporation. The Treasury Department and the Federal Farm Bureau interpreted that law as providing a maximum rate of interest of 4 percent. It did not provide a minimum rate of interest; yet the bill did make an exception in the case of what were then known as postal savings bonds. Thereupon the Federal Farm Board and the Treasury Department lent money to these various cooperatives and the Stabilization Corporation, some at as low a rate of interest as 1⅜ percent and some lower than 2½ percent. The Comptroller General, under a Supreme Court decision in the case of Baltimore Mail Steamship Co. against the United States, held that, even though the contract stipulated a rate of interest lower than 2½ percent, the Farm Board did not have authority under this law to lend money at a rate less than 2½ percent, that being the rate of interest stipulated on postal savings bonds.

The practical situation is that the Stabilization Corporation has gone out of business. Those cooperatives that were able to pay have paid interest and principal as stipulated in the contract. The Comptroller General, however, is holding the present Farm Credit Administration, which took over the activities of the old Farm Board, responsible for the higher rate of interest; and unless Congress does something to relieve this situation, suits will be instituted, which, in the judgment of most of the members of the committee, would be a vain and futile thing, for they could not collect any rate of interest other than that stipulated in the contract.

Under the opinion of June 1, 1934, of the Comptroller General, however, there is a charge against the present set-up of the Farm Credit Administration even though the Stabilization Board has gone out of business. A number of these cooperatives still owe under their contracts, and the committee felt that the right thing to do would be to enact this legislation for the very purpose that it states, to ratify and confirm certain interest rates on these loans made under the Agricultural Marketing Act approved June 15, 1929.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. DOXEY. I am glad to yield to the gentleman from Kansas. He is a member of the subcommittee and the full committee and is thoroughly familiar with all these transactions and has given special study to this bill.

Mr. HOPE. Is not this the practical situation, that if we pass this bill we will confirm what the Federal Farm Board did in making loans to a large number of cooperatives at rates of interest which the Treasury Department and the Federal Farm Board understood at that time to be proper rates of interest to charge under the bill, and loans that were made in good faith by the cooperatives, and loans which no one questioned until 1934, 5 years after some of them were made, when the Comptroller General raised the question of whether a proper interpretation had been made of the law?

I ask the gentleman from Mississippi further: If we do not pass this bill, will not the Federal Government be in the position where it will have to bring suit against a large number of cooperative organizations which in good faith have made loans at a rate of interest which everyone understood was perfectly legal at the time?

Mr. DOXEY. The gentleman from Kansas is correct. That is the status. Is any further information desired?

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. DOXEY. I yield gladly.

Mr. MICHENER. As I understand it, these loans were made in good faith and accepted in good faith, and in the belief that they would be at the lower rate of interest. I have in my State a cooperative that accepted the benefits under the law as it was interpreted by the agency of the Government making the loan. If this cooperative today were to be compelled to pay a rate of interest higher than that which they contracted to pay it might mean bankruptcy. It seems to me the bill is most commendable and that there should be no objection if the Congress is to keep faith with these cooperatives. This bill means just simple justice, and the Committee on Agriculture is to be commended for reporting this bill favorably. I hope there will be no objection.

Mr. DOXEY. The gentleman is correct. The question arises over a difference of interpretation of the law as between the Secretary of the Treasury and the Farm Board, on one hand, and the Comptroller General, on the other.

Mr. HOPE. Mr. Speaker, will the gentleman yield further?

Mr. DOXEY. Certainly.

Mr. HOPE. The gentleman was a Member of the House when we passed the Federal Farm Board Act, I believe.

Mr. DOXEY. Yes; I was.

Mr. HOPE. And he has been a Member during the intervening time. I ask the gentleman from Mississippi if it is not his best judgment that if we pass this bill we will be doing exactly what Congress intended to do when it passed the Federal Farm Board Act, as far as rates of interest were concerned?

Mr. DOXEY. I certainly think so. Certainly I do not think we intended that the Farm Board should limit the rate of interest to the rate carried by the bonds, which was the basis of the opinion of the Comptroller General.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That interest rates in excess of the rates set forth in notes or other obligations taken by the Federal Farm Board or the Farm Credit Administration for loans made from the revolving fund authorized by section 6 of the Agricultural Marketing Act, approved June 15, 1929 (46 Stat. 11), shall not be charged or collected on any of said loans, whether such loans have been heretofore or are hereafter paid in whole or in part, except that in those cases where a borrower by specific contract has agreed to pay a higher rate of interest, the contract rate shall be charged for the period agreed upon; and the amount of any interest collected in excess of the rates thus set forth or contracted for shall be refunded out of said fund or credited on the borrower's indebtedness.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF SUFFERERS FROM EARTHQUAKE IN CHILI

The Clerk called the next bill, H. R. 5031, a bill for the relief of the sufferers from the earthquake in Chile.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. SCHAFER of Wisconsin. Mr. Speaker, I object.

FOREST PROTECTION FROM WHITE-PINE BLISTER RUST

The Clerk called the next bill, H. R. 3406, a bill for forest protection against the white-pine blister rust, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That to promote the stability of white-pine forest-using industries, employment, and communities through the continuous supply of white- and sugar-pine timber, the Secretary of Agriculture is authorized in cooperation with such agencies as he may deem necessary to use such funds as have been, or may hereafter be, made available for the purpose of controlling white-pine blister rust, by preventing the spread to, and eliminating white-pine blister rust from, all forest lands, irrespective of the ownership thereof, when in the judgment of the Secretary of Agriculture the use of such funds on such lands is necessary in the control of the white-pine blister rust: *Provided*, That in the discretion of the Secretary of Agriculture no expenditures from funds provided under this authorization shall be made on private or State lands (except where such lands are intermingled with those which are federally owned and it is necessary in order to protect the property of the United States to work on those parts of the private or State-owned lands that immediately adjoin Federal lands) until a sum, or sums, at least equal to such expenditures shall have been appropriated, subscribed, or contributed by State, county, or local authorities or by individuals or organizations concerned: *Provided further*, That no part of such appropriations shall be used to pay the cost or value of property injured or destroyed: *And provided further*, That any plan for the control and elimination of white-pine blister rust on lands owned by the United States or retained under restriction by the United States for Indian tribes and for individual Indians shall be subject to the approval of the Federal agency or Indian tribe having jurisdiction over such lands, and the Secretary of Agriculture may, in his discretion and out of any moneys made available under this act, make allocations to said Federal agencies in such amounts as he may deem necessary for white-pine blister-rust control and

elimination on lands so held or owned by the United States, the moneys so allocated to be expended by said agencies for the purposes specified.

SEC. 2. There is hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to enable the Secretary of Agriculture to carry out the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SICK AND ANNUAL LEAVE FOR SUBSTITUTE POSTAL EMPLOYEES

The Clerk called the next bill, H. R. 5479, granting annual and sick leave with pay to substitutes in the Postal Service.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That hereafter substitutes in the Postal Service shall be rated as employees and each substitute postal employee in the classified civil service shall be granted the same rights and benefits with respect to annual and sick leave that accrue to regular employee in proportion to the time actually employed. Sick leave shall be computed on the basis of illness or disability incurred during the period of actual employment in the Postal Service.

SEC. 2. The Postmaster General is authorized and directed to prescribe such rules and regulations as may be necessary or appropriate to carry out the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DETENTION OF CERTAIN ALIENS PENDING PASSPORTS

The Clerk called the next bill, H. R. 5643, to invest the circuit courts of appeals of the United States with original and exclusive jurisdiction to review the order of detention of any alien ordered deported from the United States whose deportation or departure from the United States otherwise is not effectuated within 90 days after the date the warrant of deportation shall have become final; to authorize such detention orders in certain cases; to provide places for such detention; and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mrs. O'DAY and Mr. MASSINGALE objected.

SACRAMENTO GOLDEN EMPIRE CENTENNIAL

The Clerk called the next business, House Joint Resolution 221, authorizing the President to invite other nations to participate in the Sacramento Golden Empire Centennial commemorating the one hundredth anniversary of the founding of Sacramento by Capt. John A. Sutter.

There being no objection, the Clerk read the House joint resolution, as follows:

Resolved, etc., That the President of the United States is authorized to invite by proclamation, or in such manner as he may deem proper, foreign nations to participate in the Sacramento Golden Empire Centennial to be held at Sacramento, Calif., from May 1, 1939, to September 10, 1939, inclusive, for the purpose of properly commemorating and observing the one hundredth anniversary of the arrival in California, at the confluence of the American and Sacramento Rivers, of John Augustus Sutter, a Swiss adventurer, and the founding by him, through the establishment of Sutter's Fort, of what is today California's capital city of Sacramento, which establishment and the subsequent development of the region adjacent resulted in the discovery of gold at Coloma, Calif.

SEC. 2. The Government of the United States is not by this resolution obligated to any expense in connection with the holding of such exposition.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENDING FURTHER TIME FOR NATURALIZATION TO ALIEN VETERANS OF THE WORLD WAR

Mr. CELLER. Mr. Speaker, I ask unanimous consent to return to the consideration of the bill (H. R. 805) to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes, No. 65 on the Consent Calendar, which was objected to originally by the gentleman from Tennessee [Mr. GORE].

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CELLER]?

Mr. GORE. Mr. Speaker, reserving the right to object, for the benefit of the gentleman from New York, the basis upon which I objected to the bill was that I could see no reason why any special concessions should be made to men who served in the Russian Army or other foreign armies. If the gentleman will agree to an amendment which I have prepared, making this apply only to those who served in the American forces, I shall not object.

Mr. CELLER. I agree.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CELLER]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subdivision (a) of section 1 of the act entitled "An act to further amend the naturalization laws, and for other purposes," approved May 25, 1932 (47 Stat. 165; U. S. C., Supp. VII, title 8, sec. 392b (a)), shall, as herein amended, continue in force and effect to include petitions for citizenship filed prior to May 25, 1940, with any court having naturalization jurisdiction: *Provided*, That for the purposes of this act clause (1) of subdivision (a) of section 1 of the aforesaid act of May 25, 1932, is amended by striking out the words "all such period" and in lieu thereof inserting the words "the 5 years immediately preceding the filing of his petition;".

SEC. 2. The provisions of section 1 of this act are hereby extended to include any alien lawfully admitted into the United States for permanent residence who departed therefrom between August 1914 and April 5, 1917, or who departed therefrom subsequent to April 5, 1917, for the purpose of serving, and actually served prior to November 11, 1918, in the military or naval forces of any of the countries allied with the United States in the World War and was discharged from such service under honorable circumstances: *Provided*, That before any applicant for citizenship under this section is admitted to citizenship the court shall be satisfied by competent proof that he is entitled to and has complied in all respects with the provisions of this act; and that he was and had been a bona fide lawfully admitted resident in the United States for 2 years before the passage of this act.

SEC. 3. The Commissioner of Immigration and Naturalization, with the approval of the Secretary of Labor, shall prescribe such rules and regulations as may be necessary for the enforcement of this act.

Mr. GORE. Mr. Speaker, I offer an amendment which I send to the Clerks' desk.

The Clerk read as follows:

Amendment offered by Mr. GORE: On page 2, line 9, after the word "therefrom", strike out "between August 1914 and April 5, 1917, or who departed therefrom subsequent to April 5, 1917."

Page 2, line 12, after the word "of", strike out "any of the countries allied with."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING MEANS BY WHICH CERTAIN FILIPINOS CAN EMIGRATE FROM THE UNITED STATES

Mr. WELCH. Mr. Speaker, I ask unanimous consent to return to the consideration of the bill (H. R. 4646) to provide means by which certain Filipinos can emigrate from the United States, No. 91 on the Consent Calendar.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. WELCH]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any native Filipino residing in any State or the District of Columbia on the effective date of this act, who desires to return to the Philippine Islands, may apply to the Secretary of Labor, upon such form as the Secretary may prescribe, through any officer of the Immigration Service for the benefits of this act. Upon approval of such application, the Secretary of Labor shall notify such Filipino forthwith, and shall certify to the Secretary of the Navy and the Secretary of War that such Filipino is eligible to be returned to the Philippine Islands under the terms of this act. Every Filipino who is so certified shall be entitled, at the expense of the United States, to transportation and maintenance from his present residence to a port on the west coast of the United States, and from such port, to passage and maintenance to the port of Manila, P. I., on either Navy or Army transports, whenever space on such transports is available, or on any ship of United States registry operated by a commercial steamship company which has a contract with the Secretary of Labor as provided in section 2.

SEC. 2. The Secretary of Labor is hereby authorized and directed to enter into contracts with any railroad or other transportation

company, for the transportation from their present residences to a port on the west coast of the United States of Filipinos eligible under section 1 to receive such transportation, and with any commercial steamship company, controlled by citizens of the United States and operating ships under United States registry, for transportation and maintenance of such Filipinos from such ports to the port of Manila, P. I., at such rates as may be agreed upon between the Secretary and such steamship, railroad, or other transportation company.

SEC. 3. The Secretary of Labor is authorized and directed to prescribe such rules and regulations as may be necessary to carry out this act, to enter into the necessary arrangements with the Secretary of War and the Secretary of the Navy, to fix the ports on the west coast of the United States from which any Filipinos shall be transported and the dates upon which transportation shall be available from such ports, to provide for the identification of the Filipinos entitled to the benefits of this act, and to prevent voluntary interruption of the journey between any port on the west coast of the United States and the port of Manila, P. I.

SEC. 4. No Filipino who receives the benefits of this act shall be entitled to return to the continental United States except as a quota immigrant under the provisions of section 8 (a) (1) of the Philippine Independence Act of March 24, 1934, during the period such section 8 (a) (1) is applicable.

SEC. 5. There is hereby authorized to be appropriated from moneys in the Treasury not otherwise appropriated, amounts necessary to carry out the provisions of this act. All amounts so appropriated shall be administered by the Secretary of Labor, and all expenses, including those incurred by the Navy and War Departments, shall be charged thereto.

SEC. 6. No application for the benefits of this act shall be accepted by any officer of the Immigration Service after December 1, 1940; and all benefits under this act shall finally terminate on December 31, 1940, unless the journey has been started on or before that date, in which case the journey to Manila shall be completed.

SEC. 7. Nothing in this act shall be construed as authority to deport any native of the Philippine Islands, and no Filipino removed from continental United States under the provisions of this act shall hereafter be held to have been deported from the United States.

Mr. KING. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. KING: Page 1, line 3, after the word "State", insert "or Territory."

Page 3, line 10, after the word "the", strike out "continental" and insert after the word "States" the words "its Territories or possessions."

Page 4, line 3, after the word "from", strike out "continental" and insert the word "the", and after the word "States", insert the words "its Territories or possessions."

Mr. PACE. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, will the gentleman explain what this bill has cost the Government under a similar act which is now in force?

Mr. WELCH. This bill is for the reenactment of a law that was in effect for 4 years, up to January 1, 1938.

Mr. PACE. How much has the Government spent?

Mr. WELCH. The Government has spent approximately $186,000. I may say to the gentleman that the money has been well spent. We send these Filipinos back to their island homes and they are not permitted to return. Many of them are on relief, and it is an expense to keep them here.

Mr. PACE. That is one point I had in mind. They can return under the quota system, can they not?

Mr. WELCH. A total of 50, under the Philippine Independence Act, are permitted to return, but they cannot come back for the purpose of seeking employment in this country.

Mr. PACE. What is the effect of the amendment that has just been offered?

Mr. WELCH. The gentleman from Hawaii [Mr. KING] will explain the amendment.

Mr. KING. If I may answer the gentleman's inquiry, the effect of my amendment would be to extend to Hawaii the provisions of this bill with regard to repatriation and also with respect to preventing such persons from returning. In other words, Hawaii wants exactly the same benefit from this bill as the continental United States receives.

Mr. PACE. As I understand, except for the act previously in effect, we are adopting a new practice of paying the expenses of any undesirable person whom we wish to get rid of from where he lives to the port, and then we pay all his expenses from the port to his home. He becomes a charge of the United States from the time he files application to go home until he gets there. The gentleman from Hawaii proposes to extend this privilege to Filipinos in the Hawaiian Islands and other Territories.

Mr. WELCH. The law that has been in force and effect for 4 years permits the repatriation of Filipinos in the continental United States to the Philippine Islands. Upon their arrival there they cease to be a charge against this Government and they cannot return. The amendment offered by the gentleman from Hawaii would seek to have that privilege extended to the Hawaiian Islands and our other Territories under the same terms and conditions as provided in the repatriation acts heretofore passed.

The SPEAKER. The question is on agreeeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON FOREIGN AFFAIRS

Mr. BLOOM. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may be permitted to sit during the sessions of the House for the remainder of the week.

Mr. MAPES. Mr. Speaker, reserving the right to object, have the minority members of the committee been consulted as to this request?

Mr. BLOOM. They have; and they consented to it.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

COOPERATIVE AGRICULTURAL EXTENSION WORK

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to return to No. 103 on the Consent Calendar, the bill (S. 518) to provide for the further development of cooperative agricultural extension work, which was passed over without prejudice at the request of the gentleman from Michigan. I have consulted with the gentleman from Michigan and with the gentleman who had consulted with him asking that the bill be passed over, and they have no objection to its being considered at this time.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to further develop the cooperative extension system as inaugurated under the act entitled "An act to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of the act of Congress approved July 2, 1862, and all acts supplementary thereto, and the United States Department of Agriculture," approved May 8, 1914 (U. S. C., title 7, secs. 341–348), there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the purpose of paying the expenses of cooperative extension work in agriculture and home economics and the necessary printing and distribution of information in connection with the same, the sum of $500,000 annually. The sums appropriated pursuant to this act shall be allotted by the Secretary of Agriculture to the several States in such amounts as he may deem necessary, and shall be paid to the several States in the same manner and subject to the same conditions and limitations as the initial payments of $10,000 to each State appropriated under the act of May 8, 1914. The sums appropriated pursuant to this act shall be in addition to and not in substitution for sums appropriated under such act of May 8, 1914, as amended and supplemented, and sums otherwise appropriated for agricultural extension work.

With the following committee amendment:

Page 2, line 5, strike out "$500,000" and insert "$300,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. HOLMES and Mr. MAAS asked and were given permission to extend their own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. THOMAS F. FORD. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. THOMAS F. FORD. Mr. Speaker, last Saturday, April 15, the President forwarded to the dictator governments of Germany and Italy a statement that was at once a friendly invitation and a challenge—a friendly invitation to abandon the road to war which they are pursuing and seek through peaceful means a solution of the problems that are troubling them, as well as a distracted world; a ringing challenge to choose between international anarchy and international comity.

It occurs to me that if the two great nations to whom this document was addressed could be induced to pause for a moment in their wild careers and give due thought to the dire consequences of their actions they might be brought to a realization of the fact that a decent respect for the opinions of mankind might be preferable to the course now being pursued—a course which must inevitably lead to chaos, destruction, and very probably to the blotting out of all that the civilization of centuries has developed in the way of human progress.

For these reasons I rise at this solemn and critical juncture in the history of mankind and appeal to my colleagues on both sides of this House to refrain, if only for the moment, from adverse criticism of the course taken by the Chief Executive, who is, I am convinced, actuated by the highest motives of Christian morality and true patriotism. His desire, like our desire, is for peace. Being, as we are, representatives of a peace-loving people, let us discard politics here and now and unite behind our President in the great Christian cause of peace, a cause so nobly and courageously advocated centuries ago by the greatest peace advocate of all time, the gentle Nazarene, of whom we are, if we are true to our profession of Christianity, the humble but undeviating followers. [Applause.]

ELECTION TO COMMITTEES

Mr. DOUGHTON. Mr. Speaker, I offer a privileged resolution.

The Clerk read the resolution, as follows:

Resolved, That ANTHONY J. DIMOND, of Alaska, be, and he is hereby, elected a member of the standing committees of the House of Representatives on Naval Affairs and on Military Affairs.

The resolution was agreed to.

AMENDMENT OF THE SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

Mr. JONES of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 3800) to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended, with an amendment.

The Clerk read the bill, as follows:

Be it enacted, etc., That the last paragraph of section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended, is amended to read as follows:

"The total payment that would otherwise be made to any person for any year pursuant to this section shall be reduced by 25 percent of the amount thereof in excess of $1,000. No total payment to any person for any year shall exceed $5,000, but in applying these limitations there shall be excluded amounts representing a landlord's share of a payment made with respect to land operated under a tenancy or sharecropper relationship if the division of the payment between the landlord and the tenant or sharecropper is determined by the local committee to be in accordance with fair and customary standards of renting or sharecropping prevailing in the locality; and there shall also be excluded amounts representing payments to a bona fide cooperative corporation or association, whose members have substantially equal interest therein, and having at least 50 participating members or stockholders, if 75 percent or more of the persons actually engaged in its farming operations are participating members or stockholders of such corporation or association or are children or members of the family of such members or stockholders. In the case of payments to any person on account of performance on farms in different States, Territories, or possessions, the 25-percent reduction and the $5,000 limitation shall be applied to the total of the payments for each State, Territory, or possession for a year, and not to the total of all payments."

The SPEAKER. Is a second demanded?

Mr. HOPE. Mr. Speaker, I demand a second.

Mr. JONES of Texas. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. The gentleman from Michigan makes the point of order that a quorum is not present. The Chair will count. [After counting.] One hundred and forty-one Members are present, not a quorum.

Mr. JONES of Texas. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 50]

Anderson, Calif.	Elliott	Kee	Osmers
Andrews	Ellis	Keefe	O'Toole
Barton	Engel	Keller	Owen
Bates, Mass.	Evans	Kennedy, Martin	Peterson, Ga.
Blackney	Fay	Kennedy, Michael	Richards
Bolles	Ford, Leland M.	Kerr	Robertson
Bradley, Mich.	Ford, Thomas F.	Kleberg	Rockefeller
Brewster	Gamble	Lesinski	Romjue
Brooks	Gehrmann	McDowell	Sacks
Buckler, Minn.	Geyer, Calif.	McLeod	Satterfield
Buckley, N. Y.	Gifford	McReynolds	Shannon
Burdick	Gross	Maciejewski	Stearns, N. H.
Cannon, Mo.	Hare	Mansfield	Sullivan
Carter	Harter, N. Y.	Marcantonio	Thomas, N. J.
Casey, Mass.	Harter, Ohio.	Mason	Tibbott
Cluett	Hartley	Mills, Ark.	Tinkham
Curley	Hennings	Mitchell	Wadsworth
Dickstein	Hoffman	Monkiewicz	White, Ohio
Dingell	Horton	Monroney	Wolfenden
Drewry	Jarrett	Myers	Wood
Duncan	Jeffries	Nelson	Woodruff, Mich.
Durham	Jenks, N. H.	O'Leary	Zimmerman
Edmiston	Johnson, W. Va.	Oliver	

The SPEAKER. On this roll call 339 Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. MASSINGALE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include in them an address delivered by the Attorney General of the United States at Philadelphia on the occasion of the birthday of Thomas Jefferson.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

AMENDMENT OF THE SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

The SPEAKER. For the information of the House, the Clerk will report the title of the pending bill.

The Clerk read the title of the bill.

The SPEAKER. The gentleman from Texas [Mr. JONES] is recognized for 20 minutes, and the gentleman from Kansas [Mr. HOPE] will be recognized for 20 minutes.

Mr. JONES of Texas. Mr. Speaker, the primary purpose of this bill is to place a limitation on the amount that any one person or any one concern may draw in connection with the soil-conservation payments. Until this year there was no limitation. Effective this year there would be a flat $10,000 limitation. This bill would place a flat limitation of $5,000 on the amount that any one person could draw in connection with a farm that he was operating himself.

It would reduce by 25 percent the payments which he may draw over $1,000. If a total payment would otherwise be $2,000, this bill would reduce the second $1,000 by 25 percent, or, in other words, make a reduction of $250 so that the total would be $1,750. It provides, however, that if the owner operates through tenants or sharecroppers and the payment is divided between the landowner and the tenant in the same proportion that the crop is customarily divided in the community affected, then that part of the landowner's portion shall be exempted from the limitation.

This latter provision is really for the protection of the tenant in the planting of cotton where the tenant furnishes all the equipment. The division is usually one-fourth and three-fourths; that is, the tenant would get three-fourths of the payment and the landowner one-fourth. Where the

landowner furnishes everything the division is usually on a half-and-half basis. In the wheat areas the division is usually one-third and two-thirds.

I think it is proper to exempt the landowner when he uses the tenant or sharecropper system, because, whether we believe in that system or not, the primary effect of a flat limitation is to cause the landowner to drive the tenants off the land. So this amendment, if adopted, will serve the double purpose of placing a limitation on the man who undertakes to farm all of his land through hired labor and without the use of tenants and sharecroppers, or who drives those tenants and sharecroppers off his land, and also of protecting the tenant in the share of the payment that goes for the part of the work he does in connection with the production of a crop. It is proper in that particular case for the landowner to have some division. Some people do not think that exemption should be made. I think it should, because if the landowner pays the taxes, sometimes pays the interest on the mortgage on his crops, and takes care of his other expenses, and continues to give employment to these people, I think this would probably be a proper division. If this is not adopted, of course, the limitation remains as it is at the present time.

This particular bill in its substantial effect is the same as the provision which was passed by the House last year. When the bill went over to the Senate they had no such limitation of any kind and we were unable to get them to accept this particular limitation at that time, although some of them who opposed it before, after they have come to understand it, now believe it is a proper limitation.

Mr. Speaker, I reserve the balance of my time.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. JONES of Texas. For a question; yes.

Mr. AUGUST H. ANDRESEN. The gentleman referred to soil-conservation payments. Does not this also apply to parity payments?

Mr. JONES of Texas. This does not apply to parity payments.

Mr. AUGUST H. ANDRESEN. What would be the situation, then, with reference to parity payments as far as a landlord is concerned in a case where the landlord has many farms, and they are rented out to various tenants? Does the tenant only get the parity payments?

Mr. JONES of Texas. The tenant would get the parity payment on his part of the crops in that connection, under the terms of the general act, but there would be no limitation on the amount where the man did not have tenants unless a limitation was placed on the parity payments.

Mr. AUGUST H. ANDRESEN. As I understand it with reference to parity payments, when the landlord rents his farm to a tenant the landlord will receive his proportionate share of both the soil-conservation payments and the parity payments as a part of his division of the payments made by the Government.

Mr. JONES of Texas. That is correct; but if they do not adopt something of this character, then there will be no limitation at all on soil payments except the $10,000 limitation on the amount that the landowner can draw where he does not operate through tenants at all.

Mr. AUGUST H. ANDRESEN. Then it will apply to both the soil-conservation and the parity payments?

Mr. JONES of Texas. This particular amendment will not. However, the parity payments are divided if tenants are used. The difficulty with the parity payments is that where a man operates without tenants the parity payments are not divided.

Mr. PACE. Is not the parity payment determined on whether or not the land is rented for cash rental or crop rental?

Mr. JONES of Texas. Yes; the division follows the contract or the custom in the community. Mr. Speaker, I reserve the remainder of my time.

Mr. HOPE. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Speaker, this bill is in the interest of the small man, the tenant, the sharecropper. Those who are opposed to large payments to land barons—as most of us are—should support this bill, because it cuts down the payments in most cases on the part of the big landowner. In other words, those who are of that thought should support the bill and not assist in limiting the right of the smaller and poorer—economically—class of farmers. The bill is for the purpose of permitting tenants and sharecroppers to join in getting some of this soil-conservation money. For example, in Iowa, we have an insurance company that has a great number of farms, I do not know how many, say, 200. Under the present law they do not permit their tenants to join in getting any of this money. Under this proposed bill the distinct provisions are that the big landowner will not be affected if he permits his tenants or sharecroppers to join and get some of the soil-conservation payments. I have in my pockets letters from county agents, and one says that one big company is charging those tenants out there 35 cents an acre extra, because the landlord cannot get into this program. The man who has 100 or 200 farms makes the poor tenant pay for it. Most of the tenants in Iowa are not cash tenants but deliver a share of the crop as rent to the owner. I suppose at least 90 percent of the rented land in Iowa is paid for by share account, say, two-fifths of the crop. Now these tenants are the men we ought to help. These are the only men who will be helped by this bill. Under the present law the big fellow may get his $10,000, but under this bill he will have to divide that $10,000 with the smaller people. That is the sole purpose of the bill. As I understand it, it is being asked for by farm associations and by men who are acquainted with the way this program has worked out.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. JONES of Texas. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Speaker, I am sorry the parliamentary situation under suspension of the rules prevents offering an amendment. Had the parliamentary situation been different, I proposed to offer the following amendment, which would have excluded the range program from the $5,000 limitation.

The amendment read as follows:

After the period and before the quotation mark in line 11, page 2, insert the following new sentence: "In case of payments to ranch operators for range-building practices on ranches, reduction will not be made on payments computed for less than $10,000 for any State, Territory, or possession for any year."

The range program is limited to 5 percent of the Soil Conservation funds. The amount expended did not exceed $15,000,000 in 1937, and the amount was about the same in 1938. I want the House to definitely understand that these range payments must be earned through the construction of reservoirs, farms, cleaning out of springs, construction of spreader terraces, and so forth. There is no cash profit to the operator. It requires that all of the money be spent for range-building purposes. This $5,000 limitation will keep several large ranches out of this program. Notwithstanding this fact, I am very much in favor of this bill. It corrects a very grave injustice which exists under the present law. Under the present law, all the agricultural units of a multiple-unit operator must be in the program. With a fixed ceiling on payments, the multiple land operator, such as mortgage companies, insurance companies, and in some cases, States, cannot go into the program because of the limitation of $10,000 in the present bill.

This amendment cuts this limitation from $10,000 to $5,000 but it puts no limit on the amount a multiple land operator may earn if he earns the payment in conjunction with tenants or charecroppers. I sincerely believe that the passage of this bill would place a great many tenants and sharecroppers back on farms because the program and the payments will be attractive enough to the multiple land operator to induce him to join the program in order to receive the benefits. To vote against this measure will encourage and

continue the policy of farming with day labor; to vote for it will definitely encourage big land owners and multiple land owners to put tenant farmers and sharecroppers back on the land. I sincerely hope the House will pass this measure.

Mr. HOPE. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. REES.]

Mr. REES of Kansas. Mr. Speaker, I think it is extremely unfortunate that this bill should be brought up under what is known as a suspension of the rules. No one is given a chance to amend it. Only 40 minutes is allowed for debate. Then we vote the bill either up or down. It provides a limitation of $5,000 for a single operator—but for a person or corporation owning several farms the sky is the limit.

As I have said on the floor of this House before, in my opinion, payments made under the Soil Conservation Act are subsidies. A good deal has been said about earning the payments. After all, the payments are made to assist the farmer to carry on because of the extremely low prices which he is receiving for the things he produces. It is suggested today that this measure is intended to make the situation of the farmer more equitable. It does not even touch the fellow who really needs the help.

There are approximately 6,000,000 farm operators in this country. In 1937 approximately 3,600,000 participated under the Farm Act; $315,000,000 was distributed among these farmers. Now, to show the inequality of the plan, more than 1,000,000, or one-third of them, received less than $20 each.

I will put it another way. Half of the farmers who participated in the program got less than $40 each. One million eight hundred thousand farmers received thirty-eight and one-half million dollars. It took $44,000,000 to administer the fund. One-half of our farmers got less of the fund appropriated for them than was paid to those who administered and distributed it. Three million farmers got $107,000,000. Then the other $200,000,000 was distributed among the remaining one-fifth of the farmers.

Since Congress has seen fit to handle the farm situation in the manner it has, it seems to me we ought to take a little more interest in the man who is operating the family-sized farm. Some time ago I introduced a bill in the House that would increase the payments a little to those farmers who are now receiving $20, $35, and $50 each. The bill also provides for a limitation of $2,500 to one operator. It just seems to me that $2,500 is a pretty fair sized subsidy to pay to one operator. We are getting to the place where we have to give a little more consideration to the ordinary average farmer who is trying to get along rather than to pay huge sums to big operators. I hope the time will soon come when the farmer can have a fair price for the things he produces, so he will not be required to accept subsidies from his Government in order to provide a decent standard of living for his family.

I am more convinced than ever that the great problem involved is not so much one of overproduction. It is one of maldistribution and underconsumption. We have too much competition from the outside. The farmer is required to pay too much for the things he needs when compared with the price he is compelled to accept for the products of his land and his efforts. [Applause.]

[Here the gavel fell.]

Mr. JONES of Texas. Mr. Speaker, I just wanted to say a word in reply to the gentleman from Kansas [Mr. REES]. I have a high regard for the gentleman, but I think he will find that his conclusions are not justified from the facts. As a matter of fact, under the present act the first $50,000,000 is paid as extra payments to farmers who draw less than $200; that is, they take $50,000,000 of the fund and apportion it as extra payments among those who would otherwise draw less than $200. Now, as a matter of fact, the amount of money that is drawn by the big farmers has been greatly exaggerated. There are only 385 farmers of the 4,000,000 who get over $5,000. Nearly 95 percent of the fund is paid to farmers who draw less than $500. Ninety-nine percent of this goes to farmers who draw less than $1,000. Only 385 in the whole United States draw more than $5,000. They represent only about two-thirds of 1 percent of the total payments.

The gentleman's figures are taken from those who get very small payments. A great many of those who were paid in small payments were men who would have a very small amount of wheat near the fringe. Near the cotton fringe there are a great many people who grow a little cotton but who grow a great many other crops, and their payments on cotton are small. The same is true of wheat. The same is true of corn. So that the picture is not half so bad as it might be made out to be. This bill does not increase the payments of any man if he is operating his own farm, and trying to operate without tenants and sharecroppers. Remember that more than half the farmers of the United States are tenants and sharecroppers. If this is not adopted many of those will be driven from the soil. I think that would be an inexcusable condition for the Congress to permit to take place.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. JONES of Texas. I yield for a question.

Mr. REES of Kansas. But the fact does remain that more than a million farmers in 1937, about one-third of them, did draw less than $20; is that true?

Mr. JONES of Texas. Oh, that statement is probably correct. There are over 6,000,000 farmers.

I want to answer another statement which the gentleman made. The number of farmers who complied has been increasing every year. Already for this year, notwithstanding the criticism of the program, there are 250,000 more farmers who have indicated their desire to go along with the program than went along last year. Those in charge of administering the program say that 80 percent of the corn and wheat farmers have indicated that they will join the program. Ninety-two percent of the cotton farmers and more than 75 percent of the other farmers who live in the major farm-producing areas will join the program. Indications are that participation in 1939 will be the largest for any year thus far. That is a great compliment to the success of the farm program, notwithstanding the criticism.

Mr. Speaker, I reserve the balance of my time.

Mr. HOPE. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I am in thorough accord with the purpose of the amendment, which seeks to give the benefits of this act to tenants and sharecroppers, but I am sorry the legislation comes up in this form, which precludes consideration of amendments to the bill with reference to payments to large owners of farm lands. These owners will receive much greater payments under this amendment than they are receiving at the present time.

I am interested in the family-sized farm and the man who operates it, whether he be a tenant, a sharecropper, or an owner. He is the one who is entitled to the maximum payment that can be given him by the Government as long as subsidies are to be paid rather than the large operator, who has plenty of means and can own large tracts of land.

Mention has been made of the fact that many additional farmers are coming into the program this year. This is true. I do not see how any farmer can stay out of the program this year when the cotton farmer receives between 4 and 5 cents a pound on cotton through soil-conservation and parity payments; when the wheat farmer gets up to 28 cents a bushel and when the corn farmer gets 15 cents a bushel, I do not understand how any farmer would stay out of the program. Most farmers in the country, therefore, who produce the basic crops will be going into the program to get the maximum subsidy payments from the Federal Government. They should do so, and I urge them to do so this year. No one knows how long the Government will be able to pay subsidies to farmers and the other subsidies they are paying at the present time; but as long as the farmers and others have to pay taxes they might as well get all they can out of the program as long as the subsidy payments are continued.

I wanted to offer an amendment to this bill limiting all payments to $2,500. This amendment was adopted the other day in the House by a majority of nearly 100 when I offered

it in connection with the agricultural appropriation bill. It showed the overwhelming sentiment of the House to be in favor of restricting the payment of large sums of money so that maximum benefits might be paid to the small family operated farms. We do not want a repetition of what took place under the original Triple A as reported in Senate Document No. 274, which shows hundreds and hundreds of payments of from $10,000 to $1,000,000 made to individual farmers in a single year.

This amendment might bring out a great deal of criticism if adopted today because it does remove the lid on payments to large operators. Provided the large operator rents his farms to tenants there is no limit on the payments that can be made to the farm owner. There is a limit, however, of $5,000 on the amount of payment that can be made to a farm owner who operates his own farm. So there should be no misunderstanding whatsoever about the proposition.

I propose to introduce a bill and hope to have it considered in the House before we adjourn which will limit all benefit payments to $2,500. I am doing this because of my inability to secure consideration of the amendment in connection with the bill before us.

[Here the gavel fell.]

Mr. JONES of Texas. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado [Mr. CUMMINGS].

Mr. CUMMINGS. Mr. Speaker, I would not have cared to talk on this bill except for the fact that so much misapprehension exists. For the life of me I cannot understand why a man who has been so unfortunate as to own 15, 20, 40, or 50 farms, as some have through the method of foreclosure, should be prevented from coming under this program because he rents that land. He is taking care of his tenants; they get the most of it; he does not get much of it.

There is a great deal of misunderstanding about this bill. I was opposed to this rehabilitation of farmers. You know the bill I mean. They took a class of farmers who could not borrow a dollar at the banks and bought them the full outfit. From figures I secured from the Department, I find that in the district I represent they had lent over $4,000,000. I found further that 25 percent of the money has been paid back, although a lot of it is not due for 3 years. The truth is I was plumb wrong about that class of people that we always thought could not take care of themselves. They are making good.

Do not cripple this bill; do not cripple it with amendments you do not fully understand. This bill does not endanger anybody, but it does take care of the tenants, and they are the ones who need taking care of. [Applause.]

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The gentleman yields back 1 minute.

Mr. HOPE. Mr Speaker, I yield 3 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, I am anxious that the Members of the House may know just who this big landlord is and how this situation exists.

Mr. Speaker, unless we pass legislation of this character very grave injustice will be done the tenant farmers. In my State of South Dakota the big landlord is the State itself. We attempted to offer the farmers of the State a better credit system some years ago, cheaper interest on farm mortgages; and as a result of that effort today the State of South Dakota owns 7,000 farms. It keeps up the farms, pays interest on 20 millions of dollars in bonds floated to finance the loans—even pays taxes to the counties and schools on these 7,000 farms that it had to take over.

These farms are all operated by renters. It is true that the farmers could come under this program so far as they themselves individually are concerned if they could pay cash rent and thereby become the sole operators. But if the rent in any way depends on the yield or farm income, the landlord becomes a joint operator and he is penalized about 5 to 1 for every farm out of compliance. Now, not enough of the farmers can pay cash rent to make things balance for the South Dakota Rural Credit Board's renters to go into the program.

Just Saturday I received a letter from the director of our rural credit board, saying that he had been obliged to report to the State director of the Triple A program that unless this legislation were passed their 7,000 farms would have to go out of the program. I think the Members understand that if some of a landlord's farms do not comply, the penalty for their noncompliance is assessed against the landlord's other farms. This means in my State not only the insurance farms that are rented on shares but it means also that these 7,000 State renters are taken out of the program and will seek by increased acreages to make up the lost benefit payments.

You talk about the effect on the landlord or the big operator, but unless this bill is passed you will be slapping in the face 7,000 renters who have no other way to come under the program.

In addition to the State-owned farms we have the farms that are rented from insurance companies and others who have extended loans on farms and foreclosed. Nobody who took over a large block of these farms wanted to take the farms over. The Federal land bank did not want to take them over, the State of South Daokta did not want to take them over, the insurance companies did not want to take those farms over, but they have them and they are trying to rent them to people who want to get on their feet again.

If you do not pass this bill, you are slapping those renters in the face. What you think of the Agricultural Adjustment program as a whole is entirely beside the point as far as this bill is concerned. The program is in effect. The general act is the law. If you favor limiting the payments to those who own the farms they operate, or who are able to pay cash rent, you can vote against this bill. But if you favor amending the act so that share renters and sharecroppers can qualify, you will vote for the amendment to the act, embodied in this bill.

The gentleman from Minnesota said he would advise all farmers to come into the program this year, but unless you pass this bill the farmers cannot follow his advice, not if they rent on shares from a landlord with any large number of farms. Many of these men owe money to the Farm Security Administration or other Government agencies. It is good business for the Government to see that they have an opportunity to qualify for benefit payments—but primarily I appeal to your sense of fairness to remove the restriction on multiple farms and let these renters get the benefit of the farm program this year. [Applause.]

[Here the gavel fell.]

Mr. JONES of Texas. Mr. Speaker, I yield 1 minute to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, may I ask a question of the distinguished chairman of the Committee on Agriculture? In my State we have quite a few large operators of wheat ranches. Regardless of how many acres a farmer farms, is he limited, under the operation of this bill, to $5,000?

Mr. JONES of Texas. He is limited, if he is operating himself and not through renters or tenants. If he uses renters and tenants, either or both, there is no limitation so long as he simply draws his part of the payment. The tenant draws the major portion. It is usually the major portion on account of the division which goes to the tenant.

[Here the gavel fell.]

Mr. HOPE. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. LORD].

Mr. LORD. Mr. Speaker, New York State from which I come consists mostly of family-sized farms. No farmer draws anything like $5,000. About the most a farmer can receive in New York State is $200, and that only to the best farmers.

The farmer who really needs soil conservation cannot get any help at all and that is where I find fault with the pending legislation. The little farmer who has 50, 75, or 100 acres is the one who does not have ready money. He is the man who needs the help most, if help it be. He is the man who needs the soil conservation, if any one is to have it, in

order to help his farm. But he has to have ready money to buy seed and fertilizer, and does not have the ready money—and fertilizer sells for cash.

I have contended that we should amend this legislation so that the farmers who are in need of help may receive it and not give it all to the man who really can afford to pay for what he has. When they see that some farmers receive $5,000, or an amount larger than that, they think the Government is just simply giving away money to people who do not need it. As I stated before, the ones who need it most cannot get any help at all. [Applause.]

[Here the gavel fell.]

Mr. HOPE. Mr. Speaker, I yield the remainder of the time on this side to myself.

Mr. Speaker, under the present law there is a limitation of $10,000 so far as total payments are concerned. That is the only limitation. Two criticisms have been made of this limitation. Some people think it ought to be lower. To meet that criticism, there has been embodied in the present bill a limitation of $5,000 in total payments and a reduction of 25 percent in all payments above $1,000.

The other criticism that has been made of the present law is that in the case of multiple landowners, such as the State of South Dakota or large mortgage and insurance companies that have been compelled to become landowners involuntarily, the $10,000 limitation would prevent their participation. The reason that they cannot or will not participate is because the payments which they would receive are so limited in proportion to the land involved and work required that they feel they cannot afford to come in. If a $10,000 limitation would prevent their participation, then, of course, a $5,000 limitation, as provided in this bill, would prevent an even larger number of multiple landowners from coming into the program.

Of course, the object of this bill is not to take care of the large multiple landowner. The object of the bill is to take care of his tenants, because if the landlord cannot come in then the tenant cannot come in, either. There is no logic or reason why a tenant on one side of the road who rents his farm from the State of South Dakota, or a mortgage company, we will say, should not come into the program because these limitations keep his landlord out, when the man on the other side of the road whe rents his farm from someone else, who owns only one or two farms, gets a payment.

The main purpose of this bill is to make it possible for tenants who happen to be unfortunate enough, if you want to call it that, to be tenants of large landowners to come into the program on the same basis as the tenant who rents his land from a small landowner.

As the chairman of the Committee on Agriculture told you awhile ago, the number of payments over $1,000 is very small. I feel, therefore, that the matter of reducing the limit on payments is a rather immaterial feature of the bill. The main object is to put all tenants, of whom there are almost 3,000,000 in this country, on an equality. Furthermore, by passing this bill we will not only put tenants on an equality with each other but will protect the family sized farms now being operated by tenants.

The tendency in some parts of the country where these limitations have been applied, has been for large landowners to say, "Well, if we cannot come into the program we will just stay out of it altogether and get rid of our tenants." I am sorry to say that situation has occurred in some parts of the country. They are using labor-saving machinery, such as we have today, and it is possible for the large landowners to farm the land themselves through hired help. That is what we want to get away from. If the large landowner gets rid of his tenants and sharecroppers and operates the land himself he is subject to the limitations of the bill. If he farms by tenants he is not. We want to encourage large landowners to farm through tenants. If you want to do that, support the present bill, because that is what it will accomplish. I do not say that this is a perfect bill. In theory at least it seems hard for one to justify any limitation on soil-conservation payments. They are paid to farmers for carrying out certain practices. That being the case why should not the large landowner who carries out the required practices be paid at the same rate as the smaller landowner? The $5,000 limitation will work a hardship on those in the range program as mentioned by the gentleman from Oklahoma [Mr. FERGUSON]. I recognize, however, the sentiment in the House and in the committee in favor of some limitation, and feel that the present bill is a fair compromise of the very divergent views which exist on the question. Therefore, I favor its passage. [Applause.]

[Here the gavel fell.]

Mr. JONES of Texas. Mr. Speaker, this measure, as my colleague has just stated, will protect the tenants and sharecroppers, many of whom might otherwise be compelled to leave the land. If a man owns land himself, or if a mortgage company or insurance company or a State owns land, they frequently do not want the land because there is expense connected with such ownership. If you place a flat limitation on this payment and make it low and do not permit the landowner to have anything, in desperation he will probably say, "My only recourse is to drive off the land these 50 or 100 or 500 tenants and leave them off the land, and get some machinery and hire seasonal labor." Thus a considerable percentage of the 2,500,000 farmers who are now tenants and sharecroppers will be forced on relief. I believe it would be absurd for the Congress to take such a position.

Mr. Speaker, I ask for a vote on the bill.

The SPEAKER pro tempore (Mr. BLAND). The question is on the motion to suspend the rules and pass the bill as amended.

The question was taken, and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER pro tempore. Under a previous special order, the gentleman from Indiana [Mr. HARNESS] is recognized for 15 minutes.

Mr. HARNESS. Mr. Speaker, I have today introduced a measure which I believe will not only give full satisfaction for a series of gross offenses against the honor and dignity of our armed forces in the last war, but which will also strengthen our hand against possible similar offenses in the future. This measure would preclude the reentry to the United States, under any circumstances, of any person who has fled, or who may in the future flee, from the United States or its possessions as a convicted deserter from our armed forces in time of war.

You have all seen the news dispatches reporting Grover Cleveland Bergdoll's intention to seek reentrance to the United States, and to serve the penal sentence which he fled this country in 1920 to escape. I think we may safely presume, in case he might gain admittance and serve this term, that he will attempt to recover the $500,000 to $600,000 worth of property which was confiscated by the Alien Property Custodian following his flight from the country.

I was moved to offer this measure at this time specifically to insure against this arch-traitor's return to this country under any circumstances. How can there possibly be a place in America for a man who has so flagrantly rejected his American responsibilities, and so violently renounced his American rights? What claim to asylum do his German-born and German-reared wife and children have upon America? My deepest sympathy goes to that woman and those innocent children who must live under the clouds of war which threaten them. But it is exactly the same sympathy which I feel for the millions of other German people who suffer under the iron hand of the war-mad Hitler. The Bergdoll family deserves and should receive nothing from this country which we do not extend to every other person in Germany.

Is it a sudden burst of patriotic fervor and love of country which prompts this traitor to seek reentry to America? Or

has he found conditions in Germany so extremely unpleasant that life in America—even in a prison cell—seems preferable? Does the menace of war which hangs over his chosen country alarm him? Do the rigors of the Hitler dictatorship chafe his wastrel, playboy soul?

Obviously, Bergdoll is moved by these latter considerations, for it is impossible to imagine the slightest spark of patriotism stirring in the man who has so consistently hated and reviled America. Remember that Bergdoll was the spoiled, pampered, wastrel son of a wealthy family who grew up with an abiding contempt for law, discipline, and order; and who spent an active youth violating the rights, peace, and security of others. This unbridled libertine seems now to have run athwart an iron-handed regimen which he cannot violate with the same impunity which marked his course in this country.

Remember, too, that Bergdoll has always been accustomed to every luxury that wealth can buy. Even though the Alien Property Custodian impounded his sizeable fortune, his mother's wealth has been, at least until recently, at his command. But the steadily tightening economic vice in which Hitler's course of conquest has been squeezing Germany is probably cutting off the luxuries to which this son of wealth has always been accustomed.

It may even be that his rebellious nature has led him to indiscretions which have invoked the wrath of his overlord. His desire to quit his adopted country may be born of dire necessity. There would, indeed, be poetic justice in the picture of a man fleeing the incomparable freedom of America only to fall into the straitjacket existence which destroys all personal liberties in the Germany of Hitler. As loathesome and revolting as are the Gestapo methods of Hitler, this might be an occasion where we could almost view them with tolerance.

Whatever the reasons which underlie his desire, it is quite natural that Bergdoll should seek to escape the hardships and dangers of existence in Germany. A military prison in America is vastly better than a concentration camp in Germany. And 5 years of penal servitude is a small sacrifice to attain the soft life of ease and freedom which his mother's wealth would assure him in America.

I have spoken of Grover Bergdoll in harsh terms, but I use those terms advisedly. His offenses against this country were not the offenses of the ordinary "conscientious objector" who is sincere and honest in his refusal to bear arms against his fellow men; and who is willing to suffer punishment rather than forsake his principles. This man, Bergdoll, showed no such pacific disposition. The best that could ever be said for him was that he was a reckless, irresponsible youth who was driven by emotional hysteria to the grave offenses he committed against the country which had provided for him so handsomely and treated him so leniently.

The weight of evidence, however, proves that he was contemptuous, truculent—even brutal and vicious; and these offenses were deliberate and premeditated. Consider his record:

At the age of 16, Bergdoll shot at an officer who was attempting to arrest his brother for speeding. Carrying and using lethal weapons was not an accident of youthful exuberance, as later events proved.

At the age of 18, Bergdoll was caught carrying a pistol and a dagger, this time through an arrest for speeding.

In 1912 and again in 1915 Bergdoll was arrested for motor accidents causing injuries to himself and others.

His vicious tendencies further revealed themselves at the age of 19, when he was arrested in 1912 for beating an officer.

Bergdoll had the wealth to indulge every whim. It was natural, therefore, that he should own and fly his own airplanes. He was physically skillful in aviation as he was in driving. But the skill was accompanied by recklessness and complete disregard for the rights and safety of others. Just as he was arrested repeatedly for reckless driving and speeding on the highways, so was he grounded and repeatedly warned for flying dangerously low over Philadelphia and the crowded beaches at Atlantic City. Both planes and motors were extremely undependable in those days, and low flying was extremely hazardous. Any failure over a crowded area might have killed and maimed scores of people. Still, Bergdoll disregarded other people's safety when he flew, just as he ignored their rights and their safety when he drove a car. Repeated warnings and arrests changed his contemptuous attitude not the slightest.

That is the young man as he was up to the entrance of America in the World War. His character was a matter of public record before this time; and his pro-German sympathies were established by the fact that he volunteered his services, his planes, and his resources to the German Army in 1914. The events which followed could have been foretold clearly:

In 1917 Bergdoll fled to evade the draft law. He became a technical deserter at large but avoided capture until January 1, 1920. As a fugitive he repeatedly wrote taunting and derogatory messages in the best gangster manner to Army and civil officers.

After his conviction on the desertion charge, Bergdoll contrived a cock-and-bull story about a large sum of gold which he had buried in the Maryland hills. Upon this ruse he secured leave under guard on the pretext of conducting a search for this purported treasure.

It should be noted that the search was fruitless. That the whole affair was a sham became obvious when he eluded his guards by a prearranged ruse while visiting his mother's home in Philadelphia. He left his guards to answer a faked telephone call and escaped, in company with his chauffeur, Eugene "Ike" Stecher, who was also a deserter from the United States Army.

The circumstances surrounding the escape clearly indicated prearrangement. Furthermore, that escape transpired in such a manner as to throw unjustified but nonetheless serious suspicion upon a number of Army officers and persons in the War Department. Apparently, the written order granting the leave did not include the privilege to visit his mother in Philadelphia. The irregularity surrounding the side visit gave credence to ugly stories of bribery which were cleared only after a congressional investigation.

Thus closes the record of Bergdoll in America. But interesting and enlightening events followed after he found asylum in Germany. Two unsuccessful attempts were made to abduct this traitor and return him to justice in America. Following the first, in 1921, Bergdoll cabled this message to the Philadelphia Public Ledger:

> We captured six Department of Justice agents and threw them in prison. We are safe and sound. See Associated Press reports.

Here again is the gloating Bergdoll. As thoughtless and unjustified as may have been the attempted abduction, the man could not restrain the gangsterlike quirk which drove him to twit the forces of law, even on such a groundless charge. The Department of Justice, of course, refuted the implication that the incident was an official attempt to apprehend Bergdoll.

In 1923, six overzealous Americans made a second attempt to abduct Bergdoll. It was on this occasion that he shot and killed Carl Schmidt and severely bit a second of his would-be abductors.

In 1921, shortly after reaching Germany, Bergdoll applied for German citizenship. The application was refused, and no further authentic information is available on his status thereafter.

There is the record of the man who finally, after almost 22 years, would embrace the American cause and reclaim American citizenship. The evidence needs no comment, except to emphasize the sly cunning and hatred Bergdoll displayed. Not only did he flaunt his disdain as a fugitive and afterward, when he found asylum in Germany, but as a result of the fiasco which started as a treasure hunt and wound up with his escape from this country, he threw a cloud of grave suspicion upon Army officers and War Department officials which threatened their characters and their careers. That the suspicion was groundless merely serves to prove his vicious, subversive cunning.

This traitor offered his services and resources to Germany in 1921. He renounced any possible remaining American rights when he applied for German citizenship in 1921. Under the circumstances, there can be no useful place for him in America now. [Applause.] Neither he nor his family can have any slightest claim upon America.

Millions of patriotic Americans willingly offered their lives for their country, while the enemy-minded Bergdoll fled to safety. Thousands of fine American boys laid down their lives for the flag at which Bergdoll sneered. In simple justice to these men, and to every true American, this Congress should be eager to bar this arch traitor and all others of his stripe. [Applause.]

I feel strongly upon this subject, because I was one of the 4,000,000 men who discharged the duties which this traitor rejected. I spent 2 years in the service—a full year in the trenches opposing the forces which Bergdoll embraced. Because I wore the American uniform in the World War, however, I feel that I reflect the feelings of every other American service man in resenting the affront which Bergdoll committed; and in demanding full satisfaction for that affront.

I urge the adoption of this measure to avenge this grave offense and to strengthen the assurance that such offenses against the honor and dignity of America may never be repeated. [Applause.]

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. HARNESS. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Have not the Departments held that Bergdoll, the draft dodger, has lost his civil rights? If this be so, how can he obtain a passport to reenter America?

Mr. HARNESS. It is my understanding that the State Department takes the position that Bergdoll has lost his citizenship, but that matter would have to be thrashed out in the courts and would require a long legal battle.

Mr. SCHAFER of Wisconsin. While Congress is considering the bill which the gentleman has introduced Bergdoll may arrive in this country. Does not the gentleman believe that in view of the fact that this is Consent Calendar day, the gentleman ought to ask unanimous consent for the passage of his bill at this time and serve notice on this draft dodger to keep out of our country?

Mr. HARNESS. I hope the Congress will give immediate consideration to this bill. The bill will probably be considered by the committee tomorrow, and I hope, if the committee makes a favorable report, the House will then take it up by unanimous consent for consideration.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. HARNESS. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. The gentleman has made a very splendid statement to the House on this matter. May I ask the gentleman what are the provisions of his bill? What is sought to be accomplished by the bill?

Mr. HARNESS. The bill provides that any person heretofore or hereafter convicted of desertion from the military or naval forces of the United States while the United States is at war, and who has proceeded, or who may hereafter proceed, to a foreign country to escape punishment for his offense, shall not be admitted to the United States for any purpose. The thing sought to be accomplished by this measure is to keep Bergdoll and any others like him from returning to the United States. [Applause.]

Mr. FADDIS. Mr. Speaker, will the gentleman yield?

Mr. HARNESS. I yield to the gentleman from Pennsylvania.

Mr. FADDIS. I am very much in sympathy with the gentleman's sentiments toward this arch traitor, but I am very much afraid he will be allowed to land. I wish to express the hope that, if he does land, he will be imprisoned, and that the House of Representatives and the Senate of the United States, and everyone else connected with the Government, or having any interest in the Government, insist that he do his full time in prison, and under no conditions be pardoned, and also that his time be increased by all the penalties the law can heap upon him.

Mr. HARNESS. I thank the gentleman for his contribution, but let me say that if the Congress will consider this bill within the next week we can stop Bergdoll from coming back to this country and will not have to be bothered with him or others of his stripe any longer. [Applause.]

Mr. FADDIS. I shall be glad to vote for the gentleman's bill, and I hope we furnish the world another example of a man without a country.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. HARNESS. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. I desire to make the observation that I am in sympathy with the purpose of the gentleman's bill. May I further add that I agree wholeheartedly with the sentiments expressed by the gentleman from Indiana. It is plainly evident that the gentleman has made a very serious and detailed investigation of the activities of this well-known draft-dodger traitor to the Government. As a former service man, I am pleased to join the gentleman in the hope that his bill to bar Bergdoll from America will be enacted by this Congress at an early date.

Mr. HARNESS. I deeply appreciate the observations of the gentleman from Oklahoma. [Applause.]

[Here the gavel fell.]

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KRAMER. Mr. Speaker, today is the opening of the baseball season. One of my constituents, the Voit Baseball Co., of Los Angeles, has sent me half a dozen of their official baseballs, to be presented to the page boys of the House, who are going to wage a desperate fight in their ball games with the Senate page boys. I hope this year the pages of the House will win the pennant.

Mr. LORD. Mr. Speaker, will the gentleman yield?

Mr. KRAMER. I yield to the gentleman from New York.

Mr. LORD. Mr. Speaker, due to the fact that this is the one hundredth anniversary of the invention of the game of baseball, which was started at Cooperstown, N. Y., in my district, by Gen. Abner Doubleday, I hope the gentleman will consider donating one of those baseballs to the centennial that is to be held in Cooperstown, which I hope the gentleman from California and all other Members of the House will attend.

Mr. KRAMER. I shall be pleased to do so. [Applause.]

Mr. LORD. I wish to thank the gentleman in behalf of Cooperstown Centennial Ball Association.

[Here the gavel fell.]

THE PRACTICAL SIGNIFICANCE OF P. W. A.

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point, and include therein a list of the pending non-Federal Public Works Administration projects.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KRAMER. Mr. Speaker, last year when business was badly in need of revitalization and another depression threatened to engulf the Nation, Congress appropriated a sum of money to be used for loans and grants to cities and States and municipal bodies for public-works projects. The appropriation acted as a "transfusion" to industry and thus to the Nation as a whole. The fact that the "transfusion" was postponed for so long was responsible for the delay in the business upswing, which did not begin to be felt until the latter part of 1938. Immediately after the legislation was enacted, however, and projects put into operation, pay rolls lengthened and orders for materials increased.

Construction of public works has been regarded for many years as one of the more promising means of relieving unemployment in periods of acute industrial depression. Public construction provides jobs when they are needed most, and stimulates employment in the heavy industries by creating a demand for the raw materials used in construction. More-

over, with the purchasing power of the workers, directly or indirectly employed, maintained, the demand for consumer goods is sustained and other parts of the industrial system are kept in motion.

The practical significance of P. W. A. is known to all of you. I need not tell you that we have had nothing more useful to show for our money than the public-works projects of permanent useful character, which have been sponsored by Secretary Ickes as P. W. A. Administrator. There has been no criticism of the P. W. A. program and its benefits are plainly discernible.

While it is easy for critics to point out the inability of P. W. A. to provide large-scale employment, the careful standards established by Secretary Ickes should not and cannot be broken down, and it must be remembered that many hours of employment are funished indirectly by the program. The main consideration is that in the allotment of public-works funds the amount of labor required for each of the several kinds of public works is of first importance. How can the maximum employment be created with the funds available? Aside from the question of economic and social utility, what are the employment potentialities of projects for flood control, highway construction, reforestation, abolition of grade crossings, slum clearance, public buildings, schools, and soil-erosion control? It is a relatively simple matter to determine the direct labor requirements at the site for each of the several classes of projects, but this is only a partial picture. Many additional jobs are created indirectly by the production and handling of materials needed for the projects.

For that reason Secretary Ickes is to be congratulated for drawing the all-important distinction between socially desirable public works and those undertaken as made-work projects. We can analyze the results of the programs undertaken in the past and conscientiously support legislation to continue the public-works agency.

We know that during the heat of the recent hard-fought political campaign we heard no criticism of public-works projects or of the manner in which P. W. A. has been administered. There must have been a reason for this absence of political attack. In my opinion, this reason was that the Public Works Administration never has been conducted on a partisan basis. Secretary Ickes' brand of public works and politics do not mix.

Another reason for the widespread popularity of the program has been that through P. W. A., States, counties, and municipalities, from the humblest of villages up to the great metropolises, irrespective of their political complexion, have had the opportunity of sharing directly in effecting recovery. They have done this through their own planning and initiative, through the selection of those projects that they considered the most needed and useful and through the expenditure of their own funds.

The P. W. A. construction program has proved workable because it provides employment for men in their own trades, at the same time benefiting the heavy-goods industries. It contributes nothing to the growing dependency of the relief workers on the Government and, on the other hand, encourages men who are on relief to look for work in their own trades and at their own rates of pay.

I advocate that the Public Works Administration be designated for the management of such part of all relief appropriations as may be used for construction work. I maintain that in this manner Congress can insure an efficient and economical construction program and at the same time revitalize business and relieve unemployment. I firmly believe that all public construction should be done by the contract method and through a system of competitive bidding. I believe that construction workers should be given the benefit of labor protection as set forth in the laws of the Nation which is assured them under the P. W. A. basis of operation.

Important decisions respecting work-relief policies confront the Congress at this time. I hope that my recommendations will be given some consideration and thought. The Government's moral responsibility for the welfare of its people must not transcend all considerations of efficiency. We should keep in mind that public funds are a public trust.

I have long held the belief that a majority of the unemployed in this country want jobs in private industry at prevailing wage rates. It has been charged that many of the persons working on Government relief projects would not accept employment in private industry if it were offered to them. I have never been able to find any foundation of truth in this. The people in my district, and they are average American men and women, do not want to accept relief unless they are forced to do so, and those who are employed on relief projects do not want to continue 1 day longer than is necessary. They will accept work in private industry any time it is offered, and if Government can bring industrial health to the Nation, I know we will have no unemployment problem.

P. W. A. has acted as a much-needed "shot in the arm" to industry in the past. It has provided work in private industry for those who would otherwise be forced on the relief rolls.

I am such a dyed-in-the-wool supporter of public works that I believe every reasonable consideration should be given to the suggestion of making P. W. A. a permanent agency of our Government. It goes without saying that a long-range program is necessary. On the basis of experience we must prepare ourselves for the future. A master plan will aid Congress in harmonizing over a period of years what is needed with what can be paid for. It will prevent the spending of public funds haphazardly and illogically.

Congress has in the past enthusiastically endorsed the public-works program. I hope serious consideration will be given to making this a permanent part of our Government for use in times of depression when a financial "transfusion" is most needed to prevent industrial collapse.

I list below a summary of applications for projects, by States, pending before the Public Works Administration as of January 18, 1939, which might be eligible for allotment if additional appropriations were provided:

PENDING NONFEDERAL PUBLIC WORKS ADMINISTRATION PROJECTS

Summary of list by counties, of applications for projects pending before the Public Works Administration which might be eligible for allotment if additional appropriation were provided as of Jan. 18, 1939

State	Number of projects	Loan	Grant	Total	Estimated cost
Alabama	47	$421,500	$2,537,328	$2,958,828	$5,630,114
Arizona	91	8,627,500	10,764,093	19,391,593	23,921,483
Arkansas	25	618,000	706,478	1,324,478	1,569,955
California	458	7,814,000	94,045,671	101,859,671	247,201,156
Colorado	42	324,000	2,843,486	3,167,486	6,319,197
Connecticut	91	31,000	10,650,990	10,681,990	23,668,878
Delaware	4		203,292	203,292	451,760
Florida	92	12,997,200	17,157,602	30,154,802	38,128,971
Georgia	91	1,608,875	10,000,453	11,609,328	22,756,023
Idaho	26	179,838	1,743,830	1,923,668	3,875,171
Illinois	459	292,409	39,470,438	39,762,847	88,173,948
Indiana	61		5,608,698	5,608,698	12,466,027
Iowa	213		8,461,095	8,461,095	18,797,422
Kansas	87	4,637,000	7,007,483	11,644,483	15,595,646
Kentucky	26	275,000	1,426,324	1,701,324	3,169,615
Louisiana	141	1,573,910	15,141,213	16,715,123	33,647,150
Maine	31	28,000	828,828	856,828	1,841,848
Maryland	34	143,000	16,346,630	16,489,630	36,324,846
Massachusetts	49		4,908,144	4,908,144	11,038,829
Michigan	105	982,500	11,650,027	12,632,527	25,883,162
Minnesota	89	23,000	8,844,047	8,867,047	19,653,441
Mississippi	86	2,541,568	3,483,684	6,025,252	7,733,644
Missouri	91	11,000	9,196,642	9,207,642	20,452,626
Montana	41	1,086,200	4,205,766	5,291,966	9,346,148
Nebraska	131	3,209,571	10,625,264	13,834,835	23,611,713
Nevada	20	19,000	1,029,126	1,048,126	2,286,956
New Hampshire	21		1,359,836	1,359,836	3,021,658
New Jersey	187	11,404,000	30,011,254	41,415,254	68,942,480
New Mexico	19	2,295,500	4,495,147	6,791,647	9,991,446
New York	429	18,375,000	114,573,744	132,948,744	257,090,091
North Carolina	81	962,000	4,720,456	5,682,456	10,489,915
North Dakota	53	33,000	2,197,885	2,230,885	4,884,197
Ohio	190	926,500	26,854,233	27,780,733	59,684,168
Oklahoma	54	1,119,000	10,500,092	11,619,092	23,333,926
Oregon	34	175,700	1,400,968	1,576,668	3,113,265
Pennsylvania	966	64,270,300	130,243,047	194,513,347	289,450,945
Rhode Island	12		2,420,483	2,420,483	5,378,850
South Carolina	57	9,554,000	13,138,693	22,692,693	29,197,117
South Dakota	35	43,000	2,746,627	2,789,627	6,099,179
Tennessee	94	4,566,000	9,878,500	14,444,500	21,964,822
Texas	298	33,209,175	59,386,383	92,595,558	134,106,856
Utah	23	195,000	2,293,371	2,488,371	5,096,387
Vermont	15		760,677	760,677	1,690,397

Summary of list, by counties, of applications for projects pending before Public Works Administration which might be eligible for allotment if additional appropriation were provided as of Jan. 18, 1939—Continued

State	Number of projects	Loan	Grant	Total	Estimated cost
Virginia	150	$391,000	$9,831,851	$10,222,851	$21,844,622
Washington	190	447,850	15,091,915	15,539,765	33,537,621
West Virginia	33	1,369,000	7,738,288	9,107,288	17,196,198
Wisconsin	141	8,000,000	17,739,788	26,339,788	39,422,935
Wyoming	41	377,000	2,045,608	2,422,608	4,545,435
District of Columbia	8	8,706,500	7,123,500	15,830,000	15,830,000
Alaska	7	210,000	233,672	443,672	519,272
Hawaii	10		828,225	828,225	1,840,500
Puerto Rico	25	1,689,000	1,484,993	3,173,993	3,299,993
Virgin Islands	3	173,250	176,932	350,182	393,182
Total	5,807	216,535,846	778,163,800	994,699,646	1,775,510,286

EXTENSION OF REMARKS

Mr. HUNTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio broadcast on the bill H. R. 2387.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution which I send to the Clerk's desk and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 167

Resolved, That Mr. HARRY SANDAGER, of Rhode Island, be, and he is hereby, elected to the District of Columbia Committee of the House of Representatives.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including a speech made by the gentleman from Illinois [Mr. SMITH].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD with reference to the bill H. R. 4646, to provide means by which certain Filipinos can emigrate from the United States.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein certain short portions of a bill which I introduced and also a statement entitled "A Program for Monetary Reform," by a number of professors.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BENDER asked and was given permission to revise and extend his own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SPARKMAN. Mr. Speaker, on Saturday, February 25, 1939, it was my privilege, with other members of committees interested in national defense, to witness two demonstrations. During the morning there was a demonstration by the Air Corps at Langley Field and Messick. It was an excellent and most impressive demonstration. Some of us went up in one of the planes, so we could not hear the explosion of the bombs. However, those who were on the ground did hear the explosions, and all of us were impressed deeply with the destructive capabilities of attack from the air. That afternoon we observed a demonstration of antiaircraft artillery at Fort Story, Va., and also saw two rounds fired from a seacoast battery at Fort Monroe. Those firings were also excellent and impressive, and I believe that others will agree that the trip to Virginia was well worth while.

The trip had been planned by General Craig in compliance with a request made by the Military Affairs Committee during the hearings on the President's national-defense message of January 12, 1939. Ever since that trip I have been thinking about the things I saw and trying to couple them with some of the things I heard from witnesses before the committee and things I have read of the hearings before other committees of Congress. My cogitations lead me to wonder about some features of our plans for defense.

For a number of years I have been a Reserve officer in the Coast Artillery Corps. During those years I have learned that one of the principal reasons for fortifying harbors is to preclude the necessity of assigning local defense missions to detachments of our fleet. Thus the entire fleet is enabled to act in unison in the accomplishment of its real mission instead of being withheld from the high seas in order to insure the local defense of our harbors. Harbor defenses also insure protected anchorages for our Navy when in port. There is nothing new in that. Not one of you fail to wonder what it will cost to provide the fortifications necessary to protect a contemplated new naval base. The two thoughts occur simultaneously and subconsciously for the simple reason that we appreciate the necessity of fortifying naval bases. The fortification of naval bases is a principle of defense as old as navies.

In many respects an air force is like a fleet. It constitutes a highly mobile defensive force which is obliged to use offensive means. To be mobile and to act as a unit, it should not be parcelled out for the protection of many localities. It requires bases at which to refuel, rearm, and make repairs.

In some respects an air force differs from a fleet. Unless docked for repairs, a ship is always in its native element—the water—and, if the need arise suddenly, is capable of using its guns for self protection. It is true that naval engagements prefer battle formations which will permit the most effective delivery of fire and obviate the undesirable feature of massed targets for hostile fire. Not so with an air force. It may stay in its native element—the air—only so long as the fuel lasts. After that it must come back to its land or floating bases where, temporarily at least, it is helpless. Thus do air bases and flying fields offer the best targets while filled with planes. It is impracticable to keep an air force in the air continuously. It is obvious, therefore, that air bases should be protected just as are naval bases.

I know of only two methods of providing such protection. One is by the use of airplanes and the other is by fire from the ground. With the speed of all types of planes approaching the same figure, it seems that the defense planes are being seriously handicapped. Add to their inability to overtake their targets the difficulties incident to a pilot finding another plane during darkness and the handicap is multiplied. It would appear that interception and air combat during darkness will be purely accidental.

General Strong, the head of the War Plans Division of the War Department General Staff, told the committee that antiaircraft artillery in Spain was effective. Those of us who have seen these weapons fire can understand why. There is no delay in the delivery of fire from the ground. The projectiles can overtake their targets.

You may feel that I am arguing antiaircraft against aviation. May I state emphatically that such is not my intention. I am convinced that both aviation and antiaircraft artillery are essential to national defense just as are the Navy and and harbor defenses. How big the Navy or the Air Force should be are questions beyond my ability to answer. General Arnold told the committee that we needed the number of planes provided in the bill. He also said that planes lasted about 5 years. Twenty percent for maintenance is quite a lot but, if essential to national defense, I am in favor of it.

What I am trying to do is present certain facts and principles, which I have considered, in the hope that you will think them over and perhaps reach the same conclusions that I have reached. The first conclusion I wish to mention is that antiaircraft protection should be provided for all of our important air-force establishments. I believe you concur in the necessity of providing such protection for naval establishments.

We have been told that the present War Department program for antiaircraft artillery contemplates 34 mobile regiments as a minimum requirement for the continental United States. What will that number protect? Consider our air force and navy establishments. There are some 15 air bases and flying fields; 4 of these—the 3 wing headquarters and the school at San Antonio—should have the protection of at least 2 regiments each. If 1 be assigned to each of the remaining 11, the total requirement for that purpose will be 19. Neglecting ammunition and mine depots, naval air stations, submarine bases, and similar navy establishments, you may count 9 navy yards in the United States. Each should be protected by at least two antiaircraft regiments. If these 18 be added to the 19 for the air-force protection, the total is 37—3 more than the 34 in the present program. This very rough estimate indicates that the present program is too small. Bear in mind that I have included nothing in the way of antiaircraft protection for the field forces, nothing for the protection of manufacturing establishments, nothing for the protection of oil storage, nothing for the protection of metropolitan areas. I am wondering if the War Department has not been too modest in its requests and whether we are doing as much as is possible to provide antiaircraft protection.

Manifestly it would be impracticable to provide sufficient antiaircraft to protect everything. General Craig has stated many times that, in the event of an emergency, there will be numberless calls for antiaircraft protection. I feel that the program for 34 regiments should be enlarged.

Just a few words about the training of the personnel to man the antiaircraft weapons. Having been associated with this type of artillery for a number of years, I can assure you that the problems presented in firing at fast targets capable of moving in three directions are far from simple. The solution of those problems has led to the development of several articles which, of necessity, are quite complicated. The proper use and care of such equipment requires specialists. In the actual firing the sound judgment of those in charge add greatly to the effectiveness. I believe I can say truthfully that antiaircraft is the most difficult of all artillery. The training is necessarily detailed and requires both competent instructors and long periods of time for perfecting the required personnel.

It has been our policy, and a sound one, to charge the Regular Army with instructing the civilian components. To carry out this policy for antiaircraft instruction there are five partially active mobile regiments in the United States. These are located at New York, Chicago, San Francisco, Los Angeles, and Galveston. To supplement this shortage in mobile regiments, antiaircraft instruction is also given in certain harbor defenses. I have been receiving mine in the harbor defenses of Pensacola.

Practically all active training of the civilian components is held during the summer months. The combined requirements for the training of the C. M. T. C., the R. O. T. C., the National Guard, and the Reserve officers places a very heavy load on the Regular Army organizations charged with the training.

There are about 5,000 Reserve officers assigned to active and inactive antiaircraft regiments. If we assume that each of them has a 14-day active-duty training period each 3 years, it will mean that about 1,700 require training each summer. Quite a heavy load for the existing facilities. The solution, I believe, lies in more Regular Army antiaircraft regiments.

There is no Regular Army antiaircraft regiment in either the First, the Third, the Fourth, the Fifth, or the Seventh Corps Area. In the Fourth Corps Area there are more than 1,000 antiaircraft Reserve officers. If we are to have adequately trained Reserve officers, we should have more regiments in which to train them. All of my investigations point to the need for more Regular Army antiaircraft regiments. They have not been asked for by the War Department, and General Craig has told the committee that it was the plan to organize 19 additional antiaircraft regiments in the National Guard—this to be done gradually. If that is done, there will be 5 partially active Regular Army regiments and 29 National Guard regiments. Such a ratio will aggravate the existing inadequacy of the training facilities. I feel that one reason for not asking for additional men for that purpose was the recognized need for increasing the Panama Canal garrison. That certainly was needed. However, if we are to be trained for the defense of the continental United States, we should start soon to establish the required schools, which in this case are antiaircraft regiments.

From a layman's point of view it would seem that at least half of the active antiaircraft regiments in the United States should be Regular Army organizations. If that be true, then 12 of the 19 remaining to be organized to complete the 34 in the present program should be manned by Regular Army soldiers and the other 7 should be National Guard.

Not a basis for my contention, but as a matter of interest, I would like to quote from a recent issue of a British publication. Under the heading of "Guarding London" appears the following:

> It is of vast relief to know that the A. A. defense of London has been strengthened by the addition of two regular regiments of antiaircraft artillery, withdrawn from Lichfield. There will now be permanent watchers of our air frontier in that locality, and no form of surprise attack can now find us completely off guard. However well trained and eager the territorial A. A. divisions are, and however well equipped, they consist of citizens who are engaged in normal avocations and who cannot drop the tools of their employment to man the guns and such like in the twinkling of an eye.
>
> But it is in the very nature of air attack that it can come with the suddenness of a chimney gust as a preliminary to the gale which follows on, and for our sky to be unguarded at the moment might augur ill for the city which lies below. Every frontier has its frontier posts, always armed and at the ready, so why should our own air frontier be different?

In the last issue of the magazine Army Ordnance there was a timely article written by an instructor at the Command and General Staff School at Fort Leavenworth, Maj. T. R. Phillips. In the article are quoted notes made by General Mordacq while he was military adviser to Prime Minister Clemenceau. It appears that M. Clemenceau preferred to use planes for local defense rather than antiaircraft artillery. The general finally convinced him of his error. In one of the latter paragraphs of the article the author writes:

> In my opinion, the erroneous conception of antiaircraft defense against which General Mordacq fought so vigorously, still prevails in the United States. But where General Mordacq had one man to convince of the error of his conceptions we have a nation to educate.

This, my first contribution to that education, I recognize as small. But I believe it important for us to think along these lines. [Applause.]

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. JACOBSON, for 5 days, on account of official business.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 38. An act for the relief of Curtis Jett; to the Committee on Military Affairs.

S. 70. An act to amend section 90 of the Judicial Code, as amended, with respect to the terms of the Federal District Court for the Northern District of Mississippi; to the Committee on the Judiciary.

S. 197. An act to amend the Judicial Code in respect to claims against the United States for just compensation; to the Committee on the Judiciary.

S. 289. An act for the relief of the West Virginia Co.; to the Committee on Claims.

S. 431. An act for the relief of Mrs. Quitman Smith; to the Committee on Claims.

S. 474. An act to amend section 92 of the Judicial Code to provide for a term of court at Kalispell, Mont.; to the Committee on the Judiciary.

S. 821. An act for the relief of Charles L. Kee; to the Committee on Claims.

S. 891. An act for the relief of J. C. Grice; to the Committee on Claims.

S. 919. An act for the relief of William Boyer; to the Committee on Claims.

S. 1016. An act to authorize reimbursement of appropriations on account of expenditures in connection with disposition of old material, condemned stores, etc.; to the Committee on Expenditures in the Executive Departments.

S. 1020. An act to authorize the purchase of equipment and supplies for experimental and test purposes; to the Committee on Military Affairs.

S. 1088. An act to authorize the Administrator of Veterans' Affairs to exchange certain property located at Veterans' Administration facility, Tuskegee, Ala., title to which is now vested in the United States, for certain property of the Tuskegee Normal and Industrial Institute; to the Committee on World War Veterans' Legislation.

S. 1096. An act to amend section 8c of the Agricultural Marketing Agreement Act of 1937, as amended, to make its provisions applicable to Pacific Northwest boxed apples; to the Committee on Agriculture.

S. 1109. An act to amend the act entitled "An act to aid the several States in making or for having made, certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes," by providing that funds available under such act may be used to match regular and secondary Federal-aid road funds; to the Committee on Roads.

S. 1164. An act for the relief of Nadine Sanders; to the Committee on Claims.

S. 1275. An act to amend the United States Housing Act of 1937, and for other purposes; to the Committee on Banking and Currency.

S. 1339. An act for the relief of Grace S. Taylor; to the Committee on Claims.

S. 1416. An act to make the provisions of the Employees' Compensation Act applicable to civil officers of the United States; to the Committee on the Judiciary.

S. 1487. An act for the relief of the Postal Telegraph-Cable Co.; to the Committee on Claims.

S. 1569. An act to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

S. 1688. An act for the relief of Joseph W. Parse; to the Committee on Claims.

S. 1773. An act to provide that no statute of limitations shall apply to offenses punishable by death; to the Committee on the Judiciary.

S. 1796. An act to amend the Tennessee Valley Authority Act of 1933; to the Committee on Military Affairs.

S. 1871. An act to prevent pernicious political activities; to the Committee on the Judiciary.

S. 1882. An act for the relief of Thomas A. Ross; to the Committee on Claims.

S. 1886. An act to extend to June 16, 1942, the period within which certain loans to executive officers of member banks of the Federal Reserve System may be renewed or extended; to the Committee on Banking and Currency.

S. 1899. An act to provide for the detail of a commissioned medical officer of the Public Health Service to serve as assistant to the Surgeon General; to the Committee on Interstate and Foreign Commerce.

S. 1985. An act to extend the time within which the States may cause toll bridges to be made free in order to qualify for aid under the act of August 14, 1937; to the Committee on Roads.

S. 2050. An act to authorize a sale of the old Carson City (Nev.) Mint site and building notwithstanding the provisions of Joint Resolution No. 18, of February 23, 1865; to the Committee on Public Buildings and Grounds.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 136. An act to authorize contingent expenditures, United States Coast Guard Academy;

H. R. 534. An act for the relief of Hallie H. Woods;

H. R. 590. An act for the relief of Macey N. Bevan;

H. R. 2056. An act for the relief of the Shipowners & Merchants Towboat Co., Ltd.;

H. R. 2064. An act for the relief of Allen L. Abshier, Verne G. Adams, Oliver D. Chattin, William K. Heath, and Harry B. Jennings;

H. R. 2073. An act to allow credit in the accounts of certain former disbursing officers of the Veterans' Administration, and for other purposes;

H. R. 2595. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.;

H. R. 3655. An act to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931;

H. R. 3946. An act to authorize the attendance of the Marine Band at the United Confederate Veterans' 1939 Reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939, and for other purposes;

H. R. 4830. An act to amend the act approved April 27, 1937, entitled "An act to simplify accounting;" and

H. R. 5482. An act to increase the authorization for appropriations for the administration of State unemployment compensation laws.

The SPEAKER also announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 828. An act to permit the President to acquire and convert, as well as to construct, certain auxiliary vessels for the Navy;

S. 829. An act to authorize alterations and repairs to certain naval vessels, and for other purposes;

S. 911. An act for the relief of Roscoe C. Prescott, Howard Joslyn, Arthur E. Tuttle, and Robert J. Toulouse; and

S. J. Res. 90. Joint resolution to amend the joint resolution approved June 16, 1938, entitled "Joint resolution to create a Temporary National Economic Committee."

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 3 o'clock and 35 minutes p. m. the House adjourned until tomorrow, Tuesday, April 18, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON FOREIGN AFFAIRS

The Committee on Foreign Affairs will meet again Tuesday, April 18, 1939, in the committee room, Capitol, for the purpose of continuing open hearings on the following bills and resolutions on the subject of neutrality: House Resolution 100, to prohibit the transfer, loan, or sale of arms or munitions (by Mrs. ROGERS of Massachusetts); House Joint Resolution 3, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. LUDLOW); House Joint Resolution 7, to implement the Kellogg-Briand Pact for World Peace (by Mr. GUYER of Kansas); House Joint Resolution 16, to prohibit the exportation of arms, ammunition, or implements or materials of war to any foreign country when the President finds a state of war to exist between or among two or more foreign states or between or among two or more opposing forces in the same foreign state (by Mr. KNUTSON); House Joint Resolution 42, providing for an embargo on scrap iron and pig iron under Public Resolution No. 27 of the Seventy-fifth Congress (by Mr. CRAWFORD); House Joint Resolution 44, to repeal the Neutrality Act (by Mr. FADDIS); House Joint Resolution 113, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States

(by Mr. FISH); House Joint Resolution 226, to amend the Neutrality Act (by Mr. GEYER of California); House Joint Resolution 254, to keep the United States out of foreign wars, and to provide for the neutrality of the United States in the event of foreign wars (by Mr. FISH); House bill 79, to keep America out of war by repealing the so-called Neutrality Act of 1937 and by establishing and enforcing a policy of actual neutrality (by Mr. MAAS); House bill 163, to establish the neutrality of the United States (by Mr. LUDLOW); House bill 4232, to limit the traffic in war munitions, to promote peace, and for other purposes (by Mr. VOORHIS of California); House bill 5223, Peace Act of 1939 (by Mr. HENNINGS); House bill 5432, to prohibit the export of arms, ammunition, and implements and materials of war to Japan, to prohibit the transportation of arms, ammunition, implements and materials of war by vessels of the United States for the use of Japan, to restrict travel by American citizens on Japanese ships, and otherwise to prevent private persons and corporations subject to the jurisdiction of the United States from rendering aid or support to the Japanese invasion of China (by Mr. COFFEE of Washington); House bill 5575, Peace Act of 1939 (by Mr. HENNINGS).

Open hearings will continue from Tuesday, April 18, to April 26, beginning at 10 a. m. each day, with the exception of Saturday, April 22.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Through Routes Subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, April 18, 1939. Business to be considered: Hearing on H. R. 3400, through-routes bill.

There will be a meeting of the Petroleum Subcommittee of the Committee on Interstate and Foreign Commerce at 2 p. m. Wednesday, April 26, 1939. Business to be considered: Hearing on S. 1302, petroleum shipments.

COMMITTEE ON NAVAL AFFAIRS

There will be a meeting of the Committee on Naval Affairs at 10:30 a. m. Tuesday, April 18, 1939, for the consideration of H. R. 4929, to amend the act of June 23, 1938.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, April 19, 1939, at 10:30 a. m., for the consideration of H. R. 1958, H. R. 2564, H. R. 2777, H. R. 4080, H. R. 4096, H. R. 4498, H. R. 5409, and H. J. Res. 117.

COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be a meeting of the Committee on the Post Office and Post Roads at 10 a. m. on Tuesday, April 25, 1939, for the consideration of H. R. 1827, to allow moving expenses to employees of the Railway Mail Service, and H. R. 4322, giving clerks in the Railway Mail Service the benefits of a holiday known as Armistice Day.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

On Wednesday, April 19, 1939, at 10 a. m., the Committee on Merchant Marine and Fisheries will resume hearings on the bill (H. R. 5130) to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes.

This is to advise all interested parties that the features of this bill regulating terminal and port charges will not be considered on the 19th, and witnesses who desire to appear on this phase of the bill need not come. However, if there are present on the 19th any witnesses who wish to testify on this subject, they will be heard at that time rather than inconvenience them by requiring them to testify later.

On Tuesday, April 25, 1939, at 10 a. m., the committee will hold public hearings on the following bills: H. R. 2383, H. R. 2543, H. R. 2558, to increase further the efficiency of the Coast Guard by authorizing the retirement, under certain conditions, of enlisted personnel thereof with 20 or more years of service.

On Wednesday, April 26, 1939, at 10 a. m., the following bills: H. R. 4592, allowing all registered vessels to engage in the whale fishery; H. R. 4593, relating to the whale fishery.

On Thursday, May 4, 1939, at 10 a. m., on H. R. 4650, making electricians licensed officers.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

636. A letter from the Archivist of the United States, transmitting list of motion-picture films, consisting of two items, among the archives and records of the Department of the Treasury, which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

637. A letter from the Archivist of the United States, transmitting list of motion-picture films, consisting of 59 items, among the archives and records of the Department of the Interior, which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

638. A letter from the Archivist of the United States, transmitting list of sound recordings, consisting of 1,000 items, among the archives and records of the Department of Agriculture, which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

639. A letter from the Archivist of the United States, transmitting list of papers, consisting of 72 items, among the archives and records of the Board of Governors of the Federal Reserve System, which that agency has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

640. A letter from the Archivist of the United States, transmitting list of papers, consisting of eight items, among the archives and records of the Works Progress Administration, which that agency has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

641. A letter from the Archivist of the United States, transmitting list of papers, consisting of four items, among the archives and records of the Tennessee Valley Authority, which that agency has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

642. A letter from the Archivist of the United States, transmitting list of motion-picture films, consisting of one item, heretofore placed in his official custody by the Department of the Interior, and recommended by him for destruction or other effective disposition; to the Committee on the Disposition of Executive Papers.

643. A letter from the Archivist of the United States, transmitting list of motion-picture films in the custody of The National Archives, and recommended by him for destruction or other effective disposition; to the Committee on the Disposition of Executive Papers.

644. A letter from the Archivist of the United States, transmitting list of motion-picture films, consisting of 62 items, donated to and now in the custody of the National Archives, and recommended by him for destruction or other effective disposition; to the Committee on the Disposition of Executive Papers.

645. A letter from the Archivist of the United States, transmitting list of motion-picture films, consisting of two items among the archives and records of the United States Food Administration, now in the custody of the National Archives, and recommended by him for destruction or other effective disposition; to the Committee on the Disposition of Executive Papers.

646. A letter from the Archivist of the United States, transmitting list of sound recordings, consisting of 10 items, among the archives and records of the War Industries Board, now in the custody of The National Archives, and recommended by him for destruction or other effective

disposition; to the Committee on the Disposition of Executive Papers.

647. A letter from the Acting Secretary of the Treasury, transmitting draft of a proposed bill authorizing the Secretary of the Treasury to accept real estate devised to the United States by the late Lizzie Beck, of Mena, Ark., and for other purposes; to the Committee on Public Buildings and Grounds.

648. A letter from the Acting Secretary of the Interior, transmitting draft of a proposed bill for the relief of Dorothy Clair, G. F. Allen, and Earl Wooldridge; to the Committee on Claims.

649. A letter from the Chairman of the Central Statistical Board, transmitting draft of a proposed bill to amend the act establishing the central statistical committee and the Central Statiscal Board; to the Committee on Expenditures in the Executive Departments.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SABATH: Committee on Rules. House Resolution 165. A resolution providing for the consideration of H. R. 3325, a bill to extend the time within which the powers relating to the stabilization fund and alteration of the weight of the dollar may be exercised; without amendment (Rept. No. 408). Referred to the House Calendar.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 5488. A bill to provide for the widening of Wisconsin Avenue in the District of Columbia, and for other purposes; without amendment (Rept. No. 409). Referred to the Committee of the Whole House on the state of the Union.

Mr. MANSFIELD: Committee on Rivers and Harbors. H. R. 5753. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; with amendment (Rept. No. 410). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOYKIN:

H. R. 5781. A bill to extend the times for commencing and completing the construction of a bridge and causeway across the water between the mainland at or near Cedar Point and Dauphin Island, Ala.; to the Committee on Interstate and Foreign Commerce.

By Mr. HARNESS:

H. R. 5782. A bill to provide for the exclusion from the United States of persons who have been, or who may hereafter be, convicted of desertion from the military or naval forces of the United States while the United States is at war; to the Committee on Military Affairs.

By Mr. HOLMES:

H. R. 5783. A bill to lower the rate of tax imposed with respect to the transfer of certain small-game guns; and to lower the rate of tax imposed upon manufacturers and dealers in such guns; to the Committee on Ways and Means.

By Mr. McGEHEE:

H. R. 5784. A bill to provide for the conservation and transfer of accumulated sick leave and vacation time due classified civil-service employees who succeed to the position of postmaster, and for other purposes; to the Committee on the Civil Service.

H. R. 5785. A bill granting the consent of Congress to the State of Mississippi to construct and operate a free highway bridge across Pearl River at or near Georgetown, Miss.; to the Committee on Interstate and Foreign Commerce.

H. R. 5786. A bill granting the consent of Congress to the State of Mississippi or Madison County, Miss., to construct, maintain, and operate a free highway bridge across Pearl River at or near Ratliffs Ferry in Madison County, Miss.; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGNUSON:

H. R. 5787. A bill to provide for the acquisition of drydock facilities for the United States Maritime Commission on Puget Sound in the city of Seattle and County of King, State of Washington, and to authorize the construction of certain public works, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H. R. 5788. A bill to amend the present law relating to the delivery of ships' manifests to collector of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master; to the Committee on Merchant Marine and Fisheries.

H. R. 5789. A bill to amend the present law relating to the delivery of ships' manifests to collectors of customs by excluding Sundays and holidays from the time within which such delivery may be made by the master; to the Committee on Merchant Marine and Fisheries.

By Mr. SABATH:

H. R. 5790. A bill to amend section 4878 of the United States Revised Statutes, as amended, relating to burials in national cemeteries; to the Committee on Military Affairs.

By Mr. SCHULTE:

H. R. 5791. A bill to amend the Communications Act of 1934 so as to prohibit and penalize the unauthorized mechanical reproduction of music and other wire- and radio-program material; to the Committee on Interstate and Foreign Commerce.

H. R. 5792. A bill to impose an excise tax on stores in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. SMITH of Connecticut:

H. R. 5793. A bill to incorporate the Military Order of the Purple Heart; to the Committee on the Judiciary.

By Mr. TINKHAM:

H. R. 5794 (by request). A bill to provide for the payment of $100 per month to all American soldiers and sailors who have been awarded the Congressional Medal of Honor as an award of a deed or deeds of valor at the time of, or in connection with, armed conflict with the enemy in time of war; to the Committee on Military Affairs.

By Mr. CARTWRIGHT:

H. R. 5795. A bill to provide reamortization of land bank commissioner loans which have heretofore been made by the land bank commissioner and which provide for liquidation of principal and interest in a 10- or 13-year period; to the Committee on Agriculture.

By Mr. COOLEY:

H. R. 5796. A bill to amend the Line Selection Act (Public No. 703, H. R. 9997, dated June 23, 1938); to the Committee on Naval Affairs.

By Mr. DITTER:

H. R. 5797. A bill to prohibit the receiving of any compensation from a foreign government for publicity or propaganda purposes; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 5798. A bill to provide for the reinterment of the remains of Dr. Felix P. Wierzbicki in the national cemetery at San Francisco, Calif.; to the Committee on Military Affairs.

By Mr. HORTON:

H. R. 5799. A bill to amend section 35 of an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920, as amended, and for other purposes; to the Committee on the Public Lands.

By Mr. McANDREWS:

H. R. 5800. A bill providing for the resumption of jurisdiction over certain navigable waters of Lake Michigan by the United States; to the Committee on Rivers and Harbors.

By Mr. RANDOLPH:

H. R. 5801. A bill to grant permission for the construction, maintenance, and use of a certain underground conduit for electrical lines in the District of Columbia; to the Committee on the District of Columbia.

By Mr. VINSON of Georgia:

H. R. 5802. A bill granting the retired pay of a chief pharmacist's mate, United States Navy; to the Committee on Naval Affairs.

By Mr. LECOMPTE:

H. Res. 168. Resolution for the relief of Waldo W. Young; to the Committee on Accounts.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States to consider their House Joint Memorial No. 3, with reference to the principle of State ownership and control of both navigable and nonnavigable waters of the State; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of New Hampshire, memorializing the President and the Congress of the United States to consider their resolution with reference to old-age security, known as the General Welfare Act of 1939; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 5803. A bill for the relief of Clyde Equipment Co.; to the Committee on Claims.

By Mr. ARNOLD:

H. R. 5804. A bill granting a pension to Lawrence A. Golden; to the Committee on Invalid Pensions.

By Mr. BOYKIN:

H. R. 5805. A bill for the relief of Knute E. Nelson; to the Committee on Claims.

By Mr. BROWN of Ohio:

H. R. 5806. A bill granting an increase of pension to Morrow B. Wilson; to the Committee on Pensions.

By Mr. ELLIOTT:

H. R. 5807. A bill granting a pension to Mabel C. Cook; to the Committee on Invalid Pensions.

H. R. 5808. A bill for the relief of Gladys Forbes, attorney in fact for the heirs of George P. Eddy; to the Committee on Claims.

By Mr. ELSTON:

H. R. 5809. A bill to provide refund of certain duty; to the Committee on Claims.

H. R. 5810. A bill granting a pension to Mary A. Mears; to the Committee on Invalid Pensions.

H. R. 5811. A bill granting a pension to Dona Citizen; to the Committee on Invalid Pensions.

By Mr. ENGLEBRIGHT:

H. R. 5812. A bill for the relief of Marguerite P. Carmack; to the Committee on Claims.

By Mr. HARTER of New York:

H. R. 5813. A bill for the relief of Joseph Miller (also known as Joseph Mille); to the Committee on the Judiciary.

By Mr. JARRETT:

H. R. 5814. A bill for the relief of R. Madge Williams; to the Committee on Claims.

By Mr. JOHNSON of Illinois:

H. R. 5815. A bill for the relief of Clifford Smithers; to the Committee on Claims.

By Mr. KELLER:

H. R. 5816. A bill to admit Ernst Brandes permanently to the United States; to the Committee on Immigration and Naturalization.

H. R. 5817. A bill for the relief of William T. Simmons; to the Committee on Naval Affairs.

H. R. 5818. A bill for the relief of Jesse T. Zappa; to the Committee on Military Affairs.

By Mr. LANDIS:

H. R. 5819. A bill for the relief of Ernest H. Barekman; to the Committee on Military Affairs.

By Mr. LECOMPTE:

H. R. 5820. A bill granting a pension to Susan Melugin; to the Committee on Invalid Pensions.

H. R. 5821. A bill granting an increase of pension to Eva P. Black; to the Committee on Invalid Pensions.

By Mr. LESINSKI:

H. R. 5822. A bill for the relief of John Henry Mollett, May Marion Mollett, and Vera May Mollett; to the Committee on Immigration and Naturalization.

By Mr. McGEHEE:

H. R. 5823. A bill for the relief of Morrissey Construction Co.; to the Committee on Claims.

By Mr. MAGNUSON:

H. R. 5824. A bill for the relief of Grace Adelaide Armstrong; to the Committee on Military Affairs.

By Mr. MAPES:

H. R. 5825. A bill granting an increase of pension to Maella L. Morris; to the Committee on Invalid Pensions.

By Mr. PIERCE of New York:

H. R. 5826. A bill granting an increase of pension to Mary Catherine Green; to the Committee on Invalid Pensions.

By Mr. REES of Kansas:

H. R. 5827. A bill to authorize the cancelation of deportation proceedings in the case of John L. Harder and children, Paul William Harder, Irvin W. Harder, Edna Justina Harder, Elsie Anna Harder, and Elizabeth Harder; to the Committee on Immigration and Naturalization.

By Mr. SECREST:

H. R. 5828. A bill granting a pension to Lily C. Kern; to the Committee on Invalid Pensions.

By Mr. SPRINGER:

H. R. 5829. A bill granting a pension to Charles Smith; to the Committee on Invalid Pensions.

H. R. 5830. A bill granting an increase of pension to Julia P. Kiess; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee:

H. R. 5831. A bill granting a pension to Conner Brown; to the Committee on Invalid Pensions.

By Mr. THOMAS of Texas:

H. R. 5832. A bill granting a pension to Leonard Clifton McCurry; to the Committee on Invalid Pensions.

By Mr. THORKELSON:

H. R. 5833. A bill to confer jurisdiction upon the United States District Court for the District of Columbia to hear and determine the claims of B. M. Gancy against the United States resulting from the passage of the Tydings-McDuffie Act; to the Committee on Claims.

By Mr. KING:

H. R. 5834. A bill for the relief of the heirs of Capt. Sam Manu (also known as Sam Mana); to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2525. By Mr. ANDERSON of California: Resolution adopted by the Construction and General Laborers Local Union No. 389 and signed by A. W. Claudine, president, and Charles E. Brown, secretary, opposing building construction under the Works Progress Administration program; to the Committee on Appropriations.

2526. By Mr. BOLLES: Petition of sundry citizens of Racine, Wis., favoring a neutrality bill which will definitely keep the United States out of all foreign entanglements; to the Committee on Foreign Affairs.

2527. Also, petition of sundry citizens of Janesville, Wis., favoring a neutrality bill which will definitely keep the United States out of all foreign entanglements; to the Committee on Foreign Affairs.

2528. By Mr. ELSTON: Petition of the Federation of Flat Glass Workers of America, Cambridge Tile Local, No. 59, Cin-

cinnati, Ohio, submitted by Catherine Meyer, recording secretary, protesting against the Walsh-Green bill (Senate 1000); to the Committee on Education.

2529. By Mr. ENGEL: Petition of Rev. Edward L. Brooks, J. B. Hopkins, James A. Porter, and others, of Benzie County, Mich., remonstrating against sale of war materials to Japan; to the Committee on Foreign Affairs.

2530. By Mr. MARTIN J. KENNEDY: Petition of Plain City Lodge, No. 123, International Association of Machinists, Paducah, Ky., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2531. Also, petition of Cumberland Lodge, No. 212, International Association of Machinists, Cumberland, Md., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2532. Also, petition of Marble City Lodge, No. 789, Brotherhood of Railway and Steamship Clerks, West Rutland, Vt., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2533. Also, petition of L. V. Buffalo Creek System, Division No. 15, the Order of Railroad Telegraphers, Geneva, N. Y., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2534. Also, petition of Local Federation, No. 10, Erie Railroad System Lines, Paterson, N. J., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2535. Also, petition of Local Union No. 378, International Brotherhood of Blacksmiths, Drop Forgers, and Helpers, Minden, La., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2536. Also, petition of System Council, No. 9, Erie Railway, International Brotherhood of Blacksmiths, Drop Forgers, and Helpers, Ridgewood, N. J., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2537. Also, petition of Middletown (N. Y.) Lodge, No. 601, International Association of Machinists, urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2538. Also, petition of Lever Brothers Co., Boston, Mass., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2539. Also, petition of the P. J. Noyes Co., Lancaster, N. H., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2540. Also, petition of A. Zerega's Sons, Inc., Brooklyn, N. Y., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2541. Also, petition of George W. Button Corporation, New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2542. Also, petition of American Popcorn Co., Sioux City, Iowa, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2543. Also, petition of Fezandie & Sperrle, Inc., New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2544. Also, petition of C. E. Jamieson & Co., Detroit, Mich., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2545. Also, petition of P. Duff & Sons, Inc., Pittsburgh, Pa., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2546. Also, petition of the Arner Co., Inc., Buffalo, N. Y., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2547. Also, petition of Richard Hudnut, New York City, urging passage of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2548. Also, petition of G. F. Heublein & Bro., Hartford, Conn., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2549. Also, petition of G. S. Stoddard & Co., Inc., New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2550. Also, petition of Irwin, Neisler & Co., Decatur, Ill., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2551. Also, petition of Hoosier Pharmacal Co., Indianapolis, Ind., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2552. Also, petition of Wildroot Co., Inc., Buffalo, N. Y., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2553. Also, petition of Kolmar Laboratories, Milwaukee, Wis., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2554. By Mr. KEOGH: Petition of the Newspaper Guild of New York, New York City, with reference to the National Labor Relations Act; to the Committee on Labor.

2555. Also, petition of the Saratoga classroom teachers, Wilson, N. C., concerning the Harrison-Thomas-Larrabee bill; to the Committee on Education.

2556. Also, petition of Hanson & Orth, New York City, concerning Senate bill 1960 and House bill 5130; to the Committee on Merchant Marine and Fisheries.

2557. Also, petition of the Phoenix Metal Cap Co., Brooklyn, N. Y., concerning the Patman bill; to the Committee on Ways and Means.

2558. Also, petition of Local No. 148, Pneumatic Tube Employees, United Federal Workers of America, New York City, favoring the passage of House bill 3664 and Senate bill 1314; to the Committee on the Civil Service.

2559. Also, petition of the Industrial Home for the Blind, Brooklyn, N. Y., favoring the passage of the O'Day bill (H. R. 5136); to the Committee on the Library.

2560. Also, petition of the Wheeling Steel Corporation, Wheeling, W. Va., concerning the National Labor Relations Act; to the Committee on Labor.

2561. Also, petition of the Manhattan General Advertising Co., Inc., New York City, concerning the Lea bill (H. R. 5630) to postpone the effective date of the labeling provisions of the Federal Food, Drug, and Cosmetic Act to January 1, 1940; to the Committee on Interstate and Foreign Commerce.

2562. Also, petition of the Women's International League for Peace and Freedom, Pittsburgh, Pa., concerning neutrality legislation; to the Committee on Foreign Affairs.

2563. By Mr. MARSHALL: Petition of Audra Limbert, secretary-treasurer of Ohio General Welfare Association, urging no further delay in disposition of House bill 11 by referring it to the House for favorable consideration; to the Committee on Ways and Means.

2564. By Mr. PFEIFER: Petition of Hanson & Orth, New York City, concerning House bill 5130 and Senate bill 1960; to the Committee on Merchant Marine and Fisheries.

2565. Also, petition of Manhattan General Advertising Co., Inc., New York City, concerning the Lea bill (H. R. 5630); to the Committee on Interstate and Foreign Commerce.

2566. Also, petition of the Pneumatic Tube Employees, Local 148, New York City, favoring Senate bill 1314 and House bill 3664; to the Committee on the Civil Service.

2567. Also, petition of the Women's International League for Peace and Freedom, Mount Vernon (N. Y.) Branch, concerning neutrality legislation; to the Committee on Foreign Affairs.

2568. Also, petition of the American Legion Auxiliary, Columbia University Post Unit, New York City, concerning veterans' legislation, national defense, etc.; to the Committee on Military Affairs.

2569. Also, petition of the Phoenix Metal Cap Co., Brooklyn, N. Y., concerning the Patman chain-store bill; to the Committee on Ways and Means.

2570. Also, petition of the Women's International League for Peace and Freedom, District of Columbia Branch, concerning neutrality legislation; to the Committee on Foreign Affairs.

2571. Also, petition of the League of Nations Association, Inc., Southern California Branch, concerning the Thomas and Geyer amendments to pending neutrality legislation; to the Committee on Foreign Affairs.

2572. By Mr. SANDAGER: Petition of the Disabled American Veterans of the World War, Department of Rhode Island, opposing any transfer of the United States Employment Service and Veterans' Placement Service to any other department, and urging support of House bill 2386, favoring the retention of the United States Employment Service and the Veterans' Placement Service as now constituted; to the Committee on Labor.

2573. Also, memorial of the General Assembly of the State of Rhode Island, to secure for all persons on the Works Progress Administration rolls in each of the cities and towns of Rhode Island an equalizing of the rate of wage per hour as payment for services rendered; to the Committee on Labor.

2574. By Mr. SCHIFFLER: Petition of Audrey G. Ehni, oracle, Prosperity Camp, No. 2773, Royal Neighbors of America, Wheeling, W. Va., urging that an amendment to the Social Security Act be adopted so that their camp would not be considered an employer and its paid officers employees; to the Committee on Ways and Means.

2575. By Mr. THILL: Letter of certain citizens of Milwaukee, Wis., urging neutrality legislation in accordance with that introduced by Senator THOMAS of Utah; to the Committee on Foreign Affairs.

2576. By Mr. WOLFENDEN: Resolution of the House of Representatives, General Assembly of the Commonwealth of Pennsylvania, suggesting that action should be taken by the Federal Government to prevent the importation of such grains and foodstuffs, cattle and meat products, the sale of which in American markets contributes so largely to the economic plight of the American farmer; to the Committee on Ways and Means.

2577. By the SPEAKER: Petition of the City Council of the City of Minneapolis, Minn., petitioning consideration of their resolution with reference to tax public securities either by levying a tax on the income thereof or otherwise; to the Committee on Ways and Means.

2578. Also, petition of the Council of the City of New York, N. Y., petitioning consideration of their resolution with reference to Works Progress Administration deficiency appropriation; to the Committee on Appropriations.

2579. Also, petition of Bertha Dables, of San Francisco, Calif., and others, petitioning consideration of their resolution with reference to Works Progress Administration deficiency appropriation; to the Committee on Appropriations.

2580. Also, petition of the Steel Workers Organizing Committee, Birmingham, Ala., petitioning consideration of their resolution with reference to the National Labor Relations Act; to the Committee on Labor.

2581. Also, petition of the Massachusetts State Board of Housing, Boston, Mass., petitioning consideration of their resolution with reference to the Wagner-Steagall bill (S. 591) on housing projects; to the Committee on Banking and Currency.

2582. Also, petition of the National Federation of Federal Employees, Local No. 600, New Orleans, La., petitioning consideration of their resolution with reference to discontinuance or dissolution of the Inland Waterways Corporation; to the Committee on Interstate and Foreign Commerce.

2583. Also, petition of the Baltimore Association of Commerce, Baltimore, Md., petitioning consideration of their resolution with reference to the United States to return the United States frigate *Constellation* to Baltimore; to the Committee on Naval Affairs.

2584. Also, petition of the New York State Hairdressers and Cosmetologists Association, Inc., New York, N. Y., petitioning consideration of their resolution with reference to the Social Security Act; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 18, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We thank Thee, O Lord God, for the glimpse of eternal and unwearied love that peers forth from the shadow of the cross; enable us to give to Thee our unwavering love and heart's devotion. Stir the divinity within us that we may be true to ourselves, to our fellow men, and true to our Heavenly Father. O Spirit of light and truth, teach us Thy holy way in all wisdom; inspire us with that heroism which is the most heroic. Do Thou be with us in every disappointment, enlighten us in every shadow, and know us in every darkness. Heavenly Father, be with our President day by day. Grant that his appeal for peace among all nations, couched in such a human passion, may be felt around the world. Oh, may all problems be met, answered, and solved so that the night of fear shall roll away and peace break on all lands in its full glory. Oh, come, Prince of Peace, and may Thy broken heart heal the breaking heart of the whole human family. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 224. Joint resolution to authorize the painting of the signing of the Constitution for placement in the Capitol Building.

The message also announced that the Senate had ordered that the Secretary be directed to request the House to return to the Senate the bill (S. 1871) entitled "An act to prevent pernicious political activities."

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4852. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1940, and for other purposes.

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5219. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1939, and June 30, 1940, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ADAMS, Mr. GLASS, Mr. MCKELLAR, Mr. HAYDEN, Mr. BYRNES, Mr. HALE, and Mr. TOWNSEND to be the conferees on the part of the Senate.

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. GIBSON members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of executive papers in the following departments and agencies:

Department of Agriculture.
Department of the Interior.
Department of the Treasury.
Board of Governors of the Federal Reserve System.
The National Archives.
The Tennessee Valley Authority.
Works Progress Administration.

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. REED of New York. Mr. Speaker, I also ask unanimous consent to extend my remarks in the RECORD by inserting a speech delivered by Mr. J. Edgar Hoover on the Cost of Crime.

The SPEAKER. Is there objection?

There was no objection.

MRS. OTELIA COMPTON

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SECCOMBE. Mr. Speaker, it is a pleasure, as well as a privilege and an honor, to have the American mothers' national committee of the Golden Rule Foundation of New York announce a few days ago that Mrs. Otelia Compton, 80 years of age, of Wooster, Ohio, has been selected as the 1939 "American mother." Therefore, as the Congressman from that district, I am both happy and proud to have this distinction come to such a wonderful mother, and unsolicited. Mrs. Compton has an outstanding record as a successful mother, and the choice of this American mother is based on the following factors:

An outstanding record as a successful mother, a standard not fixed by the size of her family but by the character, personality, and achievements of her individual children.

Embodiment of those traits most highly regarded in mothers: Courage, moral strength, patience, affection, kindness, understanding, and home-making ability.

Ability to make friends readily and to meet people easily.

A sense of social and world relationship that has caused her to find time outside her home for civic service.

Mrs. Compton's distinguished sons and daughter are:

Prof. Arthur H. Compton, of the University of Chicago, 1927 winner of the Nobel prize for physics.

Dr. Karl T. Compton, president of the Massachusetts Institute of Technology.

Wilson M. Compton, lawyer-economist and general manager of the National Lumber Manufacturers' Association.

Mrs. Mary Rice, wife of Dr. C. Herbert Rice, principal of Christian College at Allahabad, India, and herself a Presbyterian missionary.

The four children have a total of 31 college and university degrees.

Her husband was the late Elias Compton, who taught philosophy at Wooster College for 41 years.

This great American mother has an honorary doctor of laws degree from Western College for Women "for outstanding achievement as wife and mother of Comptons."

I am positive that the Congress of the United States as well as the entire United States Government join with me in paying tribute to Mrs. Compton for having achieved this high honor, and in her many recent interviews Mrs. Compton has stated that if every man in high position would talk less about war and about this great Government of ours becoming involved in foreign entanglements and give more thought to those in need and the millions of unemployed, this would be a more peaceful and restful country in which to live and raise our children. Therefore may I say to my colleagues that I am positive that this is the spirit of every American mother today as expressed by Mrs. Compton, that "America does not want war." I think this would be sound advice to go by for my colleagues, both in the House and in the Senate, and I am certain should be the feelings of the President of the United States. [Applause.]

EXTENSION OF REMARKS

Mr. THILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial from the Milwaukee Journal of April 13, 1939, entitled "Who's War Will It Be?"

The SPEAKER. Is there objection?

There was no objection.

HISSING IN HOUSE GALLERY

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, I have just sent the following telegram to Mr. Lowell Thomas, which is self-explanatory:

WASHINGTON, D. C., *April 18, 1939.*

LOWELL THOMAS, Esq.,
Rockefeller Center, New York, N. Y.:

As one of your radio fans and admirers I was much amused at your statement last night that my criticism of the President's foreign policy had been extensively hissed in the House gallery. One reporter wrote this up as a sensational story. It is a perversion of the facts, utterly false, and typical of the war hysteria that is sweeping the country. A Communist, crackpot, or other fanatic hissed, which few Members of the House even heard. I would appreciate it if you would in your radio talk tonight read this telegram to show what can happen in these days of war propaganda and hysteria. As for me, I do not propose to give or ask any quarter in my efforts to keep our country out of war. I shall continue the fight both in the Congress and elsewhere to oppose all warmongers and to keep America out of foreign entanglements, military alliances, and foreign wars.

HAMILTON FISH.

SECOND DEFICIENCY APPROPRIATION BILL

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5219) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1939, and June 30, 1940, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Virginia asks unanimous consent to take from the Speaker's table the bill H. R. 5219, which the Clerk will report by title, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference. The Clerk will report the title of the bill.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. TAYLOR of Colorado, Mr. WOODRUM of Virginia, Mr. CANNON of Missouri, Mr. LUDLOW, Mr. THOMAS S. MCMILLAN, Mr. SNYDER, Mr. O'NEAL, Mr. JOHNSON of West Virginia, Mr. TABER, Mr. WIGGLESWORTH, Mr. LAMBERTSON, and Mr. DITTER.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1940

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 4852, making appropriations for the Department of the Interior, for the fiscal year ending June 30, 1940, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The SPEAKER. The gentleman from Colorado asks unanimous consent to take from the Speaker's table the bill H. R. 4852, the Interior Department appropriation bill, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate. The Clerk will report the title of the bill.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. TABER. Mr. Speaker, I reserve the right to object. There are some very large items of increase in this bill that should be kept down. There is one item of $13,000,000, I understand, new money, as I remember. I wonder if it would be possible to have an understanding that the House conferees will not agree to that item.

Mr. TAYLOR of Colorado. Mr. Speaker, I shall answer the gentleman by saying that I shall ask to have appointed as conferees all of the members of the Subcommittee on Interior Department Appropriations; that those members are very much inclined toward economy, and I assume that they will continue that attitude. I cannot promise what they will do.

Mr. TABER. I would hope that if this bill goes to conference that large item of increase, $13,000,000, will be brought back for a separate vote.

Mr. TAYLOR of Colorado. There is no separate item of $13,000,000. There are two $5,000,000 items and some other large items of lesser amounts.

Mr. TABER. Those items should all be brought back, in my opinion, for a separate vote. I shall not ask that as a condition, but I do think that should be done before the House agrees to anything of that kind.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Chair appointed the following conferees: Mr. TAYLOR of Colorado, Mr. JOHNSON of Oklahoma, Mr. SCRUGHAM, Mr. FITZPATRICK, Mr. LEAVY, Mr. RICH, Mr. CARTER, and Mr. WHITE of Ohio.

EXTENSION OF REMARKS

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein an editorial from the Fort Wayne News-Sentinel on neutrality.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. RANKIN. Mr. Speaker, reserving the right to object, this is an editorial from what paper?

Mr. GILLIE. The Fort Wayne News-Sentinel.

Mr. RANKIN. On what subject?

Mr. GILLIE. On neutrality.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GRANT of Indiana. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein an editorial from the South Bend Tribune.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. RANKIN. Mr. Speaker, reserving the right to object, including an editorial from what paper?

Mr. GRANT of Indiana. The South Bend Tribune.

Mr. RANKIN. On what subject?

Mr. GRANT of Indiana. On W. P. A. administration.

Mr. RANKIN. I have no objection.

The SPEAKER. Is there objection?

There was no objection.

THE N. L. R. A. SHOULD BE REPEALED—PARTS OF IT, WITH ADDITIONS, REENACTED

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, it is my contention that the N. L. R. A. should be repealed because it is unfair to the employer; that only a few of the very large corporations, only one of the individual employers—Ford—are able financially to resist assaults by a powerful labor organization, aided by the Board; that many employers can be either financially ruined or coerced into collective-bargaining contracts by complaints filed by the Board. But that, to a still greater extent, the individual employee is at the mercy of labor organizations and the N. L. R. B.

Therefore my sympathies are primarily with the underdog, the employee, who needs protection not only against the employer who would treat him unjustly but protection from the labor organization, the labor organizer, who uses the law and the Board to collect tribute in the way of membership fees, dues, or special assessments for services neither rendered nor, if rendered, desired.

REASONS FOR REPEAL

It is my contention that the present National Labor Relations Act should be repealed in order that the Government may dispense with the services of the present personnel which has been attempting to interpret and enforce the act—this because the present personnel charged with the enforcement of the act has been so widely criticized that, whether this criticism be justified or not, there will be a lack of confidence in any decisions that the Board may make.

Decisions of a court, a semijudicial body, or an administrative board in which the public generally has no confidence will not tend either to establish authoritative precedents, invite appeal to its jurisdiction, or promote peace in those groups affected by the law which it is administering.

President Green, representative of some 3,000,000 employees, recently wrote:

> Through decisions clearly in favor of the C. I. O. and against the American Federation of Labor, the Board is working out the destruction of the American Federation of Labor. We do not ask the Board to favor the American Federation of Labor in any decisions rendered. All we have asked is that it be fair and just in its administration of the act and that it apply the act in a judicious way.

PARTS OF THE PRESENT LAW, WITH ADDITIONS, SHOULD BE REENACTED

So much of the present law as has been found to tend toward the accomplishment of the purpose for which it was enacted should be reenacted, with such additions as experience has demonstrated to be necessary to accomplish the original purpose of the act.

FOUNDATION OF ARGUMENT

The argument here presented rests upon the assumption that, to justify its existence, any act of Congress must be fair to all those who are affected by it; that it tend to accomplish the purpose for which it was enacted; that it should not destroy the right of free speech or a free press; that by it no person should be deprived of his liberty or of his property without due process of law.

DEFECTS OF THE PRESENT LAW

It is my contention:

First. That the act is unfair.

Second. That the act does not insure that employees may bargain collectively through representatives of their own choosing.

Third. That the act, as interpreted by the Board, deprives individuals of free speech and a free press.

Fourth. That the act, as interpreted and enforced by the Board, deprives the citizen of his liberty and of his property in violation of the fifth amendment.

Fifth. Upon the reenactment of the N. L. R. A. there should be incorporated within its terms the interpretations placed upon the present act by the Supreme Court, insofar as the same will aid in furthering the purpose of the act or in clarifying its terms, including, among others, the following:

(a) A provision that those engaging in sit-down strikes and the unlawful destruction of property lose their status as employees and need not be reemployed nor compensated for wages not earned after the commission of such acts (*N. L. R. B.* v. *Fansteel Metallurgical Corp.*, decided February 27, 1939, 83 U. S. (L. Ed.), 469).

(b) A provision that, when the employer and the employees' representatives have negotiated for a reasonable length of time, or where the positions of the parties are so diametrically opposed that there appears to be no reasonable hope of a compromise, the requirement as to collective bargaining has been satisfied (*N. L. R. B.* v. *Columbian Enameling & Stamping Co.*, decided February 27, 1938, 83 U. S. (L. Ed.) 480; *N. L. R. B.* v. *Sands Mfg. Co.*, decided February 27, 1939, 83 U. S. (L. Ed.) 488).

(c) A provision that the Board has no authority to inflict a punitive penalty upon the employer, except as that penalty is explicitly defined and imposed by the language of the act itself (*Consolidated Edison Co.* v. *N. L. R. B.*, decided December 5, 1938, 83 U. S. (L. Ed.) 131; 305 U. S. 197).

(d) A provision that the Board has no authority to invalidate a contract entered into between an employer and representatives for collective bargaining selected by a majority of the employees (*Consolidated Edison Co.* v. *N. L. R. B.*, decided December 5, 1938, 83 U. S. (L. Ed.) 131; 305 U. S. 197).

(e) That findings of fact by the Board will not be sustained unless they are supported by "evidence which is substantial, that is, affording a substantial basis of fact from which the fact in issue can be reasonably inferred" (*N. L. R. B.* v. *Columbian Enameling & Stamping Co.*, decided February 27, 1939, 83 U. S. (L. Ed.) 480; *Consolidated Edison Co.* v. *N. L. R. B.*, decided December 5, 1938, 83 U. S. (L. Ed.) 131; 305 U. S. 197).

(f) There should also be a provision, although the Supreme Court has not passed upon this proposition, that the unit from which representatives for collective bargaining are to be selected should be limited to one employer in one locality and shall be embraced within the limits of the municipal corporation in which the employees are working.

1. THE ACT IS UNFAIR

The act is unfair in that while its purpose is declared to be to lessen the causes of labor disputes affecting or burdening interstate or foreign commerce, and that while there can be no such disputes without opposing parties or interests, the act itself seeks only to further the interests of one of the disputants, in this case only those employees favored by the Board. This is shown by the fact that it in no instance defines or punishes or attempts to prevent any unfair labor practice on the part of an employee, labor organizer, or union official.

It does not prevent an employee or a labor organizer, a union official, or a union from making, either by speech or in writing, unfair, untrue statements, harmful to the employer and to other employees and other labor organizations, prior to or during the progress of a labor dispute.

The act, as interpreted by the Board, declares it to be an unfair labor practice for an employer to give any advice whatsoever to an employee as to the advisability of joining or not joining a labor organization.

It does not prevent one of the disputants speaking freely, truthfully, or falsely about the other, while, as interpreted, it punishes the other disputant for making any statement, no matter how truthful, about his adversary.

It prohibits coercion, intimidation, on the part of the employer. It does not prevent like practices by employees, union organizers, union officials, or unions.

The act is unfair in that it permits the Board to make orders, decisions, and certificates harmful to the employer, and on occasion to some employees, in representation cases, which are in their effect final, but which are not so regarded by the courts and from which there is no appeal (*Harris* v. *National Labor Relations Board*, 100 Fed. (2d) 197, decided by the Supreme Court on February 27, 1939, 59 S. C. R. 584; *American Federation of Labor et al.* v. *National Labor Relations Board*, decided by the Circuit Court of Appeals for the District of Columbia on Feb. 27, 1939).

The act is unfair in that it permits the Board to make orders in complaint cases which are harmful to the employer and which may on occasion accomplish the desired result and from which there is no appeal, for the reason that no application is made by the Board to the court for their enforcement (*Harris* v. *National Labor Relations Board*, 100 Fed. (2d) 197, decided by the Supreme Court on Feb. 27, 1939, 59 S. C. R. 584).

An illustration of this is found where the Board makes an order requiring the employer to refuse further recognition to a particular union.

The act is unfair in that it permits the Board to subject an employer unnecessarily to costly litigation.

If a final order be made in a complaint case and the Board appeals to the court for an enforcement of that order, or if the employer or a person intervening appeals to the court for the modification or the vacation of such final order, the Board may then withdraw its final order and proceed anew, and employer and any intervening parties may again be subjected to another hearing (*In re National Labor Relations Board (Republic)*, 304 U. S. 486; *Ford Motor Co.* v. *National Labor Relations Board*, 83 U. S. (Law Ed.) 229; 59 U. S. S. C. 80).

Nor has the Court as yet decided how many times the Board may vacate its final order when the validity of that order is challenged in court. It will be interesting to learn just how long this procedure of vacating final orders after a long period of time, during which employer, employees, and union have been at the mercy of the Board, can be continued.

The practice of permitting the Board to make a final order, to ask for its enforcement in the circuit court of appeals, and then to permit the vacation of that order which it had made, permit the Board to proceed anew and, for all that we know at this time, make another final order, again ask for its enforcement, and again, when challenged in the court, once more ask that the order be vacated, will eventually tax the patience of the people if not of the courts.

The courts are not responsible for that provision of the law which permits such practice. We here in Congress are.

The act is unfair in that it permits the Board to make an order which is not a final order and from which there is no appeal, but which forces the employees to bargain collectively through representatives not of their own choosing. An illustration of this is found where the Board, with or without coercion, induces the employer to enter into an agreement which is either a collective-bargaining agreement or which designates the representatives for collective bargaining (*Harris* v. *National Labor Relations Board*, 100 Fed. (2d) 197; 59 S. C. R. 584).

That the act is unfair and tends to defeat the purpose for which it was enacted is evidenced by the statement of Joseph A. Padway, general counsel for the American Federation of Labor, who, in arguing the case of the International Brotherhood of Electrical Workers in the Supreme Court on October 17, 1938, said:

> One would imagine by the position taken by the Board that section 7 was an absolute guaranty to all employees to self-organization. One would imagine that every employee under section 7 has the absolute right to freedom of choice in respect to representatives for the purpose of collective bargaining. Nothing can be further from the truth.

That the act is unfair is further evidenced by the testimony of one of its sponsors. Quite recently the A. F. of L. issued an official statement, in which, after stating—

> The American Federation of Labor is the friend of the National Labor Relations Act. We sponsored it in the beginning. We helped draft it. We contributed largely toward its enactment into law. It was really an American Federation of Labor measure, a primary part of our legislative program—

called upon the Members of Congress to stand by that organization in obtaining an amendment of the law, because the law, as interpreted by the Board and the courts, was being used to destroy the rights of the employees represented by the A. F. of L.

Specific instances of the unfair results which have occurred because of the enforcement of the law will be found in an article by William Green, published in the issue of Liberty dated March 18, 1939.

It is my judgment that the unfair provisions of the act, of which the A. F. of L. complains, will be remedied by the repeal of the act and the enactment of H. R. 4990.

2. THE ACT DOES NOT INSURE THAT EMPLOYEES MAY BARGAIN COLLECTIVELY THROUGH REPRESENTATIVES OF THEIR OWN CHOOSING

One of the methods employed by the act to diminish the causes of labor disputes affecting or burdening interstate or foreign commerce was to declare by section 7:

> Employees shall have the right * * * to bargain collectively through representatives of their own choosing.

That such is not the result of the act, let me again quote the statement of Mr. Padway:

> One would imagine by the position taken by the Board that section 7 was an absolute guaranty to all employees to self-organization. One would imagine that every employee under section 7 has the absolute right to freedom of choice in respect to representatives for the purpose of collective bargaining. Nothing can be further from the truth.

Representing as he does the organization which, in turn, represents between three and four million employees; having as he has had, a wide experience in labor litigation; knowing as he does the practical workings of the act; familiar as he is with the decisions of the Board; and being a lawyer of ability whose integrity has never been questioned, his testimony should be entitled to great weight.

Decisions of the circuit courts of appeals and of the United States Supreme Court show conclusively that employees can be deprived of bargaining collectively through representatives of their own choosing.

Representatives for collective bargaining are selected under section 9 of the act, which gives the Board authority to designate the unit, or, more accurately speaking, the election district, in which such representatives are to be chosen, and permits the Board to hold elections or to "otherwise" determine those who have been selected as representatives for collective bargaining in such unit or election district.

Cases arising under this section of the statute are known as representation cases. Under this section, the Board may make orders, findings, issue certificates, determining the election precinct or district and designating or certifying who was elected in those districts as collective bargaining representatives.

From the orders, findings, or certifications so made by the Board under this section there is no appeal, for the reason that such order, finding, or certification is not a "final order" (*Combustion Engineering Co., Inc.*, v. *National Labor Relations Board*, 95 Fed. (2d) 996; *United Employees Association* v. *National Labor Relations Board*, 96 Fed. (2d) 875; *New York Handkerchief Co.* v. *National Labor Relations Board*, 97 Fed. (2d) 1010; *Unlicensed Employees Collective Bargaining Agency of the Marine Department of Sabine Transportation Co. of Dover, Del., Inc.*, v. *National Labor Relations Board*, decided Nov. 12, 1937, by Circuit Court of Appeals, Fifth Circuit (unreported); *Commercial Telegraphers Union* v. *J. Warren Madden et al.*, decided Nov. 18, 1937, by Circuit Court of Appeals for the District of Columbia (unreported), Supreme Court decision on Dec. 6, 1937, 302 U. S. 654; *American Federation of Labor, International Longshoremen's Association, and Pacific Coast District International Longshoremen's Association No. 38* v. *National Labor Relations Board*, decided Feb. 27, 1939, by Circuit Court of Appeals for District of Columbia; *Harris* v. *National Labor Relations Board*, 100 Fed. (2d) 197, certiorari denied, U. S. Sup. Ct., Feb 27, 1939, 59 S. C. R. 584).

This being the situation, the Board may arbitrarily make a finding that the election for representatives for collective bargaining shall take place in a certain area; be held in certain units, either plant, craft, or employer.

The election having been held, the Board may, and has in at least one case which reached the Supreme Court, disregard the result of that election.

The Board has been able to deprive the members of an independent union which represented the majority in a unit designated by it of the right guaranteed by section 7.

In the Harris case, the Board designated as the bargaining unit for the employees of the American Cyanamid Co., which had two plants at Bound Brook, N. J., the employees of both plants, although in one plant—that of the Calco Chemical Co.—there were employees belonging to the Calcocraft and to an A. F. of L. affiliate, while in the other plant the employees were members of the A. F. of L.

The election, held in both plants, resulted in a majority of the employees in both plants declaring in favor of the Calcocraft union as the bargaining agent. Nevertheless, the Board continued in force the agreement of settlement with the A. F. of L. affiliate and the employer, by virtue of which the Board issued an order requiring the Calco Chemical Co. to withdraw recognition from the Calcocraft union, which represented a majority in the Calco Chemical Co., a majority in both plants, and to bargain collectively as to the employees of both plants with the A. F. of L.

The result of this decision was that a majority of the employees in the Calco Chemical Co. were deprived of their right to bargain collectively through representatives of their own choosing.

An appeal to the circuit court of appeals and later to the Supreme Court of the United States upheld the right of the Board on the theory that no "final order" having been made the Court was without jurisdiction to review the action of the Board (*Harris* v. *N. L. R. B.*, 100 Fed. (2d) 197; 59 S. C. R. 584).

On the west coast the Board designated as the bargaining unit or election precinct all that territory extending from Canada on the north to Mexico on the south. It included in this one unit the ports of Portland, Seattle, San Francisco, Los Angeles, and 25 smaller ports. "The decision united in 1 unit some 200 or more employers" and the Board "found that C. I. O. organizations represented a majority of the employees of the whole."

The employers accepted the certification without question and made a collective bargaining contract in which the C. I. O. was recognized as the exclusive representative of all west coast longshore employees.

A petition for rehearing by the A. F. of L. affiliates having been denied, that organization appealed to the court, the substance of the claim being, as stated by the court:

> In ascertaining the appropriate representative of the men the Board ignored the identity of separate employers or of separate ports and extended the employer unit to include the entire Pacific coast, with the result that the rival union was designated and certified as the sole representative, in consequence of which its own union was "put out of business" and its members obliged to become members of its rival and deal with the employer either exclusively through it or not at all. In short, that by reason of the Board's decision to enlarge the "unit" to embrace about 25 separate ports and the acceptance of its decision by the employers, a situation has arisen as the result of which a so-called closed-shop contract may be entered into which will require petitioner's members, even where they predominate in a particular locality or business, to join the other union or possibly be displaced from their employment by members of that union.

In holding that it had no jurisdiction, the court said:

> So that what happened was precisely what in a proper case the act designed should happen, but, as we have seen, with the result that petitioner, in the localities in which its members constituted a majority, was, if the Board's decision as to the representative unit is valid, deprived of the very thing which petitioner insists it was the purpose of Congress to secure and protect (*American Federation of Labor et al.* v. *National Labor Relations Board*, decided Feb. 27, 1939, by Circuit Court of Appeals for the District of Columbia).

3. THE ACT, AS INTERPRETED BY THE BOARD, DEPRIVES INDIVIDUALS OF THE RIGHT OF FREE SPEECH AND A FREE PRESS

The first amendment to the Constitution provides that—

> Congress shall make no law * * * abridging the freedom of speech or of the press.

On the 8th of April 1937, Richard Frankensteen, a C. I. O. organizer, perhaps relying upon this constitutional guaranty, made the statement in Detroit:

> Henry (meaning Ford) will either recognize the union or he won't build automobiles.

About the same time John L. Lewis, according to the public press, said, with reference to Ford recognizing the union:

> Henry Ford will change his mind or he won't build cars.

The Supreme Court of the United States, in the case of *DeYoung* v. *Oregon* (299 U. S. R. 353), held that the Communist, under this amendment, had the right to speak freely and to write freely his thoughts advocating the overthrow of our Government—the legislative, the executive, and the judicial branches thereof.

The Labor Board, however, in a case against Henry Ford, held that he was guilty of an unfair labor practice when he advised his employees in substance that they need not join any union in order to obtain or hold a job with the Ford Motor Co.

It seems that it was proper for Frankensteen and Lewis to announce publicly and through the press that Ford could not conduct his business unless he recognized the C. I. O., while Mr. Ford is denied the right guaranteed by the first amendment of informing his employees that, in order to work in the Ford Motor Co., they need not pay tribute to Lewis or his organization.

The case in which Mr. Ford was convicted of this unfair labor practice was appealed, and later the Board was permitted, through a decision of the United States Supreme Court, to withdraw its decision for the purpose of taking further proceedings.

Further proceedings were had and it was found that all of the charges of unfair labor practice against Mr. Ford and the Ford Motor Co. were without foundation, except the one relating to section 8 (1) of the act. This charge was that the Ford Motor Co. had made available to its employees at the Chicago plant certain pamphlets which contained an expression of the respondent's attitude toward union activities and its employees' membership therein.

This charge, if sustained, denies to the Ford Motor Co. and to Henry Ford the right given to Communists and apparently to all others who do not fall within the provisions of the N. L. R. A.—the right to freely speak and write their thoughts.

The original decision of the Board finding Mr. Ford or the Ford Motor Co. guilty of an unfair labor practice was in direct conflict with the doctrine laid down in *National Labor Relations Board* v. *Union Pacific Stages* (99 Fed. (2d) 153).

Nevertheless, after the withdrawal of its original order, the trial examiner, who certainly must know the attitude of the Board, again found the company guilty of an unfair labor practice because it had circulated the pamphlets known as "Fordisms."

It is somewhat ironical that in this same case the U. A. W. A., in its issue of Saturday, June 5, 1937, printed a cartoon depicting Henry Ford as a Hitler, with a pistol within range; that, on the first page of the Wednesday, August 11, 1937, issue of the United Automobile Workers' newspaper, it printed another cartoon, showing a convict escaping from prison and calling to a motorist, "Quick, Buddy; Henry wants me."

The Board has one rule for Ford and the Ford Motor Co.; another for the U. A. W. A., which would coerce workers into joining the U. A. W. A.

In the case of the National Motor Bearing Co., Inc., of Oakland, Calif., it was held that, where a foreman secured from the public records photostatic copies of the registration papers showing that one of the organizers for the C. I. O. was a Communist, and circulated them among other employees, the employer was guilty of an unfair labor practice. This decision denied to the foreman, to the company, the right to inform fellow employees of the character of the man who was attempting to induce them to join the organization which he represented.

On the 1st day of June 1937, it was my privilege, notwithstanding the fact that the N. L. R. A. was in force and the N. L. R. B. was functioning, to speak in the hall of the House of Representatives concerning communistic activities within the C. I. O. organization. That speech was afterward reprinted and illustrated by the Constitutional Educational League.

In the *Muskin Shoe Co. case* (No. VC 141), of Westminster, Md., the Board held that the circulation of the republication of this speech, with illustrations, by an employee on company time and company property was an unfair labor practice on the part of the employer—a denial of the right of free speech.

A finding was made by Trial Examiner Hugh C. McCarthy in his intermediate report dated June 24, 1938, in the proceedings pending before the National Labor Relations Board, seventh region, in the matter of Cooper, Wells & Co. and American Federation of Hosiery Workers. Paragraph 14 of the findings contained this statement:

> The witness, Felton Dobbs, testified that the general chairman of the independent group distributed throughout the mill a booklet, which was introduced in evidence, entitled "Communism's Iron Grip on the C. I. O."

The introduction of this booklet was objected to by the company's attorney for the reasons, among others, that it not only had no bearing on the issue involved in the hearing but that it nowhere appeared that there was any connection between the respondent company, or any of its officers or employees, and the writer of the speech.

Under the previous holding of the Board the circulation of the speech by an employee was an unfair labor practice.

The Board has repeatedly held that the employer has no right to express his views to his employees as to the merits of any particular labor organization or as to the advisability of joining or not joining such an organization.

Some idea of the views of Mr. Madden, Chairman of the Board, on the right of an employer to advise an employee will be found by reference to pages 1575 and 1576 of the subcommittee hearings on H. R. 7343. Mr. Madden was asked, in substance, if an employee went to an employer and attempted to discuss organization activities, the formation of a union, or to seek advice as to affiliation with any labor organization, or whether he should join one union or another, what position the employer should take. Mr. Madden replied:

> I have no doubt whatever as to what I would advise an employer to do in those circumstances. I would advise him simply to say to his man—and you will note Mr. Madden says "his man," not "the employee" or "the worker"—"I'm sorry, but the spirit of this law asks me to keep my hands off your organization affairs."

Even though an employer and an employee have grown old with the business; even though they may have been friends for 30 or 40 years, each dependent upon the other for his failure or his success in life, the employer must remain silent on what may on occasion be a most vital question affecting the future of both.

If the employer has no right to express his views as to any labor organization to an employee, he certainly has no right to advise an employee that he shall not circulate a speech made in Congress, a pamphlet or a news item which reflects upon a certain organization.

How then, this being true, can the employer prevent an employee, who desires to make the employer guilty of an unfair labor practice, from accomplishing that purpose by circulating a speech antagonistic to a union which is endeavoring to organize the employees in that particular plant?

Under the Muskin Shoe Co. and the Cooper, Wells & Co. cases, if the employee circulates such a speech on company time, on company property, the employer is guilty of an unfair labor practice. If the employer forbids such circulation, the employer is guilty of an unfair labor practice because he has interfered with the right of the employees freely to join a labor organization.

So construed, the act is in violation of the first amendment. Followed logically to the end, what would be the ruling if, in a strife-torn city like Flint, Mich., where a strike was in progress; where there were threats, coercion, intimidation, and violence, a minister, whose salary was paid in part by the employer, arose in his pulpit on the Sabbath Day and, in prayer, asked that God protect the city from the lawless acts of those who had invaded it?

Following the reasoning in the three cases above cited, the employer who contributed to the upkeep of the church, to the payment of the minister's salary, would be held guilty of an unfair labor practice if the minister told a congregation of employees that the intimidation, the violence, the rioting, the civil strife was wrong, and asked God's help in ending it.

Absurd, you say? But reason it out for yourself.

Certainly, under the above decisions, no employer could escape conviction of an unfair labor practice if he asked, in a paid advertisement of his daily newspaper, for the support of citizens who were opposed to lawlessness brought to their community by invading pickets.

The decisions of the Board and of the examiners are absurdities.

4. THE ACT, AS INTERPRETED, DEPRIVES THE CITIZEN OF HIS LIBERTY AND OF HIS PROPERTY WITHOUT DUE PROCESS OF LAW, IN VIOLATION OF THE FIFTH AMENDMENT

The denial of the citizen's right to work is a denial of his liberty. As the worker earns his bread by his daily toil, the denial of his right to work is a deprivation of his property.

As a union has the right to enter into a contract with its members, obligating them to pay membership fees, dues, and special assessments to it, it is privileged to create a contract, and a contract is a property right.

By the act, as interpreted by the Board, members of one union, employees, as has been pointed out in the Harris case and in the American Federation of Labor Longshoremen's case, were deprived of their right to work unless they paid membership fees and dues to a rival union.

In the Harris case, this interpretation of the law was upheld by the Supreme Court, that Court ignoring entirely the claim that, as so interpreted, the act was unconstitutional.

In the Longshoremen's case, the Circuit Court of Appeals of the District of Columbia held that the A. F. of L. contracts with its members might be destroyed by the Wagner Act, in conjunction with the Norris-LaGuardia Act, that there was no remedy under the Wagner Act and that the remedy was by an independent suit in equity.

Two other cases sustain the proposition that, because of the provisions of the N. L. R. A. and the Norris-LaGuardia Act, neither the employer nor the employee can successfully, through the courts, enjoin either employees who belong to a rival or pickets who never worked for that employee, and who do not represent employees working in the plant involved, from depriving employees of their right to work or prevent such pickets from destroying the employer's business.

Where the employer entered into a contract with majority representatives for collective bargaining and a minority, by acts of violence and intimidation, prevented the majority from working, with the result of closing the employer's factory, so that he could not carry out his contracts, the court held that the employer was not entitled to injunctive relief (*Lund* v. *Woodenware W. U.*, 19 Fed. Supp., 607).

In that case the Court said:

> Plaintiff presumably is correct in his position when he avers that, under the terms of the Wagner Act, he cannot bargain collectively with the representatives of the minority and, if he assumes to do so, he may be guilty of unfair labor practice. But the determination of his course in dealing with his employees is nevertheless not for the courts.
>
> The difficulty with the assumption of jurisdiction herein on the theory that plaintiff's case arises under the Wagner Act is due to the very apparent fact that the right that the plaintiff seeks to enforce is not created either expressly or impliedly by the Federal statute in question; but by this proceeding he seeks to read into the act certain rights on behalf of the employer to proceed in a court of equity, which Congress studiously refrained from giving to the employer.

In *Blankenship* v. *Kurfman* (96 Fed. (2d) 450) the plaintiffs were employees selected by a majority, without employer domination, and were negotiating a contract with the employer. They attempted to work but, as a result of violence and threats by members of a rival union, they abandoned their jobs. Their contract had been negotiated and consummated in accordance with the N. L. R. A.

The Court held, under the authority of New Negro Alliance and other cases, that it was a case involving a labor dispute and the employees were not entitled to protection by injunction. The Court said:

> And we find no provision in the act which can be construed as intending to create rights for employees which can be enforced in Federal courts independently of action by the National Labor Relations Board. Consequently, we hold that the contract in the instant case between the plaintiffs and their employer did not by force of the National Labor Relations Act create a right in the plaintiffs which was secured to them "by the Constitution or laws of the United States." Consequently, the alleged unlawful interference by the defendants with the plaintiffs' contractual rights did not give a cause of action of which a Federal court would have jurisdiction, in the absence of diversity of citizenship.

Both these cases were cited with approval in Fur Workers Union against H. Zirkin & Sons, Inc., decided March 27, 1939.

Union Premier Food Stores v. *Retail Food C. & M. Union* (98 Fed. (2d) 821) is authority for the proposition that, where an employer agreed to enter into a collective-bargaining agreement with the representatives of four striking picketing unions and a rival union claimed to represent a majority of the employees and invoked action on the part of the National Labor Relations Board, which assumed jurisdiction and filed charges of unfair labor practices, the employer was entitled to an injunction preventing picketing where it was engaged in the selling of perishable commodities and the picketing was destroying the business, the theory of the circuit court of appeals being:

> That no labor dispute was involved in the case since the disputants were the unions, and that it could not be thought that Congress, under the National Labor Relations Act, intended to permit the destruction of the business of an employer who stood ready to obey any orders of the Board under the act when issued.

But since the decision in the Shinner and the New Negro Alliance cases and the decision in the case of *Donnelly Garment Co.* v. *International Ladies' Garment Workers' Union* (99 Fed. (2d) 309), regardless of the statement in the Union Premier Food Stores case "that it could not be thought that Congress, under the National Labor Relations Act, intended to permit the destruction of the business of an employer who stood ready to obey any orders of the Board under the act," the destruction of the employer's business is one of the things which the act does not prohibit; and the employer is without remedy in certain cases, unless he can bring himself within the exceptions of the Norris-LaGuardia Act, which in many cases he cannot do.

A still later case decided by the Circuit Court of Appeals for the District of Columbia on the 27th day of March 1939—Fur Workers' Union et al. against Fur Workers' Union No. 21238 and H. Zirkin & Sons, Inc.—is authority for the proposition that unless the employer and the employees can bring themselves within the exceptions required by the Norris-LaGuardia Act, the employees cannot by injunction protect themselves against the destruction of their right to work; the union cannot prevent activities which destroy its source of income; and the employer cannot prevent the loss of his business.

In that case, H. Zirkin & Sons, Inc., had for long been engaged in the business, in the city of Washington, as a retail dealer in ladies' clothing, including fur coats. It employed 11 fur workers. One struck; later he was joined by another, both belonging to a C. I. O. affiliate. The 9 others obtained a charter and became an affiliate of the A. F. of L. and were recognized as exclusive representatives for collective bargaining for all the fur workers then in Zirkin's actual employ.

The two C. I. O. striking employees called to their aid pickets who were not employees. Of the picketing the court said:

> The purpose of the picketing was to coerce Zirkin's and its fur-worker employees to violate the agreement entered into with the appellee union and to cause Zirkin's to rescind its recognition of that union. The persons picketing Zirkin's place of business were disorderly in their conduct, made assaults and attempted assaults upon the fur-worker employees at Zirkin's, intimidated and coerced them by threats of bodily harm, and interfered with customers of Zirkin's while they were entering or leaving the business establishment.

The court, quoting from *Lauf* v. *E. G. Shinner* (303 U. S. 323), said:

> The controversy, rather, seems to be a unilateral one with the sole object of coercing appellee to compel its employees to join the appellant union in order that it may represent the employees in their dealings with the employer. Appellants seek to accomplish that result by picketing and damaging the employer's business.

The court further said:

> The argument is that unless injunction can issue in such a situation, the employer may well, for lack of other remedy, see his business destroyed, because neither union may be interested in applying to the National Labor Relations Board for an election and certification, and the employer is not under the present terms of the National Labor Relations Act given a right to invoke the jurisdiction of the Board to investigate and determine by election proceedings the appropriate bargaining unit and the agency reflective of the will of the majority of the employees.
>
> And it is clear also that in the absence of a remedy for the employer the dispute may proceed indefinitely for lack of an invocation of jurisdiction of the Board by the competing unions.
>
> It is clear further that in such a situation there is no remedy for the employer under the National Labor Relations Act. That act makes no provision for invocation of the election and certification powers of the Board by an employer. The result is an inequality

that it is a little in excess of that allowed a non-Member of | If we do not, we are going to wreck this Nation. It is about

before the law as between an employer and employees in this particular, namely, that while the employer has a substantive right to carry on his business, he lacks a legal remedy for protecting the same against injury through the struggle of competing unions, even though he be indifferent as to the choice of his employees between them; whereas the employees, in respect of their substantive rights of self-organization and collective bargaining, are afforded a protective remedy under the election and certification powers of the Board.

The argument of hardship "must be addressed to Congress in respect of the possibility of an amendment of the National Labor Relations Act in such manner as will give to employers a right to invoke the jurisdiction of the Board for a settlement of disputes concerning rights of representation."

The Supreme Court has held in *Labor Board* v. *Jones & Laughlin* that the onesidedness of the act is a matter of congressional policy which does not invade constitutional limitations.

It is true that the Supreme Court, speaking through Justice Brandeis, in *Myers* v. *Bethlehem Shipbuilding Corporation* (303 U. S. 41, 48, 49) said:

The grant of that exclusive power is constitutional because the act provided for appropriate procedure before the Board, and in the review by the circuit court of appeals an adequate opportunity to secure judicial protection against possible illegal action on the part of the Board. No power to enforce an order is conferred upon the Board. To secure enforcement the Board must apply to a circuit court of appeals for its affirmance. And until the Board's order has been affirmed by the appropriate circuit court of appeals no penalty accrues for disobeying it. The independent right to apply to a circuit court of appeals to have an order set aside is conferred upon any party aggrieved by the proceeding before the Board.

* * * * * * *

The order of the Board is subject to review by the designated court, and only when sustained by the court may the order be enforced. Upon that review all questions of the jurisdiction of the Board and the regularity of its proceedings, all questions of constitutional right or statutory authority, are open to examination by the court.

But this statement must be read with other decisions of that Court in mind and with the decision in American Federation of Labor and others against National Labor Relations Board, decided by the Circuit Court of Appeals for the District of Columbia on February 27, 1939, where the court said:

Accepting, as we must, this restrictive definition (of a final order) and applying it to the case at hand, we hold that, though the decision here was required by the act to be made, and to be made on the evidence and argument after judicial hearing, and though it was definitive, adverse, binding, final, and in this case struck at the very roots of petitioner's union and destroyed its effectiveness in a large geographical area of the Nation, it was not an order, because the act did not require it to be made in the language of command, and hence is reviewable, as was held in *Shields case, supra*, and in *Utah Fuel Co.* v. *National Bituminous Coal Commission*, — U. S. — (decided January 30, 1939), only in an independent suit in equity commenced in a district court.

It is all very well for the Court in this case to say that the order is reviewable, as was held in *Shields* v. *Utah Idaho Central Railway Co.* (83 U. S. (L. Ed.), 170), and in *Utah Fuel Co.* v. *National Bituminous Coal Commission* (83 U. S. (L. Ed.), 402); but it will be noted that, in the first case, while the Court said, speaking through Chief Justice Hughes, that, while review of the order of the Interstate Commerce Commission might be had in a Federal district court, as the authority to make the order "was validly conferred upon the Commission, the question on judicial review would be simply whether the Commission had acted within its authority"; and the decision in the Utah Fuel Co. case, while holding that the equity jurisdiction of the Federal district court extended to a judicial review through the medium of an injunction of an order of the National Bituminous Coal Commission, it further held that, Congress having granted authority to the Commission, the Commission had the right to provide for the disclosure of confidential information contained in reports required by the act and affirmed the decision of the district court dismissing the bill for an injunction.

If the employees, whose right to work is being denied by mass picketing; if the union, which is being destroyed in the same manner; if the employer, whose business is being wiped out by the picketing, cannot appeal, as they cannot under the N. L. R. A., from an order which is not "final," each will, in many cases, when he seeks the aid of a court of equity, be denied relief, because of the provisions of the Norris-LaGuardia Act and the decisions of the United States Supreme Court in *New Negro Alliance* v. *Grocery Co.* (303 U. S. 552), and *Lauf* v. *E. G. Shinner & Co.* (303 U. S. 323), on the ground that they cannot bring themselves within the exceptions set forth in that act.

The result is that while the Norris-LaGuardia Act remains in force, while the provisions of the N. L. R. A. remain as they are, an individual employee, a union, an employer may each be deprived of his property, of his liberty.

Three cases showing that this contention is correct are the Zirkin case, the Longshoremen's case, and the Harris case. In each of these cases the courts held that under the Wagner Act there could be no appeal, no review, for the reason that there was no "final order."

If judicial review is sought by an independent suit in equity, as suggested in the Longshoremen's case, the injured party, employee, union, or employer will be met by the argument and by the decisions in the Utah Fuel Co. and Shields cases that, the N. L. R. A. being constitutional (*Labor Board* v. *Jones & Laughlin Steel Corporation*, 301 U. S. 1), Congress having given the N. L. R. B. authority to determine the unit and certify representatives for collective bargaining and the Board having acted within the scope of that authority, its decision must be sustained.

Such must be the result unless the Court is prepared to hold that the N. L. R. A., as so interpreted, is unconstitutional, because, as so interpreted, it is contrary to the fifth amendment.

Fifth. Upon the reenactment of the N. L. R. A., there should be incorporated within its terms the interpretations placed upon the present act by the Supreme Court, insofar as the same will aid in furthering the purpose of the act or in clarifying its terms, including, among others, the following:

(a) A provision that those engaging in sit-down strikes and the unlawful destruction of property lose their status as employees and need not be reemployed nor compensated for wages not earned after the commission of such acts.

(b) A provision that when the employer and the employees' representatives have negotiated for a reasonable length of time, or where the positions of the parties are so diametrically opposed that there appears to be no reasonable hope of a compromise, the requirement as to collective bargaining has been satisfied.

(c) A provision that the Board has no authority to inflict a punitive penalty upon the employer, except as that penalty is explicitly defined and imposed by the language of the act itself.

(d) A provision that the Board has no authority to invalidate a contract entered into between an employer and representatives for collective bargaining selected by a majority of the employees.

(e) That findings of fact by the Board will not be sustained unless they are supported by "evidence which is substantial; that is, affording a substantial basis of fact from which the fact in issue can be reasonably inferred."

(f) There should also be a provision, although the Supreme Court has not passed upon this proposition, that the unit from which representatives for collective bargaining are to be selected should be limited to one employer in one locality and shall be embraced within the limits of the municipal corporation in which the employees are working.

To aid in the purpose, in the lessening of the causes of labor disputes affecting or burdening interstate or foreign commerce, H. R. 4990 has been introduced in the House.

Its passage will in a large measure secure to employees the rights set forth in section 7, protect employers, and in no way injure labor organizations whose sole purpose is to see to it that the worker is at all times made secure from oppression on the part of employer or labor racketeer.

EXTENSION OF REMARKS

Mr. HOUSTON. Mr. Speaker, on yesterday I asked and was granted unanimous consent to extend my own remarks to include an address by a former Member of this House, Hon. Edward C. Eicher. The Public Printer has informed me

that it is a little in excess of that allowed a non-Member of Congress. I ask unanimous consent that I may put that in the RECORD in its entirety, notwithstanding the estimate of the printer.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

Mr. RANKIN. Mr. Speaker, reserving the right to object, and I shall not object, let me say to the gentleman that this is a question that must be settled by the Joint Committee on Printing. If it exceeds four pages——

Mr. HOUSTON. It does not exceed four pages.

Mr. RANKIN. Well, what is the objection to it?

Mr. HOUSTON. It is three and a quarter pages; between a third and a quarter over what is allowed a non-Member of Congress.

Mr. RANKIN. Would it be possible to eliminate a portion of it so as to bring it within the rule without having to go to the Joint Committee on Printing?

Mr. HOUSTON. I think it would take the meat out of the speech.

Mr. RANKIN. I will say to the gentleman that I am not going to object, of course, but getting by that Joint Committee on Printing is quite difficult. Unless the gentleman can eliminate certain portions of Mr. Eicher's address, I am afraid he is stymied.

The SPEAKER. The Chair will state that rule 10 of the Joint Committee on Printing provides that—

> No extraneous matter in excess of two pages in any one instance may be printed in the CONGRESSIONAL RECORD by a Member under leave to print or to extend his remarks unless the same is accompanied by an estimate from the Public Printer of the probable cost thereof.

In this instance the gentleman from Kansas [Mr. HOUSTON] has stated that the address of Mr. Eicher will exceed two pages and that he has received an estimate from the Public Printer of the probable cost thereof as required by the rule of the Joint Committee on Printing, so that all that is now necessary is to again secure permission from the House by unanimous consent to print the address in the RECORD.

Is there objection?

There was no objection.

Mr. PACE. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an article by David L. Babson.

The SPEAKER. Is there objection?

There was no objection.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1940

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, I was detained at my office, but on coming here I find the Interior Department appropriation bill has been passed by the Senate and a conference has been asked. The Senate has added millions of dollars to that appropriation bill when this Congress has spent now more money than we will receive in taxes in 1940. A dreadful situation; and more appropriation bills to follow. I want to say to the conferees on the part of the House when they go into conference, if they are going to agree to everything the Senators want when they passed that bill without a record vote, without even a copy of the bill in the Senate at the time they were passing the bill——

The SPEAKER. The Chair desires to call the attention of the gentleman from Pennsylvania to the fact that under the rules of the House he is not permitted to refer to any action taken in the Senate of the United States.

Mr. RICH. May I continue for 1 minute more?

The SPEAKER. The Chair cannot recognize that request for more than 1 minute at this stage of the proceedings.

Mr. RICH. Has my time expired?

The SPEAKER. Not yet.

Mr. RICH. Mr. Speaker, I do not want to disobey the rules of the House, but I do want the House of Representatives to try to cut down expenses and hold them within our income. If we do not, we are going to wreck this Nation. It is about time the House of Representatives took some action on these expenditures, and I hope the Speaker will help us in trying to do that. [Laughter and applause.]

The one item in that bill that the Senate included I want to speak at length about, and under the privilege of extending my remarks I wish to insert the following:

THE JEFFERSON NATIONAL EXPANSION MEMORIAL IS ONLY A REAL ESTATE UNLOADING SCHEME

Mr. Speaker, I trust the name of democracy and the memory of Thomas Jefferson and the western pioneers will not be stained by an approval of this amendment by the House.

So that the Members may be more fully informed about this proposed memorial, let me introduce the following brief summary of facts:

(1) St. Louis now has a memorial to Thomas Jefferson and the Louisiana Purchase located in beautiful Forest Park, a tract of over 1,300 acres.

(2) The promoters of this second memorial in St. Louis represented the Federal Government had approved the project and the St. Louis plans for the memorial, which were to include museums, lecture halls, a small harbor for pleasure craft, a large underground space for the storage of automobiles, and other recreational facilities. None of these are now contemplated.

(3) The project was represented to the people of St. Louis as having the agreed sanction of the Government and a pledge of $22,500,000 in Federal funds. This later turned up to be not the facts.

(4) The people of St. Louis were given an opportunity to vote bonds for an improved national park or plaza, but not the acquisition and preservation of historic sites. The cost was to be $30,000,000.

(5) The special bond-issue election of September 10, 1935, in St. Louis was backed by the promoters. It was later revealed by the St. Louis Post-Dispatch that fraud existed in each and every ward in which the bond issue carried. There was plenty of ghost voting and ballot-box stuffing.

(6) The only funds available to the project are $6,750,000 allocated from the Emergency Relief Appropriation Act of April 8, 1935, by Executive order and $2,250,000 contributed by the city of St. Louis, proceeds of bonds issued and sold in the face of fraud and corruption.

(7) The appellate court of the District of Columbia has held in the case of *Franklin Township, N. J.* v. *Tugwell et al.* (No. 6619, May 18, 1936) the act of 1935 constituted an unlawful delegation of powers to the President and was unconstitutional. This decision has not been challenged.

(8) This project is now being carried forward under the provisions of the Historic Sites Act of August 21, 1935, by the National Park Service. There has never been a congressional appropriation for it. Neither has the Congress authorized the acceptance of the contribution of $2,250,000 proceeds from the sale of the tainted bonds, which was made by the city of St. Louis.

(9) The historic sites named by the President were: The Spanish Colonial Office; the Government House; Old French Cathedral of St. Louis; place where Laclede and Chouteau established the first civil government west of the Mississippi River; the place where Lafayette was received by a grateful people; the place where the Santa Fe, the Oregon, and other trails originated; the place where Lewis and Clark prepared for their trip of discovery and exploration; the courthouse in which the Dred Scott case was tried.

(10) The real facts about these sites are:

The Spanish Colonial House and the Government House were one and the same, and have long since been torn down and removed from the original site, which is now occupied by a printing plant.

The old French Cathedral of St. Louis is still standing, but cannot be acquired under the provisions of the Historic Sites Act.

The place where Laclede and Chouteau established the first civil government is on the levee in St. Louis, now public property and incapable of being exactly located.

The place where Lafayette was received by a grateful people is also on the levee, and incapable of being improved in any manner whatsoever to show that Lafayette had anything more to do with the making of history there than did Pontiac or hundreds of famous Indian chiefs. Pontiac went to his death in Cahokia across the river from St. Louis.

The Santa Fe trail originated near the site of Old Franklin, Mo., where the steamboat *Independence* ran aground on a sandbar in 1821. The traders were forced to abandon the river and continue overland to Independence and Westport—near what is now Kansas City, Mo. Old Franklin is 150 miles from St. Louis.

The Oregon Trail and the Pony Express originated and started from St. Joseph, Mo., which is 260 miles from St. Louis.

Lewis and Clark prepared for their expedition and departed on their journey from River DuBois, now Wood River, Ill. This fact is revealed by the journal of Floyd in the Library of Congress.

The courthouse where the Dred Scott decision was handed down is on grounds donated perpetually for court purposes. The building is in almost irreparable state. The city of St. Louis is asking the Federal Government to shoulder the burden of their own neglect.

Mr. Speaker, the river-front area in St. Louis is not entirely a slum area. Not over 50 persons reside there. The area is mostly devoted to commercial and industrial uses. At the time this promotion started there were two concerns operating in the area that had commercial ratings of over a million dollars. In 1935, according to a survey conducted by the St. Louis Chamber of Commerce, the buildings in the area were occupied by 290 separate firms, who did an annual business exceeding $60,000,000. Of these firms, 134 had a total capital investment of $12,610,500. Does the House believe it a contribution to relief or recovery—yes, of economy—to force these firms to move? And I am advised that several will move from St. Louis forever when that day comes.

Now, one added word about the election frauds in St. Louis. In 1936 the St. Louis Post-Dispatch was awarded the Pulitzer Prize in journalism for their exposures of the corruption which existed there. These exposures showed the Dickmann machine in St. Louis were closely following the pattern of the Pendergast machine in Kansas City. More than 46,000 ghost voters were found to have in some mysterious manner gotten on the poll registers. Ballot boxes were stuffed, names were forged on the precinct poll lists, and other irregularities took place. The corruption has never been denied by any St. Louisan. It is accepted as the inevitable result there of the Dickmann machine.

Mr. Speaker, there is something more important than the $6,750,000 carried in this amendment to be considered—that is a principle. This amendment should not be approved. If the House does approve it, it will undoubtedly be interpreted by the people of the entire country as an approval of Pendergastism, Dickmannism, and machine politics at its worst. Let us have courage to halt this iniquitous scheme and allow the memory of the fraud and corruption behind this St. Louis bond-issue election to fade out with the memorial in the eternal shadows.

Mr. Speaker, there may be some who will defend this memorial on the assumption it is a work-relief project.

Permit me to assure you that such is not possible with the funds that have been contributed and allocated for the project so far. Appraisers working under authority of the district court in St. Louis have already arrived at valuations totaling $6,379,069 for 38 of the 40 blocks in the memorial area.

Already more than one-half of the St. Louis contribution has been spent to maintain a staff of 104 technicians and advisory experts, who are now working in St. Louis preparing plans for some kind of a memorial. The moneys, which you are asked to reappropriate, at best would not begin to pay the expenses of wrecking the buildings on the site. Next year and for many years thereafter you would have the St. Louis promoters on the heels of Congress dogging their footsteps for more and more money.

The time to economize is now. Let us put an end to the fear, the suspense, and the uncertainty that hangs over these St. Louis businessmen. Let us put an end to the wild dreams of these memorial promoters by allowing the unexpended funds appropriated for relief and work relief to revert to the Treasury of the United States and there be available to relieve human misery and human suffering, of which I am reliably informed there is still plenty in St. Louis and other parts of Missouri.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Having listened again to the daily speech of the gentleman from Pennsylvania [Mr. RICH], I call his attention to the fact that you will never get out of this difficulty, you will never balance the Budget, you will never get this Nation out of debt on the present price levels.

Until we have some readjustment of our financial system so as to give us currency expansion to raise commodity prices to their normal level in order to increase the income of the average individual as well as the national income, we are not going to get out of this condition.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield for a question.

Mr. RICH. If the gentleman, with all his energy, would spend as much time trying to get the Government out of business as he spends trying to get the Government into business, we would work ourselves out of this condition in a hurry. We would help the businessmen, we would help the farmers, we would help the laborer, we would help everybody in this country; but you are not going to help them by trying to put the Government into all kinds of business.

Mr. RANKIN. The gentleman is helping himself out now; he is on his way out unless something is done along the line I have indicated. [Applause.]

Mr. RICH. Do not fool yourself, my boy.

Mr. RANKIN. I am not.

[Here the gavel fell.]

CALL OF THE HOUSE

Mr. ALLEN of Illinois. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and thirty-one Members are present, not a quorum.

Mr. SABATH. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 51]

Bell	Culkin	Fulmer	McReynolds
Blackney	Curley	Geyer, Calif.	Mitchell
Bolles	Dingell	Gifford	Osmers
Bolton	Ditter	Hart	O'Toole
Brewster	Drewry	Hartley	Owen
Brooks	Durham	Hawks	Peterson, Ga.
Buck	Eaton, N. J.	Hennings	Risk
Buckler, Minn.	Edmiston	Kennedy, M. J.	Rockefeller
Buckley, N. Y.	Elliott	Kerr	Satterfield
Cannon, Fla.	Engel	Lesinski	Sullivan
Cluett	Evans	McDowell	Sweeney
Cole, Md.	Fay	McGehee	Tinkham
Croseer	Folger	McLeod	
Crowther	Ford, Leland M.	Mansfield	

The SPEAKER. On this roll call 376 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MESSAGE FROM THE SENATE

The SPEAKER. The Chair lays before the House the following message from the Senate of the United States.

The Clerk read as follows:

IN THE SENATE OF THE UNITED STATES,
April 17, 1939.

Ordered, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 1871) entitled "An act to prevent pernicious political activities."

The SPEAKER. Without objection, the request will be granted.

There was no objection.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. LEA. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may sit during the session of the House today.

The SPEAKER. The gentleman from California asks unanimous consent that the Committee on Interstate and Foreign Commerce may sit during the session of the House today. Is there objection?

There was no objection.

Mr. LEA. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until 10 o'clock tonight to file its report on the bills, H. R. 5379, to amend the act entitled "An act to prohibit the movement in interstate commerce of adulterated and misbranded food, drugs, devices, and cosmetics, and for other purposes," approved June 25, 1938, and H. R. 5762, to amend the Federal Food, Drug, and Cosmetic Act.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. RICH, Mr. CARLSON, Mr. RANKIN, and Mr. SABATH asked and were given permission to revise and extend their own remarks.

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a joint resolution of the Legislature of the State of Minnesota memorializing the Congress of the United States to enact legislation relieving the farmers who gave their notes for feed and seed loans during the drought years 1933 and 1934, from cash payment thereof.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE STABILIZATION FUND AND ALTERATION OF THE WEIGHT OF THE DOLLAR

Mr. SABATH. Mr. Speaker, I call up House Resolution 165.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 3325, a bill to extend the time within which the powers relating to the stabilization fund and alteration of the weight of the dollar may be exercised. That after general debate, which shall be confined to the bill and shall continue not to exceed 7 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Coinage, Weights, and Measures, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. SABATH. Mr. Speaker, does the gentleman from Michigan [Mr. MAPES] desire any time on the rule?

Mr. MAPES. Yes; we would like to use some time.

Mr. SABATH. If the gentleman desires time I yield him one-half of my time, namely, 30 minutes.

Mr. Speaker, this resolution makes in order the so-called stabilization bill, H. R. 3325, which provides for the extending of the $2,000,000,000 stabilization fund until June 30, 1941. It also extends the Thomas amendment passed in 1933 which permits the purchase of newly mined domestic silver.

Under the bill made in order by this rule no new power is granted to the President, it merely extends the time during which the authority vested in the President may be exercised to June 30, 1941.

This legislation, Mr. Speaker, has been acclaimed by all outstanding economists, banking and industrial leaders as of inestimable benefit to our export trade. The $2,000,000,000 fund is being used to establish the foreign exchange value of the dollar; namely, for the purpose of preventing undue fluctuations. Through the operations of this fund we have been able to meet the intrigues of foreign countries and to obtain a leading position in the export trade of the world. It is generally known, Mr. Speaker, that most foreign countries abandoned the gold standard in 1932. This has forced our Nation to establish the stabilization fund. Today only the United States and one other commercially important country, I believe it is Belgium, are on the gold standard.

The stabilization fund and the power given to the President places us in a most favorable and advantageous position. Without these powers at the disposal of the President we would be at the mercy of foreign nations because of their floating currencies or exchange controls which they can alter at a moment's notice, the power to do so being vested in the executive branch of the government of those countries. Great benefits to the United States have accrued through the operation of this fund and there is a general demand for the extension of this authority. The President of the United States, the Secretary of the Treasury, and all outstanding industrial leaders urge its extension. The only objection comes from speculators and some Republicans who have no better plan, who seem to be only capable of criticism, the same kind of criticism they have had for every beneficial law enacted under the Roosevelt administration.

The rule is a liberal rule, and I may say that the Republican Members have not objected seriously to the rule.

All they desire is plenty of time to talk. Well, the Rules Committee gave them plenty of time to talk.

This rule provides for 7 hours of general debate. When general debate is concluded, the bill will be considered under the 5-minute rule, and the gentlemen on that side will have additional time to talk. This should be sufficient for the Republicans to try to becloud the issues or to make little Republican capital, although I feel it will not benefit them in any way, as the country in general is fed up with their destructive activities.

In their desperate efforts the Republicans are trying to get the country to forget the underlying reason for the enactment of this legislation. They are trying to get the country to forget the conditions which existed on March 4, 1933, when President Franklin D. Roosevelt was inaugurated. The Republicans recognize—yes; must admit—and surely know that when President Roosevelt was inaugurated one-half of the values of property, including stocks and bonds, in the United States was gone, and all due to Republican misrule. At that time sixteen to eighteen million people were out of employment, and those who were fortunate enough to be employed were only on half time or less. Women were receiving $3 to $4 a week and men $1 a day.

Banks, business houses, and insurance companies were on the verge of bankruptcy. The farmers in 1933, when President Roosevelt was inaugurated, were receiving about 25 cents for a bushel of wheat, 15 to 17 cents for a bushel of corn, rye, or barley, while hogs and cattle were selling at 2½ cents a pound.

Those were the conditions which faced President Roosevelt and a Democratic Congress on March 4, 1933. Those are the conditions that my Republican friends are trying to have the Nation forget. Therefore they desire plenty of time to talk on the pending bill in the hope that they may be able to becloud the main issue. They will talk a lot of nonsensical stuff and detract from the benefits derived or brought about by the Stabilization Act; they will make a lot of charges and accusations not founded on fact in the hope that people may forget the unfortunate condition President Roosevelt inherited from the Republicans that forced the enactment of this great piece of legislation.

Mr. Speaker, every day on the floor of the House the Republicans make certain accusations against the Democratic Party and the administration because of existing unemployment. As I said before, and I repeat today, it was the Republican administration that was responsible for the unemployment then, and it is the Republicans who are responsible for it now. If the Republican Party and the interests which that party represents had cooperated with President Roosevelt, there would be no unemployment today.

Mr. KNUTSON. Yes?

Mr. SABATH. I agree with the gentleman. I am glad he agrees with me.

Mr. Speaker, it was extremely fortunate that the President possessed the courage, the foresight, and the intelligence to recommend the gold-reserve legislation, and it was equally fortunate that the House passed it. Only the determination and the great courage of the President made this possible. It has helped and aided us to recapture and reestablish our foreign trade, which was nearly gone. Today we are leading the world, due to this legislation, and we have recaptured the trade that was lost under a Republican administration. Under this prudent legislation, recommended by the President and passed by a Democratic Congress, in which I am glad to say that some of the Republicans joined with us in 1933 and 1934, we have nearly $15,000,000,000 of gold in our Treasury. I do not know how many billions of silver we have.

May I say right here that I have been informed that later on the charge will be made by some Republican Members that the Government has lost or will lose a tremendous sum of money so far as the purchase of silver is concerned? I say that the Government will not lose anything on the purchase of the silver. The intent originally was to aid the West, aid the mining industry of the United States to employ thousands and thousands of the unemployed miners. I am satisfied that as soon as Japan is driven out of China, and I hope that may be soon, China will be again put in the position to buy and trade with us as in years gone by. From that time on the steady flow of silver over there will increase and the Government will sustain a profit instead of a loss.

A similar charge may be made so far as gold is concerned. Personally I am not alarmed, because we own today 66 percent, or two-thirds, of all the gold in the world. This makes the United States strong and powerful financially. It also helps commercially and will safeguard American interests in the future. The fears entertained by the gentleman from Pennsylvania mean nothing. All that we need is cooperation. I am sure that many Republicans with whom I have served for many years would be glad to cooperate if they were left alone and not ruled by sinister interests which control them and their actions. If it were left to their own good judgment, I know they would cooperate again as they have in the past in extending this legislation, thereby maintaining the advantageous position that we enjoy today throughout the world.

Mr. Speaker, I feel there can be no real opposition to the extension of this $2,000,000,000 stabilization fund. It has not cost the Government a single dollar. If anything, the Government has a profit. The only people who are opposed to this extension are the speculators, because under this law they are precluded from gambling with the American dollar in foreign countries. Today our dollar is stronger than any other in the world and I hope this condition will continue. It is the duty of all the Republicans to join hands with us if they have the interests of the country at heart in agreeing to this rule and in the final passage of the bill as reported by the splendid committee that has worked industriously for days—yes, weeks—so as to bring it before you. May I also call attention to the fact that the bill provides that in addition to reporting to the President it is necessary to report to the Congress every year with reference to the activities so far as this fund is concerned?

Mr. Speaker, may I ask how much time I have used?

The SPEAKER. The gentleman has used 20 minutes.

Mr. THORKELSON. Mr. Speaker, will the gentleman yield now?

Mr. SABATH. I yield to the gentleman.

Mr. THORKELSON. I would like to ask this question: If there is $2,000,000,000 in the gold stabilization fund? Is that right?

Mr. SABATH. Yes.

Mr. THORKELSON. There is $1,800,000,000 left. There is $200,000,000 lost some place. Where is it?

Mr. SABATH. No; nothing has been lost.

Mr. THORKELSON. Yes, it has. There is only about $1,800,000,000 in it now.

Mr. SABATH. There is $2,000,000,000.

Mr. THORKELSON. According to the Treasury, there is $1,800,000,000 left.

Mr. SABATH. I will say this to the gentleman, that I never have devoted the amount of time or study to the reports that the gentleman from Montana appears to believe I have. Still I do know, and the gentleman from Montana does not, that there has been no loss.

Mr. THORKELSON. What are you talking about it for, then?

Mr. SABATH. Wait a second; I am talking from actual facts.

Mr. THORKELSON. But you have not studied it. How can you talk from facts if you have not studied it?

Mr. SABATH. It did not require any special study on my part to know that there has been no loss. The facts as I do know them convince me of that, and I can only assume that the gentleman speaks from misinformation or just to hear himself talk.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Michigan.

Mr. WOLCOTT. I ask this question to be helpful.

Mr. SABATH. The gentleman as a rule asks questions that are intelligent. I am delighted to answer the gentleman.

Mr. WOLCOTT. I believe section 3 of the act is intended to continue the Silver Purchase Act.

Mr. SABATH. It is.

Mr. WOLCOTT. This section reads:

The second sentence added to paragraph (b)—

And so forth—

is further amended to read as follows: "The powers of the President specified in this paragraph"—

Are continued, and so forth. That paragraph in the existing law reads:

Nor shall the weight of the gold dollar be fixed in any event at more than 60 percent of its present weight.

In that paragraph I fail to find any reference whatsoever to the Gold Purchase Act or title III of the Agricultural Act. I wish the gentleman would give some consideration to that, so if he wants to continue the Silver Purchase Act or if the committee wants to continue the Silver Purchase Act the legislative counsel will correct that inconsistency in the act.

Mr. SABATH. The gentleman, as usual, has asked an intelligent question. He is entitled to that information. I will say this to the gentleman, without going into details and depriving the chairman of the committee of the opportunity of explaining the particular provisions, because I know that no changes have been made by the President in the last 4 years, and from what I understand no changes are anticipated for the future. This bill in no way increases the President's powers as given him under title 10 of the Gold Reserve Act of 1934. It merely extends those powers to June 1941.

Mr. THORKELSON. Mr. Speaker, will the gentleman yield again?

Mr. SABATH. No.

Mr. THORKELSON. Oh, take a chance, will you?

Mr. SABATH. Not to you. If you would ask an intelligent question, I might. Please do not disturb me any more. Mr. Speaker, within the next few days I expect we will hear the ever-recurring Republican charges that we are headed for inflation. That charge was made first in 1934 when the Gold Reserve Act was passed. No inflation has taken place, however. President Roosevelt, well aware of the criminal inflation of 1928 and 1929, is opposed to inflation now. He did not avail himself of the provisions of the Thomas amendment, although I personally believe that it should have been done. That amendment permits the issuance of currency up to $3,000,000,000, and surely we have enough gold and silver behind it to warrant issuing that amount. It might have the good effect of forcing banks to bring back their hoarded money to the channels of legitimate business, and

that would be well worth while. I would like to remind the House that the President never abused the powers granted him up to this time, and any charge that he will do so in the future can only be the political cries of those who oppose him in everything he does.

Yesterday, Mr. Speaker, my colleague from Texas [Mr. DIES] informed me that he would speak in opposition to this rule and the bill. I am now advised that the ranking Republican member of the Rules Committee [Mr. MAPES] is allowing him time to follow me on the floor today. The gentleman from Texas is a convincing speaker. I only regret that so many times he is wrong. However, it will be interesting for me to hear the remarks of the gentleman, whom we all remember as strongly advocating this Gold Reserve Act originally in 1934, and twice since. It is unfortunate that the gentleman has been so often led astray these past months, but I know that other Members will understand the underlying bitterness prompting him, and vote according to their own individual dictates. [Applause.]

Mr. MAPES. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Speaker, it is important that we understand what the real issue is which is presented by this bill. The issue is not the devaluation of the gold dollar, nor the devaluation of the silver dollar, nor the purchase of silver, nor the issuance of silver certificates based either upon the cost value or upon the statutory value, nor the fixation of the relationship between the two metals. The issue is not, as some of my esteemed friends from the silver States seem to think, the continuation of the purchase of domestic silver, because under the Silver Act, which is permanent legislation, the Treasury Department has ample authority to purchase both domestic and foreign silver at such prices as they see fit.

The issue involved here is whether or not we shall continue the most extraordinary power that has ever been vested in any President since the beginning of this Republic. In order to illustrate how much power is involved in this continued delegation of authority, let me point out that if the President of the United States saw fit under this act he could increase the supply of money by $9,500,000,000, and through the process of inflation he could levy a tax upon the wages of every worker in the United States, or, if he saw fit, he could deflate and fix the relative value between gold and silver 16 to 1 or 64 to 1, or at any other ratio he saw fit.

I therefore maintain, Mr. Speaker, that the time has come in this country when emergency powers given at a time when the country was in great distress should be terminated and the constitutional duties of this Congress to coin money and to regulate its value should be resumed [applause], for I am persuaded to believe that the processes by which people lose their liberties are not sudden: They are gradual, they are insidious, they work slowly through increasing delegation of power on the part of legislative assemblies to executive departments.

It is said that the President will not exercise this tremendous discretion. If this be true, Mr. Speaker, then why are we asked to continue this power until 1941?

There is no objection to the stabilization fund or to its operation as long as is necessary. The President has already devalued the dollar, and all the power in reference to gold devaluation in this bill amounts to only 9 percent, but under the terms of this bill there is suspended over the heads of American labor and business the most tremendous power—the power to reach into the pockets of the workers and to decrease their wages or the power, on the other hand, to deflate and increase the purchasing power of the dollar. He has the power to put into circulation more money than the total amount that we have today. We should not assume that when we delegate authority the President will not use it. This is not our power. It is the power of the American people, and you and I have no right to delegate to the President such far-reaching authority as this upon the pretext that the emergency continues to exist.

I maintain, Mr. Speaker, that the people of this country are vitally interested in Congress exercising its constitutional power. I maintain that the greatest danger that faces this Republic is the practice of continuing emergency powers from year to year until, finally, you will have a President, whether Democrat or Republican, who has more power, economically, than the rulers in Europe, for the man who has the discretion to put into circulation $9,000,000,000 has more real power than the man who has an army of 1,000,000 men behind him. [Applause.]

[Here the gavel fell.]

Mr. MAPES. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. DIES. I conclude my observations with this simple suggestion. If we propose to legislate on monetary matters, then why should not the Coinage, Weights, and Measures Committee come here with a bill? If it is proposed to remonetize silver what is it that keeps the Congress of the United States from facing its responsibilities? If it is proposed to devalue silver or to revalue it to the extent of $2.58 an ounce and issue $9,000,000,000 of certificates based upon it, then what is it that we lack in courage and responsibility to meet the issue ourselves?

If it is necessary to further devalue the gold dollar, what reason is there that the House of Representatives, elected by the people of this country, shall not exercise its constitutional duty, but with cowardice, with political expediency, begging the issue and sidetracking the facts, are we to delegate to the President vast discretionary powers on the assumption that there is an emergency in Europe? If we are going to use that argument I can say to you that you will be delegating vast discretionary authority for the next 100 years, for as far back as history goes Europe has always had emergencies. She has been in a state of emergency, with ceaseless quarrels and feuds, from the very beginning of her recorded history, and I do not propose, Mr. Speaker, as one humble Representative of this great body, by my vote, to continue to clothe with such imperial powers Franklin D. Roosevelt or any other man, be he the greatest man in the Republic, the most popular man, or the wisest—I do not propose by my vote to transfer the rights of my people to one man, whether he be benevolent or otherwise. [Applause.]

Mr. MAPES. Mr. Speaker, I yield 10 minutes to the gentleman from Tennessee [Mr. TAYLOR].

Mr. TAYLOR of Tennessee. Mr. Speaker, I agree with the distinguished chairman of the Committee on Rules, the dean of the House, in his statement that this is a stabilization bill with the accent on the "stab." It is a stab in the heart of the constitutional prerogatives of this great body, in which we as Representatives ought to take pride and guard with the most vigilant jealousy. [Applause.]

Mr. Speaker, I am opposed to this rule and voted against it in the Rules Committee because I am opposed to the resolution which it harbingers.

In my opinion, the power of the President to fix the monetary content of the dollar has been one of the most serious deterrents to economic recovery in this country. It has operated as a Damocles sword which has intimidated business to the extent that business could not know what the value of the dollar might be from one day to another.

Mr. Speaker, today we have two theories of dollar valuation. We have the domestic dollar and the foreign dollar. The domestic dollar must be evaluated according to one thesis and the foreign dollar another. This legislation was enacted in 1934 in the first instance, supposedly to meet an emergency. A year later its sponsors, at the behest of the administration, came back and asked that its life be extended, contending that the emergency had not abated. Two years later the same group returned again and requested another lease of life for this legislation, claiming that the emergency still existed; and today we find them returning for the third time and insisting on a stay of execution on the ground that the emergency still prevails.

Well, my friends, I would like to know when an emergency ceases to be an emergency and becomes a condition. We have had more varieties of emergencies under the New Deal

than Heinz had canned products. A new emergency is born every day and new crackpot legislation must be provided to take care of it. [Applause.]

Mr. Speaker, I wonder when and were this travesty will end, and when sanity will return to the Congress?

Away back in the "horse and buggy" days Justice Marshall warned the American people that the power to tax was the power to destroy. To translate that axiom into New Deal phraseology it means that the power of the purse is the power to dominate. By the time we shall have paid in taxes for all the New Deal experiments, and especially their monetary experiments, the United States Treasury will be completely exhausted, if not destroyed. Make no mistake about that. We are paying a few international bankers and speculators $35 per ounce for gold now, but before all of this sleight-of-hand money manipulation is put to an end we will not have 17 cents left to buy an ounce of our Colorado gold.

The present administration came in power on the pledge, among other things, to drive out the money changers. I am now fully convinced that the senior Senator from Virginia, the former Secretary of the Treasury of the United States, knew what he was talking about when he said:

> We haven't driven out any money changers, we have only changed bankers.

So, instead of the House of Morgan we have changed to Kuhn, Loeb & Co., of which I am told the venerable father of the present Secretary of the Treasury is a major partner.

Again, Mr. Speaker, since coming in power this administration made, among many others, a pledge that if any of their experiments failed they would be the first to make acknowledgment and recommend a change. I would like for the majority leader or some other representative new dealer to tell us how much longer the American people will have to wait for the first confession. If the last November election did not mean anything else, it was a mighty strong hint that several admissions were in order. Oh, ye experimentators, ye crystal gazers, ye brain trusters, ye New Deal exponents. How long will you continue to impose upon our credulity and abuse our patience? [Applause.]

It has been generally understood that our distinguished President was bequeathed a million dollars to play with until he learned the value of money. If he failed to learn anything about money with a million to play with, what right, pray tell me, has Congress to expect him to learn any more about the value of money with two billions to play with? I hope he is not buying any more German marks or putting us into the slot-machine business.

Mr. Speaker, before we permit the President or anyone else to buy any more gold, Congress should find out who owns the fifteen-odd billion dollars of gold the Government claims to own. There are a good many authorities who contend that Uncle Sam has given I O U's in the form of gold certificates or receipts for this money; has returned some of it to Mother Earth, and trusted the Federal Reserve banks to hold the balance of it—until and if. But no one seems to know—and how can they know?—until the Supreme Court decides just who does own all of this precious metal. Until that is decided we will not know who is to benefit by the mark-up or suffer the loss when the day of reckoning comes.

I am in favor of amending this bill to give the President and the bankers until January 1, 1940, to make up their minds that Congress will exercise its constitutional prerogatives after that date so far as money is concerned. And in the meantime Congress should give some constructive thought to the Andresen amendment, or consider the feasibility of establishing a $35-per-ounce price for gold the world over, provided foreign nations will agree to permit us to credit their war debts with the mark-up of $14.33 and help maintain the future price at $35.

This is the only chance we have to lessen the war debts of our former allies and the best way to begin to stabilize world trade. No nation and no individual can be expected to trade with any degree of confidence or normalcy until they know the price of international exchange or money.

In 1929 and 1930 foreigners crashed our markets and put this country in a tailspin by withdrawing their gold. It seems to me that any prudent man would learn a lesson from that experience. However, we are in that same predicament today. Europe, or the so-called gold countries, have billions checked here today, either in vaults or in stocks and bonds purchased at a 40-percent discount. If we fail to protect ourselves now and fear vanishes from the minds of Europeans, and this gold is recalled, God only can help Americans and America's credit.

Mr. Speaker, when will Congress realize that this New Deal "brain trust" money scheme is all a nightmare and come out from under this mania of spending and lending and playing with millions and billions of dollars of gold that a hundred and thirty million American souls vitally depend upon?

I shall offer an amendment to extend the President's money powers as heretofore granted until January 1, 1940. If my amendment is defeated, I shall vote against this bill. In the meantime I hope every Member of the House will read the minority report of the House committee. It is constructive and illuminating and points out the danger signals in this program of congressional capitulation of its constitutional function. [Applause.]

Mr. MAPES. Mr. Speaker, when is an emergency not an emergency, and how long can an emergency last? This bill proposes to continue the authority of the President over money, which was given him by the Gold Reserve Act approved June 30, 1934, over 5 years ago, as an emergency matter. The life of the original act was for 2 years, with a provision which authorized the President to continue it by Executive order for 1 year, which he did. Congress subsequently extended the act for 2 years, and this bill proposes to extend it to June 30, 1941, or a total period of 7 years and 5 months.

What will be the effect of this bill if passed? At the risk of repeating some thoughts which have already been expressed, I shall attempt to point out what it seems to me the bill does and what it does not do. It does not provide for the devaluation of the gold dollar. It does not provide for the devaluation of the silver dollar. It does not fix the gold content of the gold dollar nor the silver content of the silver dollar. It does not continue the silver purchase plan which has been followed by the Secretary of the Treasury in purchasing silver produced in the United States at excessive prices. It does not fix the ratio between gold and silver. It does not provide for the unlimited coinage of gold and of silver. It does not provide for the issuance of silver certificates to the tenders of silver for coinage and against silver held by the Treasury. It does not provide that the weights of subsidiary coins shall be reduced or adjusted so as to maintain the old parity between the standard gold and the standard silver dollar.

It does not affirmatively do any of these things, but it delegates to the President power, in his discretion, for another 2 years to do any one or all of them as he sees fit. Does the Congress want, by the enactment of this legislation, to continue the uncertainty and fear which have paralyzed business during the last 6 years, or does it want to encourage investment and promote business? How can anyone expect business to recover under prevailing conditions and the state of mind of the investing public? Probably every Member of Congress has had one or more friends say to him at one time or another, "I wish I were out of business. If I were only out of business, I would not start any new business. I am only carrying on the business I have in an attempt to save something out of what I have spent a lifetime in building up." That is the state of mind of the people of the country now. This bill, if enacted into law, will tend to continue that feeling.

It is unnecessary for me to say that my name was not among the seven that a distinguished economist a few years ago said knew something about the money question. However, I have taken occasion to look over the hearings before the Committee on Coinage, Weights, and Measures on this bill. I want to quote from the testimony of one distinguished

witness who appeared before the committee, because what he said expresses my own conviction about this legislation.

I quote from page 146 of the hearings:

I am strongly of the opinion that the power of the President to further devalue the dollar should be allowed to lapse. To continue this power implies there are good reasons for further devaluation, or that we are still involved in some sort of an emergency, or that we are ready to engage in currency warfare.

The fear that other countries might reduce the value of their currencies is no excuse for the continuation of these powers. We should not be willing to sacrifice the welfare of our people in order to ape unsound financial practices elsewhere. In the early 1920's the dollar stood firmly anchored to gold at a time when the German mark and Russian ruble were tobogganing to zero, at a time when the British pound was far below par, and the French franc was falling. The fact that we did so gave confidence to our own people and confidence to the world. It did not hamper business development. In fact, the recovery from the 1920–21 depression, when the European economic system was chaotic, was very rapid.

To devalue again would be to give a further stimulus to gold production and to increase the gold deluge. New so-called gold profits would be created. Our already redundant monetary supply would be further augmented.

The refusal to continue these emergency powers should be coupled with other actions in order to make for a well-rounded and developed policy.

As the distinguished gentleman from Texas [Mr. DIES] said, this bill ought to be sent back to the Committee on Coinage, Weights, and Measures, and that committee, or the Committee on Banking and Currency, ought to report back to the House a comprehensive measure on this question of money.

I desire to quote now from another distinguished economist, Mr. John T. Flynn. The following appeared in one of his daily letters in the newspapers a few days ago. After discussing this stabilization fund and the power of the President to devalue the gold dollar further, he says this:

This whole gold-buying policy and its implications have filled businessmen and investors with a feeling that the President is not through fiddling with money yet.

Moreover, the presence of this vast gold hoard, they believe, and with justice, to be pregnant with possibilities of inflation. The fear of inflation always is a deadening influence upon the long-term investment. The paralysis of long-term investment is the chief cause of the long-delayed arrival of sound recovery.

If business is to be appeased, the Congress must do it. The defeat of this bill would be an encouragement to the investing public and have a wholesome effect. Its passage will continue the discouragement and uncertainty under which business has labored for these many years. I am opposed both to the rule and to the bill. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. SABATH. Mr. Speaker, I only have one other speaker, so I request the gentleman from Michigan to use the balance of his time.

Mr. MAPES. The gentleman from Michigan has no further requests for time at this time.

Mr. SABATH. Mr. Speaker, I yield the balance of my time to the gentleman from New York [Mr. SOMERS], chairman of the committee.

Mr. SOMERS of New York. Mr. Speaker, it is not my desire at this time to address myself to the merits of this bill. I should rather confine myself for the moment to a plea for consideration under the rule.

I have been very astounded, as I sat in this Chamber and felt that the intelligence of the membership of this House was being insulted by individuals in this House, asking them to vote or to kill the measure upon a pun, or to kill the measure because of the prejudice of one individual against the President of the United States.

Gentlemen, you have before you for consideration an important piece of legislation. I will not say it is the most important piece of legislation you will consider this year. Some may say that. Nevertheless, it remains that this is an important piece of legislation, affecting the lives of every man, woman, and child in the world. You cannot approach this thing lightly. You cannot condemn it because of a pun, clever as it may be, nor can you be swayed by personal prejudice. You are dealing with a question that involves directly every legislative act that we have ever passed in the last 5 years. Your committee in considering it and the majority members of your committee consulted the minority members. They reached an understanding with them in regard to this rule. It was a Republican request for a period of 7 hours of debate. We granted that and that I think they deserved. Therefore I will ask you, fellow Members, in good faith, to support this rule, to hear the debate, to listen to such arguments as we are prepared to unfold, not to be swayed by name calling, and then vote your conscience, according to your understanding. [Applause.]

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts) there were ayes 120 and noes 90.

Mr. MARTIN of Massachusetts. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 209, nays 147, not voting 74, as follows:

[Roll No. 52]

YEAS—209

Allen, La.	Doxey	Kitchens	Robertson
Allen, Pa.	Duncan	Kocialkowski	Robinson, Utah
Arnold	Dunn	Kramer	Rogers, Okla.
Ashbrook	Eberharter	Lanham	Romjue
Barden	Ellis	Larrabee	Ryan
Barnes	Faddis	Lea	Sabath
Bates, Ky.	Fernandez	Leavy	Sasscer
Beam	Fitzpatrick	Lemke	Satterfield
Beckworth	Flaherty	Lewis, Colo.	Schaefer, Ill.
Bland	Flannagan	Ludlow	Schuetz
Bloom	Flannery	McAndrews	Schulte
Boehne	Folger	McCormack	Schwert
Boland	Ford, Miss.	McGranery	Scrugham
Boren	Ford, Thomas F.	McKeough	Secrest
Bradley, Pa.	Fries	McLaughlin	Shanley
Brown, Ga.	Fulmer	McMillan, John L.	Sheppard
Bryson	Garrett	McMillan, Thos. S.	Smith, Conn.
Buck	Gathings	Maciejewski	Smith, Ill.
Bulwinkle	Gehrmann	Magnuson	Smith, Va.
Burch	Gibbs	Mahon	Smith, Wash.
Burdick	Gore	Maloney	Smith, W. Va.
Burgin	Gossett	Marcantonio	Snyder
Byrne, N. Y.	Grant, Ala.	Martin, Colo.	Somers, N. Y.
Byrns, Tenn.	Green	Massingale	South
Byron	Gregory	May	Sparkman
Caldwell	Griffith	Mills, Ark.	Spence
Cannon, Mo.	Hare	Mills, La.	Steagall
Cartwright	Harrington	Monroney	Sutphin
Casey, Mass.	Harter, Ohio	Moser	Sweeney
Chandler	Havenner	Murdock, Ariz.	Tarver
Clark	Healey	Murdock, Utah	Taylor, Colo.
Claypool	Hendricks	Myers	Tenerowicz
Cochran	Hill	Nelson	Terry
Coffee, Nebr.	Hobbs	Norrell	Thomas, Tex.
Coffee, Wash.	Hook	Norton	Thomason
Colmer	Houston	O'Connor	Tolan
Connery	Hull	O'Day	Vincent, Ky.
Cooley	Hunter	O'Neal	Vinson, Ga.
Cooper	Izac	Pace	Voorhis, Calif.
Costello	Jarman	Parsons	Wallgren
Cox	Johnson, Luther A.	Patman	Walter
Creal	Johnson, Lyndon	Patrick	Warren
Crosser	Johnson, Okla.	Patton	Weaver
Crowe	Johnson, W. Va.	Pearson	West
Cullen	Jones, Tex.	Peterson, Fla.	Whelchel
Cummings	Kee	Pierce, Oreg.	White, Idaho
D'Alesandro	Keller	Poage	Whittington
Darden	Kelly	Polk	Williams, Mo.
Delaney	Kennedy, Martin	Rabaut	Woodrum, Va.
DeRouen	Keogh	Ramspeck	Zimmerman
Dickstein	Kerr	Randolph	
Disney	Kilday	Rankin	
Doughton	Kirwan	Richards	

NAYS—147

Allen, Ill.	Bradley, Mich.	Culkin	Fenton
Andersen, H. Carl	Brewster	Curtis	Fish
Anderson, Calif.	Brown, Ohio	Darrow	Gamble
Anderson, Mo.	Carlson	Dies	Gartner
Andresen, A. H.	Carter	Dirksen	Gearhart
Andrews	Case, S. Dak.	Dondero	Gerlach
Angell	Chiperfield	Douglas	Gilchrist
Arends	Church	Dowell	Gillie
Austin	Clason	Dworshak	Graham
Ball	Clevenger	Eaton, Calif.	Grant, Ind.
Bates, Mass.	Cole, N. Y.	Eaton, N. J.	Griswold
Bender	Corbett	Elston	Gross
Bolles	Crawford	Englebright	Guyer, Kans.

Gwynne	Knutson	Plumley	Stefan
Hall	Kunkel	Powers	Sumner, Ill.
Halleck	Landis	Reece, Tenn.	Taber
Hancock	LeCompte	Reed, Ill.	Talle
Harness	Lewis, Ohio	Reed, N. Y.	Taylor, Tenn.
Harter, N. Y.	Lord	Rees, Kans.	Thill
Hawks	Luce	Rich	Thomas, N. J.
Hess	McLeod	Robsion, Ky.	Thorkelson
Hinshaw	Maas	Rodgers, Pa.	Tibbott
Hoffman	Mapes	Rogers, Mass.	Treadway
Holmes	Marshall	Routzohn	Van Zandt
Hope	Martin, Iowa	Rutherford	Vorys, Ohio
Horton	Martin, Mass.	Sandager	Vreeland
Jarrett	Mason	Schafer, Wis.	Wadsworth
Jeffries	Michener	Schiffler	Wheat
Jenkins, Ohio	Miller	Seccombe	White, Ohio
Jensen	Monkiewicz	Seger	Wigglesworth
Johns	Mott	Shafer, Mich.	Williams, Del.
Johnson, Ill.	Mundt	Short	Winter
Johnson, Ind.	Murray	Simpson	Wolcott
Jones, Ohio	O'Brien	Smith, Maine	Wolfenden, Pa.
Kean	Oliver	Smith, Ohio	Wolverton, N. J.
Keefe	Pierce, N. Y.	Springer	Youngdahl
Kinzer	Pittenger	Stearns, N. H.	

NOT VOTING—74

Alexander	Dingell	Jenks, N. H.	O'Toole
Barry	Ditter	Kennedy, Md.	Owen
Barton	Drewry	Kennedy, Michael	Peterson, Ga.
Bell	Durham	Kleberg	Pfeifer
Blackney	Edmiston	Lambertson	Rayburn
Bolton	Elliott	Lesinski	Risk
Boykin	Engel	McArdle	Rockefeller
Brooks	Evans	McDowell	Sacks
Buckler, Minn.	Fay	McGehee	Shannon
Buckley, N. Y.	Ferguson	McLean	Sirovich
Cannon, Fla.	Ford, Leland M.	McReynolds	Starnes, Ala.
Celler	Gavagan	Mansfield	Sullivan
Chapman	Geyer, Calif.	Martin, Ill.	Sumners, Tex.
Cluett	Gifford	Merritt	Tinkham
Cole, Md.	Hart	Mitchell	Welch
Collins	Hartley	Mouton	Wood
Crowther	Heinke	Nichols	Woodruff, Mich.
Curley	Hennings	O'Leary	
Dempsey	Jacobsen	Osmers	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Rayburn (for) with Mr. Crowther (against).
Mr. Gavagan (for) with Mr. Tinkham (against).
Mr. Barry (for) with Mr. Ditter (against).
Mr. Michael J. Kennedy (for) with Mr. Gifford (against).
Mr. Dempsey (for) with Mr. McLean (against).
Mr. Merritt (for) with Mr. Hartley (against).
Mr. Lesinski (for) with Mr. McDowell (against).
Mr. Pfeifer (for) with Mr. Jenks of New Hampshire (against).
Mr. Drewry (for) with Mr. Woodruff of Michigan (against).

General pairs:

Mr. Boykin with Mr. Barton.
Mr. Collins with Mr. Engel.
Mr. Dempsey with Mr. Lambertson.
Mr. McReynolds with Mr. Cluett.
Mr. Sullivan with Mr. Bolton.
Mr. Kleberg with Mr. Osmers.
Mr. Starnes of Alabama with Mr. Buckler of Minnesota.
Mr. Nichols with Mr. Heinke
Mr. Mouton with Mr. Risk.
Mr. Sumners of Texas with Mr. Blackney.
Mr. Mansfield with Mr. Leland M. Ford.
Mr. Dingell with Mr. Welch.
Mr. Celler with Mr. Rockefeller.
Mr. Chapman with Mr. Alexander.
Mr. Bell with Mr. Buckley of New York.
Mr. Fay with Mr. McGehee.
Mr. Hennings with Mr. Curley.
Mr. Elliott with Mr. McArdle.
Mr. O'Leary with Mr. Brooks.
Mr. Edmiston with Mr. Owen.
Mr. Hart with Mr. Wood.
Mr. Martin of Illinois with Mr. Durham.
Mr. Evans with Mr. Cannon of Florida.
Mr. Cole of Maryland with Mr. Sirovich.
Mr. O'Toole with Mr. Ferguson.
Mr. Kennedy of Maryland with Mr. Jacobsen.
Mr. Peterson of Georgia with Mr. Geyer of California.

Mr. WOODRUFF of Michigan. Mr. Speaker, I was not present in the room, but had I been present I would have voted "no."

Mr. McLEAN. Mr. Speaker, I was unavoidably detained. Had I been present, I would have voted "no."

The result of the vote was announced as above reported.

JAPANESE FISHING

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. KRAMER. Mr. Speaker and Members of the House, I have introduced two bills today, one to amend section 166 of the immigration laws, to restrict certain alien seamen from landing in the United States; the other to amend section 221 of the Shipping Act barring certain aliens to participate in benefits thereof.

Both of these bills pertain particularly to the Japanese seamen whose activities were brought to my attention during the investigation of which I served as chairman of the subcommittee to investigate un-American activities.

During the month of August 1934, at a hearing at Los Angeles, Calif., which I conducted with other members of the committee, a witness appeared before the committee whose name was Lail Kain. His testimony disclosed that alien Japanese were operating fishing crafts, their vessels ranging in size from 35 to 125 feet and a capacity up to 250 tons deadweight, with a cruising radius of three to ten thousand miles. Several of these vessels were then being constructed and Mr. Kain exhibited blueprints which showed that the vessels were being constructed so that they could anchor in mid-ocean and their fishing compartments could be replaced by five or six torpedoes.

These vessels were also provided with high-powered radio receiving and sending equipment, with Diesel engines developing 4 to 550 horsepower. Although these vessels were operating in the disguise of innocent fishing craft they were in reality operating for sinister purposes.

Under the Undocumented Motor Boat Act of 1918 it required that certain numerals prescribed by the Department of Customs be carried on the bow of the vessels but these numerals were transferred to a license plate which merely hung over the bow and could be changed at any time in mid-ocean. Under the present law no registration of ownership or of the crew is required. The amendment I am offering proposes that no such vessel shall be permitted to operate by aliens unless the owner, or owners thereof, shall be American citizens, or owned by a corporation, none of whose directors, stockholders, officers, employees, lessees, or charterers shall be prohibited by law from becoming an immigrant to the United States or a United States citizen, and within 24 hours before the sailing or shipping of such vessel it shall be required that all of such crew be registered with the Department of Customs and Commerce and that no such employees may be changed or substituted without giving notice to the Department of Commerce and Customs of such change of such employee or seaman.

A report of the findings of the committee was made to the Department at the time of the conclusion of the hearings which later resulted in the indictment of five Japanese and some American citizens, the case being brought to trial in September 1938, and the defendants Genkichi Koish and Gilbert C. Van Camp pleaded nolo contendere to a violation of the section of the United States Code as charged in the indictment and were fined over $7,000, and in lieu of forfeiture of the craft paid in addition thereto a fine of $38,000. Apparently the United States Government made a bad bargain in permitting forfeiture of this amount in lieu of the vessel.

These Japanese fishing craft are again busy at work and just a few days ago my attention was directed to an article in the magazine Ken, issues of April 6 and 13, respectively, which has given a great deal of publicity to the manner in which these Japanese fishing craft are operated.

Once an alien Japanese is on a boat, there is no restriction whatever to prevent him going ashore when his ship anchors in an American port. A Japanese or any other alien seaman does not even need an identification card. The usually strict immigration laws are very lax on alien seamen. The law provides that the master of the ship report within 60 days any alien seaman who leaves the vessel. An alien Japanese could leave a fishing boat in San Diego, for instance, go where he pleases for 59 days, and return to his boat without the master being required to report his absence.

Japanese secret agents can land in the United States as fishermen, attend to their work, and return to their boats without even a record of their having entered the United

States. If the captain does not wish to report any such "seaman," even if he does not show up after 60 days, no one is the wiser unless the secret agent is picked up. Or an agent can enter on a visitor's visa for 6 months and probably get another 6 months' extension with no one checking on his activities during his stay.

This massing of Japanese naval and military men as seamen off the Pacific coast to fish is really for the purpose of fishing, but they are not fishing for fish. They have reached a point where they are absolutely dangerous to the safety of this country, and the time has come when we must protect our shores against any such operations as are now going on. These facts are easily established, as on many occasions in the past our metropolitan papers of the Pacific coast and elsewhere have given the matter wide publicity, and it has been most vividly brought to the attention of the departments by reputable citizens. A law should be immediately passed, and I hope that the committee to which these bills are referred will grant immediate hearings, because even the hostile publications in the magazine Ken and in other metropolitan papers have not put an end to this, nor have the convictions and payments of fines had any effect.

The Pacific Coast Guard has given a great deal of attention to their fight against the unlawful operation of Japanese fishing boats, but the law as it stands today gives the alien seaman a wide range in remaining in the United States, regardless of what his motive may be.

The Department of Justice has settled too generously, but under the present law had no other alternative. I know, Mr. Speaker and Members of the House, that the Department of Justice has been most persistent in its attempts to eradicate this danger, but the law was wholly inadequate. The amendments I propose will implement the law so that the objective of the Department of Justice may be carried out. [Applause.]

EXTENDING TIME WITHIN WHICH POWERS RELATING TO STABILIZATION FUND MAY BE EXERCISED

Mr. SOMERS of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3325) to extend the time within which the powers relating to the stabilization funds and the alteration of the weight of the dollar may be exercised.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 3325, with Mr. MCCORMACK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from New York [Mr. SOMERS] is recognized for 3½ hours and the gentleman from Illinois [Mr. REED] is recognized for 3½ hours.

Mr. REED of Illinois. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, I wish to take this opportunity to express to the chairman of the Committee on Coinage, Weights, and Measures the deep appreciation of the minority members of this committee. During all of the hearings held upon this legislation he, although the author of the bill, gave to the minority members every consideration and courtesy we could have expected, and we deeply appreciate it.

Mr. Chairman, today we have before us for consideration a bill which, if enacted, will extend for 2 more years the operation of the $2,000,000,000 stabilization fund and continue the power in the President and Secretary of the Treasury to control it. We likewise have before us in the same bill a proposal to grant for 2 years authority in the President to devalue the gold and silver dollar.

The first duty of this body in considering any legislation whatsoever is to turn to the authority by which we ourselves are permitted to function. That authority is the Constitution of the United States. Section 1 of article I of that document says:

All legislative powers herein granted shall be vested in a Congress of the United States.

Section 8 of the same article, in enumerating the various legislative powers, says:

The Congress shall have power to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures—

And the section concludes with the phrase—

and to make all laws which shall be necessary and proper for carrying into execution the foregoing powers and all other powers vested by this Constitution in the Government of the United States, or in any department or offices thereof.

It is to these sections of the fundamental law, therefore, that we must turn to determine in our own minds our authority to enact the legislation now pending before us.

Section 2 of H. R. 3325—the pending bill—continues in the President until January 15, 1941—unless he shall declare the existing emergency ended before that date—power to devalue both the gold and silver dollar; to fix the ratio between gold and silver at any point that he may determine; to provide for the unlimited coinage of gold and silver; to issue silver certificates to the tenderers of silver for coinage and also against silver held by the Treasury and to reduce the weights of subsidiary coins so as to maintain the parity of such coins with the standard silver dollar and with the gold dollar. These powers are not specifically enumerated in the bill before us but are contained in section 12 of the Gold Reserve Act of 1934. The wording of that act is significant. In it the President is authorized to fix the weight of the gold and the silver dollar "at such amounts as he finds necessary" to stabilize domestic prices or to protect foreign commerce against depreciated foreign currencies; to provide for the "unlimited" coinage of gold and silver, or in the event that our Government enters into an agreement with any foreign government establishing a ratio between the value of gold and other currency issued by the United States and by such foreign government, "the President may fix the weight of the gold dollar" in accordance with the ratio so agreed upon; and such gold dollar, the weight of which is so fixed, "shall be the standard unit of value." This in spite of the plain language of the Constitution that Congress, and Congress only, shall have the authority to coin money and regulate the value thereof. Delegation of legislative power from the lawmaking body to the Executive has ofttimes been condemned by the courts. The fate of the A. A. A. and N. R. A., where "delegation ran riot," is too fresh in the memory of most of the Members of this House to require further comment.

That Congress cannot delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution.

These were the words of Mr. Justice Harlan in the case of *Field* v. *Clark* (143 U. S. 649, 692), wherein this eminent jurist cites with approval an opinion of Judge Ranney, of the Supreme Court of Ohio, who said:

The true distinction is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be, and conferring authority or discretion as to its execution, to be exercised under and in pursuance of the law. The first cannot be done; to the latter no valid objection can be made (*Cincinnati, Wilmington & Zanesville Railroad* v. *Commissioners*, 1 Ohio Stat. 88).

How then can we reconcile this judicial construction by the highest court in the land, which holds as unlawful the delegation of power to make a law which necessarily involves a discretion as to what it shall be, with the wording of the statute we are today asked to continue in force for another 2 years? I refer to such words as these, "The President may fix the weight of the gold dollar"; that its weight and that of the silver dollar may be fixed by him "at such amounts as he finds necessary"; and that the gold dollar's weight having been fixed by him it "shall be the standard unit of value." Can anyone seriously contend that exercise of such powers are merely administrative and that no discretion is required to be exercised by the Chief Executive?

In the *Legal Tender cases* (79 U. S. 457), I quote from Mr. Justice Strong:

Whatever power there is over the currency is vested in Congress. If the power to declare what is money is not in Congress, it is annihilated.

And again in the same case Mr. Justice Field declared:

The power to coin money as already declared by this Court is a great trust devolved upon Congress.

These are great truths uttered by great constitutional lawyers but particularly applicable to the issues involved in the pending bill were the words of Mr. Justice Clifford:

Power to fix the standard of weights and measures is evidently a power of comparatively wide discretion but the power to regulate the value of money authorized by the Constitution to be coined is a definite and precise grant of power, admitting of very little discretion in its exercise.

I know it will be contended that the Congress has heretofore delegated power to the Interstate Commerce Commission, for example, and that such action has received the approval of the courts. The Interstate Commerce Commission, however, is not part of the executive branch of the Government, but an independent agency set up by Congress and, in fact, can be said to be an arm of the legislative branch of our Government. Its creation was authorized by paragraph 3 of section 8 of article I of the Constitution, which provides that Congress shall have power to regulate commerce with foreign nations, and among the several States and with Indian tribes; and by paragraph 18 of section 8, which gives it the authority to make all laws necessary and proper for carrying into execution the powers theretofore granted and all other powers vested in the Government or any department or offices thereof. That delegation, however, would have been invalid if Congress had not at the same time presented a rule of action and by legislative enactment set forth definite procedure to be followed by the Commission in the finding of facts upon which the fixing of rates upon railways must be based. Likewise in 1927 in the case of *Hampton & Co.* v. *United States* (276 U. S. 394) the Supreme Court upheld the flexible tariff law because Congress had by that act merely determined that the tariff rate should represent the difference between cost of production at home and in foreign nations and then prescribed a method by which it must be determined by the President. After so finding, the President merely made a proclamation and the mandate of Congress became effective.

The most recent judicial pronouncements relative to delegation of legislative authority were in 1934 and concerned the National Recovery Act. The first opinion was that of *Panama Refining Co.* v. *Ryan* (293 U. S. 388) and was based on the construction of section 9 (c) of the act, which authorized the President to prohibit the transportation in interstate and foreign commerce of petroleum and the products thereof produced or withdrawn from storage in excess of the amount permitted to be produced or withdrawn from storage by any State law or authorized officer or commission thereof. In commenting on this statute, Chief Justice Hughes said:

Section 9 (c) does not state whether or in what circumstances, or under what conditions, the President is to prohibit the transportation of the amount of petroleum or petroleum products produced in excess of the State's permission. It establishes no criterion to govern the President's course. It does not require any finding by the President as a condition of his action. The Congress, in section 9 (c), thus declares no policy as to the transportation of the excess production. So far as this section is concerned it gives to the President an unlimited authority to determine the policy and to lay down the prohibition or not to lay it down, as he may see fit.

And later on in the decision he says:

The Congress manifestly is not permitted to abdicate or to transfer to others the essential legislative functions with which it is thus vested. * * * The Constitution has never been regarded as denying to the Congress the necessary resources of flexibility and practicality which will enable it to perform its function in laying down policies and establishing standards while leaving to select instrumentalities the making of subordinate rules within prescribed limits and the determination of facts to which the policy as declared by the legislature is to apply. But the constant recognition of the necessity and validity of such provisions, and the wide range of administrative authority which has been developed by means of them, cannot be allowed to obscure the limitations of the authority to delegate, if our constitutional system is to be maintained.

If 9 (c) were held valid it would be idle to pretend that anything would be left of limitations upon the power of the Congress to delegate its lawmaking function. The reasoning of the many decisions we have reviewed would be made vacuous and their distinctions nugatory. Instead of performing its lawmaking function, the Congress could at will, and as to such subjects as it chose, transfer that function to the President or other officer to an administrative body. The question is not of the intrinsic importance of the particular statute before us, but of the constitutional processes of legislation which are an essential part of our system of government.

Later on in 1934, in the famous *Schechter case* (295 U. S. 495), the National Recovery Act was declared unconstitutional in its entirety, principally because of its delegation of legislative power.

The legislation before us today seeks to retain in effect one of the so-called emergency laws passed in 1934. The parent act transferred, or attempted to transfer, broad discretionary legislative powers to the Executive, where they did not and do not now belong. The act of the President in devaluing the dollar was purely legislative. When he did so he made law. He regulated the value of money, and will continue to do so until June 30 of this year.

Will Congress again abdicate and again bestow upon the Executive its own "separate, distinct, and continuing powers" that "may be exercised by him from time to time, severally or together whenever in his judgment the expressed objects of the law may require," or will it assert its own prerogatives and say to the American people, "In your Constitution you reposed in us the duty to coin money and regulate its value. We will be faithful to that trust. From henceforth it will be our responsibility, our judgment, our discretion that shall be exercised. We will take back that which rightfully belongs to us. We will permit this unwarranted, unlawful, unconstitutional abdication of 1934 to die a natural death on June 30 of this year, and surrounded by blocks and bars of gold and silver, with speculators and international bankers as chief mourners we shall, in the manner practiced in ancient Egypt, give it a decent and permanent burial in the hills of Kentucky?" [Applause.]

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. REED of Illinois. I yield.

Mr. WHITE of Idaho. Is it the gentleman's contention that we are following the provisions of the Constitution and the provisions of the Federal Reserve Act in increasing the value of gold?

Mr. REED of Illinois. I would not discuss the Federal Reserve Act in regard to this particular section of the Constitution. I do say, however, that we are not following the Constitution in the enactment of this particular legislation.

Mr. WHITE of Idaho. Particularly the gentleman does not believe we are following the Federal Reserve Act in devaluing gold.

Mr. REED of Illinois. No; I do not. [Applause.]

[Here the gavel fell.]

Mr. REED of Illinois. Mr. Chairman, I yield 25 minutes to the gentleman from Ohio [Mr. SMITH].

DEVALUATION

Mr. SMITH of Ohio. Mr. Chairman, "devaluate" is somewhat more delectable than debase. Angell, in his Story of Money, says:

Up to the time of Nero the denarius was found to contain 99 percent of pure silver. * * * The denarii of the latter part of this reign contained from 5 to 10 percent of alloy.

This was simply a surreptitious way for him to take silver from the coin and give him an unearned profit. This has always been referred to as debasement, or coin clipping. Our Government reduced the content of the gold coin, just as Nero did, but call it "devaluation." It should be noted that Nero, as well as all the ancient coin clippers, pocketed only the clippings and left the main part of the coin to the people. Our Government clipped the coin and then stuck both pieces into its pocket.

King Henry VIII, who is often referred to as one of the arch coin clippers, evidently was completely sold on the idea that a nation should not allow foreign countries to clip their coins without clipping its own. Judging by his official protestations, Old Henry was not a slouch either when it came to

setting the public stage for a favorable reception for his money tricks. Here is the way he said it and what he said:

> Henri VIII, by the Grace of God, King of England and of France, Defender of the Faith, Lord of Ireland, to the Most Reverend Fathers in God, etc. etc. Forasmuch as coins of moneyes, as well of Gold and of Silver, be of late dales raised and inhaunced both in the Realm of France, * * * and the other parts unto higher prices than the virypois weights, and finenesse and valuation of the same, * * * finding finally no manner of remedy to be had at their hand, have by matured deliberation determined, That our coins and moneyes * * * shall be by our Officers of Our Mint from henceforth made at such finenesse, lay, standard and value as may be equivalent, correspondent and agreeable to the rates of the valuation inhaunced and raised in outward parts, as is afore specified:

You see from this, Henry was not only a good lover but also a smooth clipper. Of course, the old fox, in talking things over with his faithful subjects, likely did not discuss with them any "profits" that he received by "making his coins agreeable to the rates of the valuation inhaunced and raised in outward parts."

In his argument before our committee to continue the authority to debase the gold dollar, Mr. Morgenthau likened his control of the gold of the world to that of a "powerful navy."

> This power is a weapon in reserve which is needed for the protection of American interests. In the monetary field it is as important as a powerful navy in the field of defense against armed attack.

If Mr. Morgenthau understood the principles of money, he would not have attempted such an inept comparison. There is no conceivable likeness between the control of the gold which he now has and a "powerful navy." Indeed, they are so unlike that they serve rather to contrast each other. True each possesses power. But the likeness ends there. The question is, Power to do what? To protect the lives and weal of our people or to destroy these? There is power in the red blood cells of the human body, consisting of the carrying of oxygen to all the tissues and taking away from them waste in the form of carbondioxide, which makes life for us possible. Their home is within the blood vessels. Outside the blood vessels they have no use. If too many cells leave them, the body becomes anemic and sick and may die. The standard of weights and measures also has "power," if you wish to call it that. It can operate only in the markets and consists in giving assurance to buyer and seller of full measure. If taken out of the markets, it could do only harm.

Precisely so with gold money. Its "power" to serve mankind is its use in the markets as the standard unit of value and the pledge for the fulfillment of contracts, and in these only. Just as the red corpuscles can serve no useful purpose outside the blood vessels, and the standard unit of measure can serve none outside the markets, so gold money has no "power" for good whatsoever unless it is in free circulation in the channels of trade and commerce.

This attempted comparison and his statement that "this power is a weapon in reserve" is extraordinary. Just what does he have in mind? Is he thinking of the benevolent use gold coins have in the markets in making contracts possible, in guaranteeing value for value, and thus assuring equity between traders? Is he thinking of gold coins in free circulation, serving to provide the greatest amount of employment, and securing to the masses the fruits of their labors and an equal participation in justice?

Or does he have in mind some sinister and malevolent use to which he believes he can put his pile of gold?

"This power is a weapon in reserve." The term weapon is defined in the dictionary as "any implement of war or combat, as a sword, gun," and so forth; "any means that may be used against an adversary."

Since when has the complete deprivation of the people of a nation of all their gold money and the monopolizing of the bulk of the gold of the world under a dictatorship become an implement of war, or a means to be used against an adversary? We must go back to the Pharaohs, who alone owned the treasure and the masses were not permitted to possess any of it. Then, true enough, the treasure was a powerful weapon in the hands of the king, but mostly against his own people in keeping them in subjection and slavery.

Just what adversary does Mr. Morgenthau have in mind against whom he feels he might be compelled to use his "weapon"? The only reference he made to this point to our committee was that if any foreign nation should debase its money, he could act quickly and debase ours too. This is precisely what he testified to before our committee. However, he called it by the more pleasing name "devaluation." We must have a gold dictatorship as a weapon to match the debasements of other nations.

The "power" of this unheard-of control of the gold of the world is the power to destroy our God-given right to work and the hope of our youth. It is the power to destroy the commerce and trade of the world, to stir up strife between nations and embroil them in war with each other. It is the power to force our own Nation into war.

It has, as I shall show later, destroyed the contract in the United States, which is the basic cause for the continued great unemployment, the increasing poverty and despair throughout our land. It is the basic cause for the rapid growth of the lecherous bureaucracy and the regimenting of our people.

It has already produced its ruinous effects upon other nations. With the silver-buying policy, which is a part of the gold program, by draining the silver out of China it convulsed her into a serious depression, making her vulnerable to Japanese attack. Thrice the Chinese Government prayed to our Government for relief, but in vain. It is well known that our silver-buying policy caused serious trouble in Mexico. For a time it forced her off the silver standard. Undoubtedly this was, in a measure, responsible for Mexico's expropriation of American property.

By draining the gold and silver out of other nations it forced one after another of them to take drastic action to keep its coins from being melted down and exported. This is one of the most serious things that can happen to any country. Mr. Morgenthau must know these conditions have taken place. By disorganizing world trade, it is hurting England, France, and the Scandinavian countries. England is suspicious, which is evidenced by her insistence upon the insertion of a clause in the reciprocal-trade agreement which permits her to voluntarily withdraw. Mr. Morgenthau should also know the gold monopoly is interfering with and disrupting our whole tariff structure. It is at cross purposes with the reciprocal-trade agreements. It is one of the principal causes of the unsettled conditions of Central Europe.

The cornering and monopolizing of the world's gold by the rulers of our Nation is causing the peoples of other countries to look upon us as the arch Shylock. It is causing them to hate us. Why should it not?

If Mr. Morgenthau had likened his gold control to our Navy taken out of the ocean and buried in the ground in Kentucky, his simile would have been in the right direction, but would have fallen far short of suggesting all of the injurious effects it must have upon us if it is allowed to continue. If not ended, it will destroy both our Nation and Navy.

In nearly every argument Mr. Morgenthau used to justify his monopolistic control of the gold he gives himself away. In a letter to Senator WAGNER he argues that the higher price paid for gold is not the cause of the great influx of the yellow metal into this country. He also says it is not because "an ounce of gold" has "a significantly higher purchasing power over American internationally traded goods than over foreign goods." But in his argument before the committee for a continuation of the power to debase the gold dollar, he argued this was necessary "to defend the position of this country in world trade."

Now certainly he cannot have it both ways. The high price of gold is the debasement of the gold dollar. They are of necessity one and the same. Since we buy gold only with commodities, Mr. Morgenthau involves himself in a serious contradiction. What he really says is that debasement of the gold dollar, which is the same thing as the high price of gold, increases our export trade, but that the high price of gold,

money that can be printed and put in circulation. Professor | of value. When in all the history of the world was such

which is the same thing as the debasement, does not increase our export trade.

In the long and wordy letter to Senator WAGNER, Mr. Morgenthau put forth great effort to show that the artificially high price that he is paying for gold has nothing to do with its influx into this country. He said other nations offer the same price. Remarkable. Since he is bidding $35 an ounce, would it be expected other nations could buy it for less? Would anyone sell it for less than $35 an ounce if they could get that for it? Can you imagine Mr. Morgenthau, if he had a wallet of gold with which he wished to part, selling it for $25 an ounce when he could get $35 for it?

He cites Belgium as having "a fixed price for gold for 2 years, yet her reported gold holdings are no higher than they were 3 years ago."

It is strange Mr. Morgenthau should select Belgium for a comparison. I understand Belgium is on the true gold standard. All her currency is convertible into gold coins at the option of the holder. There are no restrictions on gold shipments. There is little restriction on foreign exchange transactions.

Belgium's price of gold corresponds with the natural price level of her commodities. That is, it is the convertibility that actually fixes her gold price.

In our country gold does not function domestically. We have an altogether different internal dollar from that of the gold dollar. There is no convertibility of our domestic dollar, and therefore no possible opportunity for establishing a gold price except artificially. This point is very important. Mr. Morgenthau is careful to talk all around it. Let him answer the question directly, Would an excessive amount of gold flow into this country if convertibility were established?

France has no law directing her to buy gold. She does not establish an artificial price for it. Private persons may possess it. The poor in France may possess several hundred dollars in coins without going to prison for it.

The British Empire has a different system than ours. They have a free gold market. Private individuals may convert their property or paper currency into gold bullion. They may freely buy and sell gold.

No other country but ours uses gold to bid up the world price of silver in an endeavor to buy all the white metal in the world. I know of no other country, except possibly Russia, that makes it a crime for a poor man to possess a few dollars in gold. Only a few countries like Russia use their gold exclusively in foreign trade and withhold its use altogether from their internal economy.

After all, the proof is in the pudding. In 1936 Italy "devalued" the lira 35 percent. This reduced her national debt from $8,500,000,000 to $5,500,000,000. Russia "devalued" the ruble 75 percent, which reduced her debt from $12,000,000,000 to $2,800,000,000. Russia, France, and Italy alone, by "revaluing" their currencies in 1 year, made a reduction in their combined debt of about $18,000,000,000.

Debasement of 40 percent netted the Treasury a "profit" of $2,800,000,000. Further debasement to the limit allowed by law would net another $1,400,000,000 "profit." If undertaken, this would give Mr. Morgenthau the "power" of two navies instead of one.

I have been unable to find anywhere in history that debasement of the standard unit of value did any good. On the contrary, historians have uniformly down through the ages pictured the evil and disastrous effects of debasements of money.

The Earl of Lauderdale, in the House of Commons, in referring to past debasements, May 25, 1819, said:

> Every such instance of reduction was a fraud on the people; and it was remarkable, in looking back to those periods when such deteriorations were established, that they were uniform periods of discontent and turbulence.

Lord Treasurer Burleigh, when a movement was on foot to debase the coin, told the promoters of the scheme that they were worthy "to suffer death for attempting to put so great a dishonor on the Queen and detriment and discontent upon the people."

Queen Elizabeth referred to the debased state of the coins which she inherited as a "monster."

Once a government starts tinkering with its standard unit of value there is no telling where the end may be. The first mistake leads to others, and then still others, until all is confusion. We now see this before our very eyes.

The Treasury has bought in the last 5 years 1,900,000,000 ounces of silver at an average price of 59 cents an ounce, at a total cost of $1,112,000,000. At the present world price of 43 cents an ounce the Treasury has paid a subsidy, or has lost, 16 cents an ounce, or $304,000,000. When the Treasury started the silver-buying program silver was selling on the London market at 24½ cents an ounce. If the Treasury's artificial price of silver were discontinued and the metal allowed to find its value in an open market, it would probably not be worth more than 24½ cents, and likely much less. But even at this price the Treasury has paid a subsidy, or lost, 34½ cents an ounce, or $655,000,000 on the silver purchased.

The Treasury bought 1,535,659 ounces of foreign silver at an average price of 53½ cents an ounce, at a cost of $821,557,000. At the present world price of 43 cents an ounce the Treasury paid to foreigners a subsidy of 10½ cents an ounce, or $161,244,000. At 24½ cents it paid a subsidy to foreigners of 29 cents an ounce, or the sum of $445,341,000.

The Treasury bought, in round numbers, 253,000,000 ounces of silver from domestic producers at an average price of 73 cents an ounce, or at a cost of more than $184,000,000. At the average world price of 59 cents an ounce, the Treasury paid a subsidy to domestic producers of 14 cents an ounce, or more than $35,000,000. At the present world price of 43 cents an ounce it paid a subsidy of 30 cents an ounce, or nearly $76,000,000. At 24½ cents an ounce the Treasury paid domestic producers a subsidy of $122,000,000.

The amount of silver monetized is 928,000,000 ounces; at $1.29 an ounce, produced $1,200,000,000 silver certificates. At 59 cents an ounce, the average price paid, the Treasury took a write-up profit, or tax, of 70 cents an ounce, or 120 percent, amounting to more than $649,000,000. At the present world price of silver of 43 cents an ounce the Treasury, domestic producers, and the silver speculators have taken a write-up profit of 86 cents an ounce, or 200 percent, amounting to $798,000,000. At 24½ cents an ounce they exacted a write-up profit from the American people of 104½ cents an ounce, or 420 percent, amounting to $969,760,000.

Silver monetized, $1,200,000,000. Eighty-five percent of all taxes are paid by the working people and the poor. At 59 cents an ounce these groups paid the Treasury 120 percent profit, or $552,000,000. At the present world price of silver of 43 cents an ounce, they paid 200 percent profit, or $678,000,000. At 24½ cents an ounce, which is perhaps more than silver is worth, the people earning their living by the sweat of their brows paid the Treasury, domestic silver producers and the silver speculators, a profit of 420 percent or $842,400,000.

Fiat currency expansion possibilities: Except for the inconsequential redeemability of silver, all our currency is now fiat. The Chief Executive now has authority to issue an additional four and one-half billion dollars in silver certificates. At the rate silver is being imported he can issue annually an additional billion. Under the Thomas amendment he can issue three billions of greenbacks and three billions more of fiat Federal Reserve notes. Or he can issue immediately eleven and one-half billions of fiat money. There are more than $7,000,000,000 of so-called gold certificates held by the Federal Reserve banks as excess reserves, against which it is possible to issue $18,000,000,000 in flat Federal Reserve notes. If the Executive were to debase the gold dollar to the limit allowed by law, three and one-half billions more of flat Federal Reserve notes could be issued. At the rate gold is being imported an additional $3,000,000,000 in flat Federal Reserve notes could be issued annually. Or a total of twenty-four and one-half billion flat Federal Reserve notes can be issued against the so-called gold certificates held by the Federal Reserve banks. This makes a total of $36,000,000,000 of flat

money that can be printed and put in circulation. Professor Beckhart, who testified before our committee, estimated that deposit liabilities in member banks can expand by $140,000,000,000. This, I submit, is monetary chaos.

The three graphs you see on the chart, if read well, point the way to a real diagnosis of America's present plight. The line between the two red disks represents the increase in deposits in member banks from 1932 to 1938. The heavy, black line represents the annual amount of commercial loans outstanding from 1919 to 1938. The red line represents the annual amount of new capital invested during this same period.

Although the amount of deposits are the highest in history, $36,211,000,000, and although interest rates are the lowest, the amount of loans outstanding is only $13,208,000,000. Deposits increased from $24,803,000,000 in December 1932 to more than $36,000,000,000 in December 1938, or 45 percent. Loans during the same period decreased from $15,204,000,000 to $13,208,000,000, or 7.8 percent. The average amount of new capital invested, as shown on the graph, from 1919 to 1930 was three and one-half billion dollars. The average amount of new capital invested annually in the last 6 years was $664,000,000, or approximately 19 percent of that of the former period just mentioned.

What is wrong here? Why is the dollar we use not demanded for loans and new capital? It is being contended by those who defend the present monetary state that our dollar is a good dollar. They cite as proof that our domestic dollar is accepted at its face value at home, as well as in foreign countries. Nothing could be further from the truth.

Can it be possible that those who argue this way do not know that there are two entirely different kinds of dollars in use? Do they not know that the dollar we use domestically is an altogether different kind than the one used by foreigners? Do they not know that our domestic dollar is not convertible into gold, that the other dollar is convertible into gold? Do they not know that foreigners accept our paper dollar at its full face value because it is fully convertible into gold? Can it be they do not know we accept it at its face value because we are compelled by law to do so? Do they not know that inconvertible paper money has never in a single instance been accepted at its face value by any people except under compulsion?

Citing the fact that the dollar is accepted at its face value by all foreign countries proves nothing more than that it is convertible into gold at its face value. What it would be accepted for or whether it would be accepted at all by foreigners if it were not convertible into gold is quite another matter. Surely no one is going to deny this. We are compelled to search elsewhere for a test of the quality of our domestic dollar. We must confine our investigation entirely to our own domestic markets, for it is here only that it is being used.

Why is there no demand for the dollar we use domestically in the lending and new capital markets? It never was as cheap as it is now, and there are more dollars stacked up in the banks for sale than ever before.

What has happened to our economy to cause people to suddenly stop borrowing and lending for present and future spending? The trouble is not hard to find. What is back of the dollar? Gold? No. The only thing back of it is whatever it happens to buy when it is spent. The lending and borrowing of dollars for commercial purposes and new enterprises requires the execution of long-term contracts. But that kind of contracts cannot be made unless they are valid contracts. People who lend their money out must have reasonable assurance they will receive in return the same value when the promise to pay comes due. Up to the present time, since social organisms have been formed, such assurance has been possible only when the payment in contracts was specified in terms of the standard unit of value. But the United States both de jure and de facto has no standard unit of value for domestic use. De facto it does have one for international use, that of gold.

Surely it is not going to be contended that the inconvertible paper dollar we use domestically is a standard unit of value. When in all the history of the world was such paper money ever recognized as a standard unit of value? Never.

What, then, is the meaning of all this? Nothing less than that the contract in the United States has been destroyed. It is not a question of whether business wants to or does not want to revive. It cannot. It is stopped by the insurmountable physical barrier of not being able to make contracts, especially long-term ones. Who is suffering most from the effects of this? The farmers, the wage earners, and the poor. Ten million able-bodied men with ten or fifteen billion dollars worth of labor for sale but no market, because the contract is destroyed. For the same reason, farmers have billions of dollars' of farm products which they must sell way below the cost of production. Whatever else may be necessary to restore prosperity in the United States, the one thing that must be done first is to restore the standard unit of value, which is gold. We must recoin the gold money and return it to the people. Until that is done demoralization and disintegration of our industry must continue.

Those who argue we cannot do this now, that our gold would all run away into foreign countries, that it would produce a shock, and so forth, are not telling us anything new. Those arguments have been used in every suspension of specie payments that has ever taken place. The only thing that will happen is exactly what always happened when nations came to their senses and returned to specie payments; namely, contracts will again be written which will permit the wheels of industry to turn and reemploy the millions who are idle and give them bread instead of a stone. [Applause.]

Mr. SOMERS of New York. Mr. Chairman, I yield 15 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK of Arizona. Mr. Chairman, a few moments ago, when the chairman of the committee in charge of this bill was making his speech, he spoke of the fact that silver producers in America might be put on the dole if the silver mines were closed. I interrupted him to say that I have evidence to the effect that all over the West, particularly in the State of Arizona, there are silver mines that are now producing or have been producing, but which, because of the lower price now that is being paid, are barely on the edge so far as working is concerned. Some of them have closed down.

I mentioned the fact that out on the desert near Chloride, Ariz., there are some workings of which I have pictures showing a typical small silver mine in the State of Arizona. I have in my hands some of these pictures.

Here is one showing a little camp that is not much more than a hole in the ground, but "there is silver thar." Here is pictured a little shack which has marked on it "$15 house" and beside it there is a $1,500 automobile. The man who sent me this stated that if we caused to operate the little silver mines throughout the West, the workers will buy automobiles, radios, refrigerators, and all those things produced in the manufacturing centers of the East. I point to another picture which shows a little larger silver mine, but with most of the physical equipment evidently in the 15 or 20 automobiles and trucks which you see standing about.

The writer makes quite a point of this contrast. He said, "Silver security or social security?" In this letter Mr. Tipton, of Chloride, Ariz., says:

CHLORIDE, ARIZ., *April 12, 1939.*

Hon. JOHN R. MURDOCK,
Congressional Office Building, Washington, D. C.

DEAR SIR: Thanks for the copy of the CONGRESSIONAL RECORD which you sent me recently.

No doubt the East still feels they are in some way subsidizing silver. We have subsidized many different industries, as well as farming, in our time. It seems we also subsidized Europe to the tune of thirty-eight billions in the past 40 years. Now, in the silver bill it seems to me we are not subsidizing the mines but ourselves. I mean all of us that have merchandise or services to sell gain quite handsomely by seeing the mines operate to their full capacity.

Last month the Tennessee mine here shut down. There were 150 men thrown out of work. Most of them went on social security or on relief of one kind or another, and a few of the better miners got jobs elsewhere. All this because of the drop in price of

silver to 64.64 from the higher price level in force last year. They lost money for some 10 months and then quit. You can judge what will happen to this camp if the price goes below our present figure. It will be another ghost town, with 500 men thrown out of work.

If it were possible to do so, this little town could have taken over the mine and, with the estimated profit on the supplies both for the mine and the men, could have made up the deficit of $300 per month and kept going along. This would have still left a profit on the $22,500 pay roll spent in this community. Naturally, we have no machinery to handle such a scheme. But collectively, from a Government viewpoint, this can be done in the form of a silver bill that will actually be subsidizing ourselves. We subsidize ourselves to business prosperity, and the East gets a great share of this prosperity, as shown by the pictures I am enclosing for your use.

Please continue the good work, or we will have more ghost towns, more relief, more social security, etc.

Sincerely,

A. R. TIPTON.

They received in these silver camps up to January 1, 1938, 77 cents per ounce for their silver. The present price is 64 cents up to June 30, 1939. If we do not pass this bill, the price will go lower. I regret that the price was dropped 13 cents at the beginning of 1938.

This man says that most of the workers, 500 in this small camp, will be thrown on relief if the mine closes down. He states further the mine will close down, as others have already done, if the price of 64 cents per ounce or better is not maintained.

I want to ask in all fairness, Mr. Chairman, whether it is not better to cause these men to dig into the bowels of the earth and bring forth the white metal which from before the time of Abraham has been money than to close the mines and put these men on the dole? These men are getting wealth from the earth. They are helping our monetary system. Some gentlemen on the other side of the aisle talk as though they were merely pulling boulders out of a hole and being paid taxpayers' money for doing so.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. I am sorry; I do not have time.

Mr. AUGUST H. ANDRESEN. I should like to ask a question right there. What is the cost of production per ounce of silver in the mine to which the gentleman has referred?

Mr. MURDOCK of Arizona. I am sorry; I do not have time to yield. I wish I had more time.

I want to get at the kernel of this matter. All over the West mines have been closed down in the year 1939 because the price of silver dropped from 77 cents an ounce to 64 cents an ounce. I believe in all seriousness we ought to encourage these men in this field of production. This price is not properly a subsidy, but if it were, it would be better and cheaper than to carry these miners on relief.

Now, I wish to go into a matter which was broached by the gentleman who preceded me. One gentleman talked about the unconstitutionality of the present legislation. I wonder if the gentleman has read the Constitution of the United States. I have read it. In article I, section 8, there is the following clause:

> Congress shall have power to coin money and regulate the value thereof.

I wish to ask the gentleman who preceded me whether he wants Congress to fix the value or whether he wants the American banking system, the bankers of this country, to fix the value of our money.

Mr. Chairman, we have been derelict in our duty by not taking back to the Congress of the United States the constitutional power which the framers of the Constitution gave to our hands. [Applause.] We should have taken it back. We have for more than 100 years increasingly permitted the banking interests of this country to furnish our money, and at a great cost. From 1863 to 1920 we have had some sound bank currency, but even national-bank notes were inelastic.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. I yield to the gentleman from California.

Mr. VOORHIS of California. Will the gentleman estimate how many of the gentlemen who applauded one of his latest remarks really meant by their applause that the Congress and the people of America should have the right to issue their own money, and how many of them really had in mind that we should leave this power in the hands of the banking system where it now rests?

May I further ask, Does the gentleman believe it is possible to return to the gold standard without surrendering completely the control of the volume and value of our money to the private banking interests, which inevitably will monopolize the gold?

Mr. MURDOCK of Arizona. I do not believe that it is possible or just to return to the former gold standard. I am not willing to surrender further the control of our money system to the banking interests.

Now, Mr. Chairman, just a little sketch of our American money history. We started out with both gold and silver as a basis for our money. Congress was given power to coin money and the States were forbidden to make anything but gold and silver a legal tender in payment of debt, so says the Constitution.

We permitted the banks 100 years ago to furnish us a new kind of money, paper currency, "wildcat" bank notes. You recall that the panic of 1837 was caused by this country being flooded by "wildcat" bank notes. In those days the banks controlled our money with a vengeance, and look what calamity came upon the country as a result of it. We had practically no governmental paper money until the days of the Civil War. A sound-money man, S. P. Chase, Secretary of the Treasury at that time, was very reluctant to have us issue greenbacks, but as a wartime emergency they were issued. I know they did depreciate, but being wisely limited, they served a useful purpose through all these years. I wish to say to my friends I am as much of a sound-money man as any man on the left-hand side of the aisle.

For many years following the Civil War there was a conflict between two kinds of paper money, greenbacks on the one hand and national-bank notes on the other. Remember, those national-bank notes were issued based on a bonded, interest-bearing debt. After the War between the States many men, I think the poor class of the country, said, "Why should we pay interest on bonds? Why should we perpetuate a national debt in order that we may have a peculiar kind of money?"

There was an insistent demand, especially on the part of the Greenback Party and the farmers, that we pay off our national debt, our bonds, with greenbacks. That was never done. The Nation went right on paying taxes to pay interest on bonds to have bank notes. We still have the $346,000,000 of greenbacks issued in the Civil War days, and have them to this very hour. The marvel is that we do not have more. I am not contending for flooding this country with greenbacks; and I must say that, in my judgment, Franklin D. Roosevelt is not an inflationist.

I have heard today a fear expressed of reposing too much power in the President and in the Secretary of the Treasury, or in continuing that power. Look at what Franklin D. Roosevelt might have done under the act passed early in his administration. He was given the power to devalue the gold dollar to the extent of 50 percent. He has not done that. He has devalued the gold dollar to the extent of only about 40 percent.

He was given the power to remonetize silver at any ratio he might see fit. He has not done that. He was given the power to cause to be issued by Executive order $3,000,000,000 in greenbacks. He has not done that. He was given power to bring about the issue of $3,000,000,000 in Federal Reserve notes. He has not done that. How can any man, in view of the history of the past 4 or 5 years, say that the President of the United States is apt to go crazy on this matter of inflation with that record before him?

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Was not the giving of the power to devalue the gold content of the dollar and the exercise of that

power due to the necessity of meeting similar actions by foreign countries and to protect ourselves?

Mr. MURDOCK of Arizona. That is true. The chairman of the committee made a splendid presentation of that matter. In view of the fact that Great Britain has an equalization fund now larger than our own stabilization fund, we had to have that power in order to protect our foreign trade. Other countries have the same provisions. We must meet them with the same equipment. I do not anticipate that the President of the United States would think of using the further power to devalue the dollar, say, to the extent of 9 percent, which would be his if we pass this bill, except in case the $2,000,000,000 stabilization fund is inadequate. I do believe the chairman of the committee was exactly right in saying we must take care of any future eventuality; and to do so, somebody must have that power. For that reason, with full confidence in the man who has not used one-tenth of the power he was given 4 or 5 years ago, I would continue that power in his hands.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. A lot has been said about a subsidy to the silver miners. Is it not a fact that all mining companies pay a large income tax and other taxes to the Government on their operations?

Mr. MURDOCK of Arizona. Yes; they certainly do. They constitute just that kind of business—and most of them are small business units—which we all profess to want to help. Mines, like many other lines of business, help to make up the economic foundation of many Western States. But in the Rocky Mountain States mining is basic and vital. Talk about removing fear and restoring confidence. One way to do that—and I want to do just that for all business—one way to do it for the mining West is to pass this bill.

The gentleman who just preceded me was quite vehement. He talked about robbing the American people to pay somebody. He talked about a subsidy for silver. Now, just what have we done? We have bought silver at about 60 or 70 cents per ounce. No matter where we keep that silver, it is not sterile, it is at work through its paper representatives—silver certificates. We have put that into the monetary system at $1.29 an ounce. Who gets the benefit? The American Government gets part of it through seigniorage profits, and stagnant business gets a stimulus through these new silver certificates.

The gentleman who preceded me talked about former kings who used to fleece their subjects by debasing the coinage. He says we have a gentler term for it—we merely speak of devaluation—but I want to tell you that in the days when kings, like old Henry VIII, changed the coinage they pocketed the difference, but when we change the coinage the Government of the United States pockets the difference for the benefit of all of us, instead of a few of us. Where did that $2,000,000,000 in this stabilization fund come from?

It is a part of the monetary gain to the Treasury of the United States because of the devaluation of the dollar 40 percent. We might have reduced our debt in that amount if we had seen fit, but, instead of doing so, we saw fit to put that sum in the hands of the Secretary of the Treasury so that he might take care of our foreign trade, as he has done.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield further?

Mr. MURDOCK of Arizona. I will be very glad to yield.

Mr. WHITE of Idaho. Is it not a fact that almost all the mining companies pay about 30 percent of their income to the Government in some form of taxation?

Mr. MURDOCK of Arizona. As I said before, mining is basic in the West, and while I am not competent to say exactly, I think probably the gentleman is correct.

Mr. WHITE of Idaho. And, as a matter of fact, the metal that is produced in this country and used for money increases the Government's taxable income, whereas metal produced in other countries does not?

Mr. MURDOCK of Arizona. In the little town of Chloride, Ariz., 500 men have been working. Some 150 of them are not working now because we dropped the price of silver.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. I will be glad to yield to the gentleman.

Mr. AUGUST H. ANDRESEN. Would the gentleman have any objection to an amendment which would provide for the continuation of the Government purchase of domestic silver and the discontinuance of the purchase of foreign silver, and suppose we raised the domestic price to 77 or 80 cents?

Mr. MURDOCK of Arizona. Now, are you enticing me? [Laughter.]

Mr. AUGUST H. ANDRESEN. No; not at all, because we have purchased nearly 2,000,000,000 ounces of foreign silver and only a small quantity of domestic silver.

Mr. MURDOCK of Arizona. I am more interested in the domestic silver, of course, but I am not competent to say about foreign silver, because I do not have all the facts at my command in regard to foreign trade. I do want this purchase of domestic silver to continue, because a large proportion of our West depends upon the price of silver. You understand that the great copper-mining camps of the West have silver as their byproduct, and I know of great camps like Superior, Ariz., where the silver which they produce is their cream or profit.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. I will be glad to yield to the gentleman.

Mr. VOORHIS of California. Would not the gentleman agree that so far as the purchase of foreign silver is concerned, it is primarily a measure taken in order to stimulate foreign trade with the nation from which it is bought? It gives those nations American exchange and thus helps Americans who have goods to sell to them.

Mr. MURDOCK of Arizona. I have heard a good deal about stimulating foreign trade and exchanging cotton for foreign silver, but that, of course, is another proposition.

Mr. VOORHIS of California. May I ask the gentleman a further question?

Mr. MURDOCK of Arizona. I will be very glad to have the gentleman do so.

Mr. VOORHIS of California. A great deal has been said about sound money. From the standpoint of the people of the United States, does not the gentleman agree that sound money is money that maintains a constant value in terms of the commodities that our people produce and buy?

Mr. MURDOCK of Arizona. That is a correct definition, as I see it.

[Here the gavel fell.]

Mr. SOMERS of New York. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. MURDOCK of Arizona. In conclusion, let me say to the Committee that I, too, want a stable dollar, not a rubber dollar. I want one that is of constant purchasing power, one which the investing public may use with some sense of security. If we will but make a wider use of both gold and silver, as the fathers directed us to do, we shall be less dependent upon our banks. I recognize the importance and need of banks in our complex industrial society to facilitate exchange and to perform other vital economic functions, but not to perform the sovereign function of supplying and controlling the Nation's money.

I am convinced that we can have a Government-controlled money; and not only do I think we can have such, but I think it is our constitutional duty as the national lawmaking body to see that we do have it and not depend on any small set of businessmen—the banks, for instance—to furnish us that money. That is the thing for which I plead, in a national sense, more than for my own silver-producing State, though, as you know, I have a strong local interest in that silver-producing State. [Applause.]

Mr. REED of Illinois. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I listened with interest to the chairman of the Committee on Rules [Mr. SABATH] this morning when he gave credit to the Democratic Party for the rise in agricultural prices and the promotion of trade because of the passage of the Gold Reserve Act back in 1934. The Chicago Tribune a few days ago in its main editorial has this to say:

GOVERNMENT REGULATION OF BUTTER

Butter last week sold at the lowest price since 1933, and before 1933 butter had not reached the price levels except on one occasion in the present century.

That is typical of the agricutural prices at the present time. Wheat is selling around 67 cents, corn around 47 cents, and cotton at 8½ cents. When the Gold Reserve Act went into effect we were shipping between eight and ten million bales of cotton abroad. Now we are selling around 4,000,000 bales, and probably only three and a half million this year. Nevertheless, the gentleman from Illinois has claimed credit for these almost all-time low levels for agricultural products as a result of the passage of the Gold Act. What actually has this Gold Reserve Act done for the American people? When we went off the gold standard, we had $4,000,000,000 worth of gold. By going off the gold standard and depreciating the dollar we increased that by $2,800,000,000 more, or a total of $6,800,000,000 of gold. Since that time we have bought from foreign lands $8,000,000,000 of gold at $35 an ounce. Seventy percent of that gold is produced in the British Empire, and a large part of it is produced in South Africa at around $18 to $20 an ounce.

We pay the British Empire $35 an ounce for this gold, almost twice the cost of production. In my humble opinion, this $16,000,000,000 gold fiasco is the most incredible act and the most fantastic act under the New Deal. We have turned the American people into a milch cow, to be milked by foreign nations. We have erected a golden calf to worship, which is of no more use to us than was the golden calf set up in the time of Moses. We pay double the price for gold from foreign lands, which is dug out of the ground in South Africa, and we bring it over here and we bury it again in the ground out in the State of Kentucky, where we have almost $16,000,000,000 of gold. It feeds nobody. We cannot eat this gold. It clothes nobody. It helps nobody to get a job. It houses nobody, and yet every day this gold rush to America continues. We are the Santa Claus of the world; we are the angels to the gold-producing nations of Africa and to such nations as Soviet Russia, Australia, and Canada, and for those countries like England, France, and Holland, who have unloaded their large gold reserves on us at $35 an ounce.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. FISH. For a brief question.

Mr. WHITE of Idaho. The gentleman speaks of burying the gold. How much gold was in actual circulation during the Harding, Hoover, and Coolidge administrations?

Mr. FISH. I have told the gentleman. We had $4,000,000,000 worth of gold, ample gold to stay on the gold standard. We were on the gold standard in those days.

Mr. WHITE of Idaho. Did the gentleman see any gold in circulation?

Mr. FISH. The gentleman and myself or anybody else could then go to a bank and get a dollar in gold in exchange for a paper dollar whenever he wanted it, but confidence was such that the American people did not want the gold. Our money was backed up by an ample gold reserve, and I say to the Republican Members of the House that there is no reason in the world why we should not put this hoarded gold back in circulation, which is now buried in Kentucky, and let people go to the banks and get gold as they did under the Republican administration. I doubt if they would withdraw one billion out of the fifteen and a half billions.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. SCHAFER of Wisconsin. Does the gentleman think it is about time that Congress stopped being a rubber stamp for both President Roosevelt and Secretary Morgenthau and the international bankers, and stopped playing Santa Claus to the international bankers' associations in other lands?

Mr. FISH. I say to the gentleman, that President Roosevelt and the Secretary of the Treasury, Mr. Morgenthau, are the two men responsible for this gold fiasco. They are its sponsors. They have a bear by the tail and they do not know how to let go. They do not know what to do with this gold today. They cannot sell it, and we are acquiring more and more gold. When I spoke on this subject 2 years ago, we had over 50 percent of the gold of the entire world, hampering and undermining world trade, because there was not sufficient foreign exchange to carry it on, a most unhealthy and unnatural situation.

Today we have almost two-thirds of the gold in the world, and if we continue this fantastic scheme of buying foreign gold at $35 an ounce when it is produced at $10 an ounce in Soviet Russia and $18 or $19 an ounce in Africa, we will have 75 to 90 percent of the gold of the world by 1940. Then what will gold be worth? Then those nations without any gold will say, "We have no more use for gold. We must have another medium of exchange." We will have no more use for gold as a monetary value. We will then be holding most of the gold in the world, and it would not be of any more use than holding so much iron. It would not be as much use as holding tin. We cannot afford to continue to monopolize and hoard gold, as it will lead to financial chaos and to world economic disaster.

We on the minority side have a perfect right to ask, "What do you propose to do with this gold? Are you going to continue to buy foreign gold at $35 an ounce?"

I am not opposed to buying American-produced gold at $35 an ounce. I am not opposed to subsidies for our own gold and silver producers. Great Britain owes us $5,000,000,000 in war debts, and we have already given her two and a half billion dollars more in profit on gold that we have purchased from her subjects. Her whole armament program can be paid for out of the profits they make by our inane policy of buying their gold at twice the cost of production. It is such things as that to which I object, of squandering our resources to buy gold from foreign nations at an artificial and arbitrary price, enriching them and impoverishing ourselves.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield for a question?

Mr. FISH. Yes; I yield.

Mr. MURDOCK of Arizona. Is it not true that during the World War we sold silver which we had piled up in the country since 1878 at a profit?

Mr. FISH. I do not want to talk about silver, because that is a mere flea bite. That is as nothing compared to this fantastic gold-buying and hoarding program by the New Deal theorists. One amounts to millions; the other amounts to billions.

[Here the gavel fell.]

Mr. REED of Illinois. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. FISH. No; I cannot yield any more.

The issue before us in this House, however, is not the gold issue. The main issue today and the question when we vote upon this bill is whether the Congress wants to continue to relinquish its right to control and regulate the value of the dollar. The issue is, whether we will take back from the President some of the monetary powers we have already conferred on him and restore representative government in the United States. That is the main issue. The Silver Act permits the President to buy from the domestic and home producers silver at a certain price. We empowered the President to buy our silver at a price higher than the prevailing price on foreign markets. The stabilization fund is not involved. We Republicans are not opposing continuation of the stabilization fund. We do not like

its secrecy. We think it is un-American. We want a proper and adequate audit of the stabilization fund. We want reports made every 6 months or so to the Congress of the United States, with an adequate audit of the stabilization fund. The main issue is to restore to Congress the control and regulation of the value of money, and to take that power back from the President which he now has, to reduce the price of the dollar from 59 cents to 50 cents. Already there is fear and dread throughout the land. We have idle capital, idle wealth, and idle manpower. If you want to put that idle wealth and idle capital together to provide employment for our idle wage earners, we must restore confidence and do away with the fear that now exists by taking back from the President this power to devalue the dollar which tends to create business uncertainty and to continue these unstable conditions and fear in America. [Applause.]

[Here the gavel fell.]

Mr. SOMERS of New York. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCCORMACK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 3325, had come to no resolution thereon.

LEAVE OF ABSENCE

Leave of absence was granted to Mr. BLAND, Mr. HART, and Mr. WELCH for April 19 and 20 to attend a meeting of the Board of Visitors of the Coast Guard Academy.

EXTENSION OF REMARKS

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial appearing in today's Herald-Tribune.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole today and to include therein a letter, a portion of which I read.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 224. Joint resolution to authorize the painting of the signing of the Constitution for placement in the Capitol Building.

The SPEAKER also announced his signature to enrolled bills of the Senate of the following titles:

S. 961. An act for expenditure of funds for cooperation with the public-school board at Wolf Point, Mont., for completing the construction, extension, equipment, and improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.; and

S. 1574. An act to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Pittsburgh, Pa., from August 27 to September 1, inclusive, 1939.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 136. An act to authorize contingent expenditures, United States Coast Guard Academy;

H. R. 534. An act for the relief of Hallie H. Woods;

H. R. 590. An act for the relief of Macey N. Bevan;

H. R. 2056. An act for the relief of the Shipowners & Merchants Towboat Co., Ltd.;

H. R. 2064. An act for the relief of Allen L. Abshier, Verne G. Adams, Oliver D. Chattin, William K. Heath, and Harry B. Jennings;

H. R. 2073. An act to allow credit in the accounts of certain former disbursing officers of the Veterans' Administration, and for other purposes;

H. R. 2595. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.;

H. R. 3655. An act to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931;

H. R. 3946. An act to authorize the attendance of the Marine Band at the United Confederate Veterans' 1939 Reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939, and for other purposes;

H. R. 4830. An act to amend the act approved April 27, 1937, entitled "An act to simplify accounting;" and

H. R. 5482. An act to increase the authorization for appropriations for the administration of State unemployment compensation laws.

ADJOURNMENT

Mr. SOMERS of New York. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 35 minutes p. m.) the House adjourned until tomorrow, Wednesday, April 19, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON FOREIGN AFFAIRS

The Committee on Foreign Affairs will meet again Wednesday, April 19, 1939, in the committee room, Capitol, for the purpose of continuing open hearings on the following bills and resolutions on the subject of neutrality: House Resolution 100, to prohibit the transfer, loan, or sale of arms or munitions (by Mrs. ROGERS of Massachusetts); House Joint Resolution 3, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. LUDLOW); House Joint Resolution 7, to implement the Kellogg-Briand Pact for World Peace (by Mr. GUYER of Kansas); House Joint Resolution 16, to prohibit the exportation of arms, ammunition, or implements or materials of war to any foreign country when the President finds a state of war to exist between or among two or more foreign states or between or among two or more opposing forces in the same foreign state (by Mr. KNUTSON); House Joint Resolution 42, providing for an embargo on scrap iron and pig iron under Public Resolution No. 27 of the Seventy-fifth Congress (by Mr. CRAWFORD); House Joint Resolution 44, to repeal the Neutrality Act (by Mr. FADDIS); House Joint Resolution 113, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. FISH); House Joint Resolution 226, to amend the Neutrality Act (by Mr. GEYER of California); House Joint Resolution 254, to keep the United States out of foreign wars, and to provide for the neutrality of the United States in the event of foreign wars (by Mr. FISH); House bill 79, to keep America out of war by repealing the so-called Neutrality Act of 1937 and by establishing and enforcing a policy of actual neutrality (by Mr. MAAS); House bill 163, to establish the neutrality of the United States (by Mr. LUDLOW); House bill 4232, to limit the traffic in war munitions, to promote peace, and for other purposes (by Mr. VOORHIS of California); House bill 5223, Peace Act of 1939 (by Mr. HENNINGS); House bill 5432, to prohibit the export of arms, ammunition, and implements and materials of war to Japan, to prohibit the transportation of arms, ammunition, implements, and materials of war by vessels of the United States for the use of Japan, to restrict travel by American citizens on Japanese ships, and otherwise to prevent private persons and corporations subject to the jurisdiction of the United States from rendering aid or support to the Japanese invasion of China (by Mr. COFFEE of

Washington); House bill 5575, Peace Act of 1939 (by Mr. HENNINGS).

Open hearings will continue from Wednesday, April 19, to April 26, beginning at 10 a. m. each day, with the exception of Saturday, April 22.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, April 19, 1939, at 10:30 a. m., for the consideration of H. R. 1958, H. R. 2564, H. R. 2777, H. R. 4080, H. R. 4096, H. R. 4498, H. R. 5409, and H. J. Res. 117.

COMMITTEE ON NAVAL AFFAIRS

There will be a meeting of the Committee on Naval Affairs at 10:30 a. m., Wednesday, April 19, 1939, for the consideration of H. R. 5765, "To authorize commissioning of aviation cadets in the Naval and Marine Corps Reserves upon completion of training, and for other purposes."

COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be a meeting of the Committee on the Post Office and Post Roads at 10 a. m. on Tuesday, April 25, 1939, for the consideration of H. R. 1827, to allow moving expenses to employees of the Railway Mail Service, and H. R. 4322, giving clerks in the Railway Mail Service the benefits of a holiday known as Armistice Day.

There will be a meeting of the Committee on the Post Office and Post Roads at 10 a. m., Wednesday, April 26, 1939, for the consideration of H. R. 2209 and H. R. 5278, bills to place postmasters of the fourth class on an annual salary basis.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Petroleum Subcommittee of the Committee on Interstate and Foreign Commerce at 2 p. m. Wednesday, April 26, 1939. Business to be considered: Hearing on S. 1302, petroleum shipments.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

On Wednesday, April 19, 1939, at 10 a. m., the Committee on Merchant Marine and Fisheries will resume hearings on the bill (H. R. 5130) to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes.

This is to advise all interested parties that the features of this bill regulating terminal and port charges will not be considered on the 19th, and witnesses who desire to appear on this phase of the bill need not come. However, if there are present on the 19th any witnesses who wish to testify on this subject, they will be heard at that time rather than inconvenience them by requiring them to testify later.

On Tuesday, April 25, 1939, at 10 a. m., the committee will hold public hearings on the following bills: H. R. 2883, H. R. 2543, H. R. 2558, to increase further the efficiency of the Coast Guard by authorizing the retirement, under certain conditions, of enlisted personnel thereof with 20 or more years of service.

On Wednesday, April 26, 1939, at 10 a. m., the following bills: H. R. 4592, allowing all registered vessels to engage in the whale fishery; H. R. 4593, relating to the whale fishery.

On Thursday, April 27, 1939, on H. R. 4983, to amend sections 712 and 902 of the Merchant Marine Act, 1936, as amended, relative to the requisitioning of vessels.

On Thursday, May 4, 1939, at 10 a. m., on H. R. 4650, making electricians licensed officers.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

650. A letter from the Secretary of War, transmitting a draft of a proposed bill to provide for a Deputy Chief of Staff, and for other purposes; to the Committee on Military Affairs.

651. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the fiscal year 1940, amounting to $316,330, for the purpose of rendering closer and more effective the relationship between the Government and people of this country and the other American Republics (H. Doc. No. 252); to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LANHAM: Committee on Public Buildings and Grounds. House Joint Resolution 171. Joint resolution authorizing the President of the United States to accept on behalf of the United States a conveyance of certain lands on Government Island from the city of Alameda, Calif., and for other purposes; with amendment (Rept. No. 421). Referred to the Committee of the Whole House on the state of the Union.

Mr. HEALEY: Committee on the Judiciary. H. R. 1996. A bill to amend the National Stolen Property Act; without amendment (Rept. No. 422). Referred to the House Calendar.

Mr. MURDOCK of Utah: Committee on the Judiciary. H. R. 4372. A bill to provide for the punishment of persons transporting stolen animals in interstate commerce, and for other purposes; without amendment (Rept. No. 423). Referred to the House Calendar.

Mr. DOXEY: Committee on Agriculture. H. R. 169. A bill to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Cleveland National Forest in San Diego County, Calif.; with amendment (Rept. No. 424). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOXEY: Committee on Agriculture. H. R. 2009. A bill to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Angeles National Forest, Calif.; with amendment (Rept. No. 425). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOXEY: Committee on Agriculture. H. R. 2417. A bill to facilitate control of soil erosion and/or flood damage originating upon lands within the exterior of boundaries of Sequoia National Forest, Calif.; with amendment (Rept. No. 426). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 3796. A bill to extend the period of restrictions on lands of the Quapaw Indians, Oklahoma, and for other purposes; with amendment (Rept. No. 427). Referred to the Committee of the Whole House on the state of the Union.

Mr. CROSSER: Committee on Interstate and Foreign Commerce. H. R. 5379. A bill to amend the act entitled "An act to prohibit the movement in interstate commerce of adulterated and misbranded food, drugs, devices, and cosmetics, and for other purposes," approved June 25, 1938; with amendment (Rept. No. 428). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEA: Committee on Interstate and Foreign Commerce. H. R. 5762. A bill to amend the Federal Food, Drug, and Cosmetic Act; with amendment (Rept. No. 429). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KEEFE: Committee on Claims. S. 1515. An act for the relief of the Louisiana National Bank of Baton Rouge and the Hibernia Bank & Trust Co. of New Orleans; with amendment (Rept. No. 411). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 1876. A bill for the relief of Nadine Sanders; with amendment (Rept. No. 412). Referred to the Committee of the Whole House.

Mr. THOMAS of New Jersey: Committee on Claims. H. R. 1883. A bill for the relief of Marguerite Kuenzl; with amendment (Rept. No. 413). Referred to the Committee of the Whole House.

Mr. HALL: Committee on Claims. H. R. 2058. A bill for the relief of Jessie Denning Van Eimeren, A. C. Van Eimeren, and Clara Adolph; without amendment (Rept. No. 414). Referred to the Committee of the Whole House.

Mr. KEEFE: Committee on Claims. H. R. 2071. A bill for the relief of Howard E. Dickison; with amendment (Rept. No. 415). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on Claims. H. R. 2097. A bill for the relief of Homer C. Stroud; with amendment (Rept. No. 416). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. H. R. 2345. A bill for the relief of R. H. Gray; with amendment (Rept. No. 417). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on Claims. H. R. 2346. A bill for the relief of Virgil Kuehl, a minor; with amendment (Rept. No. 418). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 2583. A bill for the relief of A. W. Evans; with amendment (Rept. No. 419). Referred to the Committee of the Whole House.

Mr. MACIEJEWSKI: Committee on Claims. H. R. 2903. A bill for the relief of Jake C. Aaron and Thomas W. Carter, Jr.; with amendment (Rept. No. 420). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1924) granting an increase of pension to Almira Kshinka; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2216) granting a pension to Katherine R. Salmon; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 3250) granting an increase of pension to Charles M. Porter; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 5014) for the relief of Isaac Rosenbaum & Sons, Inc., of Louisville, Ky.; Committee on War Claims discharged, and referred to the Committee on Claims.

A bill (H. R. 5702) granting a pension to Isaac A. Chandler; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McREYNOLDS:

H. R. 5835. A bill to authorize the President to render closer and more effective the relationship between the American Republics; to the Committee on Foreign Affairs.

By Mr. KITCHENS:

H. R. 5836. A bill to authorize the Secretary of the Treasury to accept real estate devised to the United States by the late Lizzie Beck, of Mena, Ark., and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. KRAMER:

H. R. 5837. A bill to amend section 221 of the Shipping Act, barring certain aliens from participating in the benefits thereof; to the Committee on Merchant Marine and Fisheries.

H. R. 5838. A bill to amend section 168 of the immigration laws so as to restrict certain alien seamen landing in the United States; to the Committee on Immigration and Naturalization.

By Mr. ALLEN of Louisiana:

H. R. 5839. A bill to promote the peace of the United States; to the Committee on Immigration and Naturalization.

By Mr. FADDIS:

H. R. 5840. A bill to amend the act entitled "An act to provide for the protection and preservation of domestic sources of tin," approved February 15, 1936; to the Committee on Military Affairs.

By Mr. PATRICK:

H. R. 5841. A bill to amend the Social Security Act so as to provide further aid to the blind; to the Committee on Ways and Means.

By Mr. SHAFER of Michigan:

H. R. 5842. A bill to exempt county fairs and agricultural societies from the Social Security Act; to the Committee on Ways and Means.

By Mr. SUMNERS of Texas:

H. R. 5843. A bill to amend the Judicial Code in respect to the jurisdiction of the Court of Claims in certain cases; to the Committee on the Judiciary.

By Mr. VAN ZANDT:

H. R. 5844. A bill to aid in the national defense by developing a civilian air reserve in the United States with basic military training, by providing for a pilot training program, and authorizing an appropriation therefor; to the Committee on Military Affairs.

By Mr. CLARK:

H. R. 5845. A bill to provide for the establishment of a Coast Guard station on the shore of North Carolina at or near Wrightsville Beach, New Hanover County; to the Committee on Merchant Marine and Fisheries.

By Mr. MARTIN of Colorado:

H. R. 5846. A bill to authorize the construction of works for flood control and other purposes on the Rio Grande and tributaries in the State of Colorado; to the Committee on Flood Control.

By Mr. OSMERS:

H. R. 5847. A bill to define the order of the selective draft in time of war; to the Committee on Military Affairs.

H. R. 5848. A bill to amend the Social Security Act of 1935 (Public, No. 271, 74th Cong.); to the Committee on Ways and Means.

By Mr. FENTON:

H. R. 5849. A bill to provide for the rehabilitation of the anthracite-coal industry by providing for the establishment and operation of a research laboratory in the Pennsylvania anthracite region for research and investigation relating to the mining, preparation, and utilization of anthracite coal, with special reference to increasing efficiency, conservation of resources, development of new uses, markets, and matters pertaining thereto; and to further provide for safety and health in anthracite mining; to the Committee on Mines and Mining.

By Mr. SCHWERT:

H. R. 5850. A bill relating to the credit allowable against certain taxes for the calendar year 1937 imposed by section 901 of the Social Security Act; to the Committee on Ways and Means.

By Mr. ROGERS of Oklahoma:

H. R. 5851 (by departmental request). A bill to modify the provisions of section 10 of the act of June 30, 1834, and section 10 of the act of June 22, 1874, relating to the Indians; to the Committee on Indian Affairs.

By Mr. JOHN L. McMILLAN:

H. J. Res. 267. Joint resolution for the relief of certain persons conducting farming operations whose crops were destroyed by hailstorms; to the Committee on Agriculture.

By Mr. DEMPSEY:

H. Res. 169. Resolution to amend rule XXXV of the rules of the House of Representatives; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of Puerto Rico, memorializing the President and the Congress of the United States to consider their resolution to promote ade-

quate legislation for reasonable compensation to the expeditionary laborers who went to various places in the United States in 1918 to engage in war industries; to the Committee on War Claims.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to consider their Joint Resolution 1, with reference to citizenship of all persons residing in the Territory of Hawaii; to the Committee on Immigration and Naturalization.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to consider their Senate Concurrent Resolution No. 11, with reference to the Adams-Ellender bill (S. 69), concerning sugar allotments; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CASEY of Massachusetts:

H. R. 5852. A bill for the relief of Constantinos Georgiades; to the Committee on Immigration and Naturalization.

By Mr. CHURCH:

H. R. 5853. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Robert Henry Parry, trading as American Ladies and Gentlemen's Designing School, and for other purposes; to the Committee on Claims.

By Mr. CRAWFORD:

H. R. 5854. A bill for the relief of Earl Friend; to the Committee on Claims.

By Mr. KELLY:

H. R. 5855. A bill for the relief of Ambrose William Cocks; to the Committee on Naval Affairs.

By Mr. KITCHENS:

H. R. 5856. A bill for the relief of Abner E. McGuire; to the Committee on Claims.

By Mr. McCORMACK:

H. R. 5857. A bill to amend private act No. 286, approved June 18, 1934, entitled "An act for the relief of Carleton-Mace Engineering Corporation"; to the Committee on Claims.

By Mr. McLAUGHLIN:

H. R. 5858. A bill for the relief of Walter Petersen; to the Committee on Claims.

H. R. 5859. A bill for the relief of Harry Goff; to the Committee on Claims.

By Mr. PATRICK:

H. R. 5860. A bill for the relief of James T. Rogers; to the Committee on Claims.

By Mr. REED of New York:

H. R. 5861. A bill granting an increase of pension to Adelia A. Truesdell; to the Committee on Invalid Pensions.

By Mr. SHAFER of Michigan:

H. R. 5862. A bill for the relief of J. H. McLaughlin; to the Committee on Claims.

By Mr. SASSCER:

H. R. 5863. A bill for the relief of Epifanio Rivera; to the Committee on Claims.

By Mr. TERRY:

H. R. 5864. A bill for the relief of Carl W. Lessing; to the Committee on Military Affairs.

H. R. 5865. A bill for the relief of Grundy C. Lingle; to the Committee on Claims.

By Mr. TREADWAY:

H. R. 5866. A bill for the relief of Howard Daury; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2585. By Mr. ALEXANDER: Petition of the State Legislature of Minnesota, to relieve the farmers from cash payment of their notes given for feed in drought years of 1933–34; to the Committee on Agriculture.

2586. By Mr. ANGELL: Memorial of the Legislature of the State of Oregon, requesting Oregon's representatives in Congress to oppose any action upon the part of the Federal Government tending to deprive the State of Oregon of its rights over the nonnavigable waters of the State and over navigable waters of the State, except as the Federal Government has exercised jurisdiction and control over such navigable streams for navigation purposes; to the Committee on the Judiciary.

2587. Also, petition of some 1,000 citizens of Multnomah County, Oreg., including members of Townsend Club, No. 69, asking for the enactment of House bill 2 and Senate bill 3, the Townsend plan; to the Committee on Ways and Means.

2588. By Mr. HANCOCK: Petition of Frances J. C. Shaw and other residents of Tully, N. Y., favoring legislation to prohibit radio advertising of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

2589. By Mr. MARTIN J. KENNEDY: Petition of Vadsco Sales Corporation, Long Island City, N. Y., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2590. Also, petition of General Foods Corporation, New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2591. Also, petition of Standard Brands, Inc., New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2592. Also, petition of Cyclax of London, Inc., New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2593. Also, petition of Carroll Dunham Smith Pharmacal Co., Orange, N. J., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2594. Also, petition of Parfums Ciro, Inc., New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2595. Also, petition of Marry Chess, Inc., New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2596. Also, petition of Coty, Inc., New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2597. Also, petition of Lodge No. 573, International Association of Machinists, Detroit, Mich., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2598. Also, petition of Lodge No. 1445, International Association of Machinists, Cortland, N. Y., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2599. Also, petition of Local Union, No. 77, Milwaukee, Wis., International Brotherhood of Blacksmiths, Drop Forgers, and Helpers, urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2600. Also, petition of Maas & Waldstein Co., Newark, N. J., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2601. By Mr. LUCE: Petition of Dorothy Brewer Chapter, Daughters of the American Revolution, Waltham, Mass., regarding registration of aliens; to the Committee on the Judiciary.

2602. By Mr. PFEIFER: Petition of the Newspaper Guild of New York, Local 3, New York City, concerning the National Labor Relations Act; to the Committee on Labor.

2603. Also, petition of the Fargo Branch, Women's International League for Peace and Freedom, Fargo, N. Dak., urging consideration of the Nye-Clark-Bone bill; to the Committee on Foreign Affairs.

2604. Also, petition of the Women's International League for Peace and Freedom, Ithaca, N. Y., favoring strict mandatory neutrality legislation; to the Committee on Foreign Affairs.

2605. By Mr. SHAFER of Michigan: Petition of the Michigan Unemployment Compensation Commission, requesting Congress to adopt a bill to extend the time for the obtaining of credit allowance of 90 percent under title IX of the Social Security Act; to the Committee on Ways and Means.

2606. By Mr. VAN ZANDT: Petition of the Reverend Edward C. Reeve and others, of Clearfield, Pa., urging the Government to stop the shipping of all weapons and war materials to Japan, the aggressor nation in the present Sino-Japanese war; to the Committee on Foreign Affairs.

2607. Also, petition of the members of the Pride of Altoona Council, No. 116, Daughters of America, Mrs. Amber P. Hawk, recording secretary, protesting against the passage of House bill 3517 and declaring it to favor the union of church and state and the establishing of a totalitarian school system; and disapproving Senate Joint Resolution No. 64, providing for the admission of 20,000 immigrant alien refugees in addition to the now existing quota; to the Committee on Immigration and Naturalization.

2608. By the SPEAKER: Petition of the United Federal Workers of America, Wheeling, W. Va., petitioning consideration of their resolution with reference to hearings on retirement legislation; to the Committee on the Civil Service.

SENATE

WEDNESDAY, APRIL 19, 1939

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O Thou who alone art holy and hast written Thy law in our hearts that we might have discernment and knowledge of that which is good: Grant to us, we beseech Thee, the guidance of Thy spirit, that we may cherish and follow the truth as revealed in the life of the Son of Man and obey that which speaks to us with authority in our higher moods, that, fashioning our lives by His life, we may contribute by our action and influence to the bettering of the world and to the happiness of others.

Forgive, dear Lord, our misspent days, our vain complaints, our too feeble interests in the progress of mankind; and grant that from this day we may redeem the time in purer, finer service, content only in the faith that Thou art leading us and teaching us the while, and that in this way we shall come through the night to the dawn, to a city that hath foundations, to a city of light which Thou hast prepared for Thy faithful children. Grant this our prayer for the sake of Thy dear Son, Jesus Christ. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, April 17, 1939, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, returned to the Senate, in compliance with its request, the bill (S. 1871) to prevent pernicious political activities.

The message announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5219) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1939, and June 30, 1940, and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TAYLOR of Colorado, Mr. WOODRUM of Virginia, Mr. CANNON of Missouri, Mr. LUDLOW, Mr. THOMAS S. MCMILLAN, Mr. SNYDER, Mr. O'NEAL, Mr. JOHNSON of West Virginia, Mr. TABER, Mr. WIGGLESWORTH, Mr. LAMBERTSON, and Mr. DITTER were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4852) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1940, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TAYLOR of Colorado, Mr. JOHNSON of Oklahoma, Mr. SCRUGHAM, Mr. FITZGERALD, Mr. LEAVY, Mr. RICH, Mr. CARTER, and Mr. WHITE of Ohio were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 961. An act for expenditure of funds for cooperation with the public-school board at Wolf Point, Mont., for completing the construction, extension, equipment, and improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.; and

S. 1574. An act to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Pittsburgh, Pa., from August 27 to September 1, inclusive, 1939.

PREVENTION OF PERNICIOUS POLITICAL ACTIVITIES

Mr. GUFFEY. Mr. President, I ask leave to withdraw the motion entered by me on the 17th instant to reconsider the vote by which Senate bill 1871, to prevent pernicious political activities, was passed on Thursday last.

I further wish to say for the information of my colleagues that I have conferred with the Senator from New Mexico [Mr. HATCH], and he and I have reached an understanding as to section 9 of the bill.

The VICE PRESIDENT. Is there objection to the withdrawal of the motion? The Chair hears none, and the motion is withdrawn.

Mr. HATCH. Mr. President, I merely wish to say that, as the Senator from Pennsylvania has stated, he and I did confer at length on yesterday concerning this measure. As I stated on the floor day before yesterday, it was not my thought or belief at any time that section 9 related to policy-making officials such as the members of the President's Cabinet, and I am perfectly willing that policy-making officials should be excluded from the provisions of section 9 and will be glad to assist in working out the proper amendments to bring about that end.

The VICE PRESIDENT. The motion to reconsider having been withdrawn, Senate bill 1871, which has been sent back to the Senate in compliance with its request, will be returned to the House of Representatives.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Johnson, Calif.	Reed
Andrews	Donahey	Johnson, Colo.	Reynolds
Ashurst	Downey	King	Russell
Austin	Ellender	La Follette	Schwartz
Bankhead	Frazier	Lee	Schwellenbach
Barbour	George	Lodge	Sheppard
Barkley	Gerry	Logan	Shipstead
Bilbo	Gibson	Lundeen	Smathers
Bone	Gillette	McCarran	Stewart
Borah	Glass	McKellar	Taft
Bridges	Green	McNary	Thomas, Okla.
Brown	Guffey	Mead	Thomas, Utah
Bulow	Gurney	Miller	Townsend
Burke	Hale	Minton	Truman
Byrd	Harrison	Murray	Tydings
Byrnes	Hatch	Neely	Vandenberg
Capper	Hayden	Norris	Wagner
Caraway	Herring	O'Mahoney	Walsh
Clark, Idaho	Hill	Overton	Wheeler
Clark, Mo.	Holman	Pepper	Wiley
Connally	Holt	Pittman	
Danaher	Hughes	Radcliffe	

Mr. MINTON. I announce that the Senator from Indiana [Mr. VAN NUYS] is unavoidably detained from the Senate.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from South Carolina [Mr. SMITH], and the Senator from Illinois [Mr. LUCAS] are absent on important public business.

The Senator from North Carolina [Mr. BAILEY] and the Senator from Connecticut [Mr. MALONEY] are members of

the Board of Visitors to the Coast Guard Academy, and therefore are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

SENATOR FROM ILLINOIS

The VICE PRESIDENT laid before the Senate the credentials of JAMES M. SLATTERY, of Illinois, appointed a Senator to fill the vacancy caused by the death of James Hamilton Lewis, late a Senator from the State of Illinois, which were ordered to be placed on file and to be printed in the RECORD, as follows:

STATE OF ILLINOIS,
EXECUTIVE DEPARTMENT,
Springfield, Ill.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Illinois, I, Henry Horner, the Governor of said State, do hereby appoint JAMES M. SLATTERY a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the death of the Honorable James Hamilton Lewis, is filled by election, as provided by law.

Witness His Excellency our Governor, Henry Horner, and our seal hereto affixed at Springfield, Ill., this 14th day of April A. D. 1939.

[SEAL] HENRY HORNER, *Governor.*

By the Governor:

EDWARD J. HUGHES,
Secretary of State.

MESSAGE FROM THE HOUSE DURING ADJOURNMENT

Under authority of the order of the 17th instant,

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, was received on April 18, 1939, by the Secretary of the Senate.

The message communicated the information that the House of Representatives had passed without amendment the following bills of the Senate:

S. 961. An act for expenditure of funds for cooperation with the public-school board at Wolf Point, Mont., for completing the construction, extension, equipment, and improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.; and

S. 1574. An act to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Pittsburgh, Pa., from August 27 to September 1, inclusive, 1939.

The message also communicated the information that the House had passed the bill (S. 518) to provide for the further development of cooperative agricultural extension work with an amendment, in which it requested the concurrence of the Senate.

The message further communicated the information that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 199. An act to amend section 10 (b), (c), and (d) of the act of June 26, 1884, as amended (U. S. C., 1934 edition, title 46, sec. 599), relative to the allotment of wages by seamen;

H. R. 289. An act for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899;

H. R. 805. An act to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes;

H. R. 1782. An act to amend section 4335 of the Revised Statutes of the United States, relative to change of masters of vessels;

H. R. 1784. An act to amend section 4498 of the Revised Statutes of the United States, as amended, relative to the renewal of licenses of vessels;

H. R. 1786. An act to amend section 4325 of the Revised Statutes of the United States, as amended, relative to renewal of licenses of vessels;

H. R. 2179. An act to ratify and confirm certain interest rates on loans made from the revolving fund authorized by section 6 of the Agricultural Marketing Act, approved June 15, 1929 (46 Stat. 11), and for other purposes;

H. R. 2296. An act to restore certain benefits to World War veterans suffering with paralysis, paresis, or blindness, or who are helpless or bedridden, and for other purposes;

H. R. 2320. An act to provide domiciliary care, medical and hospital treatment, and burial benefits to certain veterans of the Spanish-American War, the Philippine Insurrection, and the Boxer Rebellion;

H. R. 3234. An act to provide for the completion of the Navy and Marine Memorial;

H. R. 3406. An act for forest protection against the white-pine blister rust, and for other purposes;

H. R. 3800. An act to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended;

H. R. 3955. An act to amend section 335 (d) of the Agricultural Adjustment Act of 1938;

H. R. 4646. An act to provide means by which certain Filipinos can emigrate from the United States;

H. R. 5076. An act to authorize further relief to water users on United States reclamation projects and on Indian reclamation projects;

H. R. 5375. An act to promote nautical education, and for other purposes;

H. R. 5407. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 5479. An act granting annual and sick leave with pay to substitutes in the Postal Service;

H. J. Res. 221. Joint resolution authorizing the President to invite other nations to participate in the Sacramento Golden Empire Centennial commemorating the one hundredth anniversary of the founding of Sacramento by Capt. John A. Sutter;

H. J. Res. 241. Joint resolution providing for the participation of the United States in the celebration of the one hundred and fiftieth anniversary of the establishment of the United States Lighthouse Service; and

H. J. Res. 258. Joint resolution to amend section 8 (f) of the Soil Conservation and Domestic Allotment Act, as amended.

ENROLLED JOINT RESOLUTION SIGNED

The message also communicated the information that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 224) to authorize the painting of the signing of the Constitution for placement in the Capitol Building, and it was signed by the Vice President.

INTERIOR DEPARTMENT APPROPRIATIONS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 4852) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1940, and for other purposes, requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HAYDEN. I move that the Senate insist upon its amendments, agree to the conference asked by the House of Representatives, and that the Vice President appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. HAYDEN, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. ADAMS, and Mr. NYE conferees on the part of the Senate.

WAGE AND HOUR DIVISION, DEPARTMENT OF LABOR (S. DOC. NO. 64)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting an amendment to the Budget for the fiscal year 1940, in the text of the appropriation for the Wage and Hour Division, Department of Labor, for the administration of the Fair Labor Standards Act, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SOLICITATION BY MAIL OF PROCUREMENT OF DIVORCES IN FOREIGN COUNTRIES

The VICE PRESIDENT laid before the Senate a letter from the Postmaster General, transmitting a draft of proposed legislation to prohibit the use of the mails for the solicitation of the procurement of divorces in foreign countries, which, with the accompanying paper, was referred to the Committee on Post Offices and Post Roads.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of Puerto Rico, which was referred to the Committee on Claims:

Concurrent resolution to petition the Congress of the United States and competent authorities to promote legislation appropriating reasonable compensation for the Puerto Rican laborers who rendered services at various places in the United States in the year 1918 in war industries

Whereas in 1918 expeditions of Puerto Rican laborers were organized which went to various places in the United States to engage in war industries; and

Whereas these expeditionary laborers cooperated with the American Government at a time when it was involved in the World War; and

Whereas the Government of the United States has rendered assistance to the soldiers who went to the battlefield, and to their families; and

Whereas these manual laborers and intellectuals have not been compensated for the disinterested services rendered by them: Now, therefore, be it

Resolved by the house of representatives (the Senate of Puerto Rico concurring):

First. To petition the Congress of the United States and competent authorities to promote adequate legislation for reasonable compensation to the expeditionary laborers who went to various places in the United States in 1918 to engage in war industries.

Second. To petition likewise that such legislation be made extensive to their needy families.

Third. That a copy of this resolution be sent to the presiding officers of the two Houses which form the Congress of the United States, to the President of the United States, to the Resident Commissioner for Puerto Rico in Washington, and to the Governor of Puerto Rico.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the Territory of Hawaii, which was referred to the Committee on Immigration:

Joint Resolution 1

Joint resolution memorializing the Congress of the United States of America to provide for the issuance, by the Immigration and Naturalization Service of the United States Department of Labor, of certificates of citizenship to all persons residing in the Territory of Hawaii who are citizens of the United States and who apply for such certificates and present due proof of such citizenship

Whereas, through the cooperation of the Immigration and Naturalization Service of the United States Department of Labor, provision has been made in subdivision E of rule 11 of the Immigration Rules and Regulations for the issuance of certificates of citizenship to citizens of the United States who are bona fide residents of the Territory of Hawaii; and

Whereas said subdivision E of rule 11 requires that the applicants for such certificates of citizenship must show that they actually intend to depart temporarily from the Territory of Hawaii and the officers of the Immigration and Naturalization Service, acting under said rule 11, refuse to issue such certificates or to investigate claims of citizenship unless the applicants show to the satisfaction of the Immigration and Naturalization Service that they are about to travel to continental United States or other parts of the world; and

Whereas such certificates are not issued unless the applicants contemplate such travel, and there is danger in the case of such citizen as are not contemplating immediate travel, that the necessary proof of their birth in the Hawaiian Islands, or other facts necessary to establish their citizenship in the United States, will be lost by death or removal from the Territory of Hawaii of witnesses who can testify to such facts or otherwise; and

Whereas the certification of the citizenship, upon due application and proof being made therefor, is a matter of vital importance to the young citizens of oriental ancestry in the Territory of Hawaii, and if provided for will tend to produce greater security and satisfaction in such citizenship and will tend to create better and more loyal citizens of the United States: Now, therefore,

Be it enacted by the Legislature of the Territory of Hawaii:

SECTION 1. That the Congress of the United States of America be, and it is hereby, urgently requested to provide by appropriate and adequate legislation for the issuance of certificates of citizenship of all persons residing in the Territory of Hawaii who are citizens of the United States and who apply for such certificates to the Immigration and Naturalization Service of the United States Department of Labor and furnish due proof of such citizenship, regardless of the intention on the part of such applicants to travel or not to travel in the immediate future.

SEC. 2. That duly authenticated copies of this joint resolution be transmitted to the Delegate to Congress from Hawaii, the Secretary of the Interior and the Secretary of Labor of the United States, and each of the two Houses of the Congress of the United States of America.

SEC. 3. This joint resolution shall take effect upon its approval.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the Territory of Hawaii, which was ordered to lie on the table:

Senate Concurrent Resolution 11

Be it resolved by the Senate of the Territory of Hawaii (the house of representatives concurring), That the Congress of the United States of America be, and it hereby is, respectfully and urgently requested so to amend the Adams-Ellender bill (S. 69), as to remove therefrom the unfair, unjustified, and wholly un-American discrimination against the Territory of Hawaii in the changes in sugar allotments proposed in the bill; and be it further

Resolved, That certified copies hereof be forthwith forwarded to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives of the Congress of the United States, the Secretary of the Interior, the Secretary of Agriculture, Senator WILLIAM H. KING, chairman of the Joint Committee on Hawaii, Senator MILLARD E. TYDINGS, chairman of the Senate Committee on Territories and Insular Affairs, and to the Delegate to Congress from Hawaii.

The VICE PRESIDENT also laid before the Senate a telegram in the nature of a petition from Mrs. Mattie Jacobs, of Tulsa, Okla., praying for the adoption of liberalizing amendments to the H. O. L. C. Act, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a letter in the nature of a petition from Omicron Chapter, Kappa Beta Pi International Legal Sorority, Washington, D. C., praying for the enactment of the so-called Sheppard bill, being the bill (S. 1610) to prevent discrimination against graduates of certain schools and those acquiring their legal education in law offices in the making of appointments to Government positions the qualifications for which include legal training or legal experience, which was referred to the Committee on Civil Service.

He also laid before the Senate a letter in the nature of a memorial from Local No. 326, Oil Workers International Union, of Rodeo, Calif., remonstrating against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate a letter in the nature of a petition from the Chicago (Ill.) Woman's Aid, favoring the enactment of the joint resolution (S. J. Res. 67) to amend the Neutrality Act, which was referred to the Committee on Foreign Relations.

He also laid before the Senate memorials of sundry citizens of Utica, N. Y., remonstrating against the enactment of the so-called Pittman neutrality resolution, which were referred to the Committee on Foreign Relations.

He also laid before the Senate a letter from Emory E. Smith, consulting engineer, of San Francisco, Calif., relative to scrap iron and steel and the operation of the Neutrality Act, which was referred to the Committee on Foreign Relations.

He also laid before the Senate petitions of sundry citizens of Alabama and New York, praying for the enactment of the so-called Wagner-Van Nuys-Capper antilynching bill, which were referred to the Committee on the Judiciary.

He also laid before the Senate a resolution of the board of directors of the Baltimore (Md.) Association of Commerce, favoring the return of the United States frigate *Constellation* to Baltimore, which was referred to the Committee on Naval Affairs.

Mr. BONE presented petitions of sundry citizens of the State of Washington, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. VANDENBERG presented a petition of sundry citizens of Clare County, Mich., praying that the average cost of production be granted the American farmer, plus a fair profit, on all products produced by him and consumed within the United States, which was referred to the Committee on Agriculture and Forestry.

Mr. MEAD presented a resolution of the Central Civic Association of Hollis, N. Y., favoring the adoption of liberalizing amendments to the Federal Home Owners' Loan Act, which was referred to the Committee on Banking and Currency.

He also presented a resolution of the city council of Saratoga Springs, N. Y., favoring the location of a new veterans' hospital at Saratoga Springs, which was referred to the Committee on Finance.

Mr. HOLT presented a resolution of Labor's Nonpartisan League, of Marion County, W. Va., favoring the enactment of the so-called "Oppressive Labor Practices Act of 1939," which was referred to the Committee on Education and Labor.

He also presented a petition of approximately 3,000 citizens of Parkersburg, Wood County, W. Va., favoring the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which was referred to the Committee on Interstate Commerce.

Mr. WILEY presented a resolution of the Common Council of Milwaukee, Wis., favoring adequate appropriations for river and harbor improvement work, particularly at the port of Milwaukee, which was referred to the Committee on Commerce.

He also presented a resolution of the State Conservation Commission of Wisconsin, favoring the enactment of legislation to extend the temporary Coast Guard service on Madeline Island during the open season of navigation in lieu of any permanent service at the present time, which was referred to the Committee on Commerce.

He also presented a resolution of the Common Council of the City of Sheboygan, Wis., favoring the adoption of the so-called Ludlow resolution providing a referendum on war, which was referred to the Committee on the Judiciary.

He also presented the following joint resolution of the Legislature of Wisconsin, which was ordered to lie on the table:

Assembly Joint Resolution 48

Joint resolution memorializing Wisconsin Members in the Congress of the United States to exert every effort to secure for Wisconsin additional allotments for Works Progress Administration

Whereas the latest available figures show that there are in Wisconsin 18,082 cases certified by the relief department employable for Works Progress Administration; and

Whereas said cases are unable to be placed on Works Progress Administration due to lack of sufficient funds; and

Whereas said cases are now on direct relief costing the several counties of the State an average of $64 per case per month, or $1,157,248 per month; and

Whereas the foregoing situation is overburdening the Wisconsin property taxpayer, causing innumerable tax delinquencies and loss of property: Now, therefore, be it

Resolved by the assembly (the senate concurring), That this legislature memorializes Wisconsin's Members in the Congress of the United States to use every effort to secure additional allotments for Works Progress Administration so as to take employables off direct relief.

Resolved further, That properly attested copies of this resolution be sent to all Wisconsin Members in both Houses of Congress of the United States.

FOREIGN POLICY OF THE UNITED STATES—PRESERVATION OF PEACE

Mr. CAPPER. Mr. President, I feel it my duty at this time to present to the Senate what I believe is a fair cross section of the sentiment of the American people in regard to the foreign policy of the United States, especially in reference to the disturbed conditions in the Old World. These petitions are from Beloit, Larned, and Peabody, Kans.

In the past month I have received some 700 or more petitions to the Congress from Kansas and other western farm States. Some of the petitions were signed by three or four persons, others carried signatures running into the hundreds. They come from farmers and from residents of the small towns of America. I believe they give an accurate index of how a great majority of the people feel about the United States taking action which might embroil us in another European war. They are overwhelmingly against the United States taking any part in Old World conflicts. I myself feel the same way about it.

The letters I receive and the petitions which I intend to offer for reference to the Committee on Foreign Relations are almost unanimous in condemning the policies and actions of the dictator nations, especially the ruthless barbarity of the Japanese conquest of China. But they show an even more nearly unanimous agreement that the United States cannot hope and has no business to attempt to police Europe, Asia, Africa, or to settle the age-old boundary-line disputes in those continents. They are opposed to loans by the United States to belligerent nations. They are opposed to the sale of munitions of war to warring nations. Most of them are in favor of the war-referendum amendment to the Constitution, though the sentiment on this is not unanimous. They want the profits taken out of war.

They want peace—and they want peace by peaceful means.

I am going to read one of the petitions and ask that it be printed in the RECORD and referred to the Committee on Foreign Relations. It reads as follows:

To the Congress of the United States:

Earnestly desiring to save the Nation and its people from being drawn unnecessarily into foreign wars in which we ought not to be embroiled, we, the undersigned, petition your honorable body to:

Strengthen, not weaken, the Neutrality Act;

Mind our own business and keep out of foreign wars, follow the sound foreign policy laid down by Washington of avoiding foreign entanglements and alliances;

Stop all loans or credit advances to foreign governments at war;

Enact effective legislation to take the profits out of war;

Keep our battleships and soldiers out of foreign war zones;

Stop all shipments of war supplies to Japan or any other nation engaged in war;

Submit to the people for early ratification the war-referendum amendment, which would return to the people the sole power to declare or engage in war, except when an attack or a threatened attack is made upon the United States or any of its Territories or upon any nation in the Western Hemisphere by a nation or nations outside the Western Hemisphere.

Mr. President, in conclusion, I ask unanimous consent to have a few of these letters I have received on this subject included at this point as part of my remarks. They are typical of hundreds of others from farmers that have reached me in the past week protesting against this country going into a foreign war.

The VICE PRESIDENT. The letters presented by the Senator from Kansas will, without objection, be printed in the RECORD, and the petitions will be referred to the Committee on Foreign Relations.

The letters presented by Mr. CAPPER are as follows:

LITTLE RIVER, KANS., *March 28, 1939.*

Hon. Senator CAPPER:

I have lived in this locality all my life (60 years), and I am well acquainted with thousands of people in central Kansas. I do not know of anyone who would not gladly sign this petition. I did not have the time to see more than the names enclosed, but again I will assure you that you cannot find any of your constituents who would favor our country taking part in any foreign wars. We still feel the effect of the World War. What would our Nation be today if we would have stayed out of the worthless conflict?

I want to take this opportunity to thank you for the great interest you are taking in the welfare of agriculture. I have farmed all of my life and have made a bare living, but I have a wife and five children that I am proud of. Have we accomplished anything in this world if we should sacrifice our children for the sake of boundary troubles in other countries? I say again, let our country take care of our own troubles at home.

Yours very respectfully,

VICTOR SWENSON.

BLUE MOUND, KANS., *March 27, 1939.*

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: I would like to add my voice in approval of giving the people of the United States a chance to vote on the question of whether or not our country should go to war. I think it should be put to the people and the people alone; they are the ones most vitally concerned. Of course, the exception would be in case our country is attacked. But the all-important question of war or not war should be left up to the people.

Sincerely,

MRS. A. J. BRADLEY
(Mother of five young sons).

FORMOSA, KANS., *April 3, 1939.*

DEAR SENATOR: We are very anxious over the war situation. We have two boys, one just old enough. He might have to go, so we

are all back of you in your efforts to keep us on our own side of the waters. You have an interest in our prayers at all times. May God bless you in all you do in His cause.

As ever,

Mr. and Mrs. C. V. WARREN.

SEBASTIAN, TEX., *March 31, 1939.*

Mr. ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR: I have been a subscriber of your good weekly for a number of years.

I notice the subject, You Can Help Stop War. Instead of writing the amount of details, I made the subject brief, covering the subject so the voters may easily understand its meaning without doubt in their minds, and started among the citizens of our town and vicinity for their signatures and got the enclosed sheets filled, as you see, who were greatly pleased to sign. Only a few refused, not giving an intelligent reason for it.

I could have gotten some more names if I had taken more time, but I thought you would like to get these soon. This is a small town, but the people are loyal, you see.

May I have the honor of a reply as to whether you receive this or not, also what you think of it.

Yours very truly,

S. A. CLEVENGER.

WILMORE, KANS., *March 29, 1939.*

Senator CAPPER.

DEAR SIR: Please do everything you can for our peace amendment. We don't want war by any means. We want our blessed United States to steer clear of all European messes. Our Bible forbids us to go to war, and this is our only hope for a better life after this. I am a mother of three fine boys, and these are honest and God-fearing young men. And we do not believe in taking lives of others. Just let the men overseas fight their own battles. They got in the mess; now let them settle it! Please vote for peace, which I am sure you will.

Mrs. JAKE LEMON (a mother).

FORDYCE, NEBR., *March 25, 1939.*

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: Was just reading the Capper's Weekly and saw the petition about foreign wars.

The part which says mind our own business, this is very good in foreign wars and also in all business. If everyone would mind his own business, no matter how small the business, maybe we would not need fear wars or any other trouble.

Yours truly,

ZENO O. SUING.

HUMBOLDT, NEBR.

DEAR MR. PRESIDENT AND CONGRESS: I am signing this paper and praying you to do all in your power to help keep peace. Let the other countries fight their own battles. They have been doing it. Let them continue until something can bring them to their senses. Let us protect our own country, but don't send our boys over there to help them. We did not start it. We bless our President and Congress for what it has done. God help keep us in peace. The following are a list of names that want peace.

Yours truly,

SILAS BOYD and ADDA BOYD.

GOLDEN, COLO., *March 31, 1939.*

Mr. ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: When I received your Capper's Weekly and read the petition in regard to war, I thought I would see how the people felt in regard to it, so I circulated it among some of my friends and found they averaged about 98 percent. Just attend to our own business and keep out of war. I am a farmer.

Yours truly,

ERVIN SCHRACK.

WANETTE, OKLA., *April 1, 1939.*

Mr. ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR: I endorse every word on petition. Enclosed names I got in 1 hour. Not one failed to sign. You have hit the nail on the head in wording that petition.

Your friend,

J. H. TULLY.

Hon. Senator ARTHUR CAPPER,
Washington, D. C.

DEAR MR. CAPPER: I sent you a list of names last year on the vote of the people. Could do the same, but as I don't drive the car it is hard for me to get around. But I could get all the names again that I sent you before. And please, dear Senator, do all you can. Also Senator REED, work for peace, as we mothers are heartbroken to think and worry is almost sickness to us. Our young boys, how we love them. Do we have to go through with it again? Have our Government keep out of foreign affairs. Our Government is spending us poor now. What else does he want? Is there no limit to him? We are depending so much on our Senators.

One of the worried mothers,

Mrs. MATT SLEDER, *Niles, Kans.*

QUINTER, KANS., *March 31, 1939.*

DEAR SENATORS AND CONGRESSMEN: We are heartily in accord with you on this vital question of war. I don't think we have any business meddling over there. I do think we have enough to look after here at home. We are praying and hoping we don't have to send our sons over there. I think it is up to you Senators and Congressmen to settle all these things and are hoping you will.

Mr. and Mrs. HARRY LINES.

ROLLA, MO., *March 27, 1939.*

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: Herewith please find the petitions with signatures to the bill introduced by Senator A. CAPPER and some fellow Senators.

In the name of these people I am thanking you very much for the splendid service you are rendering for this country, and want to say we are 100 percent with your sentiments on domestic and foreign affairs. Dear Mr. CAPPER, you wrote in your weekly, issue March 25, we should not be taking sides in affairs in Europe that we cannot understand nor hope to settle.

Now, here is a fact, Mr. CAPPER. I have a positive conviction, hardly any man in Europe could picture the situation better than you did, and there is no question that all the trouble abroad has been caused fundamentally in the unjust treaty at Versailles, and if old boundary lines are reestablished peace can be effected.

Respectfully yours,

CARL HERTFELDER.

PEABODY, KANS., *March 24, 1939.*

Mr. ARTHUR CAPPER.

DEAR SIR: Am enclosing the petition that we cut from Capper's Weekly (which we have taken since I was a small girl) and I and all my people surely agree with you on the subject of war. I wish I could send you a petition with at least 10,000,000 names on it against war. I feel that we should keep our lip absolutely out of affairs in Europe or "across the pond" anywhere, and that one boy's life is worth more than all our possessions over there or all the money we might make from munitions, etc. We also feel our own country is in no condition for war. We will do very well if we do not have conflict between our own people in our own country in a very short time, and I think President Roosevelt is working everything for his and his family's interests in more ways than one, both politically and financially. Everything for his own selfish ends so that he may become more powerful. And if we do go to war, we must not say one word of criticism against Germany, as I feel that we should feed our 1,000,000 undernourished children instead of using our money for war. It will be another great waste. One would think we had had our fill of waste in our United States in the last 6 years.

Sincerely, your friends,

Mr. and Mrs. FRANK C. CARNEY.

DISTRIBUTION OF RELIEF FUNDS—WAGE RATES

Mr. VANDENBERG. Mr. President, I present certain telegrams from mayors of Michigan cities regarding the pending public works and relief measure introduced by the Senator from South Carolina [Mr. BYRNES], which I ask to have printed in the RECORD, and appropriately referred.

There being no objection, the telegrams were ordered to lie on the table and to be printed in the RECORD, as follows:

DETROIT, MICH., *April 18, 1939.*

Senator VANDENBERG:

Reference Senate bill No. 1265. Respectfully request that you act to prevent discrimination on wage rates as between States. Distribution should be on basis of need instead of population.

Mayor JOHN L. CAREY, *Dearborn, Mich.*

GRAND RAPIDS, MICH., *April 18, 1939.*

Hon. ARTHUR H. VANDENBERG,
United States Senator:

Grand Rapids objects to Byrnes bill, Senate 1265; particularly same wage rate Nation-wide. Also object to proposed 33½ percent city contribution; past year's average 11 percent. Taxpayers will not bond for W. P. A. type projects.

GEORGE W. WELSH, *Mayor.*

DETROIT, MICH., *April 18, 1939.*

Hon. ARTHUR H. VANDENBERG,
Senate Office Building, Washington, D. C.:

Strongly protest Senate bill 1265, which would apportion all W. P. A. funds on basis of population and unemployment without any reference to different wage rates between States. Distribution of dollars instead of jobs leads to grossly unfair allocation among cities and States such as Detroit and Michigan where wage rates higher than in other sections of Nation. Bill would also require

33⅓ percent city contribution to W. P. A. projects, which would of course end W. P. A. as far as Detroit is concerned. Sincerely urge negative vote on this measure.

RICHARD W. READING,
Mayor of Detroit.

KALAMAZOO, MICH., *April 18, 1939.*

ARTHUR VANDENBERG,
United States Senate, Washington, D. C.:

I urge you to give serious consideration to Senate bill 1265, which has to do with W. P. A. set-up. My objection to this bill is that it only considers welfare load and population. Does not give consideration to geographic location, which has a wide variation in labor rates. I believe this bill will discriminate against the industrial areas of the United States, and will naturally help to complicate relief where it is mostly needed. Please accept this merely as a suggestion from one who probably knows less about the condition than you do.

E. S. CLARK, *City Manager.*

PETITION—REVENUE FOR MUNICIPAL TREASURIES OF THE VIRGIN ISLANDS

Mr. TYDINGS. Mr. President, I present a petition addressed to the Congress by a delegation from the Virgin Islands, composed of Hon. Lionel Roberts, member at large, municipal council, St. Thomas and St. John; chairman, municipal council, St. Thomas and St. John; vice chairman, Legislative Assembly for Virgin Islands; and Hon. Frederick D. Dorsch, chairman, municipal committee of St. Croix, and so forth; and Hon. Joseph Alexander, member, municipal council of St. Croix, and so forth; and Hon. Ralph Paiewonsky, member of municipal council for St. Thomas and St. John, and so forth; and Hon. Jacques M. Schiffer, member at large, municipal council of St. Thomas and St. John, and so forth; requesting the Congress to pass certain legislation; also statements from each of the petitioners supporting the petition.

I ask that the petition be printed in the RECORD and that the statements of the delegation be referred to the Committee on Territories and Insular Affairs of the Senate for appropriate action.

The VICE PRESIDENT. Without objection, the petition will be printed in the RECORD, and the statements mentioned by the Senator from Maryland will be referred as requested by him.

The petition presented by Mr. TYDINGS is as follows:

WASHINGTON, D. C., *April 18, 1939.*

PETITION TO THE CONGRESS OF THE UNITED STATES

Whereas heretofore, and on the 19th day of November 1938, and the 21st day of November 1938, respectively, the Legislative Assembly of the Virgin Islands of the United States, the duly constituted legislative branch of the government of the Virgin Islands of the United States, did resolve and petition the Congress of the United States as follows:

Resolution to petition the Congress of the United States to permit all internal-revenue taxes collected on liquors and articles arriving from the Virgin Islands into the United States to be credited to the municipal treasuries of the government of the Virgin Islands

Be it resolved by the Legislative Assembly of the Virgin Islands of the United States in session assembled:

1. Whereas all liquors and articles produced in the Virgin Islands and transported to the United States are subject to the Federal internal-revenue tax provided in the United States Code, title 26, section 1470 (February 24, 1919, ch. 18, sec. 1304, 40 Stat. 1142); and

Whereas it is provided by title 26, section 1463, "Deposit of internal-revenue collections: All internal revenue collected in and for account of the Philippine Islands shall accrue intact to the general government thereof and to be paid into the insular treasury (June 17, 1930, ch. 497, sec. 301, 46 Stat. 686)"; and

Whereas it is also provided by United States Code, title 26, section 1430, subsection (c), "Deposit of internal-revenue collections: All taxes collected under the internal-revenue laws of the United States on articles produced in Puerto Rico and transported to the United States, or consumed in the island, will be covered into the treasury of Puerto Rico (March 2, 1917, ch. 145, sec. 9, 39 Stat. 954; May 17, 1932, ch. 190, 47 Stat. 158)"; and

Whereas the basic industries of the Virgin Islands are the production of rum and sugar and the revenues derived from these two items would greatly enhance the rehabilitation of the Virgin Islands and their self-support: Now, therefore, be it

Resolved by the Legislative Assembly of the Virgin Islands of the United States in session assembled, That the Congress of the United States be, and is hereby, petitioned to enact legislation to authorize the deposits of all internal-revenue collections on liquors and articles produced in the Virgin Islands and transported into the United States to accrue intact and to be paid into the municipal treasury of that municipality of the Virgin Islands where the articles were manufactured and from where they were shipped; and be it further

Resolved, That copies of this petition be forwarded to the President of the Senate, Speaker of the House of Representatives, Secretary of the Department of the Interior, the Secretary of the Treasury, chairman of the Senate Committee on Territories and Insular Affairs, and chairman of the House Committee on Insular Affairs.

Thus passed by the Legislative Assembly of the Virgin Islands of the United States, St. Thomas, November 19, 1938.

FREDERICK D. DORSCH, *Chairman.*
PAUL E. JOSEPH, *Secretary.*

RESOLUTION

Whereas the Territory of Hawaii, and Puerto Rico, and other sugar-producing areas enjoy the benefits of the Sugar Act of 1937, with particular reference to the sugar-processing tax; and

Whereas the sugar producers of the Virgin Islands constitute the largest source of municipal revenues for the maintenance and operation of the government of the Virgin Islands and represent the main wealth-producing industry in the Virgin Islands; and

Whereas recent and severe droughts and other climatic conditions over which we have no control have given a serious blow to this most hazardous industry; and

Whereas the return of the sugar-processing tax to producers in the Virgin Islands would greatly aid in the rehabilitation of the sugar industry: Now, therefore, be it

Resolved by the Legislative Assembly of the Virgin Islands in session assembled, That the Congress of the United States be, and is hereby, petitioned to enact legislation to authorize the return to producers in the Virgin Islands of the sugar-processing tax collected on sugar exported from the Virgin Islands of the United States and to make applicable to the Virgin Islands all the benefits of the Sugar Act of 1937; and be it further

Resolved, That copies of this resolution be forwarded by the chairman of the legislative assembly to the President of the Senate, Speaker of the House of Representatives, Secretary of the Department of the Interior, the Secretary of the Treasury, the Secretary of Agriculture, chairman of the Senate Committee on Territories and Insular Affairs, and the chairman of the House Committee on Insular Affairs.

Thus passed by the Legislative Assembly of the Virgin Islands of the United States, St. Thomas, November 21, 1938.

FREDERICK D. DORSCH, *Chairman.*
PAUL E. JOSEPH, *Secretary.*

Whereas the respective municipal councils of St. Thomas and St. John, and St. Croix, did, on or about the 31st day of January 1939, elect members of the said legislature delegates to the Congress of the United States to present justifications demonstrating absolute necessity and urgency for congressional enactment of the premises contained in the foregoing resolutions; and

Whereas we, Lionel Roberts, Frederick D. Dorsch, Joseph Alexander, Ralph Paiewonsky, and Jacques M. Schiffer, the duly elected representatives of the people of the Virgin Islands, on behalf of the people of the Virgin Islands did request the Honorable WILLIAM H. KING to introduce in the Senate on March 3, 1939, Seventy-sixth Congress, first session, S. 1685, and the Honorable Ross COLLINS to introduce an identical bill in the House on March 6, 1939, Seventy-sixth Congress, first session, H. R. 4773, which Senator KING and Congressman COLLINS did so introduce, and entitled:

"A bill to authorize the appropriation to the government of the Virgin Islands of the United States of taxes collected under the internal-revenue laws of the United States on liquors and other articles imported into the United States from the Virgin Islands; the return to the producers in the Virgin Islands of the benefit payments on sugar imported from the Virgin Islands to the United States under an act of Congress known as the Sugar Act of 1937; and also the repeal of the export duty on sugar in St. Croix, V. I."

Wherefore come your petitioners and respectfully pray the Congress of the United States to enact such legislation as introduced and above quoted, upon and for the reasons presented by the members of this delegation as justifications therefor and as hereinafter contained.

For the people of the Virgin Islands of the United States.
By the Virgin Islands delegation to Congress.

LIONEL ROBERTS, *Chairman.*
FREDERICK D. DORSCH.
JOSEPH ALEXANDER.
RALPH PAIEWONSKY.
JACQUES M. SCHIFFER, *Counsel.*

REPORTS OF COMMITTEES

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (H. R. 899) to provide for the establishment of a Coast Guard station on the east coast of the Keweenaw Peninsula, Mich., reported it without amendment and submitted a report (No. 288) thereon.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 1579) to extend the time during which orders and marketing agreements

under the Agricultural Adjustment Act, as amended, may be applicable to hops, reported it without amendment.

Mr. CLARK of Missouri, from the Committee on Commerce, to which was referred the bill (S. 2044) making inapplicable certain reversionary provisions in the act of March 4, 1923 (42 Stat. 1450), and a certain deed executed by the Secretary of War, in the matter of a lease to be entered into by the United States for the use of a part of the former Fort Armistead Military Reservation for air-navigation purposes, reported it without amendment and submitted a report (No. 289) thereon.

Mr. MINTON, from the Committee on Military Affairs, to which was referred the bill (S. 1993) to amend section 8 of the National Defense Act, and for other purposes, reported it without amendment and submitted a report (No. 290) thereon.

Mr. OVERTON, from the Committee on Commerce, to which was referred the bill (S. 1583) to amend the act of March 2, 1929 (45 Stat. 1492), entitled "An act to establish load lines for American vessels, and for other purposes," reported it without amendment and submitted a report (No. 291) thereon.

Mr. PEPPER, from the Committee on Commerce, to which were referred the following bills and joint resolution, reported them severally without amendment and submitted reports thereon as indicated below:

S. 595. A bill to increase further the efficiency of the Coast Guard by authorizing the retirement under certain conditions of enlisted personnel thereof with 20 or more years of service (Rept. No. 292);

S. 1369. A bill to authorize necessary facilities for the Coast Guard in the interest of national defense and the performance of its maritime police functions (Rept. No. 293);

S. 1876. A bill to readjust the commissioned personnel of the Coast Guard, and for other purposes (Rept. No. 294);

S. 2167. A bill to provide for the reimbursement of certain members or former members of the United States Coast Guard for the value of personal effects lost in the hurricane of September 21, 1938, at several Coast Guard stations on the coasts of New York, Connecticut, and Rhode Island (Rept. No. 295); and

S. J. Res. 111. Joint resolution designating August 19 of each year as National Aviation Day.

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the bill (S. 649) for the relief of Presly Holliday, quartermaster sergeant, Quartermaster Corps, on the retired list, and for other purposes, reported it without amendment and submitted a report (No. 296) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1081. A bill for the relief of John B. Jones (Rept. No. 297);

S. 1082. A bill to authorize the Secretary of War to provide for the sale of aviation supplies and services to aircraft operated by foreign military and air attachés accredited to the United States, and for other purposes (Rept. No. 298);

S. 1083. A bill to authorize the Secretary of War to exchange obsolete, unsuitable, and unserviceable machines and tools pertaining to the manufacture or repair of ordnance matériel for new machines and tools (Rept. No. 299); and

S. 2096. A bill to amend section 4a of the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended (Rept. No. 300).

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which were referred the following resolutions, reported them each without amendment:

S. Res. 75. Resolution continuing the authority for an investigation of matters relating to the reorganization of the courts of the United States, the appointment of additional judges, and judicial procedure reforms; and

S. Res. 105. Resolution increasing the limit of expenditures for the investigation of railroad financing and certain other matters.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on April 18, 1939, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 828. An act to permit the President to acquire and convert, as well as to construct, certain auxiliary vessels for the Navy;

S. 829. An act to authorize alterations and repairs to certain naval vessels, and for other purposes;

S. 911. An act for the relief of Roscoe C. Prescott, Howard Joslyn, Arthur E. Tuttle, and Robert J. Toulouse; and

S. J. Res. 90. Joint resolution to amend the joint resolution approved June 16, 1938, entitled "Joint resolution to create a Temporary National Economic Committee."

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HARRISON:

S. 2187. A bill granting the consent of Congress to the State of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Georgetown, Miss.; to the Committee on Commerce.

By Mr. GREEN:

S. 2188. A bill granting the consent of Congress to the Providence, Warren & Bristol Railroad Co. to construct, maintain, and operate a railroad bridge across the Warren River at or near Barrington, R. I.; to the Committee on Commerce.

By Mr. MILLER:

S. 2189. A bill to modify the project for flood control of the lower Mississippi River authorized by the act of May 15, 1928, as amended by the act of June 15, 1936, as amended and modified by the act of June 28, 1938, to authorize the abandonment of the northward extension of the Eudora floodway within the State of Arkansas and to bring the fuse-plug levee to 1928 grade and section; to the Committee on Commerce.

By Mr. JOHNSON of California:

S. 2190. A bill authorizing the Secretary of the Navy to provide for the construction of a vessel to be furnished to the State of California for the benefit of the California Nautical School, and for other purposes; to the Committee on Naval Affairs.

By Mr. MURRAY:

S. 2191. A bill authorizing the Secretary of the Interior to grant to the State of Montana for the use and benefit of the Montana School of Mines a patent to a certain tract of land; to the Committee on Public Lands and Surveys.

By Mr. THOMAS of Oklahoma:

S. 2192. A bill to carry out certain obligations to certain enrolled Indians under tribal agreement; to the Committee on Indian Affairs.

S. 2193. A bill granting an increase of pension to Juda McCormack; to the Committee on Pensions.

By Mr. GILLETTE:

S. 2194. A bill granting a pension to Azilda Head;

S. 2195. A bill granting a pension to Emma Hellwig; and

S. 2196. A bill granting a pension to Mina M. Martin; to the Committee on Pensions.

By Mr. HATCH (for himself and Mr. CHAVEZ):

S. 2197. A bill authorizing Federal participation in the commemoration and observance of the four hundredth anniversary of the explorations of Francisco Vasquez de Coronado; to the Committee on Foreign Relations.

By Mr. HUGHES:

S. 2198. A bill to grant permission for the construction, maintenance, and use of a certain underground conduit for electrical lines in the District of Columbia; to the Committee on the District of Columbia.

By Mr. BARBOUR:

S. 2199. A bill for the relief of Isadore J. Friedman; to the Committee on Claims.

(Mr. AUSTIN introduced Senate bill 2200, which was referred to the Committee on Agriculture and Forestry and appears under a separate heading.)

By Mr. LOGAN:

S. 2201. A bill for the relief of Alabama Lewis Poole; to the Committee on Military Affairs.

By Mr. BYRNES:

S. 2202. A bill to establish a Public Works Agency; and

S. 2203. A bill to amend certain sections of the Social Security Act; to the Special Committee to Investigate Unemployment and Relief.

By Mr. BYRD:

S. 2204. A bill conferring jurisdiction upon the Court of Claims or any district court of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representative of the estate of Robert Lee Wright; to the Committee on Claims.

By Mr. CLARK of Idaho:

S. 2205. A bill conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render final judgment on any and all claims of whatsoever nature, which the Shoshone Nation or any division thereof, or any tribe or band of Indians living on the Fort Hall Indian Reservation, may have against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. ANDREWS:

S. J. Res. 116. Joint resolution proposing an amendment to the Constitution of the United States relating to old-age assistance; to the Committee on the Judiciary.

By Mr. REED:

S. J. Res. 117. Joint resolution to provide for the pooling by railroads of their less-than-carload freight traffic; to the Committee on Interstate Commerce.

By Mr. BARKLEY:

S. J. Res. 118. Joint resolution to provide for the establishment and maintenance of the Franklin D. Roosevelt Library, and for other purposes; to the Committee on the Library.

By Mr. LUNDEEN:

S. J. Res. 119. Joint resolution providing for negotiations by the President with a view to the acquisition, by purchase, of Greenland; and

S. J. Res. 120. Joint resolution providing for negotiations by the President, with a view to the acquisition, by purchase, of the colony of Curaçao and Netherlands Guiana; to the Committee on Foreign Relations.

AMENDMENT OF BANKHEAD-JONES FARM TENANT ACT

Mr. AUSTIN. I introduce for appropriate reference a bill to amend section 3 of the Bankhead-Jones Farm Tenant Act.

The VICE PRESIDENT. The bill will be received and properly referred.

The bill (S. 2200) to amend section 3 of the Bankhead-Jones Farm Tenant Act was read twice by its title and referred to the Committee on Agriculture and Forestry.

Mr. AUSTIN. Mr. President, in connection with the bill I have just introduced, I wish to make the following explanation:

The bill corrects a defect in the operation of the Bankhead-Jones Farm Tenant Act.

Section 4 of that act made it mandatory that the money appropriated for making loans to enable borrowers to pay for farms, and for necessary repairs and improvements thereon, should be distributed among the States on the basis of farm population and the prevalence of tenancy.

There are a few States, including the State of Vermont, where the proportion of farm tenancy is low. In those States no help can be given to a farm family which has the title to, but is about to lose, the home farm for the lack of refinancing.

The proposed amendment would remedy the defect in the act which was not intended, and would allot a certain percentage of money under the Farm Tenant Act for use in those States where the class who ought to be helped are not farm tenants, but who are equally as needy as farm tenants.

It is understood that the States particularly affected are Vermont, New Hampshire, Minnesota, and Wisconsin.

The amendment would not require any additional appropriation. It does not change any of the provisions of the Bankhead-Jones Farm Tenant Act. It would make possible the writing down of the debts of the applicants and the lowering of the burden of interest. Those who could borrow are farmers personally occupying and operating family farms, as defined in the act. Also, they must be unable to refinance their mortgages from any other Federal agency or federally incorporated lending institution.

One of the chief benefits of the act is the encouragement of thrift and diligence and intelligent planning for farm management.

DONATION OF LIBRARY BY THE PRESIDENT FOR THE PRESERVATION OF EXECUTIVE PAPERS

Mr. BARKLEY. Mr. President, the Senate will recall that a few weeks ago the President announced that he was donating to the public his library and all his public papers, together with a portion of the Hyde Park estate. The purpose of the President is most laudable and unusual. His object is to preserve for all future generations his public papers, dating back to his tenure of office as Assistant Secretary of the Navy, and probably even back to his service in the Legislature of New York, extending down to the present, and so long as he shall hold office. It seems to me that that act on the part of the President has set a high mark in making available to the people the papers and records with respect to events in which he has taken part. Certainly the donation of a portion of the Hyde Park estate to the public in order to establish a library for the benefit of the American people is a very notable and worthy act on the part of the President.

Legislation is necessary in order to consummate the purpose of the President. I am introducing a joint resolution to accomplish that purpose. It is desirable that the joint resolution receive very early consideration. I wish to introduce it and have it referred to the Committee on the Library, so that that committee may take action.

The VICE PRESIDENT. The joint resolution will be received and referred to the Committee on the Library.

(See S. J. Res. 118, by Mr. BARKLEY listed under the appropriate heading.)

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The bills and joint resolutions received from the House of Representatives on April 18, 1939, by the Secretary under authority of the order of the Senate of the 17th instant, were severally referred to committees, as indicated below:

H. R. 289. An act for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899; to the Committee on Claims.

H. R. 2296. An act to restore certain benefits to World War veterans suffering with paralysis, paresis, or blindness, or who are helpless or bedridden, and for other purposes; to the Committee on Finance.

H. R. 5407. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on Interstate Commerce.

H. R. 5076. An act to authorize further relief to water users on United States reclamation projects and on Indian reclamation projects; to the Committee on Irrigation and Reclamation.

H. R. 3234. An act to provide for the completion of the Navy and Marine Memorial; to the Committee on the Library.

H. R. 2320. An act to provide domiciliary care, medical and hospital treatment, and burial benefits to certain veterans of the Spanish-American War, the Philippine Insurrection, and the Boxer Rebellion; to the Committee on Military Affairs.

H. R. 5479. An act granting annual and sick leave with pay to substitutes in the Postal Service; to the Committee on Post Offices and Post Roads.

H. R. 805. An act to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes; and

H. R. 4646. An act to provide means by which certain Filipinos can emigrate from the United States; to the Committee on Immigration.

H. R. 2179. An act to ratify and confirm certain interest rates on loans made from the revolving fund authorized by section 6 of the Agricultural Marketing Act, approved June 15, 1929 (46 Stat. 11), and for other purposes;

H. R. 3406. An act for forest protection against the white-pine blister rust, and for other purposes;

H. R. 3800. An act to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended;

H. R. 3955. An act to amend section 335 (d) of the Agricultural Adjustment Act of 1938; and

H. J. Res. 258. Joint resolution to amend section 8 (f) of the Soil Conservation and Domestic Allotment Act, as amended; to the Committee on Agriculture and Forestry.

H. R. 199. An act to amend section 10 (b), (c), and (d) of the act of June 26, 1884, as amended (U. S. C., 1934 edition, title 46, sec. 599), relative to the allotment of wages by seamen;

H. R. 1782. An act to amend section 4335 of the Revised Statutes of the United States relative to change of masters of vessels;

H. R. 1784. An act to amend section 4498 of the Revised Statutes of the United States, as amended, relative to the renewal of licenses of vessels;

H. R. 1786. An act to amend section 4325 of the Revised Statutes of the United States, as amended, relative to renewal of licenses of vessels;

H. R. 5375. An act to promote nautical education, and for other purposes; and

H. J. Res. 241. Joint resolution providing for the participation of the United States in the celebration of the one hundred and fiftieth anniversary of the establishment of the United States Lighthouse Service; to the Committee on Commerce.

H. J. Res. 221. Joint resolution authorizing the President to invite other nations to participate in the Sacramento Golden Empire Centennial commemorating the one hundredth anniversary of the founding of Sacramento by Capt. John A. Sutter; to the Committee on Foreign Relations.

CHANGE OF REFERENCE

Mr. NEELY. Mr. President, the bill (S. 294) granting a pension to William Runyon, and the bill (S. 1202) granting a pension to Edward L. Pinney, were erroneously referred to the Committee on Pensions. I ask unanimous consent that that committee be discharged from the further consideration of both bills and that they both be referred to the Committee on Finance.

The VICE PRESIDENT. Without objection, the Committee on Pensions is discharged from the further consideration of the bills referred to by the Senator from West Virginia, and the bills are referred to the Committee on Finance.

PUBLIC WORKS AGENCY AND AMENDMENT OF SOCIAL SECURITY ACT

Mr. BYRNES, from the Special Committee to Investigate Unemployment and Relief, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2202. A bill to establish a Public Works Agency (Rept. No. 301); and

S. 2203. A bill to amend certain sections of the Social Security Act (Rept. No. 302).

Mr. LODGE submitted minority views on the bill (S. 2202) to establish a Public Works Agency, which were ordered to be printed as a part of Report No. 301.

Mr. DAVIS submitted individual views to accompany the bill (S. 2202) to establish a Public Works Agency, which were ordered to be printed as a part of Report No. 301.

Mr. MURRAY submitted individual views to accompany the bill (S. 2202) to establish a Public Works Agency, which were ordered to be printed as a part of Report No. 301.

Mr. MURRAY submitted minority views to accompany the bill (S. 2203) to amend certain sections of the Social Security Act, which were ordered to be printed as a part of Report No. 302.

ESTABLISHMENT OF PUBLIC WORKS AGENCY—AMENDMENTS

Mr. LODGE submitted an amendment, and Mr. Murray submitted several amendments intended to be proposed by them, respectively, to the bill (S. 2202) to establish a Public Works Agency, which were severally ordered to lie on the table and to be printed.

AMENDMENT OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

Mr. WILEY submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (H. R. 3800) to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

AMENDMENTS TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. PEPPER submitted amendments intended to be proposed by him to House bill 5269, the Agricultural Department appropriation bill, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 86, between lines 11 and 12, insert the following:

"Emergency erosion control, Everglades region: For carrying out engineering operations and other erosion-control measures (including fire control and irrigation construction work to eliminate fire hazards) in the Everglades region of Florida, $1,000,000."

On page 86, line 13, strike out "$23,645,584" and insert in lieu thereof "$24,645,584."

REENROLLMENT OF SENATE BILL 828—AUXILIARY NAVAL VESSELS

Mr. WALSH. Mr. President, I submit a concurrent resolution and ask for its immediate consideration. It is somewhat of an emergency matter. It is very brief and explains itself.

The VICE PRESIDENT. The concurrent resolution will be read.

The legislative clerk read the concurrent resolution (S. Con. Res. 14), as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be, and he is hereby, requested to return to the Senate the enrolled bill (S. 828) to permit the President to acquire and convert, as well as to construct, certain auxiliary vessels for the Navy; that if and when the said bill is returned by the President, the action of the Speaker of the House of Representatives and of the Vice President in signing the said bill be deemed to be rescinded; and that the Secretary of the Senate be, and he is hereby, authorized and directed, in the reenrollment of the said bill, to make the following correction, viz, on page 2, line 25, of the engrossed bill, strike out the figures "769" and insert in lieu thereof "768."

Mr. WALSH. Mr. President, the language expresses the purpose of the resolution. It is to correct a citation in the original act.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the concurrent resolution was considered and agreed to.

INVESTIGATION OF VIOLATIONS OF RIGHTS OF LABOR—LIMIT OF EXPENDITURES

Mr. SCHWELLENBACH (for himself and Mr. DOWNEY) submitted the following resolution (S. Res. 126), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Whereas a subcommittee of the Committee on Education and Labor, acting pursuant to Senate Resolution 266, authorizing an investigation of violations of the rights of free speech and assembly and undue interference with the right of labor to organize and bargain collectively, initiated an inquiry of vital concern to the people of the States of California, Oregon, and Washington, which it was unable to complete because of lack of funds; and

Whereas there has been widespread public demand for the continuance of the work of the said subcommittee as evidenced by

action taken by the National Grange, the American Federation of Labor, the Congress of Industrial Organizations, and numerous other organizations, urging an appropriation of additional funds for the use of the said subcommittee; and

Whereas the Associated Farmers of California, Inc., in a telegram to Senator HIRAM JOHNSON dated April 4, 1939, inserted in the CONGRESSIONAL RECORD on that date, asked for an opportunity to be heard concerning any charges affecting it which might arise out of such inquiry: Therefore, be it

Resolved, That the limit of expenditures under Senate Resolution 266, Seventy-fourth Congress, second session, agreed to June 6, 1936, under Senate Resolution 70, Seventy-fifth Congress, first session, agreed to February 17, 1937, under Senate Resolution 154, Seventy-fifth Congress, first session, agreed to August 12, 1937, and under Senate Resolution 266, Seventy-fifth Congress, third session, agreed to May 16, 1938, to investigate violations of the right of free speech and assembly and interference with the right of labor to organize and bargain collectively is hereby increased by $100,000.

ADDRESS BY SENATOR GUFFEY AT UNIONTOWN, PA., JEFFERSON DAY DINNER

[Mr. RADCLIFFE asked and obtained leave to have printed in the RECORD an address delivered by Senator GUFFEY at the Jefferson Day dinner held at Uniontown, Pa., on April 14, 1939, which appears in the Appendix.]

THE TENNESSEE VALLEY AUTHORITY—ADDRESS BY SENATOR MEAD

[Mr. MCKELLAR asked and obtained leave to have printed in the RECORD a radio address delivered by Senator MEAD on the subject The Objectives and Accomplishments of the Tennessee Valley Authority, which appears in the Appendix.]

LETTER FROM THOMAS R. AMLIE AND THE PRESIDENT'S REPLY THERETO

[Mr. SCHWARTZ asked and obtained leave to have printed in the RECORD the letter addressed by Hon. Thomas R. Amlie to the President, under date of April 7, 1939, with reference to the withdrawal of his nomination to be a member of the Interstate Commerce Commission, and the reply of the President thereto, which appear in the Appendix.]

ADDRESS BY HON. EDWARD C. JOHNSTON TO BRAZILIAN PUBLISHERS

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD a radio address delivered by Hon. Edward C. Johnston, vice president of the Western Newspaper Union, to publishers of Brazil, on August 31, 1938, which appears in the Appendix.]

FOREIGN AGGRESSORS—ADDRESS BY REV. CHARLES E. COUGHLIN

[Mr. LUNDEEN asked and obtained leave to have printed in the RECORD a radio address on the subject Foreign Aggressors, delivered by Rev. Charles E. Coughlin on April 16, 1939, which appears in the Appendix.]

HELL'S CANYON—ARTICLE BY RICHARD L. NEUBERGER

[Mr. MCNARY asked and obtained leave to have printed in the RECORD an article by Richard L. Neuberger entitled "Hell's Canyon, the Biggest of All," published in the current issue of Harpers Magazine, which appears in the Appendix.]

NO WAR FOR US—EDITORIAL FROM FARM JOURNAL AND FARMER'S WIFE

[Mr. BONE asked and obtained leave to have printed in the RECORD an article from the May 1939 issue of Farm Journal and Farmer's Wife, entitled "No War for Us," which appears in the Appendix.]

DEATH OF COL. JOHN JACOB ASTOR IN THE TITANIC DISASTER

[Mr. SMATHERS asked and obtained leave to have printed in the RECORD an article from the Atlantic City Press of April 12, 1914, and a letter from E. A. Higbee, relating to the death of Col. John Jacob Astor in the sinking of the *Titanic*, which appear in the Appendix.]

T. V. A. INVESTIGATION—PERSONAL STATEMENT

Mr. NORRIS. Mr. President, I rise to a question of personal privilege.

For several years I have been unjustly and falsely assailed by a man by the name of Cassidy, who says he is an engineer and was a colonel in the Army. Some time ago, probably a year or so ago, I made up my mind that I ought to reply on the floor of the Senate to some of his insinuations, inasmuch as his charges against me were of a nature that referred to my official action here. So far as I knew, however, these charges were not made publicly, or to other Members of the Senate. At that time I brought over to the Senate Chamber some correspondence, and thought I would speak on it; but after reflection I thought perhaps I ought not to bore the Senate with troubles that were more or less personal, although they did refer to my public duties here as a Senator; so I gave up the idea.

Recently, however, since the investigation by the joint committee of the T. V. A., facts have come to my knowledge which conclusively demonstrate to me that this man Cassidy has been carrying on a similar campaign with members of the investigating committee, and particularly with the chairman of the committee. I never heard anything about it until the investigation was all over, when the chairman of the committee, I presume moved by a sense of fairness which led him to believe I ought to see this correspondence, gave me the letter Cassidy had written to him and also to one of the employees of the joint committee engaged in making the investigation.

Mr. President, I deem it a duty that I owe to the Senate, and perhaps to the country, to do what I am about to do. It is an unpleasant duty, one that I have never before been called upon to perform. It is unpleasant because necessarily, since the man about whom I am going to talk is not a Member of the Senate, he will not enjoy the privilege of replying on the floor of the Senate to anything I may say. I desire to say, however, that I see several members of the joint committee doing me the honor of listening. I want to say particularly to those members of the committee, whether they be friends or foes of the T. V. A. or of me, that if I say anything which in any way, directly or indirectly, deviates from the truth in referring to the committee, to which I shall refer in the latter part of my remarks, I want them to rise here and now, and call my attention and the attention of the Senate to anything they deem erroneous or untrue.

Mr. President, this man Cassidy, ordinarily known as Colonel Cassidy, on January 28, 1935, wrote a letter directed to me, from which I wish to quote.

This letter is written on a letterhead as follows:

J. Edward Cassidy. M. Am. Soc. C. E., consulting engineer, 815 Fifteenth Street NW., Washington, D. C.

Another part of the letterhead says:

Power developments.

Everything from Mr. Cassidy that I shall quote from has that letterhead, with the exception of the location of the office. Sometimes it is located on Vermont Avenue NW., sometimes in Wilmington, Del., and I think at one or two other addresses.

It would be wearisome and, for the point I now want to make, unnecessary if I should read all of these letters. I have all of them, however, and I will put any one or all of them in the RECORD at the request of any Senator, or submit either these letters or any others contained in this bundle of correspondence to any Senator or to any committee desiring to examine them.

In the letter of January 28, 1935, after discussing some other questions not material to the point, Mr. Cassidy said:

Later on, in 1934, I had prepared a very detailed program and estimates for the operation of the nitrate plants (and phosphoric-acid plants) at Muscle Shoals, and based on my investigations both in this country and abroad I showed Dr. H. A. Morgan and Dr. H. A. Curtis where fertilizer could be produced under my program with a saving of 46 percent to the farmer. I spent nearly 2 weeks at Knoxville going over details with these men on the assurance from Dr. H. A. Morgan that my services would be utilized as consulting engineer—

Do not forget that. That will occur a great many times—

on the chemical phases. In addition to laying all my figures before them, I was asked to turn over to Dr. Curtis and Professor Woolrich my views and estimates on the General Joe Wheeler Dam, which I did. I outlined a number of important changes over the Army engineers' plans in the Joe Wheeler Dam, and, incidentally, these are all being carried into effect in the construction now going on. I also gave them cost estimates, as the figures they were using were wrong, and, following turning over my

figures, they used these estimates in publicity and calculations since that time.

When I left Knoxville October 2, 1934, Dr. H. A. Morgan said that the Board would pass on my retention as consulting engineer on the chemical end, and that I would hear from them on the 12th of that month, as he would put through the program I had outlined at the meeting on that date, and that I would be retained as consulting engineer. I did not hear from Dr. Morgan by wire or phone, as he promised, on the 12th, and not until I had written a couple of letters did I receive about two lines around October 28, stating that the Board had decided they were not in position to offer me the appointment. You see, they had gotten data and estimates—which have been used in toto—which they could not have gotten without paying thousands of dollars for same and could not have gotten them then, for there is no other engineer in this country that had spent $20,000 of his own money studying the whole question, including two trips to Europe for that purpose. It appeared to me, from the way things were done, that Dr. Morgan had assured me that I would be appointed consulting engineer in order to get the information he knew I had, and, having gotten it, he was through. That was contrary to the opinion I had formed of Dr. Morgan on the occasions I had met him, but his action without a word of explanation has seemed quite queer to me.

A couple of months after this had occurred I received a written statement from a man in the Knoxville office (who is not now with the T. V. A.) stating that as soon as it had been known that I was there with a big fertilizer program and had convinced Dr. H. A. Morgan that my program was sound, you were reached by long-distance phone and told what was going on and that you had better get down there and stop it. This statement further said that you came to Knoxville immediately after that and stayed there until after the Board had their meeting on or about October 12.

This man (in his sworn statement) said he heard you use this language to Dr. A. E. Morgan.

Now he is quoting from the alleged affidavit, which quotes me as follows:

"Dr. Morgan, you have got to stop that plan for making fertilizer in quantity immediately, and under no circumstances is Colonel Cassidy to be appointed to a position where he can force the issue."

That is the end of the quotation.

This is the first time I have had occasion to comment to you on the information that was sent to me voluntarily. I will say that I received somewhat similar information from an entirely different source to the effect that under no circumstances was I to be appointed in any capacity because of my interest in the production of fertilizers.

For days I went over my figures and estimates with Dr. H. A. Curtis, and he could not find any flaws in my calculations for I had been conservative in making them.

Frankly, I have never been able to fathom your bitter opposition to the production of fertilizer at Muscle Shoals under which the farmer would benefit greatly. The Wilson Dam was made possible by the National Defense Act of 1916, which provided for the manufacture of nitrates for explosives in time of war and fertilizer in time of peace. The House of Representatives would never have passed the appropriation bills of 1922 to resume construction of the Wilson Dam had it not been for a country-wide use of the slogan "Cheap fertilizer for the farmer." Even up to 1930 there was only a difference of 2,000 tons of nitrogen per annum between the proposal of the American Cyanamid Co. and the ideas of the Military Committee of the House. The House of Representatives, when it approved the Tennessee Valley Act of 1933 (the conference report), was under the impression that the nitrate plants and attendant phosphoric-acid plants were to be operating fully. Only three men in the House knew different, and these were the three House conferees—who did not tell the House what had been understood in conference.

Mr. HILL rose.

Mr. NORRIS. The Senator from Alabama was then in the House of Representatives, was then a member of the Military Affairs Committee, afterward its chairman, and he was in the conferences which were held. I should be glad to have the Senator from Alabama interrupt me now, if he desires, and to have him state whether this statement of Colonel Cassidy is true or false.

Mr. HILL. Mr. President——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Nebraska yield to the Senator from Alabama?

Mr. NORRIS. I yield.

Mr. HILL. I wish to state that the statement of Colonel Cassidy is absolutely false. The conferees representing the House, of whom I was one, made it absolutely clear to the House of Representatives, both in their report to the House, as required under the rules of the House, and in the debate which took place on the floor of the House, that the nitrate plant and the phosphate plant contemplated were not to be operated at full mass production, but that there were to be only experimental fertilizer operations under the bill.

Mr. NORRIS. I thank the Senator from Alabama. I now proceed with Colonel Cassidy's letter:

In 1933 and 1934, I spent months and months checking up raw materials and every phase of the chemical ends in the T. V. A., and with my studies in Germany, France, and other countries in the previous years, my estimates of production and distribution were sound.

When I found that the T. V. A. had played me false in order to get my data, I proceeded to file patent applications on every phase of the nitrate and phosphoric acid equipment which I had outlined to Dr. H. A. Morgan, Dr. Curtis, and Professor Woolrich, and I have been keeping in close touch with the use that is being made of my plans. The plans I had worked out would not have crippled the fertilizer people, but they would have benefited. I went over my ideas and figures with some of the large fertilizer people and they agreed that not only the farmer but the fertilizer industry would be benefited by such a program.

Apropos of the plan to kill off any operations of the chemical plants, the appointment of Dr. H. A. Curtis would naturally be interpreted as furthering that idea. As a member of the Coolidge Muscle Shoals Committee, Dr. Curtis most emphatically emphasized the idea that Government operations at Muscle Shoals could only result in failure, and gave his reasons. Notwithstanding his standing as a chemist, it does not seem that a man who was convinced that nothing but failure could result from Government operation was the man to make a success—if such was contemplated.

At the bottom of the letter, written in Colonel Cassidy's own handwriting—and I have seen so much of it that I am familiar with it—is the following:

Have just been advised that Judge Grubb, of the United States district court, has issued a subpena duces tecum for all the minutes of meetings of T. V. A. directors.

The letter is signed:

Yours very truly,

J. EDWARD CASSIDY,
Consulting Engineer.

Mr. President, that description of Mr. Cassidy appears after every signature he wrote, "Consulting Engineer." I want the Senate to remember that.

I can draw only one conclusion from Mr. Cassidy's attack on me. I knew of no reason why it should be made. I was entirely innocent of the things with which he charged me. The charges were entirely false. But he wanted a position with the T. V. A., and he did not get it. Since he has been rejected, I have in conversations asked the members of the board about the matter, and, briefly, they said that they thought he was a little bit "off," a conclusion I had reached, and which Senators will reach if they will be patient and listen to the correspondence, from which I shall now quote.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. DAVIS. I am quite in accord with the statement the Senator makes. I would not know this gentleman if he came into the Senate Chamber at this moment, but I notice from a statement in the Pearson-Allen Merry-Go-Round that he is supposed to have advised with the minority in writing their report on the Tennessee Valley matter. I may say to the Senator that practically all the members of the committee received letters from Mr. Cassidy, and three letters came to my office on three different days in August, when I was not in the office. In looking over my files I have found that they were received and filed.

The able Senator from Nebraska may be interested in knowing that when the minority members were discussing the preparation of their report they never even considered Mr. Cassidy. The report was written by the minority and, speaking for the other members of the committee, I am sure he had nothing whatever to do with it. From the information I received from several sources I believed that the farther away we kept from him the better off we would be.

Mr. NORRIS. I think the Senator was wise in entertaining that opinion.

Mr. DAVIS. That was the decision of the minority. So I think the statement the Senator has made is quite correct.

Mr. NORRIS. Mr. President, this letter came to my office when I was overburdened with correspondence, and it was read to me by my secretary. I told my secretary to answer

it, and to say that all the allegations about what I had done were absolutely groundless. On January 31, my secretary answered the letter, as follows:

Col. J. EDWARD CASSIDY,
815 Fifteenth Street NW., Washington, D. C.

DEAR COLONEL CASSIDY: I wish to acknowledge receipt of your letter to Senator NORRIS under date of January 28.

Any information which may have been given to you even though it be in a sworn statement to the effect that Senator NORRIS took any part whatever in the meeting at Knoxville to which you refer is absolutely false.

That was signed by my secretary.

Later on, when I got time, I reached the letter, and answered it myself, on May 17, 1935, as follows:

Col. J. EDWARD CASSIDY,
815 Fifteenth Street NW., Washington, D. C.

DEAR COLONEL CASSIDY: My secretary has called to my attention your letter of January 28. In this letter you say you received a sworn statement from someone, whose name you do not give me, setting forth, among other things, that he was in Knoxville, and that I had used certain language in talking to Dr. Morgan in regard to you. I wish you would send me this affidavit, or a copy of it, or, at least, send the man's name to me.

It is entirely and wholly false. I have not been to Knoxville; I used no such language attributed to me; and, in fact, I know absolutely nothing about anything set forth in this affidavit.

Evidently the Tennessee Valley Authority had in their employ at that time a spy, purposely planted there by enemies of the Authority for the purpose of furnishing information, even though it be false, which would be injurious to the Tennessee Valley Authority.

I hope you will help me to expose this man who has resorted to absolute falsehood in order to injure the Tennessee Valley Authority and, perhaps, to injure me.

Yours truly,

G. W. NORRIS.

Mr. President, I was acting in the best of faith. I supposed that Colonel Cassidy at that time had such an affidavit. I supposed, of course, that someone had furnished him with an affidavit containing the false charges that he had set forth in his letter to me. In view of the fact that he had sent me information to the effect that he had in his possession sworn testimony, an affidavit, making serious charges against me, all of which were untrue, all of which were unfounded, I submit to men of honor that when his attention was called to the fact that the one against whom the charges were made claimed that the affidavit was absolutely false, if Colonel Cassidy had been an honest, a just man, he would have tried to help me expose the man who made the false affidavit. My letter is confined only to that one proposition.

I shall now read Colonel Cassidy's letter written in reply to mine. It is dated May 19, 1935. That was 2 days after I wrote my letter. He then wrote me a long letter in which he goes into the matter of his troubles with the T. V. A., emphasizing his ability and his experiences all over the world as a great engineer, but does not give me the information for which I asked in my short letter written 2 days previously. His letter is written on the same letterhead as the previous letter which I read.

James E. Cassidy, M. Am. Soc. C. E., Consulting Engineer

Yours of the 17th instant referring to my letter of January 28 is received, and I do not think it advisable at this time to supply a copy of the affidavit you refer to, inasmuch as there will in all probability be one or more civil suits against the T. V. A. at a later date in connection with patent rights.

Was he trying to scare the T. V. A.? Did he think that if he gave me information with respect to certain threatened suits for violation of patents, I would convey the information to the T. V. A.? Was that the object of his long harangue? Or was he moved in part by the fact that the T. V. A. had turned him down for the position of engineer in the chemical works, and was he trying to get even with men who had in his imagination done him that injury? But he failed to give me any further information in regard to the false affidavit.

Relative to patent rights, I protested most strongly when the T. V. A. bill was under consideration, to the language inserted in the bill regarding the use of patents. Under the language of the bill there is only one course open to anyone not an employee of the T. V. A., and that is a lawsuit when patent matters are involved.

I note you did not make the statement attributed to you, and that you also say you "have not been to Knoxville." The period referred to in the affidavit was in October 1933, and which is probably an earlier date than you had in mind in writing. The Knoxville papers carried an account of a visit from you at the period referred to, and also published an address you made or at least were supposed to have made. This was between the 7th and 12th of October 1933. I do not find the clipping—

Very well; he cannot find the clipping.

I do not find the clipping at this time, but as I recall it was the Knoxville Journal from which the clipping sent me was taken.

I could read the whole letter, but it goes on in the same way, telling his troubles. Let me read a little more of it:

About September 20, 1933, I went to Knoxville after various correspondence and personal interviews with Dr. H. A. Morgan and Dr. H. A. Curtis. I had started a study of the Tennessee Valley in 1919 while I was executive officer of the Corps of Engineers following my return from France, and have continued those studies ever since. I made two extended trips to Europe to study the electrochemical industry, with particular reference to the operation of nitrate plants, phosphoric-acid plants, and the extraction of potash from Georgia shales. In 1932 and 1933 I made very elaborate studies of the improvements in nitrate plants Nos. 1 and 2.

And so he goes on. His letter has nothing to do with the affidavit. He merely writes and tells what he has done and how great a chemical engineer he is.

Further on in his letter he writes:

I prepared designs for changes in plant No. 2 which would make the operation of that plant quite profitable, and the cost of the changes were shown in the general brochure I prepared and submitted to the President-elect on January 20, 1933.

The bond issue afterward written into the T. V. A. Act came from that brochure.

Mr. President, I think I know something about that act, and the various trials and tribulations which have beset it from the beginning to the end. The writer of the letter is trying to show that he had been in consultation with the President of the United States, that he gave his ideas to him, and that his ideas were all put into the T. V. A. law. According to his story, he prepared the law. So far as I know, he did not have any more to do with its preparation than the Senator from Connecticut [Mr. DANAHER] had to do with it.

My detailed studies showed conclusively that complete, balanced fertilizers could be made at Muscle Shoals—

And so on.

When I went to Knoxville in September 1933, I had all of this data with me, and after a rather extended conference with Dr. H. A. Morgan, he stated that I would be retained as a consulting engineer.

That is the same story he told in the other letter which I read. I shall convince Senators that the writer is really crazy on the subject he discusses. He did not answer the question I asked him in my letter. He repeats over and over again what took place between him and Dr. Morgan, after I had told him I knew nothing about it.

He stated that I would be retained as a consulting engineer on the chemical ends, and asked me to go over in detail with Dr. H. A. Curtis and Professor Woolrich the details of the program I had worked out. I spent 10 days there going over every detail of changes, costs, etc., and Dr. Curtis reiterated more than once that it was Dr. H. A. Morgan's intention to retain me as consultant. When I left there on October 2, 1933, the understanding was that Dr. Morgan would wire me as soon as the next meeting of the Board was held, about October 12. (The testimony in the Ashwander case shows the meeting was held October 13, 1933.) It was after I had written two or three letters of inquiry that on October 28 I received a couple of lines saying that the Board had decided that they could not make the appointment, or words to that effect.

The point that I desire to make is that this was done after they had extracted all of my data, estimates, etc., under the assurance that I would be retained on the work. I also made a rather lengthy memorandum of changes I held necessary on the Wheeler Dam, and the estimate of the cost. These estimates of cost have been used since that time, and the changes I laid out have been incorporated.

Of course, I know nothing about that, but the chances are a thousand to one that there is absolutely no truth in that statement.

On September 28 I had about 20 minutes' talk with Dr. A. E. Morgan in his office in the Sprankle Building, and in the course of our talk he asked me if I was not more interested in the chemical than the power end, and I stated that I was. He then stated that

they had not figured on anyone being used at all phases of the project. I had been recommended, it seems, from more than one source as the chief engineer of the whole project by reason of my wide experience and long familiarity with the Tennessee Valley problems, and that the project had been split into three parts, with Dr. H. A. Morgan handling the chemical end. After leaving his office I made a written memorandum of a remark he made—A. E. Morgan—and my recollection was that after the fertilizer matter had come up he said: "We do not expect to do much along that line. You know Senator NORRIS does not want fertilizer made." That was the exact expression, as I remembered it and made a note of it at that time.

I have not talked with Dr. A. E. Morgan about the matter. I do not suppose he feels friendly toward me at this stage. However, I should be very glad to have the question submitted to him. In my opinion, he never made such a remark, because he would not have been justified in making it from anything he ever heard from me either directly or indirectly.

Later on I received a newspaper clipping and the affidavit already referred to. You are incorrect in assuming that the man who sent me this information was a "spy." The business of the Tennessee Valley Authority is public business, as the funds it uses are funds secured by taxation, and there are certainly no secrets about the conducting of the business, and while someone might make a statement which is not true, that should not qualify him as a spy. I cannot conceive of any operations in the Tennessee Valley Authority which must be concealed from the public which foots the bills.

After getting the benefit of these data I had acquired at a large expense over a 14-year period and then the failure of the T. V. A. to carry out the arrangement under which these data were secured, I immediately took steps to cover all my designs and plans by patent applications. I have never questioned the full intention of Dr. H. A. Morgan to carry out the arrangements under which I supplied the data which had cost me dearly, and do not think now that it was his fault that I was "chiseled."

My information is that the data secured from me were turned over to the Stone & Webster Engineering Corporation who received a cost-plus contract without competition, and under which the CONGRESSIONAL RECORD for May 8 and 9, 1935, shows they were heavily overpaid.

I have been interested primarily in the carrying out of two things: (1) The provisions of section 124, National Defense Act, approved June 3, 1916 and (2) the carrying out of the promises made in 1922, under which the work of building the Wilson Dam was authorized by Congress. There was one condition, and one only, on which the funds for building the Wilson Dam were appropriated, and that was "cheap fertilizer for the farmer." Had it not been for that promise, there would be no power dam at Muscle Shoals today.

You will recall that on the night of March 3-4, 1921, both the House and Senate turned down a $10,000,000 item in the sundry civil bill for resuming work on the Wilson Dam.

During all these years when leasing propositions were up, there was never any question but what the provisions of the National Defense Act of 1916, and the promises made me when the dam was authorized in 1922, that the plants would be operated in the time of peace for production of fertilizer for the benefit of the farmer. I know it to be an actual fact that in 1933 had the House of Representatives known that the project was to be turned into solely a power project and the fertilizer project abandoned, the bill would have been defeated. The House debates on the adoption of the conference report show this to be a fact.

Neither Dr. Curtis nor anyone else could pick any flaws in my estimates and plans for fertilizer production, either in 1933 or now.

My plans and estimates and furnace designs have been used, and, as I said before, under the T. V. A. Act only one remedy is available, and that is by lawsuits. I do not know that you ever read my detailed data at the time the bill was under consideration, but I protested most strongly against the patent language in the bill.

I have gone into the details of this matter quite at length, but have felt that it was necessary to present the full picture as I see it.

Yours very truly,

J. EDWARD CASSIDY,
Consulting Engineer.

My letter simply had only one object, and that was to be informed as to who the mysterious person was who made the false affidavit about me. In answer to my request Mr. Cassidy again goes over the story of how he was wronged, his patent rights stolen, and he not given the job which had been promised him.

In answer to his letter I wrote him, as follows:

MAY 21, 1935.

Mr. J. EDWARD CASSIDY,
815 Fifteenth Street NW., Washington, D. C.

MY DEAR MR. CASSIDY: I have your letter of May 19. You go into a rather detailed explanation of your deliberations with Dr. H A. Morgan, formerly president of the University of Tennessee and now a member of the Board of the Tennessee Valley Authority.

I do not know why you go into this detail with me. I know nothing about this controversy. I have had nothing to do with it; I cannot follow all the details of all the contracts and all the deliberations of the Tennessee Valley Authority. If I did, I would not be able to do anything else. I do not know why you lay this before me.

It seems you are very much dissatisfied because Dr. H. A. Morgan did not employ you or give you a position with the Tennessee Valley Authority. I know nothing about your consultations with Dr. H. A. Morgan. The members of the Board of the Tennessee Valley Authority do not call upon me when they are attempting to employ engineers or experts. If your arrangements with him have been unsatisfactory, I do not know why I should be taken into the picture in any way. If you made any contract with him which is legal and binding and want to sue the Tennessee Valley Authority on it, I must certainly have no objection.

The only point in this controversy which interests me is the fact that you set out in your letter of January 28, 1935, in rather detailed form an affidavit which you claim to have in your possession coupling me up with the controversy. I wrote you that this affidavit was false. I asked you to supply me either with the affidavit or a copy of it, and to give me the name of the man who made it. This you refuse to do. If you are moved by lofty motives and have in your possession an affidavit concerning what I have said and done, it seems to me you would respect my request and let me know who it is who makes this affidavit, especially when I have told you in writing that what you have said is contained in the affidavit is absolutely false and without any foundation whatsoever.

If you persist in covering up this evidence, which you have been informed is untrue, and which has no foundation in fact, it seems to me you yourself are guilty of trying to influence the situation by an affidavit regarding me which I have told you is untrue. If you are moved by upright and honorable motives, you should at least be fair enough to give me the name of the man and a copy of his affidavit.

Because Dr. H. A. Morgan has refused to give you employment, which you say he promised you, is no reason why you should join in the present effort which is being made by private power companies to completely block the Tennessee Valley Authority in carrying out the provisions of the law under which they are acting. That is especially true, since you now have a denial of the truth of the affidavit on which you are apparently relying for the purpose of discrediting the Tennessee Valley Authority. In your letter of May 19 you still persist in your contention that I was in Knoxville at the time, that I made a speech there, and you offer this as supporting evidence that I probably made the statements alleged in the affidavit now in your possession.

What was your object in telling me the contents of this affidavit?

If you relied upon the affidavit when you wrote me, then you must conclude, having received my answer, that either the affidavit is false or that I am telling you a falsehood in my letters. If the man who made this affidavit is not a coward and has not falsified, then what objection can he have to publicity being given to his affidavit? Do you expect, in giving the contents of this affidavit in letters to different people, to have an influence on the situation? Can you honorably do this when you are informed, to begin with, that the affidavit is untrue?

You now have in your possession an affidavit. You are concealing from me the name of the man who made it, even after I have told you that the affidavit (if it exists) is not true. You refuse either to give me a copy of the affidavit or to tell me who made it. If you have been deceived by an affidavit, you should be the first man to clear up the situation by giving me the name of the man who made the affidavit, even if you still persist in refusing to give me the affidavit or a copy thereof.

In your letter of January 28 you quoted to me what you say is the sworn statement of a man who was in the Knoxville office of the Tennessee Valley Authority, but who was not, at the time of your letter, an employee of the Tennessee Valley Authority. I judge from your letter, therefore, that the sworn statement was made by a man who was employed by the Tennessee Valley Authority, but who, for some reason unknown to me, either resigned or was discharged from such employment. I call on you now, as an honorable man, to furnish me the name of that individual, and to send me a copy of his written statement which you say was sworn to and which I have therefore designated in my letter as an affidavit. I have said to you that, in my opinion, judging entirely from your letter, this man was probably a spy. It may be, as you say in your second letter, that he was not a spy; but it is at least true, from your letter, that he was in the employ of the Tennessee Valley Authority at the time his sworn statement says I was in Knoxville and used certain language to Dr. A. E. Morgan, to the effect, among other things, that you should not be given employment by the Tennessee Valley Authority.

Very truly yours,

G. W. NORRIS.

That was the second time I had called upon him in writing to send me the contents of that affidavit and the name of its author. He comes back with a third letter, in which he still refuses to give the name.

Mr. DANAHER. Mr. President——

The PRESIDING OFFICER (Mr. SMATHERS in the chair). Does the Senator from Nebraska yield to the Senator from Connecticut?

Mr. NORRIS. I yield.

Mr. DANAHER. Did he ever bring the lawsuit to which he referred?

Mr. NORRIS. Not so far as I know. I have never made any inquiry, but I have an idea that he never did bring the lawsuit, and has no cause for a lawsuit, although I know nothing about that.

Mr. DANAHER. Then I say that the senior Senator from Nebraska has certainly convinced me he treated the man fairly.

Mr. NORRIS. I thank the Senator.

The next letter is written on the letterhead of this man:

James E. Cassidy (M. Am. Soc. C. E.), consulting engineer, 815 Fifteenth Street NW., Washington, D. C., May 27, 1935—

I will not read all the letter, but I will say to the Senate that he goes over the same old story again. He cannot get over the idea that he has been injured or ruined, and he continually refers to his illustrious ability and how he has been all over the world studying and managing the building of great dams and other engineering works.

DEAR SENATOR NORRIS: You expressed a wonder as to why I wrote you in such detail, and in this connection would say that I did so merely to give you a clear picture. Regarding the affidavit referred to and which you say is untrue, a statement which I will not question as to the whys or wherefores as to the arrangements for my not being retained as consulting engineer on the chemical end of the T. V. A. is a matter of complete indifference to me. With two members of the T. V. A. Board completely dominated by the Fertilizer Trust, I quite well realize that anything in the chemical line will simply be a joke.

In one letter he was going to sue them for infringing on his patents, but in the letter from which I have quoted he says they are not going to do anything about fertilizer anyway.

Mr. President, I have read the first paragraph of that letter. I ask unanimous consent that the entire letter be printed in the RECORD as part of my remarks at this point in my address.

The PRESIDING OFFICER (Mr. HUGHES in the chair). Without objection, the letter will be printed in the RECORD.

The letter is as follows:

WASHINGTON, D. C., *May 27, 1935.*

DEAR SENATOR NORRIS: You expressed a wonder as to why I wrote you in such detail and in this connection would say that I did so merely to give a clear picture. Regarding the affidavit referred to and which you say is untrue, a statement which I will not question as the whys or wherefores as to the arrangements for my not being retained as consulting engineer on the chemical end of the T. V. A. is a matter of complete indifference to me. With two members of the T. V. A. Board completely dominated by the fertilizer trust, I quite well realize that anything in the chemical line will simply be a joke.

It took 16 months to get a response relative to the matter in question. Just after receiving the unsolicited affidavit, I wrote you November 1933 advising that such a document had been received. No answer whatever was received, and in going over some papers a little more than a year later I ran into the copy of the letter written you, and that was what led to my writing you on January 28, 1935.

In two letters written me, by direct implication, you accuse me of being a tool of the Power Trust, and in fact everybody that has anything to say about the operations of the T. V. A. are so labeled. If you will only look back over the voluminous data I submitted to you during the working out of the T. V. A. legislation, you will see that this is a fallacy. You will also recall that it was on a presentation of mine that the President ruled the Wilson Dam-Cove Creek transmission line should be included. As I stated in the House Military Committee hearings a few days ago, I have never been employed by the Power Trust or any of the holding companies now existing. Many years ago I planned certain power plants for companies which are now out of existence. My work for a decade and a half has been in a consulting capacity and has not been for the power people, but as consultant to other engineers, and to financial interests. Incidently, where I have approved 1 project, I have disapproved 10.

There is unquestionably two schools of thought in the T. V. A. proposition that are opposed to each other—the Power Trust and the Fertilizer Trust. The House of Representatives in 1933 passed a balanced bill which was neither power nor fertilizer, but a balanced one between the two. The Senate wrecked the bill, and when the final bill was adopted in conference, it was the Fertilizer Trust bill out and out. The National Defense Act of 1916 was scrapped, and the slogan of "Cheap fertilizer for the farmer" which resulted in Congress authorizing the construction of the Wilson Dam in 1922, was also discarded.

Your letters also directly imply that I am opposed to the T. V. A. entirely. That is a mistaken idea. If the T. V. A. had carried out anything like the provisions of H. R. 5081, as passed by the House, I would have had no objections to it. I have been interested in the Tennessee Valley since 1915 when I went there to look into the possibility of a large steel development for European interests.

Nothing would please me better than to see an orderly development of the great natural resources in the whole Tennessee Valley along the lines I laid out in my tentative report in 1928–29 covering a $300,000,000 expenditure over a 20-year period, but that is something that cannot be realized until the T. V. A. organization is entirely recast. No orderly development can accrue under a regime of theorists who are attempting to set up a regimented, socialistic state which transcends State lines, State rights, and the rights of the people. Incidently, the 1928–29 report referred to was for private and not governmental development.

I have more than 265 pages of data I prepared for you, the House Military Committee, and the White House, while the T. V. A. bill was being worked out in 1933, and this data certainly shows no partisanship on my part either to the Power Trust or the Fertilizer Trust. I wanted a proper piece of legislation enacted, whereas the resulting legislation was an abortion.

In a letter written to the chairman of the Military Committee of the House the day after the conference report was adopted, I pointed out the bad features of the bill and showed clearly that it was full of vulnerable points subject to attack on ordinary as well as constitutional legal grounds. The T. V. A. bills which were tabled by the House Military Committee a few days ago lay themselves open to attack on many more grounds than the original act.

The statements made by the T. V. A. directors and others seem to indicate that the T. V. A. must not be subject to any legal or other restrictions and that it is above the Constitution. With the attack on the Comptroller General I presume the United States Supreme Court will also be attacked when the decision is rendered in the Ashwander case, for I do not think there is any question but what Judge Grubb's decisions will be upheld in toto. The decisions in the Schechter case, and the Frazier-Lemke Act, today are also pertinent to the T. V. A. Act as originally written, and much more so if the recent amendments should be added.

The accusation of being a tool of the Power Trust does not appeal to me in the least. If the T. V. A. Directors instead of considering themselves above the Constitution and everything else would clean house and get down to earth and drop the idea of establishing a communistic state in the Tennessee Valley, there would be less criticism.

Yours very truly,

JAMES E. CASSIDY,
Consulting Engineer.

Mr. NORRIS. Now comes my reply to that letter:

JUNE 5, 1935.

Mr. J. EDWARD CASSIDY,
815 Fifteenth Street NW., Washington, D. C.

DEAR SIR: I have your letter of May 27. In this letter you go into a long harangue about the Tennessee Valley Authority and how it was brought about and how, according to your letter, you had perhaps more to do with its enactment into law than any other person. I am not going to argue this question with you. I do not believe what you say; in fact, I think I know something about the trials and tribulations of the Muscle Shoals legislation myself; but, according to your letter, I had no part in it and most of the burdens were upon your shoulders.

You get away from what I have asked you, and that is to send me a copy of that affidavit or written statement which you say quotes me as making certain assertions in regard to your appointment by the Tennessee Valley Authority to a position. I have twice written you that the affidavit is false; I have twice told you there is absolutely no truth whatsoever in the statement. In your former letter you quoted the statement from that affidavit, as follows:

"This man [in his sworn statement] said he heard you used this language to Dr. A. E. Morgan: 'Dr. Morgan, you have got to stop that plan for making fertilizer in quantity immediately, and under no circumstances is Colonel Cassidy to be appointed to a position where he can force the issue.'"

I have written you twice that this statement is false, and instead of complying with my request to give me a copy of the affidavit and name the man who wrote it, you continually decline to do so and go off into a long tirade about what you believe ought to be done in the Tennessee Valley.

I say to you now that I do not believe you have any such affidavit. I think you have made it out of the whole cloth, and I challenge you now, if you have such an affidavit, to produce it. If you are an honorable man and have in your possession such an affidavit, you will give me the name of the man who made it and send me a copy, at least, of the affidavit itself. If you do not have such an affidavit, then that part of your letter to me was absolutely false, and you are guilty, for some reason unknown to me, of an attempt to maliciously state something which is not true.

Very truly yours,

G. W. NORRIS.

Mr. President, that concludes the correspondence I had with Mr. Cassidy about that affidavit. I think it shows up the man. I dislike to use the only word that will apply to him, but, Mr. President, it is charitable to say of this man

Cassidy that he is crazy; in any event, if he is not crazy, he is the most outrageous and malicious prevaricator that ever drew the breath of life. He is not entitled to sit with honest men; he is not entitled to participate in any deliberations for any honest or honorable purpose. A man who will try to vilify another in a matter so important as that, who will try to use his position to interfere with officers in carrying out their duty under the law, is not fit to associate with honorable men or to be in respectable society.

But I thought I could overlook that. I thought perhaps this was the right thing for me to do, and I said nothing about it. Time went on, and after the investigation of the joint committee of the T. V. A. was finished, the chairman of that committee, the Senator from Ohio [Mr. DONAHEY], moved, I suppose, by a sense of honor and honesty, submitted to me a letter he had received purporting to set forth what I had been attempting to do, all of which was false, all of which was untrue. I find this morning that the Senator from Pennsylvania said on the floor of the Senate that he also was the victim of letters from the same man, and I doubt not that all members of the committee, under such circumstances that there could be no publicity, as would be the case in the public meetings of the committee when letters and affidavits could be put in the record without my knowing anything about it, received damaging letters, the same as some of those I am going to read, which the chairman of the committee has submitted to me.

After I had called his attention to the falsehoods, without any cause, so far as I know, he has continually gone over and over again the charges against nearly everybody, but against me in particular, because he did not get a job, for which I was not even indirectly responsible. Not knowing that he had applied, not knowing that the committee had declined to give the position to him, not having had any consultation with anybody, I was ignorant of all those facts; yet he charges it all to me. He says, in effect, that I dominated the appointment of this committee; that the committee could not do anything without consulting me; that they could not appoint an investigator, an attorney, or anybody else without my consent; and that if anybody employed by them did anything which I thought was wrong, they would stop it—all of which is as false as hell; all of which is without foundation, and cannot emanate from a mind, from a heart or a soul that has any honor within itself.

Mr. HILL. Mr. President——

Mr. NORRIS. I yield to the Senator from Alabama.

Mr. HILL. I happen to know that this man Cassidy leveled all sorts and kinds of charges against the late Representative from South Carolina, Mr. McSwain, when he was the chairman of the Committee on Military Affairs of the House of Representatives. I also know that the charges leveled by him against Mr. McSwain were without any foundation or any scintilla of basis, and that they were false, just exactly as the charges Mr. Cassidy leveled against the Senator from Nebraska are false.

Mr. NORRIS. I thank the Senator from Alabama. I should like to say, before I read some of these letters, that while the Senator from Alabama was the ranking member of the Military Affairs Committee of the House, and Mr. McSwain, of South Carolina, now dead, was chairman of the committee, of course I had very, very many consultations and conferences and conversations with the chairman of the committee. We very often met and talked over things. For a while Cassidy was supposed by him and supposed by me to be honest, although I had reached the conclusion that he was so egotistical, he thought so much of his own ability, that he could hardly associate with ordinary human beings. He was always telling us about himself and his attainments, and he became a bore to me, and he became a bore to Chairman McSwain. I happen to know, from many conversations with Mr. McSwain, that he finally reached the same conclusion that I reached about this man.

But let us read a biography of this man Cassidy. Here is one, Mr. President, a glowing account of his life, written by himself, on his professional stationery.

He starts in on this biography in the third person, but after only a few paragraphs he goes right over to the personal pronoun "I," and that runs through the rest of the biography. It is long; it will be tedious; but, as I understand the question I am trying to discuss, we cannot fully understand it unless we read this biography, written by Cassidy himself, giving his own estimate of himself. In that way we shall be able to get somewhat of an idea of the man. We shall see when we read it that the probabilities are that many of his statements are inaccurate, and I shall be able to show that some of them are absolutely unfounded and absolutely without any significance whatever.

The heading is:

J. Edward Cassidy, M. Am. Soc. C. E., consulting engineer

In this communication he has changed his address. The address I have been reading so far was on Fifteenth Street; but this is "1300 Vermont Avenue NW., Washington, D. C."

Condensed professional record of James Edward Cassidy, consulting engineer.

I suppose he could not write his name unless he put "consulting engineer" after it. I have never seen it without "consulting engineer" following it, and I have seen it hundreds of times.

Born September 1, 1880, at French Lick Springs, Ind.

Graduate of common and high schools and preparatory school for the West Point Military Academy, but was prevented from entering the Military Academy (1898) by reason of a protracted illness from typhoid and pneumonia fever.

Took a special course in civil engineering at Indianapolis, Ind., along lines which are now termed "schools of applied science and school of application." This engineering course covered the same engineering studies as are comprised in the civil-engineering course of the Purdue University, La Fayette, Ind.

After a year's railroad engineering work became technical adviser and chief engineer for a group of three men—

I wish the Senate would listen to this story about the three men.

After a year's railroad engineering work—

He had just 1 year's experience. He was not a graduate of any engineering college, or anything of the kind; but he had had a year's experience on the railroad in engineering work, he says—

became technical adviser and chief engineer for a group of three men with large interests—

He does not say who they are. You will find that all through everything he says. He carefully shields what he says behind such statements as "It is reported to me," or "I have reliable evidence," or "I have affidavits from an honorable man whom I have known and respect." He never gives the name, he never quotes the circumstances, so that anything can be identified—

for a group of three men with large interests in many countries, and whose personal fortunes aggregated $55,000,000.

Now he commences with "my." This biography is written so far in the third person. Now it is the first person, and continues in that way for the rest of his story:

My work for these people took me into many countries and in close contact with the operation of many and varied forms of industry. It was in this connection that I was present at the first commercial fixation of atmospheric nitrogen in Norway 28 years ago, and where I initiated my studies along these lines.

For 10 years, and until these three men died in rather close succession in a period of 4 months, I handled all of their problems which not only included the study and often the complete redesign and reconstruction of industrial works in which they were largely interested, but the complete reorganization of industries where I considered it necessary or advisable. The decision as to what was to be done was left to me, and never were my conclusions questioned, although the expenditures often involved many millions of dollars.

Among the many and varied industries which I was called on to deal with were the design and construction of large clay-working plants in Indiana, oil, gas, and coal projects, mining and timber projects in Central and South America—

He is down now in Central America and in South America.

Investigation and studies of irrigation works in the western part of the United States and in India.

This man has been in India; he has studied irrigation works over there.

a complete study and report on the Manchurian Railways—

He has been over in China and has investigated and reported upon the railways over there.

Asbestos mining in Rhodesia, South Africa—

You see, he is down in South Africa now, all for these three men, all within 10 years, all without any preparation except working for a railroad for a year.

and numerous other lines of industries in this and other countries.

In my arrangements with these people, it was definitely understood that it was a legitimate part of my work to visit at their expense and make studies of any plants or industries in any part of the world where there were new developments being made in any line of industry with which their investments were concerned, and in this way, I became familiar with the industrial organization of the larger industries of many countries of the world. As I did not work for these people on a salary basis, but on a basis of charging whatever I considered adequate for the work performed, I was free to engage in such other work and to accept such commissions as I might choose, though they were kept advised at all times as to where I could be reached. There was never any differences between us in connection with my charges, and on more than one occasion $5,000 to $10,000 was added to the amounts I had charged, and this was done quite voluntarily on their part.

So he got tips of $5,000 or $10,000 as an ordinary occurrence.

My work in foreign countries often involved some very delicate situations in dealing with the heads of governments of other countries. The industries and activities covered in the course of this work aggregated more than a billion dollars.

Not only engineering, but statecraft. In all parts of the world he came in contact with the heads of governments. He had to deal with them.

I was in the engineering and construction division of the Panama Canal for more than 3 years (under all three chief engineers) finally being forced to leave there by attacks of chagres (exaggerated malaria) fever—my work there being in the matter of heavy excavation, and in the construction of the Canal locks.

What conclusion can we draw from that? He says, "I was in the engineering and construction division of the Panama Canal," and that he served under all three engineers, that he was one of the engineers who built the Panama locks. I want Senators to remember that assertion, because when I get through reading what he said he did in connection with the Panama Canal, I shall show his actual connection with the Panama Canal, and Senators will be surprised.

I then established the J. E. Cassidy Engineering Co., and the Foster Construction Co. with offices in New York City and Newark, N. J., for the design of engineering works and construction of same, including bridges, power projects, etc. In addition to being the head of both corporations, my wide experience resulted in my services being utilized very often as consulting engineer to other engineers, corporations, and financial interests. A number of power projects, both in and out of this country, were studied and reported on both as to the engineering and economic features and potentialities. An excellent business had been built up in both the engineering and construction phases when the United States entered the World War. As I had been examined for a commission in the Engineer Reserve Corps under the National Defense Act, and of which section No. 124 is the basic legislation under which the nitrate plants at Muscle Shoals came into existence, and had a commission pending some months before war was declared, as soon as we could do so after the declaration of war, my associates and myself went on active duties in the Engineer Corps and the construction service of the Army. I served as an officer of the Corps of Engineers for 3½ years, first at Washington Barracks, D. C., then as chief engineer of the Seventy-sixth Division at Camp Devens, Mass., and then in command of the Corps Engineers of the First Army Corps in France. For "exceptionally meritorious and conspicuous services" in command of the engineers of the First Army Corps throughout all of the series of battles later known as the Meuse-Argonne battles, I received a citation from the commander in chief of the American Expeditionary Forces, a personal letter of thanks, a silver star, and the Order of the Purple Heart.

So Pershing knew about this man. Pershing could not have won the war if he had not been there, and Pershing sent him a personal letter of thanks. He does not set that out. Of course, that may have happened; I do not know. I was not there. I cannot dispute it. But the probabilities are that nothing of the kind ever occurred.

Mr. HILL. Mr. President——

The PRESIDING OFFICER (Mr. HUGHES in the chair). Does the Senator from Nebraska yield to the Senator from Alabama?

Mr. NORRIS. I yield.

Mr. HILL. Does the Senator know whether or not Colonel Cassidy has requested that his war record not be given to anyone, and not be disclosed to anyone?

Mr. NORRIS. Yes; I shall take that up just as soon as I get through with this correspondence.

On my return from France, and after mustering out my regiment, I was ordered to Washington for duty (April 24, 1919), and shortly after reporting was made executive officer of the Corps of Engineers, War Department, and remained on that duty until I left the service, December 31, 1920.

On leaving the service, I did not reconstitute the engineering and construction companies, but have since engaged in consulting engineering work, as well as some complete investigations and designs, among which is a $50,000,000 hydroelectric project in Brazil, South America—

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studied and planned for British interests, and which involved some very interesting problems, one of which was the transmission of power 675 miles as the nearest principal market was that distance from the project. The transmission of power was planned for 300,000 volts. Up to date no transmission of power this distance has been accomplished though there are neither mechanical nor technical difficulties involved in doing this, the only problem involved being the economic one.

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While serving as executive officer of the Corps of Engineers, War Department, I became interested in the Muscle Shoals project—1919—and studied all phases of it from the private files of the Engineer Department. For the past 13 years I have continued my studies of the whole project and have kept in close touch with all hearings and studies by various commissions. For the past 15 months I have devoted practically all of my time to studies of the Tennessee Valley project, both as to the potentialities and to the organization of the operations.

When the President-elect made his visit to Muscle Shoals in January 1933 he had before him a brochure I had prepared for him summarizing all of the various problems involved. Annexes were prepared to this brochure from time to time, and the existing legislation was formulated largely on the data covered by the original brochure and the annexes. In each case where differences have arisen between the legislative bodies, and the Chief Executive has been called on to decide the matter, the recommendations made in my brochure and annexes have governed the final action.

So, after all, he is the man—though we never knew it before—who studied and put into legislative form and solved all differences between the President and the Members of the House over what afterward became the Tennessee Valley Act, which he is now trying to destroy.

Mr. HILL. Mr. President, will the Senator yield further?

Mr. NORRIS. I yield.

Mr. HILL. Of course, no man in all the world has a more intimate knowledge of the writing of the Tennessee Valley Authority Act than has the distinguished Senator from Nebraska. He has been well and truly referred to from time to time as the "father" of that act. He knows that Colonel Cassidy had nothing whatever to do with the writing of the

Cassidy that he is crazy; in any event, if he is not crazy, he is the most outrageous and malicious prevaricator that ever drew the breath of life. He is not entitled to sit with honest men; he is not entitled to participate in any deliberations for any honest or honorable purpose. A man who will try to vilify another in a matter so important as that, who will try to use his position to interfere with officers in carrying out their duty under the law, is not fit to associate with honorable men or to be in respectable society.

But I thought I could overlook that. I thought perhaps this was the right thing for me to do, and I said nothing about it. Time went on, and after the investigation of the joint committee of the T. V. A. was finished, the chairman of that committee, the Senator from Ohio [Mr. DONAHEY], moved, I suppose, by a sense of honor and honesty, submitted to me a letter he had received purporting to set forth what I had been attempting to do, all of which was false, all of which was untrue. I find this morning that the Senator from Pennsylvania said on the floor of the Senate that he also was the victim of letters from the same man, and I doubt not that all members of the committee, under such circumstances that there could be no publicity, as would be the case in the public meetings of the committee when letters and affidavits could be put in the record without my knowing anything about it, received damaging letters, the same as some of those I am going to read, which the chairman of the committee has submitted to me.

After I had called his attention to the falsehoods, without any cause, so far as I know, he has continually gone over and over again the charges against nearly everybody, but against me in particular, because he did not get a job, for which I was not even indirectly responsible. Not knowing that he had applied, not knowing that the committee had declined to give the position to him, not having had any consultation with anybody, I was ignorant of all those facts; yet he charges it all to me. He says, in effect, that I dominated the appointment of this committee; that the committee could not do anything without consulting me; that they could not appoint an investigator, an attorney, or anybody else without my consent; and that if anybody employed by them did anything which I thought was wrong, they would stop it—all of which is as false as hell; all of which is without foundation, and cannot emanate from a mind, from a heart or a soul that has any honor within itself.

Mr. HILL. Mr. President——

Mr. NORRIS. I yield to the Senator from Alabama.

Mr. HILL. I happen to know that this man Cassidy leveled all sorts and kinds of charges against the late Representative from South Carolina, Mr. McSwain, when he was the chairman of the Committee on Military Affairs of the House of Representatives. I also know that the charges leveled by him against Mr. McSwain were without any foundation or any scintilla of basis, and that they were false, just exactly as the charges Mr. Cassidy leveled against the Senator from Nebraska are false.

Mr. NORRIS. I thank the Senator from Alabama. I should like to say, before I read some of these letters, that while the Senator from Alabama was the ranking member of the Military Affairs Committee of the House, and Mr. McSwain, of South Carolina, now dead, was chairman of the committee, of course I had very, very many consultations and conferences and conversations with the chairman of the committee. We very often met and talked over things. For a while Cassidy was supposed by him and supposed by me to be honest, although I had reached the conclusion that he was so egotistical, he thought so much of his own ability, that he could hardly associate with ordinary human beings. He was always telling us about himself and his attainments, and he became a bore to me, and he became a bore to Chairman McSwain. I happen to know, from many conversations with Mr. McSwain, that he finally reached the same conclusion that I reached about this man.

But let us read a biography of this man Cassidy. Here is one, Mr. President, a glowing account of his life, written by himself, on his professional stationery.

He starts in on this biography in the third person, but after only a few paragraphs he goes right over to the personal pronoun "I," and that runs through the rest of the biography. It is long; it will be tedious; but, as I understand the question I am trying to discuss, we cannot fully understand it unless we read this biography, written by Cassidy himself, giving his own estimate of himself. In that way we shall be able to get somewhat of an idea of the man. We shall see when we read it that the probabilities are that many of his statements are inaccurate, and I shall be able to show that some of them are absolutely unfounded and absolutely without any significance whatever.

The heading is:

J. Edward Cassidy, M. Am. Soc. C. E., consulting engineer

In this communication he has changed his address. The address I have been reading so far was on Fifteenth Street; but this is "1300 Vermont Avenue NW., Washington, D. C."

Condensed professional record of James Edward Cassidy, consulting engineer.

I suppose he could not write his name unless he put "consulting engineer" after it. I have never seen it without "consulting engineer" following it, and I have seen it hundreds of times.

Born September 1, 1880, at French Lick Springs, Ind.

Graduate of common and high schools and preparatory school for the West Point Military Academy, but was prevented from entering the Military Academy (1898) by reason of a protracted illness from typhoid and pneumonia fever.

Took a special course in civil engineering at Indianapolis, Ind., along lines which are now termed "schools of applied science and school of application." This engineering course covered the same engineering studies as are comprised in the civil-engineering course of the Purdue University, La Fayette, Ind.

After a year's railroad engineering work became technical adviser and chief engineer for a group of three men—

I wish the Senate would listen to this story about the three men.

After a year's railroad engineering work—

He had just 1 year's experience. He was not a graduate of any engineering college, or anything of the kind; but he had had a year's experience on the railroad in engineering work, he says—

became technical adviser and chief engineer for a group of three men with large interests—

He does not say who they are. You will find that all through everything he says. He carefully shields what he says behind such statements as "It is reported to me," or "I have reliable evidence," or "I have affidavits from an honorable man whom I have known and respect." He never gives the name, he never quotes the circumstances, so that anything can be identified—

for a group of three men with large interests in many countries, and whose personal fortunes aggregated $55,000,000.

Now he commences with "my." This biography is written so far in the third person. Now it is the first person, and continues in that way for the rest of his story:

My work for these people took me into many countries and in close contact with the operation of many and varied forms of industry. It was in this connection that I was present at the first commercial fixation of atmospheric nitrogen in Norway 28 years ago, and where I initiated my studies along these lines.

For 10 years, and until these three men died in rather close succession in a period of 4 months, I handled all of their problems which not only included the study and often the complete redesign and reconstruction of industrial works in which they were largely interested, but the complete reorganization of industries where I considered it necessary or advisable. The decision as to what was to be done was left to me, and never were my conclusions questioned, although the expenditures often involved many millions of dollars.

Among the many and varied industries which I was called on to deal with were the design and construction of large clay-working plants in Indiana, oil, gas, and coal projects, mining and timber projects in Central and South America—

He is down now in Central America and in South America.

Investigation and studies of irrigation works in the western part of the United States and in India.

This man has been in India; he has studied irrigation works over there.

a complete study and report on the Manchurian Railways—

He has been over in China and has investigated and reported upon the railways over there.

Asbestos mining in Rhodesia, South Africa—

You see, he is down in South Africa now, all for these three men, all within 10 years, all without any preparation except working for a railroad for a year.

and numerous other lines of industries in this and other countries.

In my arrangements with these people, it was definitely understood that it was a legitimate part of my work to visit at their expense and make studies of any plants or industries in any part of the world where there were new developments being made in any line of industry with which their investments were concerned, and in this way, I became familiar with the industrial organization of the larger industries of many countries of the world. As I did not work for these people on a salary basis, but on a basis of charging whatever I considered adequate for the work performed, I was free to engage in such other work and to accept such commissions as I might choose, though they were kept advised at all times as to where I could be reached. There was never any differences between us in connection with my charges, and on more than one occasion $5,000 to $10,000 was added to the amounts I had charged, and this was done quite voluntarily on their part.

So he got tips of $5,000 or $10,000 as an ordinary occurrence.

My work in foreign countries often involved some very delicate situations in dealing with the heads of governments of other countries. The industries and activities covered in the course of this work aggregated more than a billion dollars.

Not only engineering, but statecraft. In all parts of the world he came in contact with the heads of governments. He had to deal with them.

I was in the engineering and construction division of the Panama Canal for more than 3 years (under all three chief engineers) finally being forced to leave there by attacks of chagres (exaggerated malaria) fever—my work there being in the matter of heavy excavation, and in the construction of the Canal locks.

What conclusion can we draw from that? He says, "I was in the engineering and construction division of the Panama Canal," and that he served under all three engineers, that he was one of the engineers who built the Panama locks. I want Senators to remember that assertion, because when I get through reading what he said he did in connection with the Panama Canal, I shall show his actual connection with the Panama Canal, and Senators will be surprised.

I then established the J. E. Cassidy Engineering Co., and the Foster Construction Co. with offices in New York City and Newark, N. J., for the design of engineering works and construction of same, including bridges, power projects, etc. In addition to being the head of both corporations, my wide experience resulted in my services being utilized very often as consulting engineer to other engineers, corporations, and financial interests. A number of power projects, both in and out of this country, were studied and reported on both as to the engineering and economic features and potentialities. An excellent business had been built up in both the engineering and construction phases when the United States entered the World War. As I had been examined for a commission in the Engineer Reserve Corps under the National Defense Act, and of which section No. 124 is the basic legislation under which the nitrate plants at Muscle Shoals came into existence, and had a commission pending some months before war was declared, as soon as we could do so after the declaration of war, my associates and myself went on active duties in the Engineer Corps and the construction service of the Army. I served as an officer of the Corps of Engineers for 3½ years, first at Washington Barracks, D. C., then as chief engineer of the Seventy-sixth Division at Camp Devens, Mass., and then in command of the Corps Engineers of the First Army Corps in France. For "exceptionally meritorious and conspicuous services" in command of the engineers of the First Army Corps throughout all of the series of battles later known as the Meuse-Argonne battles, I received a citation from the commander in chief of the American Expeditionary Forces, a personal letter of thanks, a silver star, and the Order of the Purple Heart.

So Pershing knew about this man. Pershing could not have won the war if he had not been there, and Pershing sent him a personal letter of thanks. He does not set that out. Of course, that may have happened; I do not know. I was not there. I cannot dispute it. But the probabilities are that nothing of the kind ever occurred.

Mr. HILL. Mr. President——

The PRESIDING OFFICER (Mr. HUGHES in the chair). Does the Senator from Nebraska yield to the Senator from Alabama?

Mr. NORRIS. I yield.

Mr. HILL. Does the Senator know whether or not Colonel Cassidy has requested that his war record not be given to anyone, and not be disclosed to anyone?

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Mr. HILL. Of course, no man in all the world has a more intimate knowledge of the writing of the Tennessee Valley Authority Act than has the distinguished Senator from Nebraska. He has been well and truly referred to from time to time as the "father" of that act. He knows that Colonel Cassidy had nothing whatever to do with the writing of the

act, or with anything in connection with bringing together any of the different viewpoints which arose while the act was being written. Is not that correct?

Mr. NORRIS. That is correct so far as Colonel Cassidy is concerned. I myself do not make any assertions with respect to the matter, but the idea that Colonel Cassidy desired to convey is that, as a matter of fact, he furnished the President of the United States with the evidence. He nowhere narrates that he ever saw the President or had a conversation with him, but the implication is quite clear from what he says that before the President did anything he first consulted Colonel Cassidy.

In view of my recognition as an authority on Tennessee River problems, I was commissioned by New York banking interests to formulate a program for the industrial development of the Tennessee River Valley, and the preliminary studies were well developed (in 1928 and 1929) when the financial crash came. My studies and preliminary program involved an investment of $300,000,000 in an orderly program over a period of 20 years, and this sum had no connection with the $130,000,000 already expended by the Federal Government. In general, my program was the construction (as needed) of 10 dams to provide power for the development of natural resources found in the ores, clays, stone, etc., throughout the Tennessee Valley—through electrochemical and electrometallurgical processes. Under this project, no power was planned for sale as a utility as it was considered to be of a great deal more value to the people of the district and to the country when used to develop the natural resources. This project did not include the existing governmental plants in view of the fact that the basic legislation under which all of the existing plants came into being by reason of the National Defense Act, approved June 3, 1916, definitely reserved the ownership and operation of these plants to the Federal Government. Had the financial crash of 1929 not happened this large project would have gone forward.

That is one great loss which no one ever heard of before that came to us as a result of the financial crash.

In my studies of the Tennessee Valley project it has been necessary to give full consideration to the electrochemical developments not only in this country but abroad, and it has cost me around $3,000 to fully inform myself on just what has been done in Germany and other European countries in the production of nitrogen, phosphoric acid, and potash.

In the past 13 years my studies of the Tennessee Valley problems have cost me unlimited time and an expense of around $20,000, none of which has been carried by any person or concern other than myself, so that I have been an absolutely free agent in the use of the data accumulated. * * * I placed at the disposal of the Senate and House committees, as well as the White House, such use of my data as they might see fit, and my personal services in an advisory capacity were available to these agencies at any and all times—being, in fact, the "unofficial and unremunerated technical adviser," as aptly stated by Chairman McSwain, of the House Military Committee, to all three of these agencies. The chairmen of the committees will bear tribute to the value of my assistance in the framing of the legislation now enacted into law. My efforts were wholly nonpartisan, as I had no ax to grind and represented no one industry, concern, or corporation. My actions were voluntary and were accepted and used to the fullest extent.

Of course, I ought to have known something about all of that but, unfortunately, I did not, Mr. President. I know that Colonel Cassidy wrote volumes to me and everyone else connected with the subject, as the pile of letters before me will indicate. But Colonel Cassidy became a bore; he became a nuisance around the office. I had a different opinion of him when first I knew him and always desired to be courteous and fair to him, as did Mr. McSwain, of the House committee.

Mr. HILL. Mr. President—

The PRESIDING OFFICER (Mr. SMATHERS in the chair). Does the Senator from Nebraska yield to the Senator from Alabama?

Mr. NORRIS. I yield.

Mr. HILL. As the distinguished Senator from Nebraska knows, I served on the Committee on Military Affairs of the House of Representatives for some 12 or 13 years, and during most of that time Colonel Cassidy was a bore and a nuisance to that committee and to the individual members of that committee. He was not only a terrible nuisance to the Senator from Nebraska, but he was a terrible nuisance, I know, to the chairman of the House committee, Mr. McSwain, to me, and to other members of the committee. He would write out all kinds of memorandums, many of them absolutely irrelevant to the subject about which he was supposed to be writing, and then seek to force himself and his views on the committee and on the individual members of the committee. He was always trying to get some job or some position for himself. He not only sought with every power at his command to become employed by the Tennessee Valley Authority but thereafter, when the House of Representatives authorized the House Committee on Military Affairs to make an investigation of the War Department, and more particularly the purchase of matériel and aircraft by the War Department, Colonel Cassidy became very much outraged because Representative McSwain, the then chairman of the committee, and the committee, would not employ him as a special investigator at a nice salary.

Mr. NORRIS. I thank the Senator.

I read further:

The chairman and other members of the House Military Committee which handled the Muscle Shoals or rather the Tennessee Valley legislation, have fully recognized the value of my technical advice and assistance, and have placed the utmost confidence in my recommendations.

In view of my knowledge of all phases of the problems involved and in recognition of my assistance in formulating the necessary legislation, the House Military Committee has felt that my services would be most valuable to the people of the country in connection with the working out of the great problems involved, and through the chairman [Mr. McSwain] and the ranking majority member of the committee [Mr. HILL], have strongly urged that my services be utilized by the Authority as Chief Engineer of the whole project. They fully realize that the House and Senate committees and the White House have utilized my knowledge, experience, and specific studies of the Tennessee Valley problems to the fullest extent in enacting legislation, and as these agencies which control the funds and the legislation dealing with the whole project have accepted me as their technical adviser, it seems to be their opinion that the continuation of this capacity to the agencies they have established to carry the project into effect would be of great value to the project.

Under the legislation enacted, there are many special phases, such as apply to the social and domestic lives of the people of this district, but the background of the project rests on the industrial and economic phases, and it is on these particular features that my wide experience and 13 years specific studies of the Tennessee Valley problem are applicable.

(Signed) JAMES EDWARD CASSIDY,
Consulting Engineer.

JULY 9, 1933.

Member American Society of Civil Engineers.
Member American Society of Civil Engineers, Power Technical Section.
Member American Society Military Engineers.
Member of the Indiana Engineering Society.
Member United States Air Force Association.

Mr. HILL. Mr. President, did I understand the distinguished Senator to read from the letter that Colonel Cassidy said that Mr. McSwain and I had urged him for the position of chief engineer of the Tennessee Valley Authority?

Mr. NORRIS. That is what he said.

Mr. HILL. That statement is without any foundation at all. It is absolutely false. I never urged him for chief engineer. I never urged him for any position. For that matter, I have never asked the Tennessee Valley Authority or urged the Tennessee Valley Authority to appoint anyone to any position. As the Senator from Nebraska well knows, the law prohibits any political recommendations or anything of that sort to be made in connection with the Tennessee Valley Authority. The statement is absolutely without foundation.

Mr. NORRIS. I thank the Senator. Of course, before the Senator denied the charge, I knew the statement was without any foundation.

Mr. President, I have finished reading Colonel Cassidy's autobiography. It will be noted that he gives his war record in it. He practically says to us that he won the World War, and the poor commanding officer of the American Expeditionary Force, knowing so well that it was Colonel Cassidy who brought the war to a successful conclusion, wrote him a letter of thanks for the great victories coming to the American armies.

Colonel Cassidy tells what offices he held.

After I had read his autobiography, Mr. President, I thought I should like to find out what his Army record was, so I took up the matter with the War Department, and, lo and behold, this is what I found:

On March 27, 1934, Colonel Cassidy wrote a letter to the War Department objecting to his war or medical record being given to anyone without his permission. I did not know that a man could do that. I had supposed that when a Senator wanted to obtain any of the records of the War Department he would be able to obtain them. However, I was unable to obtain any information in regard to his record because Colonel Cassidy had written a letter and said that such information must not be given to anybody. So, his record, outlined by himself, must stand without any denial. He will not let it be denied. If he has the record which he claims, if he has performed the services which he claims, if he received a letter from the commanding general of the Amercan forces as to his great assistance in the victorious war, if he wanted to be fair to his fellow citizens way down beneath him, he would let us see that letter; he would let us examine his glorious military record which brought victory to our arms.

Another side of his biography relates to what he did on the Panama Canal. One cannot read his statements without being imbued with the idea that he built the Panama Canal as well as other great works. I thought I could obtain information on that subject, and, as a matter of fact, I did. I communicated with the chief officer of the Panama Canal, in Washington, and called for Colonel Cassidy's record. On April 5, 1939, I received from that official a letter giving Colonel Cassidy's record. According to Colonel Cassidy's tale, he served for more than 3 years in the engineering department, giving the idea that he was associated with the engineers, and that he helped build the great locks of the Panama Canal. Here is the letter directed to me by the Chief of the Panama Canal office:

Reference is made to your telephonic request of today for the record of James Edward Cassidy, as an employee in the construction work on the Panama Canal. There is no record of James Edward Cassidy, but there is given hereunder a transcript of the service record of Edward Cassidy as an employee of the Isthmian Canal Commission on the Isthmus of Panama, as it is thought that he may be the person whose record you desire.

I presume it is the same person. This is what it says:

Employed as a clerk, $1,200 per annum, December 17, 1905.
Promoted to $125 a month, June 1, 1906.
Resigned, December 28, 1906.
Reemployed as foreman at $125 a month, November 15, 1909.
Promoted to $150 a month, February 7, 1910.
Resigned, March 12, 1910.
Mr. Cassidy was born in Indiana—

That is what he says in his autobiography.

and in 1905 he stated he was 25 years of age.

Yours respectfully,

H. A. A. SMITH, *Chief of Office.*

Perhaps Senators have computed in their own minds how long he served. He said more than 3 years. From the figures given me by the Panama Canal office I calculate that his first service as a clerk was 1 year and 11 days. His reemployment, in which he finally received $150 a month in the construction part, was 3 months and 24 days. I think it is fair to say that that constitutes his service on the Panama Canal. So he did not dig it after all. Hereafter General Goethals and some others will probably receive some credit for that great work.

Mr. President, this presentation has been tedious. It seemed to me that the object I had in view made it necessary for me to read the autobiography in full. It gives the best side of his story, because it was written by himself. I never knew a man on earth who could praise himself more highly or readily than Mr. Cassidy. According to his theory he won the war. According to his theory he built the Panama Canal. According to his theory he devised the Tennessee Valley Authority Act and built all the structures which were built under that act.

We now come to the second phase of what he has been trying to do, which induces me to make the remarks which I am about to undertake.

Colonel Cassidy wrote a letter to Mr. Heffernan. I never saw Mr. Heffernan more than once in my life that I remember. He was secretary to the joint investigating committee. Mr. President, here is Colonel Cassidy again trying to obtain a job with the investigating committee. To do it he again goes over many of these stories, telling what a wonderful man he is, what great experience he has had, and how fair he is going to be.

However, he did not get the job. He blames me for that. I had no more to do with it than had the Senator from Oregon, who probably never heard of it. I did not know anything about it. I have never had a conversation with any member of the committee about Mr. Cassidy or anybody else getting the job in question. I never urged anyone for the job. If that statement is not true, I call upon members of that committee who may now be listening to me to rise and say so.

Colonel Cassidy wrote the following letter to Mr. Heffernan on August 14, 1938:

MY DEAR MR. HEFFERNAN: In an article on the hearings of yesterday on the T. V. A. in today's New York Times it is stated that on the return of the chairman the first of the week you will take charge of the accounting and auditing work of the committee. It also mentions that various Government agencies will be asked to furnish personnel and mentions the securing of accountants from the Department of Justice, but does not mention the Comptroller General. As the Comptroller General has had something like an average of 10 auditors working on the T. V. A. accounts, it seems to me that it would be an excellent stroke if you could get a couple of G. A. O. men for this work as they are quite familiar with what has been going on. There is no time left to make a general audit so it will be necessary to concentrate on certain features.

Mr. Cassidy asked Mr. Heffernan to get the General Accounting Office to make the investigation. He does not say in this letter that the General Accounting Office, though perhaps not mentioned in the resolution, was really one of the organizations which the committee was going to investigate. Its work had been admittedly unsatisfactory, and its work is severely criticized by the majority report of the committee.

I proceed:

I would like to suggest that, when you go to Washington, that you go to the General Accounting Office and see Mr. Tulloss, who is in charge of the field auditors. If his reaction is all right, the formal move for securing two or three of his T. V. A. auditors could be initiated.

The last complete audit that was made was for the fiscal year ending June 30, 1934, this audit being completed in May 1935, and I extracted from this 394-page audit 25 pages of irregularities which kicked up quite a fuss on Capitol Hill, and incidentally resulted in the passage of amendments to the T. V. A. Act, which were put through for the purpose of preventing further complete audits. The original section of the T. V. A. Act requiring annual audits by the Comptroller General was drafted by me.

Mr. President, Mr. Cassidy had no more to do with the amendatory act than the man in the moon. It was a Senate bill which passed the Senate, went to the House, was amended in the House, and went to conference. The Senator from Alabama [Mr. HILL], who now sits before me, was one of the conferees. We worked in conference for weeks and weeks. It looked as though we never could agree, but finally we did. Never once in all that conference was Colonel Cassidy mentioned or spoken of by any member of the conference committee.

Mr. HILL. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. HILL. As a member of the conference committee representing the House of Representatives, I wish to say that the Senator from Nebraska is absolutely correct. Colonel Cassidy had no more to do with what transpired in the conference or with the conference report which came out of that conference than did the man in the moon.

Mr. NORRIS. I thank the Senator.

Reading further:

There are certain phases of the T. V. A. in which the expenditures, etc., have been purposely muddled so that hardly anything short of a complete audit will show what has been done. One in particular is the operations at Muscle Shoals, where fertilizer and other activities are so lumped together and mixed up in the annual reports that they mean nothing. The report for June 30, 1937, is silent on the town of Norris, as a lot of fuss was kicked up about this when I uncovered a bunch of irregularities in the audit in May 1935.

I have in my possession some 60 pages of what purports to be verbatim—

Now he is getting to me, and this is one of the things which I think justify my taking the floor on this occasion:

I have in my possession some 60 pages of what purports to be verbatim reports of certain conferences held by Senator NORRIS, this being furnished to me from sources which I believe to be authentic; and if this is correct, it explains a lot of things, among which is the appointments made by the committee. These reports include a list of committee members NORRIS has stated he controls, the names of the members being given.

Mr. President, this man says that he has information that I made a statement that I controlled certain members of the investigating committee and gave their names. Although it is not directly charged but is charged from information which he thinks is reliable, what effect will it have upon the members of the committee? That kind of thing was going on without my knowing anything about it, these letters being sent to various members of the committee. I do not know what he said in letters to other members of the committee, but in this letter he charges me with claiming that I controlled the committee. That is as false as anything that was ever told by fiend or devil. There is no truth in it. If he has any such evidence, let him produce it, let him bring it forward. He says he has it from very reliable sources. I deny it; I say it is totally false; I say it is a lie; there is no truth in it; there is no foundation of truth for it, and it seems to me that I am entirely justified in defending myself against secret charges and insinuations. I defy any committee to put him on the stand and let him tell where this information is, what it is, and who says it. It is a lie from end to end. This egotistical person who is making these claims cannot substantiate them anywhere, even before an enemy. I will let him pick his own committee, if he will pick it out of this Chamber, and let them investigate any charges of that nature.

These reports include a list of committee members NORRIS has stated he controls, the names of the members being given. The purported data also includes the flat assertion that no committee appointments would be made without his approval, and that no one would be allowed to be appointed on the committee staff who had any particular knowledge of the T. V. A., and that no investigators except those who could be controlled would be appointed; also that if any investigators should get on to dangerous subjects they would be stopped.

I know nothing about that. He has gotten it out of thin air. He sent such statements by mail to members of the investigating committee, whom he blames in other letters for being appointed because I suggested it. That is another falsehood. I did not know him; I was not asked about him; I offered no evidence about him; I knew nothing about it.

Reading further:

One of the purported conferences was held on April 28 with D. E. Lilienthal and J. B. Blandford.

Mr. Blandford is general manager of the T. V. A., and Mr. Lilienthal is a member of the Board. It seems, according to this man, that a conference between us three was held. He has all the information. He knows just what we talked about. He knows the conspiracy that was entered into. I do not know how he got any such information. If we ever had a conference, I have no knowledge that Cassidy was anywhere hiding behind the furniture or under the bed. He must have been there, because he says he has the evidence; he knows what I said; he knows what Lilienthal said; he knows what Blandford said.

As they both know me by sight, and as they saw me in Senator DONAHEY'S office, it appears that my name was specifically mentiond for this reason, and NORRIS assured them that as a majority of the committee was controlled by him, there need be no fear of my having an active part in the investigation. In view of subsequent developments, the accuracy of this purported report seems to me to be established. Without any fear of it being controverted in any way, it must have been evident to every member of the committee—

Now he is coming to the investigating committee and is giving them a little lecture. He says:

Without any fear of it being controverted in any way, it must have been evident to every member of the committee that I was the outstanding authority on the T. V. A. subject, and if a majority of the committee had been imbued with the idea of getting to the facts, my services would have been indispensable, and the fact that the appointees of the committee in key positions were selected from people who knew nothing about the T. V. A. also is pretty clear proof of the authenticity of the purported reports of these conferences.

Again we see what a mountain of egotism this man is. He was the only man in the world who could do this work; he was not appointed; therefore it was my dirty work that prevented his appointment. I appeal to the Senator from Wyoming [Mr. SCHWARTZ], who was a member of that committee. I wonder if he remembers when I saw him; I wonder if he remembers any time when I told him what he had to do; I wonder if he can tell the Senate of any occasion when I said to him that I did not want Cassidy appointed or that I wanted this man appointed or I did not want that man appointed?

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. SCHWARTZ. I take occasion to remark that the Senator from Nebraska never spoke to me about any feature of this case at any time when it was under investigation. He never spoke to me about Mr. Cassidy or about anything else.

Mr. NORRIS. I thank the Senator.

Cassidy says further:

I was never interested in the investigation from the point of remuneration—

He is speaking now about himself—

for I considered then and now that the legal pay for personnel services is limited to $300 per month, as has been the case in every other investigation I have had a hand in, except when by specific act the Congress has made a definite provision otherwise.

Three years ago in the joint committee on investigation the loss of the dirigibles *Akron* and *Macon*, the joint committee counsel, Joseph H. Choate, was limited to $300 per month, and had 10 percent taken off that by the operation of the economy act. I have—

Listen to this. This man is trying to tell what a great sacrifice it would have been, after all, if he had been appointed chief investigator of the committee, although he complains all the way through these letters because he did not get that appointment. He says:

I have a newspaper syndicate contract (which I have held in abeyance since the resolution was passed) for a minimum of 20 articles which call for more than three times as much as I could have expected from the committee had not NORRIS, through his control of the majority of the committee members, been able to block my connection with the investigation.

So, after all, I did him a financial favor. He had a syndicate of newspapers, and he will have something to say about that further on in his correspondence.

When the committee was organized, I had already sent three articles (eight full newspaper columns) to the syndicate, and three more have gone in since. I had not contemplated releasing any for publication until at least eight had been filed, so that I would not be rushed after the publication had once started. I have held up making any release until I see what the committee does, and if the results are what Senator NORRIS insists on—a farce—the releases will be made as I have plenty of data on file to deal with every section of the resolution.

Was that a threat to the committee? What was it for, if it was not a threat? He says, in effect: "I have a contract with a syndicate of newspapers; I am going to write, in fact, I have already written part of certain articles about this investigation. I have held them up to see what the committee is going to do. I want to be your chief investigator." He says in another paragraph, "These articles, eight of them, already prepared and sent in to the newspapers, are waiting for my telegram of release. I am going to release them if the committee does not appoint me chief investigator."

Can you not draw that conclusion? Is there any other conclusion that you can draw? What difference does it make to the committee how many newspaper articles he had? What difference does it make, so far as this investigation goes, how many syndicated articles he is going to prepare, or has prepared? But he says in this letter:

The articles have gone forward. I will release them or I will suppress them, depending on what action this committee takes.

You may draw your own conclusion. And this is the man who, without cause, without reason, but with lying falsification, is carried away into the dreamland of uncertainty by his imagination regarding his own abilities and his own knowledge.

Reading further:

It seems to me to be quite clear that if the majority of the committee had not wanted to block a real investigation, they would have wanted someone in key positions who knew what it was all about.

That is Cassidy, according to his own story.

Yours very truly, James E. Cassidy, consulting engineer.

Now another letter, Mr. President. I should be glad to print in full all of this correspondence. All of it would be interesting, but I do not want this speech to be monotonous. I am not going to read all of the letter. I am going to read only extracts from it, unless some member of the committee wants to put the whole letter in the RECORD, or have me read all of it.

This letter is written to the Senator from Ohio [Mr. DONAHEY] under date of April 7, 1938:

Hon. VIC DONAHEY, United States Senator, Washington, D. C.

The letterhead is just the same, except that he has a different office:

James E. Cassidy, M. Am. Soc. C. E., consulting engineer, P. O. Box 213, Wilmington, Del.

He is over in Delaware now, when he writes this letter:

Hon. VIC DONAHEY,
United States Senator,
Washington, D. C.

DEAR SENATOR: As an outstanding, if not the outstanding, authority on the subect of the Tennessee Valley by reason of detailed studies of the whole project over a period of 22 years—

It was only 13 years awhile ago, but now it is 22 years—

it is probable that my name will come before your committee either as chief investigator or an investigator of the technical phases. A number of the phases which are required to be investigated are highly technical in nature, such as power rates, chemical operations, and power dams, and can only be dealt with properly by technical experts.

He goes on. Let me read some of this:

Before going into other matters, would say that the two subparagraphs of the T. V. A. Act which deal with the power of removal of directors were framed by me.

That is not true. I believe that is one thing of the T. V. A. Act that I did that was accepted by the committee; and I never heard of Colonel Cassidy being remotely connected with it or mentioned about it in any way.

Further on in this letter to the Senator from Ohio, Mr. Cassidy says:

During the framing and consideration of the T. V. A. legislation I "gravitated" between the House Military Committee, the White House, and Senator NORRIS's office.

There you have him. Here are three places—the White House, the House Military Affairs Committee, and my office—and Mr. Cassidy himself says that he gravitated between the three. He was the pendulum that brought harmony out of chaos. He was so intimate with the President, the chairman of the committee, and the other members of the committee that he was the general who brought them forth into a pleasant land, in loving embrace, in entire agreement.

The Senate gave little consideration to the bill, as there were rarely ever more than half a dozen Senators in the Chamber while the bill was under consideration.

I suppose there were such times. I have seen that happen in the case of very important bills.

Everything that took place in the line of verbal discussions, I confirmed in writing and a copy went to Senator NORRIS, the Military Committee, and the White House, so I have a file of 2,000 to 3,000 pages of correspondence dealing with the evolution of the legislation.

I have no doubt that Mr. Cassidy probably has such a file. Every time something was done, he would write to somebody and tell them he did it, just as soon as he found out that it had been done; and a year from that time he would call attention to his memorandum, showing what he had accomplished at a prior date.

When President Roosevelt went to Muscle Shoals—

Now he is telling that old story over again. In these letters that I have from him he has told it dozens and dozens of times.

When President Roosevelt went to Muscle Shoals on January 20, 1933, before he was inaugurated, he had with him as a sort of Baedecker, a brochure of mine on Muscle Shoals which had been prepared on my studies which had then taken place over a period of 18 years, and most of the salient features in that brochure were written into the act. This brochure was supplemented from time to time, and for which I received the hearty thanks of the President many times.

Further on in the letter he says:

I have spent about $2,500 in my studies of this whole territory since I started on it in 1915, and I spent 6 months straight in 1933 and 1934, and the $2,500 that cost me came out of my pocket. I have never asked nor received a thin dime from any person or agency for my work, and I am a free agent in every sense of the word. I am decidedly interested in assisting in ascertaining to what extent the provisions I worked on so diligently in the framing of the T. V. A. Act, have been carried out.

* * * * * * *

There is no one in or out of the T. V. A. that has the fund of information I have on the subject by reason of my 22 years' study, and by the part I played in formulating the T. V. A. legislation, so it is quite logical that I should have an active part in the investigation.

There is another plea for a job; and when he does not get it, how the men who had the power to give it to him are then criticized and condemned. Then he heaps ridicule and condemnation upon them, because they permitted themselves to be controlled by me. I am always the one to blame.

Here is another letter written to the Senator from Ohio [Mr. DONAHEY]. It comes under the same heading:

James E. Cassidy, M. Am. Soc. C. E., consulting engineer.

This is from Wilmington, Del., under date of April 23, 1939:

Hon. VIC DONAHEY,
United States Senator,
Washington, D. C.

DEAR SENATOR DONAHEY: Sometime ago I wrote you relative to my taking an active part in the T. V. A. investigation either as chief investigator or as chief investigator of the technical phases, and since that time the committee has been completed. The probabilities are that you will be selected as the chairman of the committee, and in view of that fact, I am handing you herewith a letter addressed to the chairman of the committee, and in case you should not be selected as chairman, I will appreciate it if you will hand it to whoever is selected.

Further on he says:

When the committee organizes, unless someone like myself is placed at the head of the work of investigation, who by long study of the project is an expert on T. V. A. matters, the committee will really be forced to mark time while "fishing trips" are gone into.

Another plea for patronage:

With my 22 years study of the Tennessee Valley, and as a framer of the larger part of the T. V. A. Act (and I mean by this the act as passed by the House), together with detailed investigations made in the T. V. A. at my own time and expense since the T. V. A. started to function, I could submit at once a program for the necessary organization and the agenda for the committee to consider as a working program. There is not going to be any too much time between now and January 3, 1939, for the committee to do the work devolving on it, and that is why it is important that the chief of investigation be someone who can start right from the tap of the gong.

* * * * * * *

I have acted as technical adviser in many House committees on an unofficial status for the past 33 years or so, and know all the ins and outs of the game.

* * * * * * *

I will be at the Willard Hotel in Washington Tuesday and Wednesday of next week (April 26 and 27) on some other matters, and if there is anything you would like to go over with me, * * * I will make an appointment. I will be glad to come down at any other time on advice to that effect.

He speaks of the syndicated newspaper articles again in an earlier part of the letter:

The syndicated newspaper article which I referred to before, came from the group dominated by Senator NORRIS and his associates on the T. V. A. Board—being "inspired," and the evident

idea is that the committee can be induced to go into a campaign to discredit Dr. A. E. Morgan, and that when this is done the committee will let the thing drag along without making a real effort to investigate the administration and operations.

In writing, at the bottom of the dictated letter, he says:

I have contacted other members of the committee, among whom are—

Then he mentions Members of the House of Representatives.

Yours very truly,

JAMES E. CASSIDY,
Consulting Engineer.

Here is another letter to the chairman of the joint committee on T. V. A. investigation, written on the letterhead, as follows:

James E. Cassidy, M. Am. Soc. C. E., consulting engineer

He has several offices printed on this letterhead, Sheffield, Ala., Washington, D. C., and Wilmington, Del.

DEAR SIR: As the chairman of the Joint Committee on the Investigation of the T. V. A., you are somewhat in the nature of being between the rocks of Scylla and Charybdis, for if any pet corns of either the "pros" or the "cons" get tramped on, bias and favoritism is going to be charged.

He knows that from his own experience. He has done it so often he knows that will happen. He continues:

By reason of the fact that the writer started a detailed study of the Tennessee River Valley 22 years ago, and drafted the main features of H. R. 5081, as passed by the House of Representatives, and later on personally spent a lot of time in the Tennessee Valley looking into the administration and operations of the T. V. A., there is no one better fitted to handle the work as chief investigator, or at least as investigator of the various phases which involve highly technical matters.

During the work of preparing the T. V. A. bill the writer acted in the capacity of coordinator between the House Military Committee, Senator NORRIS, and the White House—

Repeating the same thing he said in another letter—

and in working out the provisions of the bill, in addition to lengthy discussions, all of which were confirmed in writing with copies to each of the three agencies, differences between the House and Senate were handled by me.

On November 11, 1932, a few days after the election, a memorandum on the Muscle Shoals project was handed Governor Roosevelt, by one of his campaign managers, and for which I received his personal thanks. Following this I prepared a brochure with certain charts and maps, and when President-elect Roosevelt went to Muscle Shoals on January 20, 1933, he had this brochure with him as a sort of Baedecker. Again, I had the warmest personal thanks for this brochure. From time to time, following the President-elect's visit to Muscle Shoals, I submitted to him annexes elaborating on the original plans, and I followed certain of the President's suggestions, or rather instructions, in dealing with the matter.

I will not read all of the letter. He makes various charges against me as he proceeds with it. Later on he said:

I have never asked nor received a single dollar from any power group or other agency opposed to the T. V. A., so I have no strings on me whatever.

He is pleading now to be appointed chief investigator, Senators understand. He wants to convince the chairman of the investigating committee that he is honest and that he has not been in the employ of the Power Trust, or anything of the kind.

As an outstanding, if not the outstanding, authority on Tennessee Valley problems, I have earned the right to act in the capacity of chief investigator, or at least the chief of the technical investigation phases, especially in view of framing a large part of the act.

I have on file copies of all of the documents I have referred to and hundreds of others besides. As I have worked out a general plan of organization of the investigation for the purpose of seeing whether or not the funds provided were sufficient, as chief investigator or investigator of the technical phases, the work could be initiated at once on an orderly program.

Prior to the enactment of the investigation resolution (S. J. 277) the writer had arranged with a large news syndicate to write a series of 20 articles dealing with the T. V. A. and its operations, at $225 per article—

That was quite a sum of money for this poor investigator who was hunting for a job.

each one to consist of not less than two columns of newsprint. Three of the 20 articles had already been delivered, but, pending the existing situation, I have not released them for publication, and will not do so in case I take part in the investigation, as such a release would not be ethical.

"If you do not employ me, I may give the release. If you do give me a job, I will forget it all." That is what this great man, who won the war and built the Panama Canal, wants to do.

I will be glad to come to Washington at once and go over this matter if desired.

Yours very truly,

JAMES E. CASSIDY,
Consulting Engineer.

He kept on after the Senator from Ohio [Mr. DONAHEY]. This appointment had not been settled when the letter I am about to read was written. There was still hope that this man, who had been working for corporations which gave him jobs paying five and ten thousand dollars at a time, and thought nothing of it. This man, who took from these three men active control of various enterprises all over the known world, and part of the world that was not known, and handled a business which amounted to more than a billion dollars, was trying to get a job with the investigating committee. He spent $25,000 of his own money getting information about T. V. A. and the Tennessee Valley, and now he was hunting for a job, and he said, "I have some articles written, and for 20 of them I will get $225 apiece. Eight or nine of them have already been written and sent in, but they are awaiting release from me. If you get me a job, they will never be released. If you do not get me a job, they will be in the newspapers before you know it. So you had better give me a job."

But notwithstanding all those threats, notwithstanding the terrible possibility of being exposed, the Senator from Ohio [Mr. DONAHEY] did not give him a job. He took his chances. He took his life in his hands and he said to Mr. Cassidy, "I do not want you." Senator DONAHEY knew Colonel Cassidy was not honest. Senator DONAHEY knew that he could not have such a man on the pay roll. Senator DONAHEY knew that Colonel Cassidy was prejudiced and biased. Senator DONAHEY knew that Colonel Cassidy did not know one-thousandth of what Cassidy thought Cassidy knew, and we have Senator DONAHEY to thank for turning this man Cassidy down notwithstanding all these letters of self-praise.

Here comes Cassidy again. He writes on the same sort of letterhead:

James E. Cassidy, M. Am. Soc., C. E.
Consulting Engineer

MAY 19, 1938.

Confidential.
Hon. VIC DONAHEY,
United States Senator, Washington, D. C.

DEAR SENATOR DONAHEY: I attended the committee meeting of the T. V. A. yesterday and I was very much impressed with the desire of the committee members to get at the real facts. I am writing this letter to you as a Senator, not as the chairman of the investigating committee, as it deals with a very delicate subject.

And here is what it is:

After the T. V. A. was organized in 1933, complaints in person and by mail poured into the Military Committee of the House and because, as he put it "being the President's baby," Chairman McSwain did not want to take official cognizance of these complaints, so he asked me to act as his "complaint department" which I did, and which by the way was gratuitous.

He digresses every once in a while in his letters to say "I did it without money." Or "I did not get anything for it."

Mr. President, after reading so many statements of that kind I cannot help but become suspicious. When a man has no visible means of support, when he says he has spent thousands of dollars of his own money to obtain information on various subjects, and he does everything for nothing, I cannot help but wonder how he manages to live. I cannot help but wonder how he exists. In nearly every other sentence he says, "I did thus and so without being paid for it." I do not know that he did get paid, but in some way Colonel Cassidy had to receive money for doing all these various things.

Mr. MEAD. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. MEAD. I ask the Senator to yield at this moment because I have been asked to assume the chair. Before doing so I wish to make the statement that I also served on the committee investigating the Tennessee Valley Authority, and during all the time of my service I never received a communication from the distinguished Senator from Nebraska. He never in any way tried to influence my decision as a member of the committee. The statements that are made by this man Cassidy, so far as they apply in my case, are in my judgment outrageous and are unworthy of the consideration of any man of integrity or fairness.

I wish to say further that I appreciate this opportunity to pay tribute to the distinguished Senator from Nebraska for his uniform fairness in all matters. I do not believe that Colonel Cassidy's charges will in any way injure the Senator from Nebraska, because of his splendid standing and his well-known fairness.

Mr. NORRIS. I thank the Senator.

I continue to read from Mr. Cassidy's letter:

I dealt with all of the complaints, coming in in the last half of 1933, the year of 1934, and over half of 1935, and in view of this fact, I was personally flooded with complaints sent direct to me. One month in 1934 I received 936 letters direct on this subject.

Here is the rather delicate subject I want to bring to your attention, and I suggest that you ask Dr. A. E. Morgan personally about this, and after his answer, it might be that you would want to bring the subject into the committee. I had reports and complaints from many sources to the effect that no sooner was the T. V. A. Act passed than Senator NORRIS set himself up as dictator—

So I am getting into a pretty high class now, Mr. President—

And that he was continually forcing his views on the T. V. A. directors, and one of the things attributed to him was that after H. A. Morgan had arranged to go ahead and operate Nitrate Plant No. 2, it was stopped dead by orders of Senator NORRIS. That information came to me from inside the T. V. A. organization. I am also informed that the break between Dr. A. E. Morgan and the other directors really came about in this way—

Mr. President, I wish briefly to comment on that statement. It is like all his other charges. He always covers them up with a veil of secrecy.

I had reports—

He said—

and complaints from many sources.

He had complaints that came into the T. V. A. organization itself that I set myself up as a dictator, and that I was continually forcing my views on the T. V. A. directors. One of the things he attributes to me was that after H. A. Morgan had arranged to go ahead with nitrate plant No. 2, I stopped it.

Of course, Mr. President, it is difficult, it is tiresome to keep on denying assertions and charges that have come out of a clear blue sky. It is difficult and embarrassing to say over and over again, "This is another lie. This is another falsehood, a statement without any foundation, direct or indirect."

Mr. President, there is nothing to it, absolutely nothing to it, and I defy Colonel Cassidy or anyone else to produce anyone who will testify to what he alleges in his letter. No person exists who can so testify. Such alleged information cannot be obtained. It is an impossibility to produce such testimony. Colonel Cassidy's statement is a falsehood, and he knows it to be a falsehood. Colonel Cassidy has been careful to cover up his charges without giving the name of anyone so that an investigation could be conducted.

I have illustrated to the Senate the foolishness of trying to get an admission from Colonel Cassidy by letter as to who made the charges against me. I read correspondence between him and me at the beginning of my address today. In my letters on three different occasions I demanded of Colonel Cassidy that he disclose the name of the man who he said had sworn to certain alleged facts, statements which I alleged to be false and groundless. In no instance did he divulge the name. Anyone who will do as Colonel Cassidy did in that respect is a dishonorable man, he has no honor about him, he is not fit to live in an honorable society. Any man who tries to besmirch the character and reputation of another by sneaking, lying, false insinuations, the authorship of which he refuses to disclose, and refuses to give any evidence on the basis of which the charges might be investigated, if anyone desired to make such an investigation, is a dishonorable man.

Colonel Cassidy makes various charges against me in that same letter, which I will not take time to read. The letter is signed "James E. Cassidy, consulting engineer."

Here is another letter with the same heading:

James E. Cassidy, M. Am. Soc. C. E., consulting engineer, Wilmington, Del.

Also an office at Washington and one at Sheffield, Ala. This letter was written by Colonel Cassidy to the Senator from Ohio [Mr. DONAHEY] as chairman of the investigating committee. I notice a notation on the letter. The Senator from Ohio referred it to someone for investigation, so I presume the allegations in the letter have been investigated by the proper authorities. I shall not read all of the letter. I shall read only parts of it. I am not omitting parts of it because they are not important. They are all of about the same importance, so far as I can see. Charges against me are contained in the parts which I shall omit, as well as in the parts which I shall read:

When a man completely reverses himself almost overnight, it is certain that there is an answer to it, and that is just what Senator NORRIS did. You will recall that I referred to this before. It was Senator NORRIS who killed the nitrates program which I had "sold" to Dr. H. A. Morgan in September 1933.

Again Mr. Cassidy goes out of the way to pluck out of a clear sky, where there is not a semblance of anything, a falsehood from beginning to end. Any man who knows my attitude for the past 20 years, while the T. V. A. Act was in various stages of enactment, knows that I went away beyond what my own people thought I ought to do in trying to obtain cheap fertilizer for the farmers of America. I know I did. I now believe in cheap fertilizer for the farmers as fervently as I ever believed in it. I think it is one of the great things to be accomplished by the T. V. A. Before the act was passed, and during the time of its consideration, I stated that it was the greatest experiment ever undertaken in the history of the world to bring about cheapening of the manufacture of fertilizer for agriculture. So when Colonel Cassidy makes this charge, as he makes it over and over again, he falsifies the record. He tells what he knows to be untrue; and he could have no other object than to bring disgrace and shame to me.

He further says:

It was on my insistence that the House of Representatives amended Senate Joint Resolution 277, and added section "S," and in my estimate of cost I figured this phase of the investigation would cost $15,000 to $20,000 if handled by anyone other than myself, for there is no one that has gone into the subject as I have and has the mass of data I have on the subject. It cost me many thousands of dollars and a lot of time to be able to prepare the economic study of the nitrates program as submitted to the President by me.

It is very gratifying to me to see that you—

He is writing to the Senator from Ohio [Mr. DONAHEY], chairman of the committee.

It is very gratifying to me to see that you fully recognize the importance of the nitrates program, and I can assure you I can back you up in that respect to a greater extent than you can imagine.

He wants a job. He tells the Senator from Ohio what he can do for him. This great man, who had changed the world through his great engineering ability and his investigations all over the world, in India, South America, France, Germany, Norway, South America, and Central America, is pleading for a job. He says, "I know more about the subject than anybody else in the world. I can do it more cheaply than anybody else, and you ought to employ me." What he wants is a job.

In speeches by Senator NORRIS, prepared from misleading data prepared by the Fertilizer Trust, he stated many times that the cyanamide process was obsolete by reason of the development of the Haber or synthetic process—

And so forth.

I trust that the committee is not going to pass up the advantage they have of my 22 years of study and some 75,000 to 100,000 pages of data on the subjects involved in the investigation, and as I see it, my studies and data are of the utmost importance by reason of the small amount of funds available, and now that the time at the command of the committee has been reduced to 5 months.

Yours very truly,

JAMES E. CASSIDY,
Consulting Engineer.

Mr. Cassidy comes back in the same month, on July 28, on a letterhead which reads:

Sheffield, Ala., phone Wilmington 3-3174, Washington, D. C. James E. Cassidy, M. Am. Soc. C. E., consulting engineer, P. O. box 213, Wilmington, Del.

He makes various charges of the same kind against me being practically a repetition of those previously made. I shall not read all of them. I shall read only extracts from the letter.

He says:

Almost overnight Senator NORRIS switched from the baiting of the Fertilizer Trust to become its ardent advocate, and has since bitterly opposed any idea of operation of the nitrate plants.

With the 22 years' study I have made of the whole Tennessee Valley question, the drafting of the principal features of the bill, and the special studies relating to power and chemicals, my qualifications as an expert on every phase of the T. V. A. question cannot be challenged, and if this knowledge and studies are ignominiously shelved, it seems to me that this will be conclusive evidence that the information which has come to me about stacking the committee with people who are biased in favor of the T. V. A. project is correct. I have no bias against the T. V. A. project. If I had had, do you think I would have gone to the trouble of preparing the brochure which was Roosevelt's guide on his first trip to Muscle Shoals and on which his message to Congress was based; also would I have taken the time and trouble to draft and fight through provisions of the Tennessee Valley Authority Act itself? If the committee feels that "stacking" it with T. V. A. partisans is necessary, the public will naturally conclude that the T. V. A. could stand a real investigation.

Here he is endeavoring again to scare the Chairman. He says, in effect, "You have permitted NORRIS to 'stack' the committee, and now you have an opportunity, even though you did 'stack' it, to hire me as chief investigator, and I will put it through in such a way that all honor and glory and credit will come to you and the committee; but if you do not select me, the public will draw the conclusion you are 'stacked,' and you will go through life in derision and disgrace."

Resuming the reading:

Perhaps the statements that have come to me are just conclusions, and that is why I am writing you personally on the subject.

Yours very truly,

JAMES E. CASSIDY,
Consulting Engineer.

Mr. President, matters proceed until August 1938, when he writes again on his letterhead:

James E. Cassidy, M. Am. Soc., C. E.
Consulting Engineer
P. O. Box 213
WILMINGTON, DEL., *August 31, 1938.*

The letter is addressed to Senator DONAHEY, and in it he says:

* * * * * * *

The unfortunate thing about it is that when the spotlight is thrown on the "investigation" the chairman is going to be made the "goat." The men who are responsible for hamstringing the committee by allowing NORRIS to plant his keymen on the committee have kept away from the hearings so that if the question ever comes up about the failure to do things, they can point out the fact that they were not present.

That is another assertion taken out of the whole cloth, made completely out of a falsehood by this man, as he has done time after time. He is trying to convey the impression that I have disregarded my duty to my country in this Chamber and that members of the committee were only tools in my hands. The members of the committee know that that is not true. Every member of the committee, those who are here and those who are not here, knows the falsity of Cassidy's charges. It seemed to be my duty to brand them as falsehoods and place my statement in the RECORD, so that it might not be said when I pass out of the picture that I have never answered or denied these charges.

I read further:

The same thing that has happened in these other matters will happen in the power-rate matter. It is on this subject that NORRIS arranged for planting Panter on the committee.

Why any man should make such a statement I cannot understand. There is absolutely no foundation for it. He cannot show a single thing that will warrant him in making such a statement. I did not know Panter was going to be employed by the committee; I did not know Mr. Panter; I was not asked about Mr. Panter. I do not know what the committee said or did about it. I suppose, under arrangements made by the committee, that the chairman selected Mr. Panter, and everybody who knows the chairman knows he would not select a man who he thought was "planted." Everyone who knows anything about it knows that whether Panter was a good man or a bad man I was not directly interested in or directly responsible for his selection. I have learned about him since the investigation, and so far as I know he was an excellent man; so far as I know it would have been difficult, perhaps impossible, for the chairman to get a man better qualified for the work than was this man whom he did select. If the Senator from Ohio [Mr. DONAHEY], the chairman of the committee, selected him, he selected him because he knew him; he selected him because he had confidence and faith in him. Then the charge that he was "planted" on the committee, which is the charge made by Cassidy, seems to me to deserve the condemnation of every honest man who knows anything about it.

In order to attempt to justify the charging of most of the expenditure to fake accounts, such as "flood control," somebody had to be put in to pull the strings, and that is how NORRIS got Panter in through Scattergood.

I do not know whether Mr. Scattergood was consulted. I know Mr. Scattergood, as many others know him; he is an engineer of national reputation; but I did not know Mr. Scattergood had anything to do with the investigation. I do not know now that he did. It would have been very probable that Senator DONAHEY would have consulted with such an engineer as Mr. Scattergood to get Mr. Panter; it may be that Mr. Scattergood had definite knowledge of Mr. Panter and that Senator DONAHEY did not have. But that has not anything to do with me. He says I "planted" him through Scattergood.

The thing about these lies that disgusts me, and one reason why I think this man Cassidy is crazy, is that he tells lies that almost on their face show themselves to be lies. He knows that it was very easy to reach Scattergood and ask him whether I tried to get a man on there through any influence, directly or indirectly, of mine. He knows that it can easily be proven that what he says is a lie. He knows, of his own knowledge, that it is not true. So it is malicious. He wants to get a job. He is hunting for a job—this great man hunting for a little job!

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. SCHWARTZ. I wish to take this opportunity to say a word or two about Mr. Panter. In the first place, Mr. Panter's name originally was not suggested to the committee by Mr. Scattergood or by anybody connected with Mr. Scattergood. Mr. Panter, in common with perhaps half a dozen engineers, was called before the committee and examined as to his qualifications.

However, what I started to say more particularly about Mr. Panter, who, as the Senate may know, has now passed away, is that when he finally made his report and submitted it to the committee, I recall that he said:

This report is complete, and I am through—

And the committee advised him that he was. He then said:

My time has terminated in this employment.

The committee said "Yes." He said:

I just wanted to be sure about that, because I desire to discuss some other matters with Mr. Scattergood, and I did not want to take up anything with Mr. Scattergood during the time I was at work for this committee.

I thought I should like to say that much, because Mr. Panter has now passed away.

Mr. NORRIS. I thank the Senator from Wyoming. This is one of the last pieces of work that Mr. Panter did. He wound up his work with the shadow of death upon him. He did not, as I understand, expect to live; and for anyone, especially such a man as Cassidy, to cast any reflection upon him is a downright outrage and deserves condemnation by everyone.

Mr. Cassidy continues:

The power estimates given the committee by Lilienthal show that the big contracts already made were made at figures which show a heavy loss on every kilowatt-hour of power even on the cost basis Lilienthal said they hoped to arrive at after the complete development of the Tennessee River. As it is on the present stage of matters, the loss with proper charges to power is better than 50 percent on the cost.

In the Chattanooga hearings he tries to make capital of the power companies opposing the rural electric service. One of the dirtiest things I know of in the T. V. A. was the coercion, threats, and fraud practiced by the T. V. A. in this very matter of rural electric service, and again I have a large file on that, with the names and statements of people subjected to the threats, coercion, and frauds.

Mr. President, the majority report—I do not know what the minority report finds about that—distinctly finds that to be untrue; that the T. V. A. never tried to coerce anybody; the companies were acting of their own free will; but here comes Cassidy trying to get the job as investigator, telling the chairman of the committee, "I am absolutely unbiased; I am frank and free," and before he gets through with his letter he discloses the fact that he is bitterly opposed to the T. V. A.; that he wanted to drive them off the face of the earth, and that he has thousands of pages of documentary evidence to prove their cruel conduct, as he says.

One of the dirtiest things I know of in the T. V. A. was the coercion, threats, and fraud practiced by the T. V. A. in this very matter of rural electric service, and again I have a large file on that.

Does that sound like an unbiased man? Does that sound like a man who has not formed an opinion in advance? Is that the kind of a man who wants to creep in under cover and get charge of the investigation?—

In stacking the committee, the majority at the same time tied the hands of the chairman, which makes that position anything but an enviable one. As early as April 28, I knew the committee was not to be permitted to have any one on the staff who knew anything about the subject, and I have data on every move which did stack the committee later.

Another great big lie in cold blood; another thing stated without any cause, without any reason. This malicious, egotistical ass is making charges against honest men that ought to bring the blush of shame to any one who has any sense of honor or honesty in his make-up.

This letter is signed:

Yours very truly,

JAMES E. CASSIDY,
Consulting Engineer.

I have not found a place where he has ever forgotten to add those words.

Mr. President, I have about concluded what I have to say. I think I have been justified in bringing this matter to the attention of the Senate. I wanted to put in the RECORD something that would remain in it at least partially to tell the tale, and to circumvent any effect that this wicked and malicious onslaught might have after, perhaps, I have passed out of the picture. I want the Senate to know, I want the country to know, as the committee—friend and foe alike—already know, that I never raised my hand to try to control the action of any member of the committee on any official act that he had to perform.

This man charges over and over again, first, that I "stacked" the committee. That is a charge against the Vice President of the United States. He knows the charge is untrue. He knows it is false. He knows I had but one object. I wanted a fair committee. There was some difficulty in getting a committee. The Vice President first appointed the honorable leader of the minority, the Senator from Oregon [Mr. MCNARY], a man who was perfectly satisfactory to me. I did not think I ought to go on the committee. I was not conscious of being unfair, but I thought I might be, notwithstanding my knowledge of the matter. I did not want anybody who had taken the opposite side as actively as I had taken a position in favor of T. V. A. to be appointed on the commitee; but I never raised my hand to "stack" the committee. I made no objection to the appointment of the Senator from Pennsylvania [Mr. DAVIS]. I did not make any objection to anybody the Vice President appointed.

The charge that the committee itself could not appoint anybody except with my approval is a charge that I believe most of my comrades here in the Senate, those who know me, would reject as an absurd falsehood. They will not always be here, however, and I shall not be here; and as a matter of history I want the RECORD to show that I have protested against these falsehoods. I have learned to think of Colonel Cassidy as a monumental, egotistical ass, thinking only of himself, who has no regard for the truth, who would as soon make a lie out of whole cloth as to get the truth out of the Bible itself, who has no mercy, who would just as soon rob an honest man as a robber or a sneak thief, who makes charges against a man who has never done him an injury; a man who for a while thought Colonel Cassidy had some ability, who tolerated the man in his office many and many an hour when he would have been glad to see him go, because of a desire to be courteous to him.

That Colonel Cassidy should follow this line of abuse of me is something that I cannot understand. Certainly nothing I ever did to him would justify it. It seems to me there must be some reason for it somewhere; that he must have concealed about him some reason why he thinks I ought to be slaughtered or condemned, and at the same time why the committee ought to be condemned, as he feels. They did not give him a job, and they are as much to blame as I am; and he ridicules their work, a monumental job which I think is going to stand out as one of the fairest, most honest, unprejudiced investigations, as far as the majority is concerned, that has ever taken place in either the Senate or the House.

It was a difficult task. I think the committee did their work manfully, nobly, courageously. At some other time, Mr. President, perhaps I shall have something further to say about both the reports of the committee, but I am not now going into that subject. I have concluded what I wanted to say, and I thank the Senate for listening all this afternoon to my feeble remarks.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 964) creating the Arkansas-Mississippi Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CHAPMAN, Mr. KELLY, and Mr. HOLMES were appointed managers on the part of the House at the conference.

CONSTRUCTION OF NAVAL WORKS AND FACILITIES

Mr. WALSH. Mr. President, I move that the Senate proceed to the consideration of House bill 4278, Calendar No. 282.

The PRESIDING OFFICER (Mr. MEAD in the chair). The question is on the motion of the Senator from Massachussets.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4278) to authorize the Secretary of

the Navy to proceed with the construction of certain public works, and for other purposes, which had been reported from the Committee on Naval Affairs, with amendments.

Mr. WALSH. I ask unanimous consent that the formal reading of the bill be dispensed with, and that it be read for amendment, the amendments of the committee to be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE RELIEF PROBLEM

Mr. BARBOUR. Mr. President, I desire to discuss briefly today a subject which, as I see it, is tending to become involved in controversy and confusion when the solution should be in the broad sense, quite simple. I refer to the relief problem, and to the various legislative proposals which we have had presented to us recently, or which we understand we are to be asked shortly to consider.

Following a protracted study by the Senate's Special Committee to Investigate Unemployment and Relief, the committee, headed by the able Senator from South Carolina [Mr. BYRNES], whom we all like and admire, submitted a preliminary report to the Senate on April 20, 1938, exactly a year ago. It came in with a second report on January 13 of the present year. Meanwhile the Sheppard committee, which last year investigated, among other things, the activity of relief personnel in the 1938 political campaigns, submitted an admirable report of its own dealing with this aspect of the subject.

We have had before us a whole series of bills representing the ideas of various Senators and committees of Congress as to the solution of the problems presented to us in connection with the administration of relief. On February 9 the Senator from South Carolina introduced his own bill to establish a Department of Public Works, and to amend certain sections of the Social Security Act, the effect of which would be to set up an entirely new system for relief administration. This bill, completely revised, was reported to the Senate on Monday of this week, without an accompanying report to explain the purpose and effect of the many amendments approved by the special committee which considered it. Now, today, we are told this bill has been divided into two parts, and that instead of a single bill we are to be asked to consider two bills, one creating a new public-works agency, into which the Federal agencies concerned with the several specific works programs would be merged, and a second bill which would deal exclusively with the relief set-up and amendments to the present Social Security Act.

It is my understanding that the second of these two bills offered or to be offered by the Senator from South Carolina will go on the Senate Calendar, under the present program of the Democratic majority of the Senate, and that we are to be permitted to consider only the new public-works bill, which, as I analyze it, would accomplish nothing except a consolidation of existing agencies under a single administrative jurisdiction, without changing their essential functions. This of itself is a step forward but does not go far enough, especially in respect to the all-important problem of relief administration, except as it is concerned with the public-works program of the Federal Government, or with public works to be constructed through joint participation of the national and local governments.

My impression is that the reason the Byrnes committee and the Democratic majority have decided to delay action on the second bill—dealing with relief and changes in the social-security system—is that they desire to await action by the House on a bill which is supposed to be in preparation by the Ways and Means Committee, following extended hearings and study. Upon inquiring as to when the Ways and Means Committee may be expected to report its own measure to the House, I was informed that no prediction could be made—that it would be "some time in the future."

So, as matters now stand, we are confronted with a condition as a result of which we are to be asked, first, to consider—probably tomorrow, or very shortly thereafter—a new public-works bill which we have not had a chance to digest and on which, thus far, we have had no report from the committee in charge; and, second, that we are not to take up the more fundamental and urgent problem of relief administration itself.

Mr. President, if we cannot do better than this after all these years of relief abuses, investigations, reports, and discussions in and out of Congress, we ought to quit and go home. I believe we can do better, and I hope that we shall, and in order to get this subject before the Senate in what I conceive to be a constructive manner, I again urge that the Senate proceed forthwith, not with a makeshift solution, or with the proposed public-works bill, but to frame legislation returning relief administration to the States on a Federal-aid basis. This principle is embodied in my own bill, S. 222, which has been before the Senate for several months, and in bills offered by certain other Senators who, like myself, have concluded long since that this is the only remedy for the evils which are all too familiar to us all.

I think that most Americans are agreed on two things: First, that American citizens out of employment, and unable, through no fault of their own, to find employment, should be afforded relief until such time as industry can and will absorb them, and that those who, by reason of physical incapability or the infirmities of age, never will be able to work, should be afforded adequate relief. Second, that the relief set-up as now constituted represents a deplorable and discouraging mess, fair neither to those receiving nor to those entitled to receive its benefits, or to those who are paying the huge and recurring bills.

It does not seem necessary at this time to draw a brief in behalf of Federal participation in the operation and financing of a general relief program. This obligation was accepted rather hesitantly but deliberately about 9 years ago, and has continued on an ever-shifting experimental basis since that time. At the end of 9 years we are face to face with a necessity for further gigantic appropriations of Federal funds to help relieve distress among the people. After all these years of relief expedients the continuing size of the problem is evidence that we are no longer warranted in assuming that any new appropriation is the last of the series, or that any substantial diminution in the demand upon the public resources for relief is in sight.

Recognizing, therefore, that we are face to face with a continuing obligation, it appears to be essential that we shall consider the method of participation in this responsibility which shall be adopted by the Federal Government for a continuing program. It is obvious that the formula heretofore in effect is defective for a number of reasons, among them being inherent instability of organization and planning, capricious administration, lack of coordination between the various levels of government, lack of adequate personnel standards and policies, concentration on short-time objectives rather than long-time planning, demonstrated inability of a centralized Federal organization to administer this program on an effective, flexible, realistic, and economical basis.

This list of defects is only partial. Many more could be advanced to show why Federal participation in the general relief program has been less than satisfactory during the last few years and why continuation of any mere modification of the current system would be certain to produce a like result.

While the emergency character of the conditions which forced Federal recognition of the relief program may serve to excuse in some degree the waste which has characterized the past, it is submitted that such reason will not serve to excuse similar waste of material and human resources in the future.

In considering ways and means of bringing about a fundamental redirection of Federal participation in the relief program we have before us the example of a well-established system of Federal, State, and local governmental partnership in a large group of joint projects which has been tested by time and tradition and has been found invariably to be practical and productive of desired results. Partnership between the Federal Government and the several States has been used from the earliest history of this country as the accepted

method of promoting objectives of national interest or concern.

Satisfaction has been the outcome of the grants-in-aid device in promoting, for example, agricultural research and the dissemination through local governments of the findings of agricultural science and the promotion of improved methods. The State agricultural experiment stations have specialized in that research of primary interest to the working farmers of the respective States, and the results obtained are no doubt superior to those which might have been obtained by any more centralized program. By no other means could we have developed so vigorous and effective an organization to reach the individual farmer and the individual farm family on a level designed best to help them with their immediate problems.

Similarly the established pattern of Federal-State relationships has promoted advances in education, higher development of labor standards and policies, the rehabilitation of victims of industrial accidents, promotion of public-health work, and maternal and child welfare. Lately this pattern has met with notable success in the development of programs for old-age assistance, aid to dependent children, aid to the blind, and aid for crippled children. It has also served to develop effective unemployment-compensation plans in each of the several States.

When we are dealing with the ramified problems of a continental Nation such as this, the established pattern of Federal, State, and local government partnership promotes functional activities of an essential character, and reduces the tendency to overlapping which is inherent in a Federal system.

The sum total of experience has shown by repeated example that grants-in-aid enable the Federal Government to exercise leadership in an acceptable way and thereby quicken and strengthen the activities of States in desirable directions.

Leadership of the Federal Government functions best when limited to establishing standards and assisting in financing while delegating administration to the several States and through them to the local governments.

What the Federal Goverment may reasonably require in a program of this character is assurance that the funds advanced will be expended to promote certain broad objectives which may be reasonably defined in the enabling law; that the funds be administered honestly and efficiently, and that the Federal agency have sufficient supervisory authority to prescribe reasonable standards and to exact proper financial accounting.

It is highly significant that the Federal Government, whenever it has entered into a cooperative agreement with the States to promote the general welfare of the people, has utilized the services of existing appropriate State agencies.

The very size of the United States and its diversified character militate against the probable success of a centralized public-assistance program. The history of this country has been determined, to a large degree, by the variety of economic and social standards which has existed contemporaneously among its various areas. The needs of industrial territories differ from those of agricultural sections; the requirements of small communities are not the same as those of congested centers of population; there are differences of climate and of social habits as well as differences of employment opportunities, and all of these bear a fundamental relationship to details of administration. Therefore, any plan of administering a program of this scope which fails to recognize and allow for adjustment to these differences is bound to be unsatisfactory.

In the establishment of a general Nation-wide program of public relief and public works we are compelled to face these facts: We must realize that such a program cannot be administered successfully from Washington, no matter how many subsidiary branch offices may be established. We have found by our earlier experiences that we need the interested participation of the permanent State agencies, the contributions which can be made by permanent local agencies, and the counsel and cooperation of individual citizens. The Federal Government can lend essential financial aid and essential direction and supervision to the practical working out of the problem, but it ventures beyond this limitation only at the hazard of complete failure.

A recent estimate indicates that about $258,000,000 per month is now being spent throughout this country for all forms of relief. About 6,500,000 individual homes are affected and 21,000,000 persons are dependent in some degree upon this help. Of this sum, W. P. A. has been expending $149,000,000 every month; the categorical programs for the aged, dependent children, and the blind, about $42,000,000 a month, and $36,000,000 has been used in general relief.

In the expenditures for general relief the States of New York, Pennsylvania, and Illinois alone account for $20,000,000, with California and Michigan spending $5,000,000 additional, leaving only $11,000,000 a month in local money to be spread thinly over 43 States and the District of Columbia. The equalizing and standardizing leadership of the Federal Government is obviously required.

It is a fact that W. P. A. has never fulfilled the purpose for which it was established. It has never at any time provided work for all employables in need of public relief; nor has it continuously reviewed the need of those it purported to relieve. It has been administered capriciously and without stable objective. It has built up its rolls in seasons of ready employment, and discharged thousands of helpless persons without notice in midwinter and with little or no recourse to other available help. It has shown an inherent inability to control and adjust its program or to coordinate with other levels of government and has been erecting a self-serving bureaucracy without parallel in the history of this country. It is, therefore, essential that W. P. A. be liquidated as promptly as possible and that a more reasonable plan for meeting the area of need it supposedly serves be established without loss of time.

It is proposed, therefore, in my bill—and I should like to mention in parenthesis that there are certain changes I hope to make—that the Social Security Act be amended to include a twelfth title and that the Social Security Board be assigned the further function of administering assistance to the several States for direct relief and work relief on a partnership basis.

Given such a Federal-State framework, proper intake procedures, classification standards, and certification methods could be established. Progress toward stabilized financial policies, keeping of adequate records, opportunity for fact finding, creation of a reasonable system of determining and meeting needs could be accomplished. The whole set-up would become constructive and of incalculable benefit toward the security and stability of the whole people.

Many of the difficulties encountered in the administration of categorical assistance would be alleviated or resolved immediately upon the adoption of this plan. The experience gained in the last 2 years under the Social Security Act could be capitalized. Most States now have permanent administrative and supervisory organizations, many of them established under merit systems. Many of the problems inherent in establishing such organizations have been met and resolved or are in process of satisfactory solution. Rapid expansion of these organizations is practical and would cause no undue delay.

The Federal obligation for stabilizing and financing relief would be discharged in the recognized and tested way by adoption of my bill. Appropriation of the funds would in no event exceed the sums required to continue the less satisfactory W. P. A. program.

As a matter of fact, Mr. President, I feel that I have some little knowledge of these matters, at least in the State of New Jersey. I believe a very great and material saving would result from the suggested partnership between the Federal Government and the States.

With the broad outlines of a continuing public relief policy established by Federal law, and with the counsel and advice

of the Social Security Board and its staff, the States would be enabled promptly and effectively to assume responsibility for administrative procedure and for providing their share of the funds.

By these means it would be possible to remove this issue of human welfare from the partisan political arena. Budgetary and taxation policies of greater stability would follow. This, in turn, would make it possible for business management to plan and stabilize in a field where such planning and stabilizing would be most fruitful.

This, in my judgment, is the correct formula and, in fact, the only formula by which we can expect to accomplish the dual purpose of ending the present evils of relief administration and putting it on a business basis. I urge that we approach the problem with these principles in mind, and that we act at once, without waiting longer.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BARBOUR. I yield.

Mr. VANDENBERG. I understand the Senator's proposal would unify all relief operations under State control. Is that correct?

Mr. BARBOUR. Yes.

Mr. VANDENBERG. In other words, instead of having the atrocious injustice which now exists as the result of unemployables upon a dole at home and employables on work relief as the result of Federal subsidy, there would be a unified treatment of each State's problem to fit each State's necessities upon the responsibility of State decision supported by Federal grants-in-aid. Is that the Senator's proposal?

Mr. BARBOUR. That is absolutely the Senator's proposal, and he is convinced it is the only practicable way of approaching the problem.

Mr. VANDENBERG. Mr. President, I should like to observe in the Senator's time that I think he puts his finger on the fundamental relief necessity if we are going to escape the basic difficulties which the country confronts under the existing formula. At the present time we face this contemplation: Here are three citizens who live on the same street in the same town. In one family there is an unemployable head of the family who under the existing system is dependent entirely upon local relief, and who averages across the country $23 a month. Next to him is a family headed by an employable who under the existing system is entitled to work relief and gets an average of $53 a month across the country. Next to him is another family headed by an employable who is entitled to work relief under our theory of things—entitled to $53 a month—but who cannot be cared for under W. P. A. because there is no job for him, so he falls back upon local relief at $23 a month.

So we have three American families each equitably entitled to precisely the same treatment from its Government, each able to be just as hungry as the other, but served in a totally inequitable fashion, one getting about 50 cents on the dollar, compared to what the other does.

Meanwhile we have the local community totally unable to spread its resources over its whole relief problem because of this classification of reliefers and this division of responsibility between the State and Federal Governments. As I understand the proposal of the able Senator from New Jersey, he is proposing to unify all relief and treat it as a whole. He is proposing to let each State know once a year how much money it can have from the Federal Government to apply to relief. Thereupon he is proposing to let each State decide for itself how this money shall be used in connection with its own relief funds to meet its total relief problem—employables and unemployables—in the best fashion that the State itself may decide for itself. Thus, and thus only, will we ever make our relief resources meet our relief demands. Thus, and thus only, will we ever establish equity to all needy citizens, and get maximum relief value out of each relief dollar.

Am I correct in my analysis of the Senator's proposal?

Mr. BARBOUR. The Senator from Michigan is entirely correct. I simply wish to add that, of course, justifiably there would have to be some degree of national supervision in the general sense to warrant the Federal Government's giving grants-in-aid. Perhaps I should not say "supervision." I should say that the States would have to confine themselves within the bounds of the program, as they now do in connection with the unemployment compensation program.

Mr. VANDENBERG. The Senator means a formula of standards?

Mr. BARBOUR. Absolutely.

Mr. GUFFEY obtained the floor.

Mr. PEPPER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Johnson, Calif.	Reed
Andrews	Donahey	Johnson, Colo.	Reynolds
Ashurst	Downey	King	Russell
Austin	Ellender	La Follette	Schwartz
Bankhead	Frazier	Lee	Schwellenbach
Barbour	George	Lodge	Sheppard
Barkley	Gerry	Logan	Shipstead
Bilbo	Gibson	Lundeen	Smathers
Bone	Gillette	McCarran	Stewart
Borah	Glass	McKellar	Taft
Bridges	Green	McNary	Thomas, Okla.
Brown	Guffey	Mead	Thomas, Utah
Bulow	Gurney	Miller	Townsend
Burke	Hale	Minton	Truman
Byrd	Harrison	Murray	Tydings
Byrnes	Hatch	Neely	Vandenberg
Capper	Hayden	Norris	Wagner
Caraway	Herring	O'Mahoney	Walsh
Clark, Idaho	Hill	Overton	Wheeler
Clark, Mo.	Holman	Pepper	Wiley
Connally	Holt	Pittman	
Danaher	Hughes	Radcliffe	

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. A quorum is present.

VOLUNTARY RESETTLEMENT OF AMERICAN NEGROES IN AFRICA

Mr. BILBO. Mr. President, will the Senator yield?

Mr. GUFFEY. I yield.

Mr. BILBO. On Monday, April 24, in response to the wishes of nearly 3,000,000 Afro-American petitioners, I propose to introduce a bill providing for the voluntary resettlement of 12,000,000 American Negroes in their fatherland; and if I can obtain the floor at that time I shall speak on the proposal.

Mr. McNARY. Mr. President——

Mr. GUFFEY. I yield.

Mr. McNARY. Is the Senator from Mississippi giving notice that he intends to speak on the subject on Monday next?

Mr. BILBO. Yes. I intend to speak at that time if I can obtain the floor.

ADDITIONAL CLERICAL ASSISTANTS FOR SENATORS

Mr. GUFFEY. Mr. President, I address myself to the bill introduced by me, known as Senate bill 1807, relating to additional clerical assistants for Senators.

When I entered the United States Senate in January, 1935, of course I was allotted the usual number of assistants to help perform the work which was to confront me. In addition, I brought with me a man trained in research work, and assigned to him the task of studying, analyzing, and advising me as to the contents and intent of the bills introduced and pressing for enactment. I paid the assistant from my own funds at the rate of $4,200 per annum. His work was most satisfactory and very valuable to me.

I had not been long in the Senate when I discovered that if I was to keep reasonably abreast of the demands made upon me by a large proportion of the 10,000,000 people in my State, it would be necessary for me to hire and pay for several additional clerks out of my own resources. I will add that 10 gallons of gasoline will bring any 5 voters from the State of Pennsylvania to the Capital City, where they all know my office is located.

I hired extra clerks in the belief that the situation I was facing at that time was temporary, and that within a reasonable time the number of visitors calling at my office and the amount of mail addressed to me would decrease, and I could then get along with the number of clerks provided by the Senate. After a number of months I found I was mistaken.

I could not afford to continue my extra clerks and the research expert, and I had to do without the latter. Since my entrance as a Member of this body extra clerk hire has cost me an average of $5,000 per year. Even with this additional help it is impossible for me to do that which I should like to do and which I owe to my constituents—namely, greet everyone from my State who calls at my office, who should be seen by me personally, and answer my mail within a reasonable period. Not only can I not do either, but I cannot even answer a considerable portion of my mail. I have received as many as 9,000 telegrams in 2 days and 56,000 letters in 8 days.

I am reliably informed that the late Bois Penrose, while a Member of this Senate from Pennsylvania, expended approximately $60,000 per year for assistants and research men, and that the late Senator Couzens, of Michigan, expended considerable sums for the assistants he needed. These men were wealthy and able to make such expenditures personally in order that they might efficiently and successfully meet the demands made upon them.

There are Members of the Senate who, I happen to know, are under great financial pressure and sacrifice because of their efforts to employ sufficient clerical help needed to meet the demands of their constituents.

Since my coming to the Senate, 12 of its Members have died and only 2 were over 70 years of age. Of that number 3 met accidental deaths, and 1 died from a gunshot wound. It is my judgment that of the other 8 at least 4 passed away because of overwork and lack of sufficient aides. Surely this should not be.

I have in mind two Senators who I think all the Members of the Senate will agree were greatly overworked and who died before their time. I refer to the late Senator Robinson, of Arkansas, and the late Senator Copeland, of New York.

Senate bill 1807 was introduced by me contrary to the advice of some of the Members of the Senate who have been here much longer than have I. Since the bill's introduction a very considerable number of Senators have come to and discussed with me the purpose and intent and need for some such legislation. They are convinced that something along this line should be done. I was really surprised to learn how many of my colleagues needed additional clerk hire properly to take care of their correspondence and the other work in their offices.

The bill about which I speak provides that each Senator representing a State of 2,000,000 or more population shall be entitled to receive an additional $1,000 for additional clerical assistance for every 1,000,000 inhabitants or fraction thereof in excess of 2,000,000, but the bill limits any Senator to an additional $5,000.

I have no particular pride of authorship in this bill and do not ask that it be passed exactly as introduced. Frankly, I think that it should be amended in one respect at least. It should contain a provision whereby the majority and minority leaders on this floor will each be enabled to have a competent expert at a salary of $4,000 or $5,000 per annum. Every Member of this body knows the tremendous task facing these two Senators. I do not see how it is physically possible for them to inform themselves adequately on the many important bills that come before the Senate for a vote.

Of course, we all know that they should be able to do this in order to fulfill the responsibility placed upon them by their respective parties. Other meritorious amendments might be suggested by men who have had many more years of experience here than have I. The leader of the majority in the House and the leader of the minority in that body are allowed a sum additional to their salary and regular clerk hire with which to pay for the assistance they need.

The people of this country, your constituents and mine, will not object to such legislation as I propose. They look to you and me for service, and they will not begrudge us the help with which to endeavor to meet their demands. They do not send us here to kill us or break us down with overwork. They would be well repaid through better service and better legislation.

The bill, as introduced, would cost the Government an additional $108,000 per year, plus an additional $10,000 for the two experts suggested for the majority and minority leaders. It would increase the allowance for assistants of 46 Senators. The allowance for other Senators would remain as now.

I sincerely urge the Committee on Appropriations of the Senate to consider this bill without delay, to hold hearings on it and report it in some form to the Senate. The Members of the Senate should be given an opportunity to vote upon it and to amend it. I feel sure that the majority of the Members are fully aware of the need for such legislation, and, if given an opportunity, will vote for it.

Mr. MEAD. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Pennsylvania yield to the Senator from New York?

Mr. GUFFEY. I yield.

Mr. MEAD. Mr. President, coming as I do from the most populous State in the Union, I am beginning to realize that being a United States Senator is not a poor man's job.

I left the House of Representatives where I had seven clerks assigned to me and where I represented a district of approximately 275,000 population, to come to the Senate and to assume the gigantic task, in common with my colleague from New York, of attempting to attend to the wishes of 13,000,000 souls and to represent a State that comprises 45 congressional districts. I find that being allowed five clerks is just like an attempt to run the post office of the city of New York with the same number of letter carriers that are assigned to the post office at Kankakee or Kalamazoo. It just cannot be done, and there is not an iota of justice in it.

Like the Senator from Pennsylvania, I, too, receive a tremendous volume of mail, averaging from 500 to 3,000 letters a day. In order that the Senate may know just how big the task of handling this mail is, let me say that it took one man in my office 12 hours on 1 day merely to open the mail. Much as I dislike to yield to the temptations of the modern machine age, I was forced to insist that my office be mechanized. Therefore, I secured an electric opener, an electric typewriter, and a mechanical letter sealer.

My office force, their families, and such friends as have been willing to volunteer their services work from early morning until well-nigh midnight, Sundays and holidays included, in my office in an attempt to get out the mail. A week ago Sunday some 20 of us adjourned from my office at 7 o'clock in the evening for dinner after putting in a busy day in the office taking care of my mail.

I have no time to attend to subcommittee meetings and hardly any time to attend to the meetings of the full committees of which I am a member; I have no time to read or digest bills that come before the Senate daily; and, Mr. President, if I were to answer the telephone calls from my constituents it would take all my time. If I were to answer all the telegrams and special-delivery messages that come to me I would be at work for 12 or 15 hours a day. If I were to see every caller who comes here from the State which I in part represent I could not do anything else. I have not sufficient time to study or do any research work. What I need is not an expensive clerk to do research work but a number of minor clerks to aid in the ordinary routine handling of my mail.

Mr. President, I should not want to force an increased appropriation upon the Senate; I should not want in any way to add to the expenses of this body.

I am willing, as is the Senator from Pennsylvania, to pay as much money as I can pay out of my salary for the payment of the 13 clerks who work for me; and, in addition to that, I should be willing to make any sacrifice I could make in a study of the expenditures of the legislative body, so that, by a reapportionment of those expenditures, we might provide sufficient help where it is necessary and essential, without increasing the total cost of operation of the legislative body.

I desire to say that I appreciate the courtesy of the Senator from Pennsylvania in yielding to me, and that I agree with him when he says that my predecessor sacrificed his life in an attempt to carry out the arduous duties that befall a Representative or a Senator from a State so populous as is the State of New York. Certainly every Senator, whether he comes from a large or a small State, ought to have a deep feeling of sympathy for the great men who have served in this Chamber and whose lives were shortened because of the fact that they were called upon to do more than it was humanly possible for them to do in the discharge of their duties.

I compliment the Senator from Pennsylvania on the able effort he is making to amend a wrong which has already existed too long.

Mr. BILBO. Mr. President, I have the honor to represent in part a State with a population of over 2,000,000 persons, a thousand miles away from the Capital City. Notwithstanding that fact, I have been compelled, with my limited office force, to work late into the night and even on the Sabbath in order to answer the correspondence that comes from my constituents; and most of the time I am from 2 to 3 weeks behind with that job.

Appreciating the importance of relief along this line to Senators who live close to Washington, as well as my own need and that of a majority of the Senators, I have been carrying in my pocket for several weeks a resolution signed by 12 Senators which I purposed to submit to obtain at least partial relief; but when the Senator from Pennsylvania [Mr. GUFFEY] introduced his bill on the subject, I liked the philosophy of it and the equity of it so much better than that of a straight resolution providing one additional employee for each Senator that I have withheld the resolution, signed by 12 Senators, awaiting action on the bill introduced by the Senator from Pennsylvania.

I appreciate the fact that the Senators who represent populous States and those which are close to the National Capital are absolutely helpless if they have any desire to respond to the wishes of all their constituents. I am very much impressed with the desirability of providing for each Senator a research secretary with an adequate salary, so that he may be a good research secretary. Especially is that desirable in the case of the leader on this side of the Chamber, as well as the leader on the other side, because in a sense they are held responsible for everything that goes through this body. It is their business to be informed as to all the details and implications of every bill and every resolution. How can they do it under present conditions, when thousands of bills are poured into the legislative hopper day after day. I think by all means these two Senators, at least, should be provided with this special aid; and I think it would be the best expenditure the Senate could make if they would provide every Senator with a well-equipped research secretary, paying him an adequate salary. In addition to that, Senators ought to have the necessary stenographic force to answer the letters received from their constituents.

I care not how humble a citizen may be, or whether he be black or white; we are here as their representatives. We are their servants. They are our bosses. When they call on us for information, or call on us for jobs, or call on us for anything connected with the Federal Government in Washington, we owe it to them to answer them and serve them promptly and in fact immediately. We know what the penalty will be if we do not do it.

I have made it a rule of my office to answer every letter and every telegram, even if it takes all night to do it; but it is not fair to the members of an office force with limited salaries to work them 18 hours a day, and work them on Sunday. It is violating the wage-and-hour law, with which I am very much in sympathy. Representatives of the various governmental departments frequently come before the Appropriations Committee and ask for additional clerical help, stating that it is necessary for their present clerks to do overtime and night work in order to keep current with their duties. Certainly it is just as essential for Senators to avoid working their clerks overtime and at night as it is for the departments of the Government to do so.

I sincerely trust Senators will make it a part of their business to see that the legislation proposed by the Senator from Pennsylvania is perfected, and secures immediate passage. In fact, it should have been passed long ago. It was needed long before this time, and it is very much needed now.

There may be some picayunish folks who will object to a proposal of this kind because of the expenditure involved. Day after day I have seen bills go through this body in which one million, two million, five million dollars have been voted to the departments here in Washington, which have a perfect army of employees to attend to every detail of their business. Certainly if we are willing to vote millions to the other departments of the Government in order that they may render acceptable and adequate service to the people, we ought to be willing to vote a few thousand dollars to ourselves in order that we may serve our constituents in an acceptable and an efficient way.

PUBLIC UTTERANCES OF SECRETARY ICKES

Mr. BRIDGES. Mr. President, the hour is late, and I shall take only a few moments of the Senate's time; but I do want to say just a few words this afternoon regarding Mr. Harold Ickes, the chief smearer of the New Deal.

Mr. Ickes, the Secretary of the Interior, is the spear-head smearer of the New Deal. First, he directed his attention to business; and you know what has happened to business in this country. Mr. Ickes and one or two other gentlemen were the spear head of that attack in this country. Secondly, he has mixed into the international situation. Not only is he Secretary of the Interior but apparently he is also secretary of the exterior; and it was some of his inflammatory remarks at which the resolution was aimed which I submitted in the Senate last week. Then he has gone on to smear the press. He has attempted to smear the publishers and the reporters and the columnists.

In addition, Mr. Ickes says that the press of the country attempts to be dictators. I quote that statement from various publications, such as the Guild Reporter, the official organ of the American Newspaper Guild; from various newspapers like the New York Herald Tribune, and others, relative to the remarks of Mr. Ickes. I am very thankful that we are not to have a dictator of the press in this country, or anything of the kind—which, fortunately, is not possible under our system of government. However, Mr. Ickes would like to be the censor or the dictator. In my judgment, the whole object of his attack has been to attempt to destroy public confidence in the American press.

Various persons have answered Mr. Ickes in times past; but the most effective answer I have read or listened to is the answer made by Mrs. Patterson, who is the publisher of one of the local newspapers in this city, the Times-Herald, in a speech which she recently made, when she answered Mr. Ickes in a very clear and very well-defined manner.

I intended to quote from this address and to read it here today; but inasmuch as the hour is late, and I know a number of the other Members of the Senate are prepared to speak on various subjects, and because this address so clearly shows up how Mr. Ickes is attempting to attend to the business of others, I ask to have incorporated in the RECORD at this point, as a part of my remarks, the address by Mrs. Eleanor M. Patterson, publisher of the Washington Times-Herald.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hampshire? The Chair hears none, and it is so ordered.

The address is as follows:

RADIO ADDRESS BY MRS. ELEANOR M. PATTERSON, APRIL 17

Thank you. Good evening. My brief remarks tonight are gathered under the general title of "The Jawbone of an Acidulous Man."

I would like to say at the outset that the Secretary of the Interior, Mr. Harold Ickes, is a friend—a real friend—of mine. And I trust and believe that Mr. Ickes and I will remain friends always.

His speech on the steps of the Lincoln Memorial on Easter Day, introducing Marian Anderson, brought tears to my eyes. In sheer beauty of thought, feeling, and expression, Harold Ickes that day

rose to the height of that supremely dramatic hour. I had the impulse then to write him from the heart and thank him for that occasion; but you know how it is—time slips by.

But on the night of April 11, driving out to the country after dinner, I turned on the radio and the gentle April night was rent by an unlovely but familiar voice. It was Harold Ickes on the air.

What was the subject of his discourse? Oh, he was again acting as advisor and censor in general to the press of our country. Belaboring a familiar object—his pet peeve, or, rather, his boss' pettest and pettiest peeve—the press of the United States of America.

Harold is a friend of mine, as I said in the beginning. But I am not pretending I am speaking now more in sorrow than in anger. Oh, no. I am mad clear through, and this is why:

The purpose of his speech was as evident to me as is the purpose of those many lectures on "journalism" which the President has seen fit to deliver at his press conferences. I can see that same purpose in other acts and allegations of the administration now in office.

The purpose is to discredit the press of the United States as a purveyor of the truth of what goes on in Washington. To most of us the incentive behind this attack is plain.

For some time the New Deal has been slipping. Its confusions have been multiplied; its failures have increased. These facts are now well known. How do they become well known? Because that section of the press which is on duty in Washington, and those editors away from Washington who comment on the news they send, have revealed the facts. It is this which is the animus of the administration's steady attacks on the press.

The New Dealers fear only the press as the revealer of their errors and accidents. The radio is licensed by the Government. The news-reels impart governmental good will. Only the press, under the Constitution, is wholly free of the restricting hand of politicians in power. What, then, more natural than that men who love power and want to keep it should attack the press for discovering and publishing the truths which foreshadow the loss of that power?

And it seems to me there is another evident reason for this latest administration move in its attempt to besmirch the American press. The President—already at Warm Springs—had made a most alarming and provocative inference that this country is going to join any war that happens. He was—as the events of three succeeding days disclosed—preparing to go even further in his aggressive break with our traditional foreign policy. It was perfectly clear to the White House circle, where Mr. Ickes is an intimate, that these developments would bring a storm of protest. The newspapers would be the truthful and only reporters. So what more clever than to lay down an advance barrage of poison gas against those newspapers?

This is what I suspected Mr. Ickes had been doing when I heard him on the air that night. This is what, by the time the President had finished his Pan American Speech on Friday, I knew he had been doing. And probably so did you.

Remember that in the Pan American speech a President of the United States, for the first time in history, addressed the peoples of countries with which we are at peace, urging them, by the strongest sort of inference, to overthrow their present rulers. This demonstrates why Mr Ickes was the organ chosen as the administration's vial of wrath.

Mr. Ickes has had hours on the air in which to traduce the American press. I have only 12 minutes in which to answer him. It only gives me time to say that I wish to swear Mr. Ickes off the bench to try this case.

I swear him off as judge because he suppresses views and prejudices which are deterrent to his ambition, and only reveals those he thinks will aid him.

He dislikes and violently disagrees with Harry L. Hopkins and his entire policy of administration. This fact, which he has made repeatedly clear in private, he has kept from the public, which has the right to know. He held the lowest opinion of the efforts of James A. Moffett, as Federal Housing Administrator, but at the White House, at the dictation of the President, he signed with Mr. Moffett a declaration of friendship, which neither of them felt, and blamed on the press accounts of their quarrel, which Mr. Ickes himself inspired.

He is no judge of the duty of a publisher. The proof of this is that he believed, and said as much privately on many occasions, that the setting up of W. P. A. over P. W. A. was a wanton waste of the taxpayers' money. However, he kept this essential fact from the public, which it was his duty to reveal. Why didn't he resign and tell the world what he believed? Why? Because he preferred to hold his job.

I swear him off the bench as a judge because he is inaccurate, as well as prejudiced, and his charges are always ex parte.

For example, in his first attack on the press this year, January 12, he charged the newspapers with a general suppression of the Johns Hopkins' report that tobacco is bad for us. Only to have the author of that report contradict him the very next day with complete proof to the contrary.

He recounted a horrible instance of the suppression in Boston of the news that a chauffeur decapitated two men. The next day the Boston papers looked in their files and found them bulging with the story. Mr. Ickes also assaulted the personal financial operations of Mr. Frank Gannett, his opponent on this broadcast, but if you will procure a copy of Mr. Gannett's answer you will be satisfied that Mr. Ickes was again guilty of willful injustice.

In his second address in Chicago, on February 10, Mr. Ickes made a sanctimonious confession of error. But even here his animus was so great he could not bear to reveal that the story of the Boston chauffeur incident occurred in 1912—27 years ago. If the American press practiced a policy of suppression, any of Mr. Ickes' legmen—paid for by the taxpayers' money—would have furnished him with hundreds of other examples between 1912 and 1939.

Attacking publishers, Mr. Ickes reveals himself possessed of an intent to color and suppress the facts surpassing anything he imputes to any publisher.

Attacking columnists, Mr. Ickes shows himself purveyor of more baseless gossip than any he so describes.

Attacking reporters, Mr. Ickes shows himself one who is too incompetent to hold a job on any paper with which I am familiar.

As a matter of history, Mr. Ickes was a reporter on one or two papers in Chicago, leaving hardly any trace. He claims to have been a reporter on the Chicago Tribune, but official records and the memories of the oldest employees there do not find recollection of him. Perhaps out of all this has come a feeling of frustration which makes him a willing tool of the administration in attacking a profession in which he could not make a living himself.

I venture that as an opinion. But in the realm of fact I know that he has been frustrated as a columnist. About 6 months ago I offered him a job of writing a column for the Washington Times. It is no exaggeration to say that he leaped at the idea. But after considerable consultation—and some delay—he was forbidden to do this—presumably by his boss. From his standpoint, this was indeed a pity. For if Mr. Ickes had ever conducted a column, I am sure it would have been a column that ended all columns, including those he now attacks. And instead of speaking to you here tonight—a free woman—I—because of his venoms, irresponsibilities, and inaccuracies—would probably be in jail serving out a sentence for criminal libel.

ADDITIONAL CLERICAL ASSISTANTS FOR SENATORS

Mr. DAVIS obtained the floor.

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Florida?

Mr. DAVIS. I do.

Mr. PEPPER. Since the subject of additional clerical assistance for Senators was mentioned a moment ago by several Senators, I wish to submit at this time, for appropriate reference, a Senate resolution, as follows:

That it is the sense of the Senate that the Committee to Audit and Control the Contingent Expenses of the Senate make a study to determine whether or not additional clerical and research assistants are needed by the Members of the Senate, and make a report to the Senate at the earliest practicable time.

I merely wish to ask that the Senate agree to the resolution, and let the Committee to Audit and Control the Contingent Expenses of the Senate make the study.

The PRESIDING OFFICER. The Senator from Florida asks unanimous consent that the Senate accept a proposed resolution, to be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, directing that committee to make a study of the needs of Senators for additional clerical assistants. Is there objection to the request? The Chair hears none, and it is so ordered.

The PRESIDING OFFICER (Mr. HATCH in the chair) subsequently said: Earlier today the Senator from Florida [Mr. PEPPER] made a request concerning a resolution which he offered. The Chair perhaps misunderstood the request, and referred the resolution to the Committee to Audit and Control the Contingent Expenses of the Senate. The Senator from Florida understood that the resolution was agreed to. In order that the resolution may be properly disposed of, without objection, the order referring the resolution to the Committee to Audit and Control the Contingent Expenses of the Senate will be rescinded.

Mr. PEPPER. Mr. President, I ask unanimous consent to modify the resolution by striking out "the Committee to Audit and Control the Contingent Expenses of the Senate," and to insert in lieu thereof "the Committee on Appropriations," and that the resolution be immediately considered and agreed to.

Mr. McNARY. Mr. President, the resolution would first have to go to the committee having jurisdiction. I could not grant unanimous consent for such action at this time.

The PRESIDING OFFICER. The Senator has a right to modify his resolution as requested by him.

Mr. PEPPER. I ask that the resolution be modified by inserting "the Committee on Appropriations" instead of "the

Committee to Audit and Control the Contingent Expenses of the Senate."

The PRESIDING OFFICER. The Senator from Florida modifies his resolution. Objection is heard to its immediate consideration. The resolution will lie over for 1 day under the rule.

Mr. PEPPER. I ask unanimous consent that the resolution be immediately referred to the Committee on Appropriations.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 127) was reduced to writing and referred to the Committee on Appropriations, as follows:

Resolved, That the Committee on Appropriations be, and it is hereby, authorized and directed to make a study to determine whether or not additional clerical and research assistants are needed by the Members of the Senate and make a report to the Senate at the earliest practicable time.

AMERICA'S HOPE OF PEACE

Mr. DAVIS. Mr. President, this afternoon I desire to make a few remarks on America's hope for peace, which I trust will serve the purpose of answering the thousands of letters I receive daily from my 10,000,000 constituents in Pennsylvania, which I am unable to answer personally with the small office staff I am permitted to have under the small appropriation made by Congress for this purpose.

I take this opportunity, too, of congratulating my colleague the junior Senator from Pennsylvania [Mr. GUFFEY] on the able way in which he presented this subject to the Senate this afternoon. I heartily endorse what he said, though perhaps I would go much further than appropriating an extra amount for additional assistants to the leader of the majority and the leader of the minority.

Mr. President, the American people have an increasing distrust of war. Efforts made by foreign powers to embroil us in their quarrels are meeting a chilly reception here. We do not want war or any part in it. While the probabilities of war abroad appear dark at the present time, there is sound basis for hope that the United States will remain at peace. Essentially we have the mind and will to peace.

Conditions in the United States have changed so materially during the last quarter of a century that it is not reasonable to use the old yardsticks of measurement for our possible involvement in war. Among many considerations is the fact that our people now have the advantages of increased transportation and communication that satisfy the natural human craving for adventure and change which formerly played such an important part in leading youth to follow the lures of war. The youth of America now know that they can get through peace all of the travel, change, thrill, and new outlook they can possibly require without resort to the brutalizing and degrading practices of mass destruction.

William James once wrote of the Moral Equivalent for War. We may not have found that moral equivalent as yet. However, I am persuaded that if we keep true to the security instincts of the American people we are on the way to finding a travel equivalent for war, and this might very well prove a strong safeguard for us. The young Americans who took up arms less than a quarter of a century ago are now leading in a crusade for peace. Every veterans' organization in the United States is active in this great cause. When these boys went through the gruelling experiences of warfare in 1917 they came back from Europe with the determination never to repeat them. They returned knowing the satisfactions of extensive travel, and yet those satisfactions had been tragically coupled with the unspeakable horrors of battle.

The passing years have shown that it is possible for youth to travel without going to war. This post-war generation has built up the tourist trade. The slogan has been "See America first." Over 2,000,000 C. C. C. enrollees have traveled from home to distant camps and back. America has been on wheels. America has been moving. We have brought the wonders of the world to our own people in a great series of fairs—Chicago, Dallas, San Diego, Cleveland, New York, and San Francisco. This summer Americans will be traveling as never before. It is our fervent prayer and hope that we shall be traveling on to peace and not to war.

If war ever had any glamour at any time, surely it has vanished in recent years. The world has been appalled by the revolting cruelties of war, which have been thoroughly exposed through the recently developed efficiency of modern communication. War has ever been ugly, hideous, and ghastly. But of old its tragedies were known chiefly by those who went to battle. Now everyone who reads the papers, listens to the radio, attends the movies, has intimate glimpses into the reeking horror of it all. The American public has had a daily diet of this devil's brew during the fateful years since 1931. The bombing of innocent civilians, the starvation of helpless women and children, the wars that have involved all Europe and Asia without a single declaration of murderous intent, the complete demoralization of the so-called institutions of peace—all this has stabbed open the heart of the American people. The futility of war has been thoroughly exposed.

If American materials shipped abroad are used for war purposes it is not because we desire it so, but rather because nothing short of a complete stoppage of foreign trade and exchange would effectively separate us from the war activities of other countries. However, such action would involve us in responsibility even greater than a direct act of war, for a complete embargo of our foreign trade and exchange would bring starvation and destruction to millions of innocent men, women, and children around the world. There is no halfway ground in this matter. There is no point whatsoever in cutting off the flow of materials to foreign lands if we do not at the same time cut off the credit facilities which we also extend to them. Food materials are as essential for war as munitions. A loaf of bread is absolutely as essential to a soldier as a bullet. Talk of depriving nations of one and not the other is neither sensible nor conducive to peace. No superficial decrees of embargo will bring a warring world to peace, but if we are not careful, hasty words, unneutral legislation, and economic hostilities will involve our own country despite the will of the American people for peace.

Mr. President, America now has the will to peace, and this should be kept effective by a ceaseless concentration on our own unsolved domestic problems. The more we think about foreign affairs in terms of war, taking on ourselves the unsolved problems of nations for which we are not primarily responsible, the more likely we are to become involved in foreign wars. We have enough unsolved problems in our own country at the present time without going abroad to seek out the unsolved problems of foreign powers. This does not mean that we should refuse our sympathy to the oppressed minorities of the world. It does mean that we shall resolutely place first the peace, welfare, and safety of the American people.

The strongest safeguard of peace is not to be found in ironclad and prohibitive acts of neutrality. The strongest safeguard of peace is eternal vigilance in building up the mind and will to peace among the people. A peace-minded American public will not easily be betrayed into war. However, a dozen legislative enactments could not keep us from war if the people developed the will to war rather than the will to peace. The sovereign power of government in the United States is still with the people. This will is reflected from day to day in an ever-increasing expression of public opinion, made possible through a free press. If the stream of public opinion is kept strong for peace, America will keep the peace.

Mr. President, it has ever been true that war is made by political cliques that ride roughshod over the peaceful desires of their own people in order to attain increased domination for themselves. New methods of involving innocent people in war are evident everywhere. War is no longer declared; it is started without formal declarations. Economic sanctions and embargoes are used as substitutes for cannons and machines of destruction until these are later found to be necessary and are supplied. Name-calling and

branding the aggressors serve the same cruel purpose. This makes ever more clear how fortunate we are in the United States that the President and the Congress are granted concurrent responsibility under the Constitution in the formulation of effective foreign policy. Executive control of foreign policy such as is exercised by highly centralized governments has an advantage of speed and secrecy in the conduct of war, but the American people do not want to be hurried into war in any sudden or secret way. So long as the United States continues under the Constitution of 1787, Congress will directly participate in the formulation of foreign policy, reflecting directly the will of the people. And again I say the American people do not want war.

On March 27 I introduced a joint resolution in the Senate asking that the Sunday immediately preceding September 17 of each year be designated as Constitution Sunday, to be held in grateful remembrance for the privileges enjoyed under the Constitution of the United States. This is Joint Resolution 100, and it was referred to the Library Committee. Recently I was gratified to receive a letter from the chairman of that committee, the Senator from Kentucky [Mr. BARKLEY], indicating his intention to bring the resolution before the committee for action. I hope that it will soon be reported out favorably. I know of no better way in which the attention of the Nation can be concentrated on the basic principles of our Republic. I know of no surer safeguard for the cause of peace than the observance of the principles embodied in the Constitution of the United States. I look forward to the annual observance of this day as one of our great national holy days, sacred to the memory of all of our citizens.

The men who formulated the principles of the Constitution represented a biblical tradition. They believed in the rule of God in the lives of men as transcendant over any earthly power. They had witnessed the tyranny of princes and kings in the Old World, and wanted none of it here. They believed in a government that would endure only through the consent of the governed.

Mr. President, the conditions which gave rise to the religious faith of the founding fathers were not unlike those which prevail in Europe today. The eighteenth century was the so-called Age of Reason. It was also an age of many wars. The philosophers, materially minded, were seeking to bow God out of the universe. In the Old World today we see an excessive emphasis on conflicting ideologies, the exaltation of force, and the war against God. The reactions against these lower levels of life caused pioneer Americans to turn away from the Old World in order that they might in this new land seek and find religious liberty. The Constitution of the United States embodies these New World aspirations. They were inherent in religious belief.

Our civil liberties of freedom of speech and press are directly derived from the Bill of Rights in our Constitution. Freedom of the press is not permitted in the highly centralized powers of Europe. It is basic to the democratic principles of our great Republic. If the freedom of our press be lost, all other liberties so dear to us will speedily disappear. It is well to remember that both the press and the Government in this country are mutually responsible for the maintenance of civil and religious liberty, and basic to them are a free people who still have the right to send their letters to the people's columns in the newspapers, and to vote according to their own convictions.

Mr. President, with the lessons of Europe plainly before us I can think of no group of persons more opposed to war and the positive restrictions of liberty that war inevitably brings than members of the newspaper profession. Publishers and newsmen know that the plain-spoken press of Europe has been suppressed. Hundreds of independent editors have been forced out of business. The coming of war for the United States would bring a similar peril to publishers here. This is one more reason why the press of our country, safeguarded under our Constitution, should lead in the cause of peace.

The American people are not being fooled by the war talk that is so current today. I receive thousands of letters asking for the observance of George Washington neutrality. I am not able to answer these letters personally as I should like to do. But I am glad to receive these letters direct from the people, each one in the language of the writer, and yet practically all of them calling for a revival of the teachings of the Father of his Country against the dangers of foreign entanglements.

Mr. President, the American people are thinking right on this question. We want no part in foreign quarrels. We do not expect to send our men or our money overseas to fight the battles of rival imperialisms. We are not going out again to shed blood in the vain hope of thus making the world safe for democracy. If the letters coming to me from my constituents are a fair criterion, the American people are determined to keep the peace.

Mr. President, I shall read excerpts from a few of the many letters which have come to me. I believe the portions of the letters I shall read are typical of the vast majority of all the many thousands of letters I have received:

An eminent college president says:

> I am very much concerned about the present neutrality question and feel very strongly that Congress ought not to give the President any additional discretionary power but, on the other hand, should tighten up on him and retain more power for the Congress.
>
> I have given considerable attention to the European situation and some also to the question of Japan and China. I am more than ever persuaded that these matters are not American concerns but affairs from which we should remain aloof. Any interference in the Orient on our part would involve us in Asiatic politics for many years to come, and that will be very expensive financially and in the terms of the lives it will cost. As for the European situation, it is perfectly clear that we should keep completely out of it. The issue really is not democracy against dictatorships but simply an enlarged recurrence of the old power politics which has plagued Europe for centuries. If America wishes to be a world leader it can best do it by remaining out of all warfare and exercizing its influence peacefully and diplomatically when the conflict is closed and the other powers are relatively weakened. If our culture is not to deteriorate lower than it now is, we must avoid another conflict and keep in mind the lowered moral tone which we inherited from the World War.

A businessman writes me:

> Make it impossible for press, radio, or cinema to thrust hysterical war propaganda into the minds of our American people, thus breeding hatred of European and Asiatic people who have, thus far, in no way harmed us. Let's not fling ourselves madly into another war to help countries that have been dishonorable enough to repudiate their just debts. These false friends are well able to fight their own battles.

A woman's club, after thoroughly discussing this problem, requested that I be sent the following statement:

> Should a new Neutrality Act be written, we think it wise to so word the act that it would not be possible for any one man, or group of men, to decide which is or was the aggressor nation in the event of war. The very name neutrality should mean just what the name indicates. If our act means anything it should compel us to keep hands off all warring nations. To aid or help either of them in any way may get us in foreign entanglements which George Washington warned us against. He believed it a wise policy "to mind our own business."

A county school superintendent writes:

> I desire to express my opposition to any adventuring on the part of our Government in Europe. I believe that we have plenty of our own problems to solve without meddling in Europe. I have a suspicion that the administration to cover its failures at home is seeking laurels abroad.

An advertising expert declares:

> For our officials, high or otherwise, to comment not only openly but freely, on these highly explosive questions, is not the act of wisdom or its step-child, common sense. Heaven knows, that from the President down to the least of our officials, there are few if any, whose public life entitles them to criticize others in this country or abroad. It is my humble opinion, and I know it is shared by many, that you and your colleagues can render no greater service to our country right now, than by using every means at your command, to suppress and stop these outbursts of condemnation.

A well-known Lutheran clergyman writes:

> May I state earnestly my hope that America will stay out of entangling European alliances. It seems we are already getting too much involved. Force met with force solves nothing and only increases hatred, bitterness, and sows more seeds for future strife and dissension.

A young lady writes me, saying:

I am appealing to you to urge the Congress to write a neutrality act which is really a safeguard against war. You will no doubt agree with me that the law which expires on the 1st of May will not effectively keep us out of war. We want a new law passed which will not leave any power in the hands of our Executive to declare a state of war between any foreign nation. The only war Americans are prepared to fight is one of defense and even the dullest citizen realizes that the mad race for war materials is not necessary unless we are going to police the whole world.

A young college woman writes:

The majority of the voters belong to the masses and they do not want war. War is murder, and real Americans do not care about being in the business of blood. It happened before.

A mother writes me:

As a mother of six growing children I implore you to use every bit of your influence to keep us out of war. If our country were threatened here I would be proud to have my sons fight to protect our country, but none of my boys shall fight on foreign soil.

Another mother writes:

I am addressing you, as the mother of four sons, to vote to keep us out of foreign entanglements, or anything which would eventually lead us into war. I am not a slacker, as my father was a Civil War veteran, but I have given my boys a college education at a great sacrifice, feeling that they would make better citizens, and be fitted to earn a living, and it certainly would be the height of folly to sacrifice those fine young men—what for—to assist nations to keep their ill-gotten possessions that will not pay their old war debts.

A businessman writes:

The countries of Europe still owe us entirely too much money from the last war, and good credit judgment would not warrant any new extensions in private business to any debtor who previously defaulted and still allowed to remain unpaid, a former debt. Excepting Finland, none of these countries have even gestured at restitution. Why increase the tax burdens of United States citizens to finance their territorial arguments?

WAR DEBTS AND THE WEST INDIES

Mr. LUNDEEN. Mr. President, on April 18 the Times-Herald of Washington, D. C., carried an article by George B. Roscoe, of the United Press, in which Maj. George Fielding Eliot, who wrote the book The Ramparts We Watch, is quoted as urging the acquisition of air and naval bases in Newfoundland and Bermuda, and suggesting that the war debt Great Britain owes us might be a lever toward acquiring leases to such bases.

M'NARY AND LODGE RESOLUTION

I ask unanimous consent that the article be printed in the RECORD at this point as part of my remarks, together with Senate Resolution 91, presented by the able Senator from Massachusetts [Mr. LODGE] for himself and the Senator from Oregon [Mr. MCNARY], the distinguished minority leader, concerning war materials and acquiring insular possessions of strategic value.

The PRESIDING OFFICER. Without objection, the article and Senate resolution will be printed in the RECORD.

The article from the Times-Herald, of Washington, D. C., April 18, 1939, and the Senate Resolution 91 are as follows:

RECALL OF FLEET HELD AIMED AT JAPANESE—CIVILIAN EXPERT TELLS D. A. R. THAT UNITED STATES FEARS TOKYO COUP IN PACIFIC

(By George B. Roscoe)

The Navy is concentrating the fleet in the Pacific Ocean to discourage Japan from taking advantage of European crises to seize more land in Asia, Maj. George Fielding Eliot said today.

Eliot, an Infantry officer during the World War, is recognized as a civilian authority on military matters. He addressed the national-defense symposium of the Daughters of the American Revolution in convention here and is discussing current military moves with officers of the Army and Navy Departments.

UNITED STATES LEADING NAVAL POWER

The United States, Eliot believes, has recently become the leading world naval power because of Great Britain's realization that the military plane makes it impossible to depend solely on her fleet.

Eliot said the United States Fleet's transfer to the Pacific Ocean was a prearranged plan.

"It is a well-conceived and sound plan," he said, "that in time of stress that the fleet be in one ocean and not divided. The Pacific Ocean probably has been selected not only because it is the normal base of the United States Fleet but also because it has been the practice of our Japanese friends to take advantage of any diversion in Europe to do something in the Pacific. The presence of our fleet there might lay a restraining hand on them."

FLEET READY TO LEAVE

The fleet was made ready today to leave the Atlantic under orders issued by President Roosevelt last Saturday. About 70 warships will make the return trip and will make the voyage in "waves" to avoid overloading the Panama Canal.

The Pacific squadron will include 153 ships—12 battleships, 23 cruisers, four aircraft carriers, 63 destroyers, and 51 submarines. The Atlantic squadron will include 74 ships, including four battleships, 7 cruisers, 1 aircraft carrier, 25 destroyers, and 8 submarines.

Almost overnight the Navy has been projected into our national picture as the dominant military arm, Eliot said.

"For 200 years Great Britain pursued a military policy based on economic, colonial, and insular interests," he said. "The Navy was their defense. It was successful, keeping Britain from major war for 99 years, but that day has passed due to the military airplane."

PROTECTED BY OCEANS

"In this is a lesson for us. Today we are the only great power that cannot be attacked by another great power with bombing planes from near-by bases. This condition may not exist forever, but we may feel secure behind our two great moats, the Atlantic and Pacific, for perhaps another generation. We must not be deluded into a feeling of safety and must continually improve our naval and general headquarters air force to blot out any military infiltration in the Western Hemisphere."

THE WAR DEBT—AIR AND NAVAL BASES

Eliot urged air and naval bases in Newfoundland and Bermuda and suggested that the war debt Great Britain owes us might be a lever toward acquiring leases to such bases.

MCNARY AND LODGE RESOLUTION

[S. Res. 91, 76th Cong., 1st sess.]

RESOLUTION

Whereas the Senate Military Affairs Committee recently approved a $100,000,000 authorization to purchase and store large stocks of essential war materials which are not available in this country; and

Whereas the acquisition of such reserves of strategic war materials would materially contribute to our national security and to the creation of a sound national-defense program; and

Whereas in view of recent developments in war-torn Europe it is not impossible that certain insular possessions of great strategic importance in the defense of the American hemisphere now held by certain so-called democracies may be lost to nations whose proximity to our coasts would be undesirable; and

Whereas several foreign nations have debts, incurred during the World War, still outstanding to the United States; and

Whereas the payment of these debts might be used to fund the purchase of these war materials in part or full payment of their debts to us and to make available to the United States geographical points important in the defense of the United States; and

Whereas the payment for these war materials would not compete with any American activity: Therefore be it

Resolved, That the President is hereby requested to enter into negotiations with foreign governments which are indebted to the United States with a view to arranging for such governments (1) to furnish the United States with strategic materials for national-defense purposes, and (2) to make available to the United States geographical points which are of strategic importance for national-defense purposes, in payment or part payment of the indebtedness of such governments to the United States.

Mr. LUNDEEN. I send to the desk two joint resolutions which I ask to have read.

The PRESIDING OFFICER. The joint resolutions will be read.

PURCHASE OF GREENLAND

The joint resolution (S. J. Res. 119) providing for negotiations by the President with a view to the acquisition, by purchase, of Greenland, was read the first time by its title, the second time at length, and referred to the Committee on Foreign Relations, as follows:

Whereas the United States would be able to make more adequate provision for its national defense if it were in possession of Greenland; and

Whereas possession of Greenland by a power hostile to the United States would constitute a distinct threat to the United States, and particularly to the populous area along the northeast seaboard of the United States; and

Whereas valuable trade could be developed between the United States and Greenland if it were a possession of the United States: Therefore be it

Resolved, etc., That the President of the United States is authorized and requested to enter into negotiations, in such manner as he may deem appropriate, with the Government of His Majesty, the King of Denmark and Iceland, for the acquisition by the United States of Greenland. Such negotiations shall be conducted with a view to the making of a treaty between the Government of the United States and the Government of His Majesty, the King of Denmark and Iceland, providing for the purchase by the United States of Greenland.

PURCHASE OF THE DUTCH WEST INDIES AND DUTCH GUIANA

The joint resolution (S. J. Res. 120) providing for negotiations by the President with a view to the acquisition, by purchase, of the colony of Curaçao and Netherlands Guiana was read the first time by its title, the second time at length, and referred to the Committee on Foreign Relations, as follows:

Whereas adequate provision for the protection of the Panama Canal is an indispensable feature of our national-defense policy; and

Whereas possession of the colony of Curaçao and Netherlands Guiana by the United States would enable it to provide more adequately for such protection; and

Whereas the colony of Curaçao and Netherlands Guiana export products in which the United States is deficient and import products of which a surplus is produced in the United States: Therefore be it

Resolved, etc., That the President is authorized and requested to enter into negotiations, in such manner as he may deem appropriate, with the Government of Her Majesty the Queen of the Netherlands, for the acquisition by the United States of the colony of Curaçao and Netherlands Guiana. Such negotiations shall be conducted with a view to the making of a treaty between the Government of the United States and the Government of Her Majesty the Queen of the Netherlands, providing for the purchase by the United States of the colony of Curaçao and Netherlands Guiana.

REYNOLDS AND REED RESOLUTION

Mr. LUNDEEN. Senate Concurrent Resolution 12, introduced by the Senator from North Carolina [Mr. REYNOLDS] April 13, 1939, and House Concurrent Resolution 17, introduced by the gentleman from Illinois [Mr. REED], on April 20, 1939, ably state the issues of the war debts.

House Concurrent Resolution 17

Whereas a number of European nations owe the taxpayers of the United States a sum aggregating $13,000,000,000 in unpaid debts, arising out of the participation of this Republic in the World War; and

Whereas the national debt of this Republic now stands at the staggering total of $40,000,000,000, in comparison with a national debt of less than $2,000,000,000 immediately preceding its entry into that conflict; and

Whereas the people of the United States are now taxed beyond all reason; and

Whereas this Republic could make excellent use of the huge sum due it by those European nations now in default upon their indebtedness to the American people, who, in addition to the other enormous tax burden which they have to bear are compelled to make good the installments that their European debtors refuse to pay as they fall due on June 15 and December 15 of each year; and

Whereas one of the controlling causes of the present deplorable condition of international affairs is the cold-blooded refusal of many nations to observe in a faithful manner the solemn international engagements entered into by them; and

Whereas each of the European countries now in default on its war debt to the United States signed a solemn compact with this Republic to pay its debt in specified form; and

Whereas the action of the United States in allowing the countries aforesaid to break their solemn compacts in this regard has unfortunately given great encouragement to international dishonesty and other forms of lawlessness; and

Whereas the forbearance of this Republic in the face of the refusal of its European debtors to pay according to the contracts solemnly entered into by them, has not purchased for it the good will of the nations in question but on the contrary has earned for itself their contempt; and

Whereas a powerful attempt is now being made by the leaders of these defaulting nations to lure the United States into a second world war; and

Whereas a century ago President Andrew Jackson demonstrated to all concerned that this Republic would not tolerate international defaulting, when he compelled France to pay her debt to the United States by adopting fearless American diplomacy in the face of her declining to pay; and

Whereas it has long been the practice of the Government of the United States to send abroad special envoys to handle important matters at issue between it and foreign governments; and

Whereas Mr. William Griffin, editor and publisher of the New York Enquirer, has performed an outstanding national service by his long and constant advocacy of the collection of these war debts, in his newspaper, on the public platform, and in other ways; and

Whereas Mr. Griffin has visited Europe on several occasions and has discussed these war debts with leading men there, including Mr. David Lloyd George, former Prime Minister of England; Mr. Winston Churchill, former Chancelor of the Exchequer of England; M. Albert Lebrun, President of France; Lord Robert Cecil, president of the League of Nations Union and former Minister of Blockade; and Count Galeazzo Ciano, Foreign Minister of Italy; and

Whereas Mr. Griffin, by reason of his grasp of this subject; his familiarity with the workings of European statecraft; his knowledge of European feeling (gained at first hand by conferences and talks with such outstanding figures as M. Albert Lebrun, President of France; Mr. David Lloyd George, former Prime Minister of England; M. Ignace Paderewski, former Premier of Poland; Mr. Eamon de Valera, Prime Minister of Ireland; Lord Robert Cecil, president of the League of Nations Union and former Minister of Blockade; Mr. Winston Churchill, former Chancelor of the Exchequer of England; His Holiness Pope Pius XI; Count Galeazzo Ciano, Foreign Minister of Italy; Mr. Anthony Eden, formerly Foreign Minister of England; and M. Georges Bonnet, Foreign Minister of France); his service to this Republic in his long and ceaseless advocacy of the collection of these war debts; and his engaging personal qualities and varied abilities, is a man possessed of exceptional qualifications to act in the capacity of special envoy to Europe on the part of this Republic for the purpose of assuring the collection of the debts aforesaid: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That Congress would view with the utmost satisfaction the immediate appointment of Mr. William Griffin by the President of the United States as special envoy to Italy, England, Germany (for the Czechoslovakian debt), France, and the other nations now in default to this Republic, for the purpose of carrying out the all-important diplomatic mission aforesaid.

Hon. ROBERT F. RICH, of Pennsylvania, introduced the following resolution adopted on April 18, 1939, by Garrett Cochran Post, No. 1, of the American Legion, Department of Pennsylvania:

Whereas the Government of the United States of America is contemplating large expenditures to provide an adequate national defense, the cost of which will impose an excessive burden of taxation upon the citizens thereof; and

Whereas the Allied Powers, and especially Great Britain and France, during and after the World War borrowed large sums of money from the United States, which, since 1932, they have failed to pay, and which default approximates $13,000,000,000 and represents borrowings by the United States upon its bonds sold to and held by the citizens thereof; and

Whereas it is apparent that the Government of the United States, through taxation of its citizens, will ultimately be required to pay said bonds, not only because of the failure of said allies to pay their said war debts but because it has become impracticable for them to do so through the ordinary and normal methods employed to settle international obligations, to wit, by money, goods, and/or services, and at the same time increase their own armaments as they are now doing; and

Whereas said allies, especially Great Britain and France, are the owners of a number of islands off the eastern coast of the United States of America, namely, Bermuda, the Bahamas, Windward and Leeward Islands, Barbados, Trinidad, Tobago, Jamaica, Martinique, and others, together with British Honduras in Central America; and

Whereas it would seem desirable for the United States to acquire the same as a total or partial liquidation of said war debts for the following reasons:

1. In order to salvage something on account, or in full payment, of said indebtedness due to the United States from Great Britain and France;

2. In order to extend the eastern outposts of the United States beyond its shores on the Atlantic Ocean;

3. In order to secure better control of and protection for its Atlantic coast line and to control the Gulf of Mexico and the Caribbean Sea, thereby providing additional protection for the Panama Canal, better enabling the United States to enforce the Monroe Doctrine;

4. In order to reduce thereby the number of ships necessary for such coastal protection and first line of defense for its eastern shores, which should result in a substantial saving to the taxpayers of the United States; and

Whereas believing the acquisition of said islands by the United State to be vitally necessary and essential for the reasons hereinbefore set forth, it is hereby

Resolved by Garrett Cochran Post, No. 1, the American Legion, Department of Pennsylvania, at a regular meeting of its members held Tuesday, April 18, 1939, That the substance of the foregoing preamble be, and it is hereby, recommended to the Federal Government as part of its present policy of national defense, and that said Federal Government, through its proper representatives, negotiate with said defaulting allies to the end that their said coastal islands and possessions be ceded to, and become vested in, the United States of America as full or partial payment of their said war debts; and that the Federal Government, if the same are so acquired, develop thereon the necessary naval, military, and air bases for the purpose not only of protecting our own eastern shores from foreign attack but, as well, to strengthen the ability of the United States to enforce the Monroe Doctrine; and it is further

Resolved, That in order that the foregoing preamble and resolution may be submitted to the Congress of the United States under the united sponsorship of this post, the department of Pennsylvania, and the national convention, a copy of said preamble and resolution be forwarded to the department of Pennsylvania for its approval and if by said department approved that it then

be submitted to the national convention for its approval and submission to the proper authorities of the United States Government for final action in accordance therewith; and that in the meantime copies hereof be certified by the adjutant of this post and forwarded by the post solicitor to the national organization of the American Legion and the United States Senators from Pennsylvania, the Congressman from this district, and to United States Senators BORAH and PITTMAN of the United States Senate Foreign Relations Committee.

Approved April 18 1939.

RESOLUTIONS COMMITTEE OF GARRETT COCHRAN POST, No. 1,
THE AMERICAN LEGION, DEPARTMENT OF PENNSYLVANIA,
By CARL W. HERDIC, *Chairman.*

And now, April 18, 1939, the undersigned hereby certifies that the foregoing preamble and resolution were unanimously adopted by the members of Garrett Cochran Post, No. 1, at its regular monthly meeting duly called and held this day at its post home in the city of Williamsport, Lycoming County, Pa.

CHARLES E. MAHAFFIE, *Adjutant.*

Mr. KING. Mr. President, will the Senator yield?

Mr. LUNDEEN. I yield.

Mr. KING. Does the resolution with respect to Greenland make any provision for consulting the inhabitants of Greenland? The inhabitants may prefer a Danish King to our form of government.

Mr. LUNDEEN. I will ask the able Senator from Utah if he knows to what extent we consulted the inhabitants of the Virgin Islands when we bought them from Denmark, or to what extent we consulted the inhabitants of Alaska when we bought Alaska from Russia. High officials in the Government then smiled when it was proposed to pay $7,200,000 for Alaska, but we have secured billions of dollars from that great Territory since we acquired it. I wish to say that men of great military experience are pointing the way to acquiring these foreign possessions and islands, such as the West Indies—British, French, and Dutch—and such possessions as Greenland, which are strategic points, and which have great latent resources. It is time that we survey the field and that we give the subject thoughtful attention.

PURCHASE OF GREENLAND

Mr. KING. Mr. President, I will say that we have not taken billions of dollars from Alaska. We have taken several hundred million dollars of gold from the placer operations. We did not smile when Alaska was taken over, because none of us who are now in the Senate were old enough to smile when the Alaska purchase was consummated under the administration of President Lincoln.

However, I agree with the Senator from Minnesota that the acquisition of Alaska was a very proper one and has proven valuable. With respect to Greenland, however, it would not be a good winter resort, and I doubt whether it would be a good summer resort, and I think the people of Greenland are satisfied to continue to live under the benign rule of the Danish King.

Mr. LUNDEEN. May I give the Senator further information on the value of Alaskan exports? We have taken billions of dollars out of this Territory. Since we purchased this land in 1867 we have taken from Alaska more than $500,000,000 in gold; produced more than $200,000,000 of copper; it has yielded $100,000,000 worth of furs and over $1,000,000,000 in sea food. Its forest resources are capable of producing products in the value of $50,000,000 per annum, which over a 20-year period would be $1,000,000,000. The mineral resources, including platinum, tin, silver, lead, iron, and coal, amount to $23,000,000 per annum, which over a period of 20 years would amount to over $460,000,000. Its coal alone would supply this Nation for over 500 years, and most valuable of all is the 40,000,000 acres of arable lands which can produce food to supply millions of people.

ALASKA—THE TREASURE HOUSE

I hope the Senator from Utah will examine the question of the purchase of Greenland a little further, and perhaps when he does he may agree with us in respect to this matter. It will be recalled that the purchase of Alaska was called "Seward's folly," and smug and smiling officials shook their learned heads.

THEY TALKED WISELY ABOUT THE ALASKA ICE BOX—THEY DID NOT KNOW

I remember some 15 or 20 years ago when we began to talk about taking over the British and French West Indies on account of defaulted debts, that often we were waved aside with smiles. But the day will come when there will be no more smugness and smiling about it. A time will come when that will be done. The American people are not going to suffer a loss of some $25,000,000,000, which is the figure at which the debts would stand today if we had not refunded them in 1926. The American people are not going to permit that $25,000,000,000 to go overboard when we need money so badly in this country that we can spend a week in discussing the subject of appropriating $50,000,000 for hungry and destitute Americans.

TWENTY-FIVE BILLION DOLLARS—THAT'S ALL

We are not going to forget the $25,000,000,000 that is owed to us by empires, the French Empire and the British Empire—the British Empire, on which the sun never sets; the British Empire, with its estimated 600,000,000 people; the British Empire, with its untold resources and vaunted power, with its great treasury. It is up to this Empire to negotiate with the great American Republic on that point.

RAMPARTS WE WATCH

I have just called attention to the article published in the Washington Times-Herald quoting the author of the Ramparts We Watch, George Fielding Eliot, in which he urges that the United States should negotiate along that line.

DUTCH POSSESSIONS IN AMERICA

The two resolutions presented by me deal not only with Greenland but with Dutch Guiana and the Dutch islands off the coast of South America. If Senators will examine that question, they will find that in those little Dutch islands, islands off South America belonging to the Netherlands, there are untold phosphates and other resources running into millions of dollars per year. It is astounding to see the resources and essential materials there to be found.

WAR MATERIALS NEGOTIATIONS

I desire to commend highly the resolution introduced by the Senator from Massachusetts [Mr. LODGE] and the minority leader [Mr. MCNARY] along the line of acquiring essential war materials. We hear so much talk about war. Very well; let us get some of these war materials in exchange for the money owing us, and let us get some of these strategic insular possessions. That resolution also contemplates the acquiring of strategic geographical points.

WEST INDIES AND THE PANAMA CANAL

I realize that the hour is late and that I cannot take much time this afternoon and impose on the patience of Senators, but I ask the opportunity for a short consideration of a subject which I hope to take up in greater detail at a later time. I have here a map of the Caribbean Sea area. I indicate the islands that string along in a bowstring from Florida to South America. You can stand on Trinidad and see the continent of South America. These islands run along right up to the coast of Florida. The American Navy cannot be taken through the Panama Canal from New York, Philadelphia, Boston, or Baltimore in wartime without asking the permission of a foreign government. It cannot be done. A few mines, a few submarines will block every channel, and every military man or naval man of any consequence will tell you that. I have inquired of many military experts with respect to that question. I think we should give serious attention to that most important question. Able Senators have said to me, and I do not take it lightly, that foreign powers might through conquest acquire some of these islands. Very well, now is the time to acquire them and meet them head-on if they want to come.

VITAL DEFENSES IN THE CARIBBEAN SEA

I do not believe they are coming; but if they come, let us have air and naval bases in the West Indies on the islands shown by the maps.

I have brought with me further maps for the attention of Senators if they wish to consult them. The maps were prepared by the Federal Government, and are accurate as to soundings and as to area of territory.

I should like to call attention to Trinidad, off the coast of South America, which is the best oil producer in the British

Empire. Many of us do not know much about the great resources in the West Indies. I have heard some persons say, "What do the West Indies amount to? They are just a few bars of sand." Those who make such statements have not inquired into the tremendous resources of the islands. They have not studied the situation which confronts us in the Caribbean Sea.

WEST INDIES STATISTICS

For the information of the Senate, at the expenditure of some time and labor, I have had compiled lists of all the British, French, Dutch, and Danish possessions in the Western Hemisphere. In order to make the record complete for the consideration of the Senate, I ask unanimous consent that the lists be included in the RECORD. They give the area, population, imports, and exports, so that we may know the facts, so that we may not refer to the territory in question as inconsequential. The territory is not inconsequential. The territory is vitally important. It is of importance, and this great Nation is interested.

There being no objection, the lists were ordered to be printed in the RECORD, as follows:

Selected statistics of British possessions in the Western Hemisphere, 1936 and 1937

Country, etc.	1936	1937
Bermuda (population, 30,552; area, 19 square miles):		
Production: Potatoes ..... tons	1,800	2,000
Foreign trade:		
Exports, total	£48,000	£32,000
Potatoes	£11,772	£9,166
Onions	£1,973	£350
Other vegetables	£24,213	£5,642
Lily bulbs	£6,940	£2,257
Imports, total	£1,888	£2,183
Public finance:		
Gross revenue	£431,000	£477,000
Gross expenditures	£412,000	£451,000
British Guiana (population, 332,898; area, 89,480 square miles):		
Production:		
Rice ..... tons	60,000	73,000
Sugar ..... hundredweight	3,919,000	3,738,000
Bauxite ..... tons	209,300	360,900
Diamonds ..... metric carats	41,000	36,000
Gold ore (in terms of metal) ..... fine ounces	32,000	36,000
Foreign trade:		
Exports, total	£2,244,000	£2,526,000
Sugar, unrefined	£1,428,000	£1,585,000
Rice	£168,000	£163,000
Diamonds	£102,000	£87,000
Rum	£136,000	£113,000
Imports, total	£2,002,000	£2,440,000
Public finance:		
Gross revenue	£1,142,000	£1,231,000
Gross expenditures	£1,132,000	£1,261,000
British Honduras (population, 56,071; area, 8,598 square miles):		
Foreign trade:		
Exports, total	£270,000	£286,000
Gum, chicle (domestic produce)	£38,439	£38,066
Mahogany logs and lumber	£142,913	£144,021
Bananas	£49,142	£66,497
Coconuts	£12,863	£15,547
Imports, total	£658,000	£801,000
Public finance:		
Gross revenue	£329,000	£326,000
Gross expenditures	£286,000	£322,000
Canada (population, 10,376,786; area, 3,694,863 square miles):		
Production:		
Wheat ..... bushels	219,200,000	182,400,000
Hay and clover [1] ..... tons	13,803,000	13,030,000
Meat ..... do	749,000	725,000
Dairy [1] (expressed in pounds of milk)	16,998,415,500	17,188,617,000
Wood pulp ..... tons	4,004,900	
Gold ore (in terms of metal) ..... fine ounces	3,748,000	4,096,000
Coal ..... tons	13,600,000	14,100,000
Petroleum, crude ..... do	190,000	373,000
Foreign trade:		
Exports, total	£197,591,000	£196,512,000
Wheat	£45,112,000	£23,392,000
Paper, newsprint	£22,242,000	£24,143,000
Wood and timber	£13,714,000	£15,734,000
Wood pulp	£6,704,000	£8,039,000
Wheat flour	£4,358,000	£4,672,000
Whisky	£4,396,000	£3,788,000
Furs	£3,723,000	£2,816,000
Fish, dried, canned, etc	£2,619,000	£2,662,000
Fish, fresh or frozen	£2,260,000	£2,415,000
Motorcars	£3,922,000	£5,090,000
Imports, total	£137,674,000	£163,999,000
Public finance:		
Gross revenue	£91,400,000	£104,900,000
Gross expenditures	£79,500,000	£84,400,000

[1] Canada. Bureau of Statistics. The Canada Yearbook, 1938, p. 240.
[2] Same source, p. 256.

Selected statistics of British possessions in the Western Hemisphere, 1936 and 1937—Continued

Country, etc.	1936	1937
Falkland Islands and dependencies (population, 2,399; area, 6,068 square miles):		
Foreign trade:		
Exports, total	£673,000	£611,000
Whale oil	£445,000	£305,000
Wool	£99,000	£163,000
Imports, total	£362,000	£487,000
Public finance:		
Gross revenue	£114,000	£110,000
Gross expenditures	£139,000	£168,000
Newfoundland (population, 289,588; area, 42,734 square miles):		
Production:		
Copper ore (metal content) ..... tons	5,300	8,300
Gold ore (in terms of metal) ..... fine ounces	16,000	22,000
Lead ore (metal content) ..... tons	30,900	28,000
Silver ore (metal content) ..... fine ounces	1,249,000	1,448,000
Zinc ore (metal content) ..... tons	63,400	63,100
Fisheries [3] (about £4,000,000 annually).		
Foreign trade:		
Exports, total	£5,711,000	£5,597,000
Paper	£2,801,000	£2,674,000
Fish, fresh, dried, canned, etc	£1,276,000	£1,159,000
Imports, total	£4,249,000	£4,913,000
Public finance:		
Gross revenue	£2,000,000	£2,300,000
Gross expenditures	£2,700,000	£2,700,000
West Indies (population, 66,219; area, 4,404 square miles):		
Bahamas:		
Foreign trade:		
Exports, total	£124,000	£165,000
Sponge	£55,000	£95,000
Tomatoes	£27,610	£15,561
Lumber	£11,455	£23,546
Hemp	£15,351	£8,742
Imports, total	£967,000	£1,214,000
Public finance:		
Gross revenue	[4] £357,000	[5] £417,159
Gross expenditures	[4] £326,000	£419,000
Barbados (population, 188,294; area, 166 square miles):		
Production:		
Sugar ..... hundredweight	2,585,000	2,565,000
Cotton ..... pounds	8,000	3,000
Foreign trade:		
Exports, total	£1,355,000	£1,497,000
Molasses	£546,000	£555,000
Sugar, raw	£750,000	£901,000
Imports, total	£2,004,000	£2,219,000
Public finance:		
Gross revenue	£482,000	£527,000
Gross expenditures	£460,000	£545,000
Jamaica (population 1,138,558; area, 4,450 square miles):		
Production: Sugar (not available).		
Foreign trade:		
Exports, total	£3,698,000	£4,817,000
Coffee	£161,000	£146,000
Bananas	£1,912,000	£2,657,000
Sugar, unrefined	£632,000	£865,000
Ginger and pimento	£214,000	£217,000
Rum	£195,000	£266,000
Logwood and its extracts	£107,000	£131,000
Coconuts	£76,000	£95,000
Imports, total	£5,072,000	£6,135,000
Public finance:		
Gross revenue	£2,212,000	£2,476,000
Gross expenditures	£2,206,000	£2,271,000
Cayman Islands (population, 6,700; area, 104 square miles):		
Foreign trade:		
Exports, total	£12,886	£10,478
Turtles, live	£4,979	£2,865
Turtle shell and skin	£3,491	£4,370
Rope of palm straw	£1,456	£1,019
Imports, total	£25,580	£27,221
Public finance:		
Gross revenue	£13,000	£17,000
Gross expenditures	£10,000	£15,000
Turks and Caicos Islands (population, 5,300; area, 166 square miles):		
Foreign trade:		
Exports, total	£17,520	£29,978
Salt	£14,002	£22,662
Sponge	£2,435	£3,545
Dried conches	£984	£412
Imports, total	£23,623	£25,654
Public finance:		
Gross revenue	£10,000	£21,000
Gross expenditures	£9,000	£11,000
Leeward Islands (population, 139,759; area, 714 square miles):		
Production:		
Sugar ..... hundredweight	1,223,000	687,000
Cotton ..... pounds	1,180,000	1,764,000
Foreign trade: [6]		
Exports, total	£607,000	----------
Sugar	£417,000	----------
Cotton, raw	£78,000	----------
Limes and lime products	£24,239	----------
Molasses	£12,983	----------
Imports, total	£657,000	----------

[3] Statesman's Yearbook, 1938, p. 272.
[4] For 9 months ending Dec. 31, 1936.
[5] Statesman's Yearbook, 1938, p. 275.
[6] Foreign trade of Leeward Islands not available for 1937.

Selected statistics of British possessions in the Western Hemisphere, 1936 and 1937—Continued

Country, etc.	1936	1937
West Indies—Continued.		
Leeward Islands—Continued.		
Public finance:		
Gross revenue	£276,000	£365,000
Gross expenditures	£282,000	£314,000
Trinidad and Tobago (population, 448,253; area, 1,980 square miles):		
Production:		
Cane sugar, hundredweight	3,093,000	3,085,000
Asphalt (not available).		
Petroleum, crude, tons	1,813,000	2,124,000
Foreign trade:		
Exports, total	£5,046,000	£5,800,000
Oils, petroleum	£2,751,000	£3,169,000
Sugar	£1,277,000	£1,274,000
Cocoa	£488,000	£643,000
Asphalt	£165,000	£211,000
Imports, total	£5,664,000	£7,466,000
Public finance:		
Gross revenue	£2,616,000	£2,552,000
Gross expenditures	£1,910,000	£2,159,000
Windward Islands (Grenada, St. Lucia, and St. Vincent) (population, 87,105; area, 516 square miles):		
Production: Cotton (St. Vincent and Grenada), pounds	698,000	872,000
Foreign trade:		
Exports, total	£531,000	£684,000
Cocoa	£134,000	£173,000
Nutmegs and mace (Grenada)	£106,000	£167,000
Arrowroot (St. Vincent)	£80,419	£90,311
Sugar	£64,319	£67,583
Lime oil	£13,523	£18,691
Imports, total	£651,000	£825,000
Public finance:		
Gross revenue	£332,000	[1] £194,000
Gross expenditures	£311,000	[1] £194,000

[1] St. Vincent and St. Lucia only, Grenada not available.

Source (except for items listed above): Great Britain, Board of Trade; Statistical Abstract for the British Empire for each of the 10 years 1928 to 1937. Areas, p. 4. Production: Meat, p. 30; agriculture, pp. 31–45; mineral, pp. 47–53. Trade and Commerce: Canada, pp. 156–166; Newfoundland, pp. 196–199; other countries, pp. 279–303.

Production figures are in some cases not available; the British Statistical Abstract (referred to above) uses export figures for many items in its production tables.

This compilation supplements one of Feb. 11, 1938, which provided similar figures for 1933, 1934, and 1935.

TOTAL OF BRITISH AMERICAN POSSESSIONS

Population	13,282,673
Area (square miles)	3,854,262
Revenues (pounds):	
1936	101,714,000
1937	115,913,159
Expenditures (pounds):	
1936	89,685,000
1937	95,230,000

ADDITIONAL INFORMATION

Bermuda

Bermuda is out in the ocean, directly opposite to Charleston, S. C., and only 666 miles from New York Lightship.

There is an airport located at Darrells Island. There has been a United States of America-Bermuda air service since 1937. The trip can be made in about 4½ hours.

There were 54,203 tourists from New York during the year 1937.

Bermuda has been very busy improving their channels and harbors.

Soil very fertile, which is attributed to the falling of salt spray over the islands during storms.

Population in 1936 was 30,552.

Public utilities:

1. Cable service.
2. Electric light, heat, and power paid-up capital of $1,200,000.

Financial position of Bermuda

Estimated balances, Treasury and Crown agents, Dec. 21, 1937	£58,000
Reserve fund	28,000
Superannuation fund, nominal value	71,000
Notes security fund	258,000
Riddell's Bay Golf Club, loan to	10,955
Savings bank, investments, cash, etc	81,000
Miscellaneous	4,200
Total assets, based on nominal values	502,155

LIABILITIES

Bermuda Government notes outstanding	158,799
Savings bank, amount due depositors	90,000
Superannuation trust fund	71,000
Miscellaneous	151
Total liabilities	319,950
Excess of assets over liabilities	200,205

Cost of government in 1938 as appropriated by the House of Assembly was $2,297,645.

Revenue for 1938 as estimated in the budget was $2,049,682.

One thousand four hundred of twelve thousand three hundred and sixty acres under cultivation.

Food supplies mostly imported from the United States and Canada.

Nearly all of the export produce of Bermuda goes to Canada.

FRENCH POSSESSIONS IN THE WESTERN HEMISPHERE

Selected statistics for French possessions in the Western Hemisphere, 1936 and 1937

Country, etc.	1936	1937
French Guiana (population, 30,906; area,[1] 34,740 square miles):		
Production:[2] Gold, export total, kilogram	1,417	1,418
Foreign trade:[3]		
Exports, total, francs	28,500,000	36,900,000
Imports, total, do	45,300,000	52,700,000
Public finance:[1] Budget for 1937 balanced at 17,705,000 francs.		
Guadeloupe (population, 267,407; area,[1] 688 square miles):		
Production: coffee, exports,[4] quintals	4,000	4,000
Foreign trade:[3]		
Exports, total, francs	170,900,000	294,500,000
Bananas, do	63,764,000	80,423,000
Sugar, do	55,703,000	143,121,000
Coffee, do	3,486,000	4,954,000
Cocoa, do	254,000	466,000
Vanilla, do	894,000	1,880,000
Rum, do	36,905,000	55,146,000
Imports, total,[5] do	126,500,000	194,800,000
Public finance:[1] Expenditures local budget, do	56,311,000 / 25,135,000	[6] 62,105,000 / 20,727,000
Total	81,446,000	82,833,000
Martinique (population, 246,712; area,[1] 385 square miles):		
Production:[7]		
Cane sugar, quintals	499,000	512,000
Cocoa, do	1,000	----------
Foreign trade:[3]		
Exports, total, francs	191,100,000	231,000,000
Raw hides, do	210,000	339,000
Bananas, do	38,296,000	49,202,000
Pineapple, do	2,531,000	4,092,000
Sugar, do	83,791,000	111,255,000
Cocoa, do	164,000	342,000
Rum, do	61,517,000	60,157,000
Imports, total,[5] do	165,600,000	213,700,000
Public finance:[1] Budget for 1936 balanced at 96,515,000 francs.		
St. Pierre and Miquelon (population, 4,175; area,[1] 93 square miles):		
Foreign trade:[3]		
Exports, total, francs	12,700,000	14,600,000
Imports, total, do	13,700,000	19,800,000
Public finance:[3] Expenditures, do	7,322,000	[8] 8,318,000

[1] Stateman's Yearbook, 1938, pp. 969–972.
[2] France. Annuaire statistique, 1937, p. 266.
[3] France. Annuaire statistique, 1937, pp. 260, 309.
[4] International Yearbook of Agricultural Statistics, 1937–38, p. 327.
[5] France. Annuaire statistique 1937, p. 268.
[6] Estimated.
[7] International Yearbook of Agricultural Statistics, 1937–38, p. 296, 323.
[8] France. Annuaire statistique, 1937, pp. 260, 308.

SUPPLEMENTARY NOTES

1 quintal, 220.46 pounds; 1 kilogram, 2.2046 pounds (U. S. Bureau of Foreign and Domestic Commerce Yearbook, 1936, p. 398–399.

Franc, exchange rates: 1936, $0.061; 1937, $0.040 (U. S. Federal Reserve bulletin, February 1939, p. 160.).

Total of French-American possessions

Area (square miles)	35,906
Population	549,200
Expenditures in francs:	
1936	202,475,589
1937	196,226,178
Revenue in francs:	
1936	202,475,589
1937	107,559,199

DUTCH POSSESSIONS IN THE WESTERN HEMISPHERE

Selected statistics on Dutch possessions in the Western Hemisphere, 1936 and 1937

Country, etc.	1936	1937[1]
Surinam or Netherlands Guiana (population, 169,471; area, 54,291 square miles):		
Production:		
Sugar, kilos	18,334,100	[2] [3] 183,000
Cacao, do	124,000	----------
Bananas, bunches	517,000	----------
Coffee, kilos	3,320,900	[3] [4] 33,000
Paddi, do	34,167,500	----------
Maize, do	1,568,100	----------
Rum, liters	204,900	----------
Molasses, do	3,451,400	----------

[1] All figures for 1937 are estimated, except the figures given for public finance.
[2] League of Nations. Statistical Yearbook, 1937–38, p. 101.
[3] Quintals.
[4] Same, p. 93.

Selected statistics on Dutch possessions in the Western Hemisphere, 1936 and 1937—Continued

Country, etc.		1936	1937
Surinam or Netherlands Guiana—Continued.			
Production—Continued.			
Gold	grams	443,487	
Balata	kilos	121,044	
Bauxite	metric tons	234,843	[3] 392,300
Foreign trade:			
Exports, total	United States dollars	[6] 1,600,000	[6] 1,900,000
Sugar	kilos	16,115,462	
Rum	liters	144,655	
Coffee	kilos	4,027,761	
Rice	do	1,305,589	
Bauxite	metric tons	233,909	
Gold	grams	478,106	
Imports	United States dollars	[6] 2,100,000	[6] 2,500,000
Public finance:			
Local revenue	guilders	4,020,000	3,652,000
Expenditures	do	6,681,000	6,306,000
Colony of Curaçao (population, 28,350; area,[7] 403 square miles):			
The colony is made up of the following islands:			
	Square miles		
Curaçao	210		
Aruba	69		
Bonaire	95		
St. Martin (only the southern part belongs to the Netherlands)	17		
St. Eustatius	7		
Saba	5		
Production:			
Salt [8]	metric tons	2,000	
Natural phosphates [9]	do	78,000	102,000
(Other products: Maize, beans, pulse, and cattle.)			
Foreign trade: [10]			
Exports	United States dollars	76,900,000	89,500,000
Imports	do	75,200,000	96,200,000
Public finance: [8]			
Estimated gross revenue	guilders	7,969,000	
Estimated gross expenditures	do	7,964,000	

[3] Same, p. 150.
[6] Same, p. 224.
[7] Statesman's Yearbook, 1938, p. 1181.
[8] League of Nations. Statistical Yearbook, 1937–38, p. 136.
[9] Same, p. 162.
[10] Same, p. 224.

Source (unless otherwise noted): Statesman's Yearbook, 1938, pp. 1179, 1180.

SUPPLEMENTARY NOTES

1 kilogram, 2.2046 pounds; 1 liter (liquid), 1.0567 quarts; 1 gram, 0.035 avoirdupois ounce; 1 metric ton, 1.1023 short tons, 0.9842 long ton; 1 quintal, 220.46 pounds (U. S. Bureau of Foreign and Domestic Commerce; Foreign Commerce Yearbook, 1936, pp. 398–399).

Foreign exchange rates: 1 guilder, 1936, 64.5 cents; 1937, 55.04 cents (Federal Reserve Bulletin, January 1939, p. 84).

Dutch American possessions

Total area, square miles	**54,694**
Population	**197,821**

FOREIGN TRADE

Exports:	
1936	**$78,500,000**
1937	**91,400,000**
Imports:	
1936	**77,300,000**
1937	**98,700,000**
Local revenue (guilders):	
1936	**11,989,000**
1937 (exclusive of Colony of Curaçao)	**3,652,000**
Expenditures (guilders):	
1936	**14,645,000**
1937 (exclusive of Colony of Curaçao)	**6,306,000**

DANISH POSSESSIONS IN THE WESTERN HEMISPHERE

Selected statistics for Greenland, 1936 and 1937

Country, etc.		1936	1937
Greenland (population, 16,630; area, 736,518 square miles):			
Foreign trade (the trade of Greenland is a State monopoly).			
Exports to Denmark	kroner	5,201,000	
Imports from Denmark	do	2,182,000	

[1] Source: Stateman's Yearbook, 1938, p. 847.

SUPPLEMENTARY NOTES

[1 hundredweight=112 pounds (U. S. Bureau of Foreign and Domestic Commerce, Foreign Commerce Yearbook, 1937, p. 408)]

	1936	1937
Foreign exchange rates (U. S. Federal Reserve Bulletin, December 1938, p. 1098):		
1 Danish krone	22.22¢	22.1¢
1 pound sterling	$4.97	$4.94

CANADA A GREAT FRIENDLY DOMINION

Mr. LUNDEEN. In speaking of these possessions I want to make it clear that I have never had in mind any negotiations with respect to the great Dominion of Canada, an American nation. I have no such idea. I am merely talking about the strategic points and islands along our coast. I hope that point is clear.

To the south we find many islands which extend along the bowstring referred to. The total area of all these British possessions is 3,854,262 square miles and the population is 13,282,673, the great bulk of which is in Canada. I have the revenues and the expenditures in pounds, which can be resolved into dollars.

Surprising resources may be found in French Guiana, Guadeloupe, Martinique, St. Pierre, and Miquelon. I have the information summarized in the statistics.

There are some very brief general statistics concerning such areas as Cuba, which, of course, does not enter into the present discussion, except as to the resources of Cuba as a part of the West Indies. The Virgin Islands, which we recently took over, Haiti, and Santo Domingo are in the same region. I mention this fact because there are those who may wish to venture the assertion that there are no resources in that region.

Selected statistics of certain West Indian islands, 1936 and 1937

[Total population, 5,613,267]

Country, etc.		1936	1937
Cuba (population, 4,046,706; area, 44,164 square miles):			
Production:			
Sugar	metric tons	2,537,948	2,950,000
Tobacco	pounds	41,544,907	54,615,128
Foreign trade: [1]			
Exports, total		$154,805,138	$186,071,036
Sugar:			
Raw		$112,591,307	$148,191,000
Refined		$14,300,726	
Molasses		$8,385,068	
Tobacco:			
Leaf		$11,676,889	$14,947,000
Manufactured		$4,032,828	
Imports, total		$103,215,000	$129,572,117
Public finance:			
Gross revenue		$73,200,000	[2] $79,200,000
Gross expenditures		$73,172,631	[2] $78,513,778
Virgin Islands (United States) (population, 22,012; area, 133 square miles):			
Production:			
Rum	gallons	350,000	257,941
Sugar	tons	6,962	[3]
Exports [4] to United States		$726,746	$1,253,429
Imports, total [4]		$2,208,570	$2,976,146
Public finance: [2]			
Gross revenue		$266,770	$337,181
Gross expenditures		$416,323	$466,694
Haiti (population, 3,000,000; area, 10,204 square miles):			
Production:			
Coffee, average production 31,800,000 kilos.			
Sugar, raw	metric tons	24,134	31,368
Foreign trade: [5]			
Exports, total		$9,447,719	$8,970,890
Coffee		$5,868,958	$4,678,591
Cotton, raw		$1,444,682	$1,533,027
Sugar, raw		$737,648	$776,622
Sisal		$672,376	$764,514
Imports, total		$7,584,125	$9,215,132
Public finance:			
Gross revenue		$6,919,600	$6,889,734
Gross expenditures		$7,326,400	$7,016,366
Santo Domingo (population, 1,544,549; area, 19,332 square miles):			
Production: Suzar	short tons	502,916	504,000
Foreign trade:			
Exports, total [6]		$15,149,908	$18,128,732
Sugar, raw		$8,509,035	$10,680,832
Coffee		$2,020,048	$1,763,485
Cocoa beans		$1,585,295	$2,523,743
Imports, total		$9,926,567	$11,691,896
Public finance:			
Gross revenue		$10,865,093	$10,589,530
Gross expenditures		$10,727,687	$10,552,405

[1] Pan American Union, Foreign Trade Series, No. 169, Cuba.
[2] Budget estimates.
[3] Not available.
[4] Bureau of Foreign and Domestic Commerce, Monthly Summary of Foreign Commerce, December 1938.
[5] Pan American Union, Foreign Trade Series, No. 168, Haiti.
[6] Pan American Union, Statistical Division, Foreign Trade of the Dominican Republic, 1937 figures only.

Other material from Statesman's Yearbooks, 1937 and 1938.

I have also included information concerning Alaska, the Philippine Islands, Puerto Rico, Guam, American Samoa, and the Panama Canal Zone, because these subjects are all interrelated.

Statistics of production, commerce, and public finance for outlying Territories and possessions of the United States, 1933, 1934, and 1935

Territories, etc.	1933	1934	1935
Alaska: [1]			
Production:			
Fisheries—pounds	630,774,000	819,209,000	
Fisheries—dollars	32,123,000	41,963,000	31,231,000
Salmon—do	29,400,000	38,749,000	27,333,000
Gold—fine ounces	457,000	537,000	462,000
Silver—do	155,000	178,000	222,000
Copper—pounds	1,756,000	130,000	14,602,000
Coal—tons	96,467	107,506	
Lumber from national forests:			
Net receipts—dollars		47,714	52,373
Annual cut (between forty and fifty million board feet annually).			
Fur:			
Pribilof Island sealskins—dollars		336,546	715,451
Land fur-bearing animals—dollars	1,570,066	1,951,702	
Commerce (with United States and other countries):			
Merchandise imports—dollars	20,816,667	30,269,606	32,261,832
Merchandise exports (exclusive of gold)—dollars	33,297,742	45,381,462	37,130,832
Domestic gold shipments to United States—dollars	9,864,479	15,883,877	15,933,058
Public finance:			
Receipts (including Federal relief funds)—dollars		1,935,184	
Disbursements (including Federal relief funds)—dollars		1,800,310	
Hawaii: [2]			
Production:			
Sugar—tons	962,000	952,000	980,000
Coffee—quintals	44,489	41,881	
Rice—do	15,574	15,926	
Pineapples (exclusive of juice), cases packed	7,815,540		
Commerce (with United States and other countries):			
Merchandise imports—dollars	63,127,969	69,233,683	84,552,884
Merchandise exports—do	92,952,801	95,830,059	100,033,996
Sugar, raw and refined (to United States)—dollars	65,495,134	53,799,760	58,679,773
Pineapples, canned (to United States)—dollars	23,979,253	34,156,106	28,239,449
Public finance:			
Receipts (revenue and non-revenue)—dollars	21,107,966	24,024,504	29,089,927
Payments—do	22,569,011	22,966,591	29,126,298
Philippine Islands: [3]			
Production:			
Sugar—tons	1,621,000	843,000	1,200,000
Abaca (manila hemp)—quintals	1,344,563	1,802,574	
Tobacco—do	417,501	326,775	
Oranges—do	20,122	20,484	
Mandarins—do	25,117	24,679	
Grapefruit—do	76,211	72,010	
Groundnuts—do	59,784	51,981	
Commerce:			
Merchandise imports—dollars	67,361,463	83,607,111	83,523,850
Merchandise exports—do	105,771,053	110,403,636	94,245,680
Gold ore and bullion exports—dollars	8,221,088	9,893,302	13,017,179
Sugar—do	64,333,426	65,454,581	32,990,680
Coconut oil—do	9,169,823	6,794,871	12,254,581
Abaca (manila hemp)—do	6,873,860	8,661,568	11,473,997
Copra—do	8,956,029	8,605,125	10,987,330
Lumber—do	1,268,607	2,171,395	2,511,760
Tobacco and its products—dollars	5,177,894	5,194,704	[4] 6,001,829
Public finance:			
Actual income—do	29,023,687	31,601,981	30,223,887
Actual expenditures—do	28,315,681	28,155,075	28,999,838

[1] Alaska: U. S. Bureau of Foreign and Domestic Commerce; Statistical Abstract of the United States, 1935, pp. 669 and 695; 1936, pp. 552, 687, 689, 708, and 713 (HA 202). U. S. Department of the Interior. Annual Report of the Governor of Alaska for the fiscal year ended June 30, 1935, pp. 14, 19, 22, and 24 (J 87.A4). Sealskin figure includes both public and private sales. U. S. Bureau of Mines. Statistical appendix to Minerals Yearbook 1935, p. A 13 (TN 23.U612).

[2] Hawaii: Statistical Abstract of United States, 1936, pp. 553, 659. U. S. Department of the Interior. Annual Report of the Governor of Hawaii for the fiscal year ended June 30, 1933, pp. 13 and 18; 1934, pp. 5 and 30; 1935, pp. 23–24, 29, and 31; 1936, pp. 22, 27, 28–29 (J 955.N3). International Institute of Agriculture. International Yearbook of Agricultural Statistics 1934–35, pp. 204–205 and 240 (HD 1429.A34).

[3] Philippine Islands: Statistical Abstract of United States, 1936, pp. 654 and 659. Annual Report of the Governor General of the Philippine Islands for 1934, pp. 16–17; 1935 (covering the period Jan. 1 to Nov. 14), pp. 21–22, 24–26 (J 622.N225). International Yearbook of Agricultural Statistics 1934–35, pp. 232, 242–243 and 272–273. Figures given in pesos have been converted into United States dollars at par value of peso equals $0.50 (see Commerce Yearbook 1932, vol. 1, p. 588).

[4] To Nov. 14.

***Statistics of production, commerce, and public finance for outlying Territories and possessions of the United States, 1933, 1934, and 1935*—Continued**

Territories, etc.	1933	1934	1935
Puerto Rico: [5]			
Production:			
Sugar—pounds	1,621,000	773,000	896,000
Tobacco—quintals	76,126	113,397	
Oranges—do	5,126	7,810	2,619
Grapefruit—do	76,517	135,641	133,354
Commerce:			
Merchandise imports—dollars	57,843,575	66,239,329	76,648,287
Merchandise exports—do	78,661,083	83,907,747	89,641,421
Sugar—do	50,780,422	54,267,041	48,392,332
Public finance:			
Receipts—do	12,159,616	14,327,698	13,839,826
Net expenditures—do	10,031,121	11,159,345	11,148,489
Property valuation—do	314,320,074	297,119,629	289,628,594
Guam: [6]			
Production:			
"Agriculture is the chief industry of Guam. About one-half of the total area of the island is suitable for agriculture and pasturage * * *."			
"As measured by the number of acres reported under cultivation in 1929 [3,565], corn is by far the most important field crop of Guam." * * *.			
The Secretary of the Navy reports: In 1935 "* * * about 260 acres of rice lands have been brought under cultivation * * *." In 1936 "the preparation of land for rice growing, with the development of water supply for that purpose, has continued and considerable advance has been made." In 1937 "the cultivation of rice showed improvement for the fiscal year under government stimulation and improved water supply."			
Commerce:			
Merchandise imports—dollars	378,991	439,207	638,220
Merchandise exports—do	62,449	31,376	124,188
Copra—tons	1,624	1,874	1,809
Copra—dollars	43,743	38,367	72,440
"From a commercial point of view the coconut is the most important product * * * its dried meat, called 'copra,' is the chief article of export, and it is shipped mainly to the United States and Japan * * *."			
"Coir, or the fiber of the husk of the coconut, is also a product of commercial importance * * *."			
Public finance, Federal disbursements for naval stations—dollars	653,624	597,315	638,617
American Samoa: [7]			
Production:			
Coconuts, fruits, and vegetables (exact figures not located).			
"The farms or plantations of Samoa produce principally coconuts, breadfruit, bananas, and taro. * * *"			
"The coconut is the most important product of the soil of Samoa. A law requires each taxpayer to plant at least 30 nuts a year, if he has the land. It grows anywhere it is planted. * * *"			
"Samoan fruits * * * are grown for home consumption but not for outside market."			
Timber: "No attempt has been made to market the timber of Samoa. Although the surface of the islands is heavily wooded, the timber is not abundant enough to make it worth the labor of getting it to the coast."			

[5] Puerto Rico: Statistical Abstract of the United States, 1936, pp. 553 and 659. International Yearbook of Agricultural Statistics, 1934–35, pp. 230–231 and 242–243. Annual Report of the Governor of Puerto Rico for 1933, p. 60; 1934, pp. 34 and 47; 1935, pp. 98, 111, and 175 (J 165.N32).

[6] Guam: Statistical Abstract of the United States, 1936, p. 555. U. S. Bureau of the Census. Fifteenth Census of the United States, 1930. Outlying Territories and Possessions, pp. 299 and 301. Quoted passages (HA201, 1930, A307). U. S. Navy Department. Annual Report of the Secretary for the Fiscal Year, 1933, pp. 31 and 33; 1934, p. 31; 1935, pp. 31–32; 1936, p. 29; 1937, pp. 34–35 (VA 52.A2). U. S. Navy Department: Bureau of Supplies and Accounts, Naval Expenditures, 1933, p. 335; 1934, p. 348; 1935, p. 367 (VC 35.A3).

[7] American Samoa: Statistical Abstract of the United States, 1936, p. 554. Fifteenth Census of the United States: 1930; outlying territories and possessions, p. 316; quoted passages. U. S. Navy Department. Reports and citations as given above under "Guam."

Statistics of production, commerce, and public finance for outlying Territories and possessions of the United States, 1933, 1934, and 1935—Continued

Territories, etc.	1933	1934	1935
American Samoa—Continued.			
Commerce:			
Merchandise imports....dollars..	168,514	201,612	281,414
Merchandise exports (to United States).....dollars..	20,966	24,927	83,254
"The dried kernel of the ripe coconut, called copra, is the principal commercial product of and the only export from American Samoa."			
Copra.....{tons....	602	609	1,242
Copra.....{dollars..	18,769	16,259	46,951
Public finance: Federal disbursements for naval station at Tutuila dollars..	329,489	307,034	334,331
Panama Canal Zone: [1] "The Zone is in effect a Government-owned reservation set apart for the operation, maintenance, and protection of the Canal."			
Statistics of the gainfully occupied in 1930 show—			
Total..... 21,004			
Agriculture..... 1,786			
Transportation..... 3,997			
Public service..... 10,991			
Public finance:			
Federal expenditures for—			
Civil government (Panama Canal and Canal Zone) dollars..	1,194,533	863,119	922,346
Sanitation.....do....	662,114	589,200	789,532
Postal funds.....do....		127,337	182,764
Virgin Islands of the United States: [2]			
Production: Cane sugar....quintals..	36,079	37,086	19,000
"The repeal of national prohibition has resulted in a tremendous revival of interest in the rum industry of the Virgin Islands, for which product St. Croix particularly has long been famous. 5 distilleries have been erected or rebuilt in St. Croix, and 2 in St. Thomas, with an annual total estimated capacity of 2,000,000 gallons."			
Commerce with United States:			
Merchandise imports....dollars..	1,075,512	1,544,424	1,666,415
Merchandise exports.....do....	516,846	575,052	489,128
Public finance: Expenditures..do....	565,700	1,139,962	1,019,411

[1] Panama Canal Zone: The Encyclopaedia Americana, New York, 1936, vol. 21, p. 239; quoted sentence (AE 5.E333 1936). Fifteenth Census of the United States: 1930; outlying territories and possessions, p. 337. U. S. Bureau of the Budget. The Budget of the U. S. Government for the fiscal year ending June 30, 1935, p. A-69; 1936, pp. A-92 and A-93; 1937, p. A-76 (HJ 2051.A59).

[2] Virgin Islands of the United States: International Yearbook of Agricultural Statistics 1934-35, p. 214; Statistical Abstract of the United States, 1936, p. 555; U. S. Department of the Interior; Annual Report of the Governor of the Virgin Islands for fiscal year ended June 30, 1934, pp. 8 and 15-16; quoted passage (J166.N15). Budget of the U. S. Government for 1935, p. A-47; 1937, p. A-52.

PAN AMERICAN LANDING FIELDS

Recently I have given considerable study to the Pan American landing fields in South America and in the Caribbean area. This great company, largely at its own expense, has laid down lighted airways and has constructed landing fields and facilities for aviation. This activity should be encouraged by the Federal Government.

The PRESIDING OFFICER. Does the Senator from Minnesota request that certain material be inserted in the RECORD?

Mr. LUNDEEN. I request that the various articles be included in the RECORD for the information of the Senate, along with the resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

BELIZE, BRITISH HONDURAS, SEAPLANE ANCHORAGE

(Latitude 17°31′ N., longitude 88°11′ W.)

DESCRIPTION

Location: Eastward of and adjacent to the radio towers about 1 mile north of Belize. Depth: 3 to 15 feet. Tidal range: 1.5 feet. Character of bottom: Mud. Currents: Weak. Shelter: Anchorage is somewhat protected by outlying cays and is quite safe. Marking: Wind cone.

LANDING AND TAKE-OFF AREA

Location: Belize Harbor. Area: N./S., 3 miles; E./W., 2 miles. Shelter: Fair. Obstructions: Mangrove cays. Piling awash extends eastward off the point northward of the seaplane pier.

FACILITIES

Specification fuel and oil. Seaplanes may tie up to a small pier that has a depth of 3 feet at the end. Supplies: Fresh beef, and plenty of vegetables are obtainable, fish is plentiful, also rice, flour, and tinned provisions. Water: Rain water from tanks can be obtained in small quantities, but during the dry season, from March to June, the supply is uncertain.

There is one water tank with a capacity of 1,200 gallons. Beach: None; sea wall and mud flats along water front. Repairs: Minor repairs. There are one 5-ton and one half-ton crane and a marine railway. Wharves: Vessels are loaded and discharged by lighters at the anchorage. Communications: Frequent steamer service to United States, West Indies, and Europe. There is telegraph and telephone communication with Corosal and other stations in the north, with El Cayo and intermediate stations in the west, and with Punta Gorda in the south. Radio station, call letters, VPP; airways radio station, call letters, ZDZ.

GENERAL INFORMATION

Aspect: Belize Harbor, the principal port of British Honduras, is situated on the mainland at the mouth of Belize River, and about 8 miles within the barrier reef; it is approached by various channels. The harbor, which is in front of and southward of the town, is about 10 miles in extent east and west by about 4 miles wide, protected to seaward by the main reef and numerous mangrove cays. The town of Belize, the seat of government of British Honduras, is situated on both sides of the southern entrance to Belize River, and is connected by a swinging bridge which, however, is not worked. The land being low and swampy, most of the houses are constructed of wood, raised on mahogany pillars.

Landmarks: The 250-foot radio towers on the north side of the town.

Tender anchorage: There is an anchorage in from 20 to 32 feet at 1 to 4 miles southward of the town, according to draft.

Health: The climate, though damp, is, for the Tropics, comparatively healthy; ague and malaria fevers prevail in the rainy season. Visitations of malignant fever are of rare occurrence, and an equable temperature with a prevailing sea breeze is experienced during the greater part of the year.

Potential landing field site: There is no regular landing field in use at the present time (1936). A field was established about 12 miles northwest of Belize, but is, in general, unsafe for planes, due to poor drainage. About 1 mile north of Belize at Newtown Barracks there is a stretch of land along the sea front, 600 by 100 feet, which is dangerous to land on.

Remarks: Customs are taken care of at the seaplane anchorage.

Photograph: See page 207.

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(230) British Honduras; Belize; landing field; information.—Belize:

Position: 17°34′ N., 88°22′ W.

Name and location: Tillett's Pond Landing Field, a commercial field located between the river and road after passing Haulover Bridge, approximately 10½ miles northwest of Belize.

Prominent landmark: Hangar on field.

Description: The landing field is triangular in shape; size 2,560 by 2,500 by 3,750 feet, with an E./W. runway extending 2,000 feet. Surface, hard sand and grass. Drainage, natural and artificial.

Obstructions: None.

Marking: Runways marked with round orange markers. Wind cone. Name "TACA" on hangar.

Facilities: Aviation gasoline (73 and 80 octanes) and oil. Hangar. Mechanic and workshop.

Communications: Telephone, radio. Weather reports available.

Meteorological data: Prevailing winds, summer, east; winter, northwest. Precipitation, average annual, 81 inches.

Remarks: Airport of entry. This field is operated by Transportes Aereos Centro Americanos, Ltd., and Newtown Barracks has been closed as a landing field. (N. A. 21, 1938.)

H. O. Aviation Chart V-250.

H. O. Pub. 195, Central America, p. 59.

(231) British Honduras; Belize; seaplane anchorage discontinued: The seaplane anchorage and pier at Belize, formerly used by the Pan American Airways, Inc., has been abandoned since that company ceased operating in the colony.

Seaplanes visiting Belize should use the harbor as no special anchorage is provided. The depth of water is from four to five feet and the bottom is mud. No mooring buoys are available. There are no obstructions nor are there any markings to guide the pilot.

Notice to Aviators 5 (58) of 1937 is hereby canceled.

(N. A. 21, 1938.)

H. O. Aviation Chart V-250.

H. O. Pub. 195, Central America, p. 59.

Meteorological table

[Station: Belize, British Honduras. Position: Latitude 17°31′ N., longitude 88°11′ W. Altitude: 17 feet]

Month	Air temperature °F.			Relative humidity (percent), mean ¼ (9-15h)	Rain			Wind											Number of days with—							Cloud amount (0-10) mean daily
										Percentage of observations from—																
	Mean	Mean maximum	Mean minimum		Average fall (inches)	Number of rainy days	Maximum fall in 24 hours (inches)	Mean velocity (knots)	Maximum velocity (knots)	North	Northeast	East	Southeast	South	Southwest	West	Northwest	Calm	Wind, 22 knots or more	Visibility, less than 1 mile	Ceiling, less than 1,000 feet	Thunderstorms	Dense fog	Cloudless skies	Overcast skies	
January	74	80	67	80	6.61	13.0	4.19	9.1	41.7	27	20	14	19	----	(1)	4	16	----	0.3	----	0.7	----	----	1.7	2.7	4.9
February	76	82	69	80	2.77	7.1	2.25	10.5	36.5	10	18	32	29	1	----	(1)	11	----	----	0.3	.3	----	----	3.0	2.0	4.5
March	77	84	71	80	1.79	4.9	2.65	11.9	31.3	6	15	29	39	1	----	2	8	----	.7	----	2.0	----	----	2.0	2.0	3.3
April	80	86	73	79	2.82	5.4	7.75	12.1	41.7	5	18	32	36	1	1	1	6	----	----	----	----	----	----	1.3	2.5	3.9
May	81	87	77	81	5.78	8.6	6.62	11.8	41.7	3	16	36	34	1	1	2	5	1	----	----	1.3	0.7	----	1.0	3.2	4.4
June	81	87	75	83	9.79	15.4	16.61	12.7	47.8	5	11	48	28	2	1	2	4	1	1.0	----	1.0	.3	----	2.0	4.0	4.9
July	81	87	76	81	7.73	16.2	3.50	11.2	41.7	2	15	47	30	1	(1)	1	2	1	.7	.3	2.3	1.7	----	1.3	3.3	4.9
August	81	88	75	81	7.77	15.1	4.02	10.5	52.1	4	17	43	30	1	1	2	2	----	----	.3	1.7	.7	----	1.8	4.0	4.8
September	82	88	75	80	9.18	14.2	8.20	10.2	114.6	6	18	34	30	3	1	3	6	1	----	----	1.3	----	----	1.0	5.0	5.4
October	79	86	72	78	13.23	15.7	4.73	8.4	31.3	19	20	21	15	1	1	4	18	1	----	----	2.3	----	----	1.5	4.2	5.6
November	76	84	69	82	10.50	15.1	5.61	8.5	31.3	25	31	13	7	(1)	(1)	3	21	----	----	----	.3	----	----	3.3	5.3	5.4
December	74	81	68	81	7.69	14.4	3.46	9.1	31.3	31	21	16	11	1	----	2	17	----	----	----	1.3	----	----	4.0	1.5	5.5
Means	78	85	72	81	----	----	----	10.5	----	12	19	30	26	1	1	2	10	(1)	----	----	----	----	----	----	----	4.8
Total	----	----	----	----	85.66	145.1	----	----	----	----	----	----	----	----	----	----	----	----	2.7	.9	14.5	3.4	.0	23.9	39.7	----
Extremes	----	----	----	----	----	----	16.61	----	114.6	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Number of years observations	24	24	24	12	42	41	25	12	15	17									3					4	4	12

[1] Less than 0.5 percent.

[From the Statist of November 24, 1934]

BRITISH WEST INDIES

British Guiana has important, if not very rich, mineral resources. All we know is that gold and diamonds are found there, and that a metal called bauxite, from which aluminum is made, is apparently plentiful. But whether it is true that British Guiana has potentially immense mineral resources no one so far is in a position to say. Certain indications appear to point to large mineral resources, but it has to be admitted that the gold so far found is alluvial. There is nothing so far as we know comparable with the great reefs discovered in South Africa. On the other hand, the reader may say, "Rivers do not produce gold; where does it come from?" Unfortunately, the answer is that we do not really know. All we do know is that certain mineral deposits exist; that a very few of them have proved sufficiently profitable to be worth working; and that a great many of them are inaccessible owing to lack of transport of any kind. We know that agriculturally those areas which have been explored appear to be potentially rich. We know that the interior contains some magnificent timber of the hard variety, suitable, that is, for furniture, but that owing to the cost of transport even the finest specimens of wood found in those magnificent forests cannot bear the multiplication in costs which their delivery to a port of shipment, either at Georgetown or at New Amsterdam, would involve. Very few people acquainted with the British West Indies really realize what the development of continental West Indies would mean to those islands spread over more than 1,000 miles, that is to say, from the coast of Florida to the coast of Venezuela. Its action and repercussion would create business all around. British Guiana, if there was a large population there, would require a constant supply of various commodities which the islands are potentially capable of producing, which, in its turn, would make a proper system of communication imperative. The real difficulty which the Colonial Office had to face in the case of the Leeward and Windward Islands was lack of resources, and the real difficulty which British Guiana, British Honduras, and the islands have to face at present is that they have not the resources to justify any kind of system of communication which would make development really possible and which could be relied upon. To establish such means of transport with Government assistance would merely be to place a burden upon taxpayers presumably here at home, which would serve no economic purpose. What is really required is that private enterprise should be encouraged to open up those colonies precisely as British capital has opened up various parts of the world, say, during the past century.

[From the London Times of February 8, 1938]

WEST INDIES—PUBLIC-WORKS ACTIVITIES

The year 1937 witnessed a steady return to prosperity in Jamaica and British Guiana. Trinidad maintained her favorable position and there was a building boom in the Bahamas. In British Honduras agricultural development resulted in the output of the first crop of muscovado sugar for home consumption; a factory was erected in the Corozal area to encourage cane planting in the colony; 500 tons of sugar were produced.

Revenue in British Guiana was $3,685,386 to the end of August, being $354,770 more than collections to the same date in 1936. The estimated revenue for the year is $5,760,961, from which, along with a carry-over from the preceding year, a surplus of $556,505 is anticipated. The value of imports to the end of October was $9,467,960 against $7,470,000, and of exports $10,568,188 against $9,151,900. Sugar, bauxite, gold, timber, and copra were the principal items in exports. Gold mining bids fair to show larger results (the value of exports was entered at $708,883, or 27,257 ounces) as companies in England and Canada are becoming interested in the industry.

Trinidad should have a surplus of $1,142,866 at the close of the year, or $1,025,153 more than the amount estimated. The increase is attributed to abnormal importations and larger spending power of the community in consequence of important works—i. e., harbor improvement, water conservation and distribution project, and other construction plans by the Government; activities in the oil fields; and private building undertakings. Public revenue will yield $11,792,866, with expenditures at $10,650,000. Export figures for the first 9 months of the year were distinctly encouraging: Sugar amounted to 319,740,400 pounds; molasses, 4,251,349 gallons; cocoa, 23,024,414 pounds; coconuts, 3,294,310; copra, 12,637,744 pounds; coffee, 1,617,262 pounds; petroleum products, 372,618,010 gallons; and asphalt, 67,797 tons. The Government is developing a land-settlement program to increase the number of small agriculturists.

Barbados will probably have a surplus of £200,000. Exports of sugar reached 97,377 tons, molasses 7,040,016 gallons, and rum 83,020 gallons. In Barbados, as in the Leeward and Windward Islands, production of Sea Island cotton fell short of the quantity anticipated.

RECORD BANANA EXPORTS

Two records were established in agricultural production in Jamaica. The crop of sugar reached 125,000 tons, the highest point registered in that industry during the past half a century or more. Export of bananas exceeded by 3,000,000 stems the previous record of 24,000,000 stems during 1930. Good seasons prevailed throughout the greater portion of the year; the banana industry made a somewhat rapid recovery during the latter part of the previous year from the effects of storms which had occurred 3 years in succession, beginning with 1932; increased planting early in 1936 also contributed to the higher level of exports.

Customs revenue increased owing to the introduction of the c. i. f. system last spring. The surplus on transactions of the Government during the financial year will be £219,000, to which must be added £16,000 brought forward. The value of imports up to the end of September was slightly over £4,000,000, with exports at £3,900,000, bananas representing £2,000,000, and sugar and rum just over £1,000,000. The Government continued to foster additional crops, chiefly tobacco, small fruits, and mixed vegetables. Land settlements were undertaken on a much larger scale than in any previous period in the colony's history.

The Government of the Bahamas is carrying out public works, including telephone facilities, sewerage, and water supplies. The colony's principal industry is the tourist traffic; vegetable products are included in its exports.

Exports of vegetables from Bermuda to Canada were about 50 percent below those of the 1936 season. The colony is financially prosperous, with an estimated balance of £73,975 at the end of the year.

TRINIDAD, GREAT BRITAIN'S GREATEST PRODUCER OF PETROLEUM

[From the Chicago Daily Tribune of April 12, 1939]

TRINIDAD PUSHES WORK TO CREATE A BETTER HARBOR—ISLAND BEST OIL PRODUCER IN BRITISH EMPIRE

(By Capt. M. M. Corpening)

PORT-OF-SPAIN, TRINIDAD, BRITISH WEST INDIES.—Work is in progress to improve the principal harbor of this strategic outpost of the British Empire.

Located 20 miles off the north coast of South America, at the junction of the Caribbean Sea and the Atlantic Ocean, the island

colony is now the largest producer of petroleum within the Empire and also has valuable exports of sugar, raw cacao, asphalt, copra, grapefruit, rum and bitters, and molasses. Exports in 1936 had a value of $26,935,076 and imports $27,189,994. The principal imports were machinery, wearing apparel, and foodstuffs.

Port-of-Spain, the capital, which has a population of 76,384, has a well-sheltered harbor, but a serious handicap to shipping exists in its shallowness. Freight and passengers from big liners must be brought ashore in smaller vessels.

DREDGERS WORK DAY AND NIGHT

Dredging work is being pushed night and day to open a deep-water channel to shore. It is expected the work will be completed by the end of the year.

With an area of 1,862 square miles, Trinidad is the second largest island of the British West Indies—Jamaica is the largest. Trinidad is administered as a Crown colony together with its neighbor Tobago, which has an area of 116 square miles. The two islands have a combined population of about 450,000.

Trinidad was discovered by Columbus in 1498 and was colonized by the Spaniards in the sixteenth century. About the period of the American Revolution many French families settled here and the French element still is preponderant. Trinidad belonged to Spain until 1797 when Britain, being at war with Spain, seized the island and was confirmed in its possession by the Treaty of Amiens in 1802.

More than half the population is Negro, while East Indians, Latin Americans, Portuguese, Chinese, English, and Americans are poured into the melting pot of this Singapore of the west.

OIL FIELDS FOR THE AMERICAN FLEET

The standard of living for 90 percent of the population is low. Common labor gets about 60 cents per day American money. However, an abundance of tropical fruits, nuts, fish, and the great producing power of the soil prevent anyone from going hungry.

San Fernando, the second largest city, with a population of 15,000, and center of the oil fields, is 20 miles south of Port-of-Spain. It is a beehive of activity with the rigs, pipe lines, tanks, and refineries resembling those in America. Though Britain takes most of the output, a considerable part is sold to other buyers, including the American Fleet. Trinidad shipped 13,237,030 barrels of oil in 1936.

INEXHAUSTIBLE ASPHALT LAKE

A little to the southwest of San Fernando is Trinidad's famous asphalt lake of La Brea. The lake has a surface area of 109 acres. On cool days the asphalt is firm enough to stand on, but on hot days it is soft enough to trap anyone who stands in one place too long.

ENOUGH ASPHALT FOR THE WORLD

Small dump cars run on narrow-gage tracks laid on the lake's surface. Men with picks dig chunks of asphalt from a hole, say 15 feet square and 2 feet deep, and load the cars. The hole refills itself in the course of a few days.

Cables pull the loaded cars up a long incline and the chunks are dumped into melting tanks. Very little refining is necessary to remove rocks and other solids before the hot liquid is poured into the barrels one sees used for road work in America. The lake yielded 111,965 tons of asphalt in 1935.

Where the seemingly endless supply of asphalt comes from no one knows. The lake has been worked for 100 years, but the surface has the same elevation.

Sugar plantations in Trinidad are smaller and not as efficient as those in Hawaii. Hawaii makes use of narrow-gage railroads on plantations. Here the cane is transported by mule, steer, or burro carts.

SPOTLESS DUTCH COMMUNITY

The flight to Port-of-Spain from Belem (Para), Brazil, is a long one. Leaving Belem the shore line to the left (west) is heavy jungle with few open or grassy spaces. After 4 hours and 45 minutes of flying, the jungle suddenly gives way to small, meticulously laid out farming plots. It is Surinam (Dutch Guiana). Soon Paramaribo, the capital, looms on the west bank of the Surinam River.

One does not have to land to know that this typical Dutch community is spotless. From the air it is charming. Brown shingle and grey slate roofs contrast with those of tin, red tile, and grass in other South American cities.

The clipper landing is in the river. The plane is refueled and the flight resumed in 20 minutes. The second 700-mile stage of the flight is in a straight line, mostly over water, to Port-of-Spain. Then the hills and valleys of Trinidad come into view. The tiresome jungle is behind us and the signs of habitations are welcome.

REFUNDING AND CANCELATION OF WAR DEBTS

Mr. LUNDEEN. Mr. President, I ask the serious attention of the Senate to these matters. We are continually asking, Where are we to obtain manganese? Where are we to obtain bauxite, the substance from which we manufacture aluminum? If we examine the resources of some of the islands to which I refer, perhaps we shall find a solution.

It seems to me that the resolution of the Senator from Massachusetts [Mr. LODGE] and the Senator from Oregon [Mr. MCNARY] is of vital importance to this country. I have spoken about the matter for many years and shall continue to do so. I do not intend to let the matter rest. I first discussed this war-debt matter here in Washington in 1919.

I am used to pioneering in such matters. I remember Members of the House sitting around the table of the Committee on Territories in that year of 1919 when the question of the war debts came up. I did not think then I should have the honor of standing in this great body and speaking on that subject. I hope the day will come when Senators of greater ability and eloquence will take the floor, as I think they will be compelled to do by their own consciences, their own belief in the validity of the resolutions, insofar as the safety of America is concerned, and the desire of their own people to have the question settled.

I have repeatedly stated that if we take the war debts over a period of 62 years and figure them at the cost to the American taxpayer, including not only the principal but the interest which the American taxpayer will pay on the bonds over that period, the total amount, running over 62 years, will probably be somewhere around $50,000,000,000. I am not referring to the refunded amount, which represents a reduction from $25,000,000,000 to $12,000,000,000 plus. According to the late Senator Howell, of Nebraska, the reduction was $12,087,667,000, or practically half.

I am now having some research done on that problem. We are having considerable difficulty in obtaining facts and figures to present to the Senate—just why I cannot tell.

WE DEMAND PAYMENT IN RESOURCES AND POSSESSIONS

It may be that some persons in America wish to give the money to Great Britain, France, Germany, and other nations which have borrowed money from us. However, I wish to be recorded in opposition to turning over such a huge sum of money to foreign countries. I want repayment of the money loaned to those nations.

REFUNDING AGREEMENTS BROKEN AND INVALID

I submit for the consideration of the Senate that when a nation enters into a refunding agreement and then breaks that agreement, we go back to the original amount, which in this case was about $25,000,000,000. We are no longer talking about $12,000,000,000. We are talking about $25,000,000,000, which is the original amount which the Government considered when the debt was refunded. Of course, I am speaking in round numbers. I ask the attention of Senators to that point. The refunding agreements having been violated, we turn back to the original amount. This point I have stoutly maintained for years, and if I am wrong, will Senators please set me right.

Perhaps some of the debt could be canceled by taking over from foreign nations some of their possessions which run from the coast of Florida to the coast of South America. I cannot hope that Senators will heed my words, but I hope they will heed the statistics of their own Government and the information which is placed in the RECORD for their consideration. If they will do so, I believe the day is not far distant when we shall enter into serious negotiations to the great benefit of the American people.

WAR DEBTS

We submit for the information of the Senate and the American public the total indebtedness of foreign governments to the United States January 31, 1938:

Statement showing total indebtdeness of foreign governments to the United States, Jan. 31, 1938

Country	Total indebtedness	Principal unpaid	Interest postponed and payable under moratorium agreements	Interest accrued and unpaid under funding and moratorium agreements
Funded debts:				
Austria	$26,005,480.99	$25,980,480.66		$25,000.33
Belgium	440,576,360.97	400,680,000.00	$3,750,000.00	36,146,360.97
Czechoslovakia	165,658,603.61	165,241,108.90		417,494.71
Estonia	18,039,718.13	16,466,012.87	492,360.19	1,081,345.07
Finland	8,350,481.00	8,198,489.98	151,991.02	
France	4,121,120,502.59	3,863,650,000.00	38,636,500.00	218,834,002.59
Great Britain	5,263,719,066.73	4,368,000,000.00	131,520,000.00	764,199,066.73
Greece	33,868,484.24	31,516,000.00	449,080.00	1,903,404.24
Hungary	2,316,268.35	1,908,560.00	57,072.75	350,635.60
Italy	2,019,907,055.68	2,004,900,000.00	2,506,125.00	12,500,930.68

Statement showing total indebtedness of foreign governments to the United States, Jan. 31, 1938—Continued

Country	Total indebtedness	Principal unpaid	Interest postponed and payable under moratorium agreements	Interest accrued and unpaid under funding and moratorium agreements
Funded debts—Continued.				
Latvia	$8,300,896.27	$6,879,464.20	$205,989.96	$1,215,442.11
Lithuania	7,429,514.65	6,197,682.00	185,930.46	1,045,902.19
Poland	252,159,819.66	206,057,000.00	6,161,835.00	39,940,984.66
Rumania	63,971,892.36	63,860,560.43	----------	111,331.93
Yugoslavia	61,663,515.63	61,625,000.00	----------	38,515.63
Total	12,493,087,660.86	11,231,160,359.04	184,116,884.38	1,077,810,417.44
Unfunded debts:				
Armenia	22,705,400.00	11,959,917.49	----------	10,745,482.51
Nicaragua	487,544.98	289,898.78	----------	197,646.20
Russia	375,742,114.78	192,601,297.37	----------	183,140,817.41
Total	398,935,059.76	204,851,113.64	----------	194,083,946.12
Grand total	12,892,022,720.62	11,436,011,472.68	184,116,884.38	1,271,894,363.56

Above is a copy taken from page 28 from memorandum sheets from the Secretary of the Treasury, Washington, D. C., showing the indebtedness of foreign governments to the United States up to January 1938.

Since this statement was made Finland has paid on account of above $232,935.50.

Hungary has also reduced their amount $9,828.16.

The indebtedness of Germany is not shown in above statement.

Lest we forget, the above figures should be stamped on the memory of every man and woman in every one of our 48 States, thus making it conclusive that our great Uncle Sam will never again act as Santa Claus to any ungrateful country.

Courtesy: Clarence T. Doty, Jacksonville, Fla.

LET THEM PAY

Let us turn from the European scene to our own American interests and fight for those interests and for the protection of our own people. When we see the British Empire in one war budget levying taxation of $7,500,000,000 that Empire must have some resources. All of these nations have great resources; they have essential war materials which we need. Some of them own great possessions in the Western Hemisphere. Let them pay.

THEY HAVE THE RESOURCES AND POSSESSIONS TO PAY

I should like to call the attention of Senators to this point: We have a considerable gold production in the United States of America, but the gold production of Canada, in the British Empire, is just as great as ours. The gold production of South Africa is four times as great as ours; and there they sometimes shut down their diamond mines because of a glut in the market. There is no lack of their resources. However, there has been lack of iron in our blood. There has been lack of backbone in American statesmanship. There has been lack of determination and of Jacksonian principles in our dealings with foreign countries. The time has arrived when we should take a determined stand upon these problems and questions and speak plainly instead of giving a certain group of favored nations the idea that we are supine and servile, and that we may be called to their aid whenever they desire, and that we will ever be ready to carry out their purposes.

We should bend our minds to the collection of the war debts and acquiring from these nations some of their American possessions. Perhaps that might have a quieting effect upon the international situation.

DEFEND THE MONROE DOCTRINE AND PANAMA CANAL

Distinguished Senators have said that if we leave Europe alone there will be no war over there. I do not like to think that we are inciting Europe to war; and I wish to turn from that scene to our own Western Hemisphere. I am a sincere believer in the protection of the Monroe Doctrine. In order to protect the Monroe Doctrine we must protect the Panama Canal. It is the Achilles heel, the vital spot of our defenses. We cannot fully defend it without the West Indies. The West Indies now are in the hands of foreign powers with which we have had war in the past and with which we may have war in the future. There may be difficulties to be overcome, but they are not insurmountable. While the possibility is remote, these islands may be acquired by other powers—powers other than those which now own them. Let us negotiate for them now and acquire them in this most important and vital hour.

I thank the Senate.

CONSTRUCTION OF CERTAIN NAVAL WORKS AND FACILITIES

The Senate resumed the consideration of the bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

Mr. WALSH. Mr. President, I think a very brief statement of the bill now pending will inform the Senate as to its nature.

It will be recalled that a year ago we passed a bill, known as the Naval Expansion Act, providing for the expansion and enlargement of our Navy. That measure provided for an expansion of 20 percent in combat naval vessels and 50 percent in naval aircraft. It also provided for the appointment of naval officers for the purpose of reporting to the Congress at the present session concerning the enlargement of naval air bases and new naval air bases and bases for submarines that would become necessary by reason of the enlargement of the number of combat naval vessels and naval aircraft. That report was filed in the early days of this session, and is known as the Hepburn Board report.

It is unnecessary to remind the Senate that since the treaties for the limitation of naval armaments practically nothing has been done in the way of expanding or enlarging our naval shore facilities; so the increase in the number of naval vessels, and particularly in the number of naval aircraft, makes it necessary to have shore facilities for such vessels and aircraft.

The report of the Hepburn Board, very briefly stated, recommended new or increased aviation facilities at 25 locations, new or increased submarine facilities at 10 locations, increased destroyer facilities at 2 locations, and ammunition-depot facilities at 4 locations. The estimated cost of constructing all the improvements recommended by the Board is $326,216,000.

The report of the Hepburn Board stated:

> It is not too much to say that if all the planes now authorized were in hand by the time action can be taken on this report, they could be operated at only a fraction of their potential value, and would suffer a large measure of deterioration or obsolescence before adequate shore facilities could be provided.

The Board reached its conclusions after a searching investigation and exhaustive study, and the report contains substantiating reasons for its decisions.

Mr. KING. Mr. President, will the Senator yield?

Mr. WALSH. I ask the Senator to wait for just a minute, and then I shall be happy to yield to him.

Mr. President, this particular bill authorizes the establishment of only a very limited number of shore facilities or air bases. The Budget limited the authorization to $65,000,000. This bill provides an authorization of that amount; but the work to be undertaken will cover a period of 3 years, so it is anticipated that the necessary appropriation for this year to commence the work under the authorization will be $20,000,000, and that $24,000,000 will be necessary the following year, and $21,000,000 the succeeding year.

The bill authorizes the expansion or creation of only a limited number of air bases. The Navy feels that there should be on the west coast three adequate naval air basis and a similar number on the east coast. Those on the west coast are the one at San Diego, already established and to be expanded, and those at San Francisco and Seattle. On the east coast there is now but one naval air base, the one at Norfolk. The bill provides for the creation of two new naval air bases, one in Rhode Island covering the northeastern part of the country, and the other at Jacksonville, Fla., covering the southeastern part of the country.

It is expected that these six naval air bases will be adequate for naval purposes and for our naval aviation services.

I am happy now to yield to the Senator from Utah. I thank the Senator for waiting for me to finish.

Mr. KING. Mr. President, I desire to ask the Senator what relation the appropriation asked for here—namely, $65,000,000—has to the larger appropriation to which he

referred; namely, three-hundred-and-some-odd million dollars. Is this appropriation a part of that one, or independent of it?

Mr. WALSH. It is a part of it. It is the commencement of the program.

As I have said, the Hepburn board made an exhaustive study of the whole plan that the country ought to consider in the future for the purpose of providing national defense from the naval standpoint.

They presented every phase of national defense, from the naval standpoint, which they believed to be essential for the future protection of the United States of America. The pending bill carries only $65,000,000 of the $326,000,000. As I have stated, the authorization is for $65,000,000, but it is expected that it will take 3 years to undertake and complete the particular projects which are suggested. Among them is the acquirement of land to be purchased and the acceptance of land of considerable value presented by the State of Rhode Island in the case of the northeastern location, and by the State of Florida in the case of the Jacksonville location, and I think in one or two other cases.

Mr. KING. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. KING. I assume from the statement made by the able Senator that no part of the $65,000,000 is to be utilized for the construction of airplanes.

Mr. WALSH. None of it. It is a fact that we have planes in the air and no place to land them. The reason for the authorization for the construction of these shore establishments immediately is that it is desired that when the planes are built there may be places for them to land, and stations where they may remain ashore when they are not at sea or in the air.

Mr. CONNALLY. Mr. President, as I understand the Senator, the authorization does not cover all of the recommendations of the Hepburn Board.

Mr. WALSH. Not at all. It covers but a very small portion.

Mr. CONNALLY. I notice there are some 25 recommendations for new facilities, land stations.

Mr. WALSH. There are 41 altogether.

Mr. CONNALLY. The authorization is for only about seven.

Mr. WALSH. That is all.

Mr. CONNALLY. I note that the bill provides for the acceptance by the Secretary of the Navy of a site at Corpus Christi, Tex.

Mr. WALSH. Yes.

Mr. CONNALLY. I should like to ask the Senator whether it is the plan of the Navy Department ultimately to establish a naval air base at that point.

Mr. WALSH. Let me read what the report says on that subject. It is very short.

> The Hepburn Board reported that in time of war many additional aviation-training centers would have to be established and considered it a necessity that there be in existence before the outbreak of war a second air station for training aviation pilots which could function immediately to take the initial load of wartime training expansion. This board recommended that an additional air station for training, comparable to Pensacola, be constructed on Corpus Christi Bay, Tex., 557 miles west and somewhat south of Pensacola. This location affords the most suitable terrain, both land and water, for a station of this nature and is most conveniently situated with respect to the necessities of the fleet on both coasts.
>
> The bill authorizes the Secretary of the Navy to accept the land at Corpus Christi, necessary for the later establishment of an additional air station for training purposes.
>
> The committee understands that the acceptance of this land does not commit the Congress, either now or in the future, to make appropriations for the development of an air station at Corpus Christi, Tex.

So that provision of the bill merely relates to acceptance of land, to have it for future development in the nature of a second Pensacola, when it may become desirable.

Mr. CONNALLY. While I understand the Senator to say that there is no contractual agreement about that, it is in the purview of the naval program that that be done?

Mr. WALSH. If we were on the verge of war it would be absolutely necessary immediately to establish an air station at Corpus Christi, and if present threatening conditions continue, I assume there will be an urge that such a school be located at Corpus Christi.

Mr. CONNALLY. I am so much opposed to the Nation's entering any war from which we can withhold our participation that, if necessary, I am willing to forego for the moment, until the crisis passes, the realization of the plans for construction at this point, but I suggest to the Senator that, other than at Pensacola, there is no naval air base on the Gulf.

Mr. WALSH. That is true.

Mr. CONNALLY. And the Gulf of Mexico, as the Senator of course is aware, is a very important and expansive body of water. Furthermore, it is easily to be understood that if attack were made on the United States it might be from the South, not by Mexico, but by hostile forces landing on Mexican soil and invading the United States. It is highly important that naval aircraft and training centers and bases be provided in the locality of the Gulf, and according to the Hepburn report, Corpus Christi was found to be a very admirable site for such an activity. I wish to commend it to the further consideration and attention of the Senator, as well as of the Navy Department.

Mr. WALSH. Aside from its impressive spiritual name, Corpus Christi, I might add that, by reason of its superb climate and its location on the Gulf of Mexico, as the Senator has pointed out, Corpus Christi is a most suitable place for a naval aviation training school.

To the bill, which passed the House unanimously, the committee have added two amendments to which I will refer. One amendment is on page 2, line 2, after the figures "$5,850,000", to insert "Jacksonville, Fla., and Banana River, Fla., $17,000,000." That provision was not incorporated in the bill as it passed the House because a question arose as to the wisdom of establishing a naval air base at Jacksonville as against the location at Miami. The House committee asked, before the bill reached the Senate, for a further study by the Hepburn Board as to which location would be the most desirable, and the Hepburn Board reported unanimously in favor of the Jacksonville site, as it was provided originally. So the House committee, as well as the Senate committee, joined in incorporating the Jacksonville amendment.

The other amendment provides an appropriation of a million dollars for the acquirement of land in Rhode Island for the establishment of a naval air base there. The State of Rhode Island has been most generous in agreeing to a transfer of a large tract of very valuable and superbly located land in Narragansett Bay for the establishment of such a base. The million dollars will be applied to the purchase of additional land, so as to make the acreage sufficient for the purpose in contemplation.

Will either of the Senators from Rhode Island, who are both very much interested, state the value of the gift from the State of Rhode Island?

Mr. GREEN. Mr. President, it is impossible to state exactly the value of the land given by the State. It is a tract comprising 242 acres, and large sums have been spent in its development as a camp for the National Guard. Fields have been leveled for parade and camp purposes, and a landing field for airplanes constructed. A large number of structures were entirely rebuilt during my administration as Governor. The land is well supplied with water and electricity, and the donation of the land means a substantial sacrifice for the State of Rhode Island, which will have to acquire and develop a new camp for its National Guard.

Mr. GERRY. Mr. President, the authorization for the purchase of the additional land is in the sum of a million dollars, but the Navy will have a right to institute condemnation proceedings for the acquisition of any land which in its opinion is held at too high a price.

Mr. WALSH. Mr. President, in view of the fact that there are present both the Senators from Florida, who are, of

course, in favor of the appropriation for the site at Jacksonville, and both Senators from Rhode Island, who are in favor of the appropriation for the site on Narragansett Bay, and the junior Senator from Texas [Mr. CONNALLY], who has indicated that he favors the location of the school for aviation training at Corpus Christi, and in view of the further fact that there appears to be no opposition to the bill, I need not discuss the matter further.

Mr. SHEPPARD. Mr. President, the Senator will note that the other Senator from Texas is present also, and joins in recommending the acceptance of the land at Corpus Christi necessary for the establishment of an additional air station for training purposes.

Mr. CONNALLY. All the Senators except those from Texas get something concrete. We merely get a hope.

Mr. WALSH. That is all Rhode Island gets, too.

I ask unanimous consent to have inserted in the RECORD in connection with my remarks a detailed statement of what these projects are.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Hepburn Board recommended the establishment of some new bases and improvements in or expansion of some others now in existence. It recommended new or increased aviation facilities at 25 locations, new or increased submarine facilities at 10 locations, increased destroyer facilities at 2 locations, and increased mine and ammunition depot facilities at 4 locations. In addition it pointed out the great military advantages that would accrue to the United States if Guam were developed into a strong, advanced fleet base. It did not, however, specifically recommend this development at Guam; it merely recommended that Guam be developed as a major air and submarine base. The estimated cost of constructing all the improvements recommended by this Board is $326,216,000.

The bill herewith favorably reported to the Senate authorizes the Navy Department to carry out certain of the recommendations of the Hepburn Board regarding increases in naval aviation facilities.

These items are Kaneohe Bay, T. H., Midway Island, Wake Island, Johnston and Palmyra Islands, in the mid-Pacific area; Kodiak and Sitka in the Alaskan area; San Juan, P. R., in the Atlantic area; Jacksonville, Fla., and Banana River, Fla., in southeastern United States.

In addition, there are included provision for expansion of the fleet air base at Pearl Harbor, expansion of naval air station at Pensacola, Fla., expansion of the naval aircraft factory at Philadelphia, acquisition of additional land adjoining the naval air station at Norfolk, Va., for later necessary expansion there, acquisition of land at Quonset Point, R. I., as a location for a northeastern naval air base, and for minor seaplane facilities at Tongue Point, Oreg.

The establishment of all these recommended naval aviation facilities is essential if our naval aviation is to reach the efficiency for which it is built. The bill authorizes the Secretary of the Navy to accept the land at Corpus Christi, Tex., necessary for the later establishment of an additional air station for training purposes.

It is estimated that the expenditures for the facilities recommended in the bill will be approximately as follows:

Locality:	
Kaneohe, T. H.	$5,800,000
Midway Island	5,350,000
Wake Island	2,000,000
Johnston Island	1,150,000
Palmyra Island	1,100,000
Kodiak, Alaska	8,750,000
Sitka, Alaska	2,900,000
San Juan, P. R.	9,300,000
Pensacola, Fla.	5,850,000
Norfolk, Va.	500,000
Tongue Point, Oreg.	1,500,000
Pearl Harbor, T. H.	2,800,000
Philadelphia, Pa.	1,800,000
Jacksonville and Banana River, Fla.	17,000,000
Quonset Point, R. I.	1,000,000
Total	66,800,000

The PRESIDING OFFICER. The clerk will state the first amendment of the committee.

The first amendment of the Committee on Naval Affairs was, in section 1, page 2, line 2, after "$5,850,000", to insert "Jacksonville, Fla., and Banana River, Fla., $17,000,000"; in line 6, after the word "act", to insert "Quonset Point, R. I., $1,000,000 for acquiring privately owned land"; in line 9, after the word "exceed", to strike out "$47,000,000" and to insert "$65,000,000"; in line 15, after the words "cost of", to strike out "$47,000,000" and to insert "$65,000,000"; and on page 3, line 2, after the word "station", to insert "and title in fee simple to land or other realty from the State of Rhode Island at or in the vicinity of Quonset Point, R. I., to be used as a naval air base", so as to make the section read:

That the Secretary of the Navy is hereby authorized to establish, develop, or increase naval aviation facilities, with which shall be included the authority to purchase, accept by gift, or otherwise acquire land and to construct buildings and accessories, with approximate costs as indicated, at or in the vicinity of Kaneohe Bay, $5,800,000; Midway Island, $5,350,000; Wake Island, $2,000,000; Johnston Island, $1,150,000; Palmyra Island, $1,100,000; Kodiak, Alaska, $8,750,000; Sitka, Alaska, $2,900,000; San Juan, P. R., $9,300,000; Pensacola, Fla., $5,850,000; Jacksonville, Fla., and Banana River, Fla., $17,000,000; Norfolk, Va., $500,000, for acquiring the land described and authorized by the act of June 14, 1934 (48 Stat. 957), as amended by section 5 of this act; Quonset Point, R. I., $1,000,000 for acquiring privately owned land; Tongue Point, Oreg., $1,500,000; Pearl Harbor, T. H., $2,800,000; the total cost not to exceed $65,000,000, except as may be otherwise authorized by law: *Provided*, That the approximate cost indicated for each project enumerated above may, in the discretion of the Secretary of the Navy, be varied upward or downward by an amount not to exceed 25 percent of the approximate cost indicated, but the total cost of $65,000,000 shall not be exceeded. In addition to other authority contained in this section the Secretary of the Navy is hereby authorized to proceed with the construction of aeronautical engine and materials laboratory buildings at the Naval Aircraft Factory, Philadelphia, Pa., at a cost not to exceed $1,800,000. In addition to other authority contained in this section, the Secretary of the Navy is hereby authorized to accept, free from all encumbrances and without cost to the United States, title in fee simple to land or other realty at or in the vicinity of Corpus Christi, Tex., to be used for the purpose of establishing a naval aviation training station, and title in fee simple to land or other realty from the State of Rhode Island at or in the vicinity of Quonset Point, R. I., to be used as a naval air base.

The amendment was agreed to.

The next amendment was, in section 3, on page 3, line 10, after the word "defense", to insert "and providing that in the opinion of the Secretary of the Navy the existing facilities of the Naval Establishment are inadequate", and in line 17, after the word "project", to insert, "or the construction of any naval vessel, aircraft, or part thereof", so as to make the section read:

SEC. 3. Whenever deemed by him to be advantageous to the national defense, and providing that in the opinion of the Secretary of the Navy the existing facilities of the Naval Establishment are inadequate, the Secretary of the Navy is hereby authorized to employ, by contract or otherwise, outside architectural or engineering corporations, firms, or individuals for the production and delivery of the designs, plans, drawings, and specifications required for the accomplishment of any naval public works or utilities project or the construction of any naval vessel, aircraft, or part thereof, without reference to the Classification Act of 1923 (42 Stat. 1488), as amended (5 U. S. C., ch. 13), or to section 3709 of the Revised Statutes of the United States (41 U. S. C. 5). In no case shall the fee paid for any service authorized by this section exceed 6 percent of the estimated cost, as determined by the Secretary of the Navy, of the project to which such fee is applicable.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is still before the Senate and open to further amendment. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CONTINUATION OF JUDICIAL INVESTIGATION

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, without amendment, Senate Resolution 75, and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 75) submitted by Mr. ASHURST on February 9, 1939, was read, considered, and agreed to, as follows:

Resolved, that Resolution No. 164, agreed to August 6, 1937, authorizing a special committee of the Committee on the Judiciary, during the Seventy-fifth Congress, to make an investigation of all matters relating to the reorganization of the courts of the United States, the appointment of additional judges, and the reform of judicial procedure, hereby is continued in full force and effect for the same purposes during the Seventy-sixth Congress.

INVESTIGATION OF RAILROAD FINANCING

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favor-

ably, without amendment, Senate Resolution 105, and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 105) submitted by Mr. WHEELER on March 16, 1939, was read, considered and agreed to, as follows:

Resolved, That the Committee on Interstate Commerce, authorized by Senate Resolution 71 and Senate Resolution 227, Seventy-fourth Congress, and Senate Resolution 86 and Senate Resolution 273, Seventy-fifth Congress, to investigate railroad financing and certain other matters, is hereby authorized to expend from the contingent fund of the Senate, in furtherance of the purposes of the above-mentioned resolutions, $10,000 in addition to the amounts heretofore authorized for said purposes.

REGIONAL RESEARCH LABORATORIES

Mr. HAYDEN. From the Committee on Printing, I report back favorably, without amendment, Senate Resolution 122, and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 122) submitted by Mr. BILBO on April 12 was read, considered, and agreed to, as follows:

Resolved, That the letter of the Secretary of Agriculture, dated April 5, 1939, which was transmitted to the Senate and referred to the Committee on Agriculture and Forestry on April 6, 1939, together with a report of a survey of all research activities relating to the industrial utilization of agricultural products in the four regional areas to be served by the regional laboratories, one in each major farm producing area, and to conduct researches into and develop new scientific, chemical, and technical uses, and new and extended markets and outlets for farm commodities and products and byproducts thereof, together with the accompanying papers and illustrations be printed as a Senate document; and that 2,000 additional copies be printed for the use of the Senate document room.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. HATCH in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Alexander W. Weddell, of Virginia, now Ambassador Extraordinary and Plenipotentiary to Argentina, to be Ambassador Extraordinary and Plenipotentiary to Spain, which was referred to the Committee on Foreign Relations.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

DEPARTMENT OF THE INTERIOR

The legislative clerk read the nomination of Albert S. Brown to be register of the land office at Salt Lake City, Utah.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. KING. Mr. President, the nomination of Albert S. Brown to be register of the land office at Salt Lake City, Utah, has just been confirmed. There has been a vacancy in that office for several months owing to the death of Mr. Brown's predecessor. I ask that the President be notified of the confirmation of Mr. Brown.

The PRESIDING OFFICER. Without objection, the President will be notified.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. Mr. President, I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask that the Army nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

ASSISTANT ATTORNEY GENERAL—NORMAN M. LITTELL

Mr. BARKLEY. Mr. President, at the last previous session of the Senate the nomination of Norman M. Littell to be Assistnat Attorney General was confirmed by the Senate. It is necessary that the President be notified of the confirmation in order that Mr. Littell's commission be issued so that he may proceed on some official business which is immediate. I ask unanimous consent that the President be notified of the confirmation of the nomination of Norman M. Littell.

The PRESIDING OFFICER. Without objection, the President will be notified.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Thursday, April 20, 1939, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 19, 1939

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

Alexander W. Weddell, of Virginia, now Ambassador Extraordinary and Plenipotentiary to Argentina, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Spain.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 19, 1939

REGISTER OF LAND OFFICE

Albert S. Brown to be register of the land office at Salt Lake City, Utah.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Capt. Raymond Hendley Coombs, Field Artillery, to Ordnance Department.

Maj. Oscar Kain, Infantry, to Quartermaster Corps.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Herbert Raymond Odell, Field Artillery.

Reginald Bifield Cocroft, Coast Artillery Corps.

Clyde Andrew Selleck, Field Artillery.

TO BE LIEUTENANT COLONELS

Harry Lee Bennett, Signal Corps.

John Cheney Platt, Jr., Signal Corps.

James Lindley Hatcher, Ordnance Department.

Charles Winship Jones, Infantry.

Paul Nutwell Starlings, Infantry.

TO BE MAJORS

Dale Clarence Hall, Ordnance Department.

John Martin Clark, Air Corps (temporary major, Air Corps).

John James Downing, Signal Corps.

Rowland Charles William Blessley, Air Corps (temporary major, Air Corps).

Arthur Thomas, Air Corps (temporary major, Air Corps).

Edward Albert Kimball, Infantry.

POSTMASTERS

ALABAMA

Annie M. Stevenson, Notasulga.

INDIANA

Herbert I. McEndarfer, North Liberty.

MINNESOTA

Adolph Johnson, Clarks Grove.
Joseph L. Gilson, Ivanhoe.
Lawrence B. Setzler, Maple Plain.
Joseph W. Kreuzer, New Richland.
Adolph Oseid, Roosevelt.
William E. Charlton, Williams.

NEW JERSEY

Marguerite Fox Sando, Hewitt.

OKLAHOMA

Delbert H. Rounsaville, Atoka.
Millard H. Wright, Eufaula.
Charles W. Jeffress, Morris.
McGilbray D. Harmon, Webbers Falls.

PENNSYLVANIA

Ard B. Carson, Belleville.
Edgar D. Bonsall, Broomall.
Sylvester M. Considine, Drexel Hill.
Clair F. Semelsberger, Duke Center.
W. Fred Smith, Ephrata.
Leo A. Werner, Harrisburg.
Norman Huffman, Marshalls Creek.
Albert W. Watts, McVeytown.
Kathryn K. Endy, Stony Creek Mills.
Alfred P. Smalley, Swarthmore.
Edgar S. Thompson, Upper Darby.
Michael J. Winters, Villanova.
Wilbur M. Hodgson, Webster.

VERMONT

Laurence E. McShane, Bristol.

WASHINGTON

Oscar E. Foster, Hoquiam.

WEST VIRGINIA

Charles A. Skaggs, Cedar Grove.
Dorsey G. Miller, Peterstown.
Easter Y. Shafer, Rupert.
Harvey Fortney, Worthington.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 19, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou King eternal, by faith may we endure as seeing Thee who art invisible. Do Thou be as strength to any who may be cast down and an inspiration to any who may be sheltered against the assaults of life. Draw near us; we pray for Thy grace and patience that we may do no harm to our convictions and impulses; we call upon Thee, O Christ, because we are poor and needy. Teach us the fortitude of unrequited toil, the strength of discipline, the sacred stillness of life's unsolved problems, and the softened meanings of all its shadows. Blessed Lord, we pray for the power of truth as it was in the Master that it may be augmented a thousandfold. Oh, speed the day when the whole earth shall see Thy salvation and be redeemed from animalism; then joy and gladness shall reign even as they are heard throughout the heaven of heavens. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

WALDO W. YOUNG

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 168

Resolved, That there shall be paid out of the contingent fund of the House to Waldo W. Young, son of W. H. Young, late an employee of the House on the soldiers' roll, an amount equal to 6 months' compensation, and an additional amount, not to exceed $250, to defray funeral expenses of the said W. H. Young.

The resolution was agreed to.

ARKANSAS-MISSISSIPPI BRIDGE COMMISSION

Mr. LEA. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill S. 964, creating the Arkansas-Mississippi Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., and for other purposes; with House amendment thereto; that the House insist on its amendment and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. LEA]?

There was no objection, and the Chair appointed the following conferees: Mr. CHAPMAN, Mr. KELLY, and Mr. HOLMES.

PERMISSION TO ADDRESS THE HOUSE

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. FADDIS]?

There was no objection.

Mr. FADDIS. Mr. Speaker, on March 28, 1939, J. Carson Adkerson, of the American Manganese Producers Association, addressed a letter to the chairman of the Military Affairs Committee of the House, the gentleman from Kentucky [Mr. MAY], in which, by insinuation, he made some rather serious charges against some members of the Strategic Materials Board and in which he also made some very misleading statements regarding the manganese situation in this Nation.

Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein the letter referred to and my answer to same.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. FADDIS]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. FITZPATRICK]?

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein a statement I made yesterday before the Banking and Currency Committee of the House.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, yesterday the House Committee on Banking and Currency held a hearing on legislation to amend the H. O. L. C. Act.

Unless some action is taken during the present session of Congress to amend this act hundreds of thousands of property owners holding H. O. L. C. mortgages will lose their homes.

I hope the Committee on Banking and Currency will see their way clear to report out a bill that will bring relief to those people now holding H. O. L. C. mortgages.

STATEMENT OF HON. JAMES M. FITZPATRICK, OF NEW YORK, BEFORE THE HOUSE BANKING AND CURRENCY COMMITTEE ON APRIL 18, 1939

Mr. Chairman and members of the committee, I am greatly interested in having the Home Owners' Loan Corporation Act amended so as to bring relief to the present distressed property owners throughout the country who are holding H. O. L. C. mortgages.

From information I have received, there are thousands of owners who have fallen behind on their payments and are threatened with foreclosures. In many cases they have paid their interest and taxes, but because they are unable to keep up the payments on their principal they are in danger of losing their homes.

When the H. O. L. C. bill was passed in the Seventy-third Congress it was intended to bring relief to the distressed property owners throughout the country. There is not any question in my mind as to the fact that it did bring relief to many, but at the present time there are those who, because of their financial conditions, are unable to meet their monthly payments as required by the act itself.

I feel that some relief should be given to those people who are struggling so hard to hold their homes. First, I believe we should extend the time of payment from 15 to 30 years which would cut the monthly payment in half. We should also reduce the interest rates at least 1 percent, as I understand from the daily press that there are many banks today offering loans on property from 4 to 4½ percent.

At the present time there is nothing that the Home Owners' Loan Corporation can do to give permanent relief to those people coming under the present act, as this Corporation was created by Congress, and in foreclosing mortgages they are carrying out the mandate placed upon them by the act. For that reason I believe it is the responsibility of Congress to amend this act in such a form that will bring relief to thousands of home owners and save the homes of those who are now holding H. O. L. C. mortgages.

Such an amendment should be enacted into law before Congress adjourns. If not, many deserving people will lose their homes before the convening of the second session of the Seventy-sixth Congress.

EXTENSION OF REMARKS

Mr. CORBETT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short editorial from the Pittsburgh Press.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. CORBETT]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. SECCOMBE]?

There was no objection.

Mr. SECCOMBE. Mr. Speaker, the press of yesterday carried a news item stating that one of the plants of the United Engineering & Foundry Co. is going to remove their plant from Wooster, Ohio, to Japan. This company is a large steel mill equipment manufacturer with plants located all over the United States, and this news item is the statement accorded to Mr. George T. Ladd, president of the company, of Pittsburgh, Pa.

I therefore regret very much to learn of the move of this fine industry from Wooster, Ohio, and if this is caused by the hardship placed upon this industry as well as many others by the present reciprocal-trade agreements, this may be the forerunner of many other large manufacturers doing likewise; therefore, it would seem to me that it is about time that Congress takes immediate action to repeal some of the reciprocal-trade agreements and place a protective tariff on some of these products coming in from foreign countries, and to get busy and amend the Wagner Act, as well as to entirely discard the National Labor Relations Board, if we want our industries to again resume normal operations and to restore faith and confidence to small and large business. The entire Nation is waiting on Congress to amend the Wagner Act and to stop some of this competition from abroad, and until we do that we may continue to expect unemployment as far as private industry is concerned. [Applause.]

Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD.

Mr. RANKIN. Reserving the right to object, Mr. Speaker, let me say to the gentleman from Ohio that the high protective tariff passed by the Republican administration is driving our factories out of the United States now.

Mr. SECCOMBE. Yes; but it is the lack of faith and confidence on the part of small and large business that has caused the lack of employment.

Mr. RANKIN. The gentleman is reaping the rewards of the misconduct of his own party's administration.

Mr. RAYBURN. Mr. Speaker, I make the point of order that the gentleman's time has expired.

The SPEAKER. Is there objection to the request of the gentleman from Ohio to revise and extend his own remarks in the RECORD?

There was no objection.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his own remarks in the RECORD.

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD concerning the visit of Crown Prince Frederick.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a copy of a radio address I delivered last evening.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include therein an editorial published in the Power County Press of American Falls, Idaho.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. BREWSTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and incorporate therein a speech I made on last Saturday.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on Monday next, following the legislative business of the day and any special orders heretofore made, the gentleman from Pennsylvania [Mr. GRAHAM] may be permitted to address the House for 20 minutes on a historical subject.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

Mr. RANKIN. Reserving the right to object, Mr. Speaker, on what subject?

Mr. RICH. This will not be my maiden address, I will promise the gentleman that.

Mr. RANKIN. Would the gentleman like to have a quorum present so the rest of the Members can hear the gentleman's speech?

Mr. RICH. I am not so much interested in whether I have a quorum as I am in whether we are going to have so many strikes in this country.

Mr. RANKIN. Then I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, we all know what is happening to the coal industry in this country when John L. Lewis requests that strikes be called at a time when the operators are sick and the miners are sick and the people are going on relief. It seems to me that if the Department of Labor were functioning properly we would not have the strikes in this country we are having today. In the last 3 years we have had more strikes in this country than we have ever had in any 10 years in the history of our Nation. Where are Miss Perkins and the Labor Department? Why do they not try to prevent some of the strikes? The people of this country are sick of strikes. No wonder industries are going to China and Japan. We want to protect American industry so we can give American labor work. [Applause.]

[Here the gavel fell.]

Mr. LORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LORD. Mr. Speaker, there has grown up in my section of the State quite an extensive business of home knitting of booties for babies, baby sacks and combination underwear, and other articles. In rural communities this is done by the women in their homes.

This work is done at odd times when they have a few minutes to sit down and take up their knitting work, and it

has provided an income for these women that they otherwise would not have. With many of them their entire living depends upon this work.

The Wage and Hour Division has ruled that this work comes under the wage and hour law that was passed last year, and these people want to be exempted from this law. In the first place, they cannot put in full time but only take their work up as they have a few minutes now and then, or perhaps a few hours in the evening. Some days they do not work at all.

One woman writes me that she is crippled so that she can only do a little work but what she can do benefits her very greatly financially.

If they have to come under the wage and hour law, as the ruling now stands it will mean taking this work away from them. As each person works independently it is not practical, as this work is not done in a factory. No doubt they cannot make as great a wage as they would were they using machines.

I have received many letters from them asking they be exempted from coming under the wage and hour law. For many of them it means taking away their livelihood and will only add more to the rolls of the unemployed. When I supported this legislation I had no thought that it would go so far as the homes in cases like these I have mentioned.

I am including a few brief paragraphs from letters I have received:

I have been crocheting for a New York firm—Knit Town Togs—for a long time. They now inform me that according to the wage and hour law they cannot send me any more work, and as I am not well enough to do heavy work this is a great loss to me, as I have been able to buy many necessities with the money I earned in this way.

Will you please use your influence to have home work stricken from the law? (Bessie North, Rural Route No. 2, Cooperstown, N. Y.)

—

I am, like hundreds of other women that are working for them, crippled up with rheumatism, not able to go to a factory if I had a job. (Mrs. L. M. Wagner, 54½ West Broadway, Oneonta, N. Y.)

—

Politics is something I don't understand and am not interested in, anyway; however, I am asking you as a Representative to see if you can't do something to stop this so-called law; it stops not only me but hundreds of others of honestly earning something to help out. I don't know why the Government had to interfere with a business when everything was going smoothly. With the cost of wool, paying for the making, and the small price one has to pay for the garments in the stores, I don't see where the company gets so much out of it. Trusting you will use your influence to change this so-called law. (Mrs. G. B. French, Edmeston, N. Y.)

—

Most of the people who do this work are elderly ladies, not able to do other work, but they do need the money they get from this work very badly. So I am asking you to do what you can for us to keep this work from going under the wage and hour law. (Mrs. Frank Chapman, Fly Creek, N. Y.)

—

I have done this work for 20 years and will miss the work and the money also. Am in hopes there will be some way fixed that we may still continue to get this work. Will you in some way help us to retain this work? (Mrs. Charles Roney, 70 Adams Avenue, Johnson City, N. Y.)

—

I have depended on it for years, as it is the only paying work I can do, and the loss of it would be a real hardship to me and many others. I do not think it could be done profitably in a factory. Anything you can do about the matter will be appreciated. (Mrs. H. E. Cole, 11 River Street, Deposit, N. Y.)

—

This is a real disappointment. I am not conversant with the wage and hour law but earnestly protest against it if it makes it illegal to do this little work in our homes. I am not physically able to do any strenuous work but can do this, and enjoy it, and it gives me a bit of income. I speak not only for myself but for the many who are similarly situated. We depend on our legislators to make reasonable and just laws, and I am appealing to you to see that this is adjusted satisfactorily. (Miss Marian Coleman, Schuyler Lake, N. Y.)

—

I am a cripple, and it seems a pity that if a firm or anyone who is willing to send work to shut-ins and those who cannot leave home must be deprived of the little they can earn at home will not be allowed to do so. (Martha J. Cleveland, Worcester, N. Y.)

It seems unfair to me that it was taken away without us having a word to say about it. It was the kind of work that we could do and still be with our families. It was pleasant, clean work, and the extra spending money gave me things I could not have had otherwise. (Mrs. Glenn Howard, 60 Ceperley Avenue, Oneonta, N. Y.)

Mr. PIERCE of Oregon. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PIERCE of Oregon. Mr. Speaker, our former colleague, Mr. Binderup, of Nebraska, has been instrumental in organizing a league called the Constitutional Money League of America. The league broadcasts a breakfast discussion at 8:15 a. m. once every 2 weeks. Last Tuesday our colleague the gentleman from Washington [Mr. HILL] and Senator MURRAY, of Montana, took part in the broadcast on the subject of money.

Mr. Speaker, I ask unanimous consent that I may extend my own remarks in the RECORD and include this broadcast as a part of my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PIERCE of Oregon. Mr. Speaker, the broadcast to which I have referred is as follows:

BREAKFAST DISCUSSION, APRIL 18

Mr. BINDERUP. Morning greetings with profound respect from the Constitutional Money League of America to President Roosevelt and his honorable Cabinet, worthy Members of the Senate and the House, and members of the Board of Governors of the Federal Reserve banks, and others, we greet you.

I am pleased to introduce as our guest speakers on our congressional breakfast discussion this morning first a progressive Democrat from the wintry blasts of the North, Senator MURRAY, of Montana, and another progressive Democrat from the balmy breezes of the west coast, Congressman HILL, from Washington. In order to get this discussion started off, let me ask each one of your guests a question. First, Congressman HILL, what do you think is the outstanding need in our Nation today?

Mr. HILL. Well, I think what we need more than anything else is prosperity. We seem to have too much of everything, and in the midst of plenty we are in want.

Mr. BINDERUP. Well, of course, we can't get any argument started on that point. Let me ask you again, Congressman, just where do you think prosperity should start?

Mr. HILL. There can be but one answer to that, for since agriculture is the greatest industry, the outstanding question before Congress is legislation to promote agriculture.

Mr. BINDERUP. Then, again, may I ask you, Congressman, as a first step in order to create a more prosperous condition among our farmers, do you think we should assist the farmers in raising more crops, or do you think that our first step should be toward getting a better price to the farmer for what he has to sell?

Mr. HILL. Of course, the outstanding need is for a farmer to receive a price for his products so that he can have some profit when he sells.

Mr. BINDERUP. And now may I ask you, Senator MURRAY, just what do you think is the outstanding need for our people?

Mr. MURRAY. There is no question but what Congressman HILL is right, that agriculture is our greatest industry, as approximately 40 percent of our people are engaged in agriculture directly and indirectly. But you cannot separate our people into classes. We cannot hope to have prosperity for the farmer unless we also have prosperity for labor, for the farmer cannot hope to sell his butter, eggs, or foodstuffs such as he produces unless the laboring man in the city has purchasing and consuming power. It is equally impossible for labor to sell their products unless the farmer has purchasing and consuming power. I believe the labor unions are in error when they think they can bring about prosperity by strikes and threats thereby arbitrarily raising their wages without consideration for the consumer of the goods they produce and the same is true about the farmer. There is a fundamental principle. It is purely a mathematical problem, definite and infallible. For example, the entire total receipts the farmers of America received in the year 1938, including Government assistance, were $7,631,809,000. Now this constitutes the total purchasing power of all the farmers and definitely establishes their entire consuming power. Now, if labor by strikes, or railroads by increased freight rates, raised these costs on the goods the farmer buys by 7 percent, it means definitely that the farmer can buy just 7 percent less goods. So, consequently, labor would have to work less hours and the railroads would have to haul less freight to exactly the same extent that prices were raised; for the farmer cannot spend more than he takes in. That is the limit of his purchasing power and consuming power. The total amount of money paid to labor in the year 1938 was $42,080,000,000. Now, if the farmers raised the price of their commodities, say 7 percent, that likewise means that labor with a definite sum as their total income can buy just exactly 7 percent less of the products. For like the farmer, their

purchasing power and consuming power is established by, just exactly, what they receive in wages, so therefore, the farmers would have to raise 7 percent less, or in just exactly the same proportion they raised the price of their commodities.

Mr. HILL. I would like to ask the Senator from Montana if he does not believe it is fair that the farmer should have parity price for his commodities. It would seem to me that it is only just and right, and I am definitely in favor of higher prices for the farmers' goods. In my home State of Washington, price on fruit, for example, is so cheap that a farmer cannot afford to pick it even after he has gone to the enormous expense of planting his orchard, fertilizing the land, and spraying his trees. Something certainly should be done so that he could at least get the cost of production.

Mr. MURRAY. I agree with you, Mr. HILL, and let me add that there are 130,000,000 people hungering for the luscious fruit that is rotting on the ground in your fertile State of Washington. Oh, I am sure we all agree that the price of farm products should be at least doubled. There is no question about this. But suppose today, with our restricted money supply, we raised the price of farm products up to parity. The inevitable result would be that you would reduce sales and consumption in exactly the same proportion and to the same amount in dollars that you raised the farmers' products. The higher you raise prices on farm products the less the farmer can possibly sell, and the less the farmer sells the more of your wonderful fruit will lie rotting in the orchards of your State of Washington. When labor strikes for higher wages (and, of course, the workingman should have better pay) it would be more practical and it would be better logic, if labor would include in its demands that the farmers, who are the ultimate customers and consumers of the goods created by labor, should have more for their farm products. And when the farmers undertake to put a bill in Congress for the cost of production plus a reasonable profit, which is only fair, they should likewise include in their demands that labor, their customers, should have higher wages so they could buy more of the farmers' goods. The fact of the matter is that the interests of labor and the farmer are so definitely tied together that you cannot raise the price of one unless you raise the price of the other also. In other words, the only solution is: Raise the entire structure, raise the price level of labor and the products of labor, and you will bring prosperity to 90 percent of our people. But at the same time you must hold down monopoly, which is another problem. Of course, there would still be that well-organized group, about 10 percent, whose crop is interest—who "toil not, neither do they spin"—whose tax-exempt bonds and mortgages reap their part with the greatest purchasing power, while labor and the farmer get the least for their services and commodities—for obviously the lower the prices for labor and farm commodities, the more their interest and dollars will buy.

Mr. HILL. Now, Senator MURRAY, I would like to ask you a very common question in reference to this statement you just made. What good will it do to raise the price of farm products if you have to raise the price of commodities which the farmer buys in the same proportion because of increased wages; or what good will it do to raise wages if the price of farm products which the laborer has to buy goes up because of the increased price on these commodities? Would it not be just as well to work for $3 a day and be able to buy a suit of clothes for $35 as to work for $6 a day and have to pay $70 for a suit of clothes?

Mr. MURRAY. I am glad you called my attention to this most important point, Congressman HILL, for I will admit, as you say, that it is a baffling question, which is oftentimes asked, and little understood. First, we should realize that over 50 percent of the cost of commodities is made up of fixed charges added on, in the different stages of production, going back to the fifth degree, and that fixed charges, such as debts, interest, taxes, freight rates, and hundreds of other items are not affected by raising and lowering the price level of labor and commodities. So, in your example of the suit of clothes, as 50 percent of the cost of this suit is not affected by the raised price level, ordinary competition would undoubtedly prevent doubling the sales price of the suit, even though you did double the price of labor. Added to this, we should also remember the added advantages and profit in mass production, in factories running to full capacity. Another example: I have a friend who formerly owned a farm. His taxes were $200 a year. The mortgage on his farm was $8,000. His interest rate was 5½ percent. He recently lost his farm by foreclosure. Now what effect would it have had if we doubled the price of farm commodities? With his 50 percent increased paying power it would in substance be the same thing as though we had actually cut his taxes from $200 to $100, his rate of interest from 5½ to 2¾ percent, and reduced the principle of his mortgage from $8,000 to $4,000. You would thus, virtually, have decreased his overhead in these three items alone no less than $330 a year besides reducing his mortgage 50 percent and thereby making it possible for him to have kept his home in place of turning it over to one of the big insurance companies and going to work for W. P. A. By doubling the prices of farm products, his land value would go back to the original purchase price of $20,000, and this would increase the United States tax base and the national income would double. This is just one example out of millions.

Mr. HILL. Thank you, Senator. I am sure that example explains the controversial point I had in mind, and there is no question about the sound logic in your statement. But here is another controversial point. You have mentioned several times about creating purchasing power and consuming power among the lower-income group. Well, just how are you going to do this? I am sure our audience would like to have you explain this in detail. Just how are you going to raise the price level of labor and farm products? That's what we have been trying to do here in Congress for the past many years. Give us a few examples, if you will, for this is truly another baffling question.

I think, of course, that everyone knows that as a nation grows it must also have more money in circulation in proportion to its growth in population, new industries, and a higher standard of living, and because all articles of trade and commerce are becoming more and more commercialized. So everybody will admit we must have an increased money supply year by year, but how are you going to get this money into circulation?

Mr. MURRAY. The simplicity of this plan of getting the new money into circulation among the lower-income group is so perfectly explained in Mr. Binderup's new book, Uncle Sam's Hospital Chart, that I am going to turn the mike over to Mr. Binderup and let him tell you about it.

Mr. BINDERUP. In the introduction of this subject Congressman HILL has himself laid a perfect foundation in this, as he says, that we must have an increased money supply every year; and let me add, 50 years' statistics prove that 4 percent is the average growth of our Nation. In other words, we should add to our money supply 4 percent this year, approximately $2,000,000,000.

Mr. HILL. Yes; that is perhaps right; but how are you going to get this new money into circulation? You have frequently stated that your monetary plan was the salvation of the small commercial banker, and I am anxious to have you explain this before our time expires.

Mr. BINDERUP. All right, Congressman. Last Wednesday you Congressmen passed a bill for $100,000,000 for W. P. A. Now, just what happens? It's just the old grind. Morgenthau causes to be issued $100,000,000 in bonds and hands them to the big international banks, who are supposed to buy them. They give Uncle Sam credit on their books for $100,000,000; then they put the bonds in the safe, and there they remain for a hundred years drawing interest, for Uncle has never been able to pay up. They send check books to Washington accompanied by a letter addressed to Mr. Morgenthau in substance something like this:

"DEAR HENRY: We are in receipt of the United States bonds for $100,000,000, and with our magic fountain pen we have turned this $100,000,000 of bonds into money by giving you credit on our books and sending you a checkbook, which completes the deal. Just check against Uncle Sam's bond representing the peoples' credit. We have the bonds tucked away in our bank vaults."

And so these checks go into the mill, they are paid to the Nation's employees and others, and so they pass from Peter to John to James in debits and credits, in and out of 15,000 banks—debits and credits—and this constitutes 97 percent of our money.

Now what we propose to do to create purchasing and consuming power among the lower-income group is to take a $100,000,000 bond and cut it into 12 pieces and place a piece in each one of the 12 Federal Reserve banks which under our bill belong to us. We paid for these bank five or six times and, in fact, they belonged to us before we started paying for them. Nobody ever invested a dollar in these banks except Uncle Sam. Then we would first say to the Social Security Board, "Give the dependent old people a pension of $50 a month and check against this bond we have deposited in our Federal Reserve bank." It's just the same kind of a bond we are checking against now, the only difference being that this bond is deposited in another place, our own Federal Reserve bank. And if and when further expansion is permissible under the ceiling of the 1926 price level, we would say to the Farm Security Administration, "We have just placed a billion dollar United States bond separated into 12 pieces, 1 piece in each one of the Federal Reserve banks, to your credit. Check on that for the rehabilitation of 150,000 new farmers placed on their own farms, not to exceed $8,000 per farmer and not to exceed 2½ percent local tax to the community so the money may all remain out among the people." There is nothing new about this only the location of the bond. And if and when further expansion is permissible under the 1926 price level, we would say to the National Youth Administration, "There has been deposited in United States bonds in our 12 Federal Reserve banks, subject to your check, $250,000,000. Check on your own Federal Reserve district bank just as if the bond were held in Wall Street, only it's in our own hands now in place of Shylock's—in our own bank instead of Wall Street. See to it that the children of poor parents can get just as good an education as children of rich parents." The next step would be to develop the Nation's natural resources and the fifth step to pay the general running expenses of the Government.

I am pleased to announce the guest speakers for next Tuesday morning. Friends of Government monetary control, a wheel horse of the Senate, Senator FRAZIER, of North Dakota, and another wheel horse in the House, Congressman WHITE of Idaho. The subject for next Tuesday will be a continuation of this discussion, the advantage our Government monetary control bill has to the commercial banks of the Nation. By expanding our necessary new money supply among the lower-income group, thereby creating a consuming and purchasing power among the 80 percent of our people that do not purchase or consume according to the American standard of living.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, the gentleman from Pennsylvania is mistaken about his facts. There have not been more strikes in this country in the last 3 years than there were in any other previous 10 years, or anything like it.

Furthermore, within the last year the number has declined very precipitously over what it was immediately before that time. The United States News for April 17 pointed out that—

The spectacular reduction in days of work lost in strikes began within 2 months of the Supreme Court's decision upholding the Wagner Act.

Furthermore, I think before any labor organization, which necessarily has to be the outfit that does the striking, is concerned it is important to understand the other side of the question and the reason there may be difficulty in any given situation.

In 1937 there were 28,424,857 man-days lost due to strikes. In 1938 only 8,861,168 man-days were lost due to strikes—less than one-third the number lost in 1937 and a smaller number than were involved in strikes in any of the years from 1916 to 1923.

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, I take this occasion to read a telegram I have just received from Walter S. Hallanan, Republican national committeeman, from the State of West Virginia:

We carried Charleston yesterday by largest majority ever given mayorality candidate here double that of 4 years ago and took 21 out of 22 seats in city council. Mayor Dawson's majority, 3,785. Landslide emphatic repulse to Democratic State administration which combined with Federal and County Democratic machines in ruthless campaign of terrorism, intimidation, padded registration lists, importation of illegal voters, unlimited funds raised by blackjacking public employees. This victory over entire Democratic State organization foreshadows West Virginia's return to Republican column in 1940.

WALTER S. HALLANAN.

May I add that "coming events cast their shadows before them"? [Applause.]

Mr. RANKIN. Mr. Speaker, "shadows" is right.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, at the beginning of this session of the Congress the minority leader, the gentleman from Massachusetts [Mr. MARTIN] appointed a special committee to study the extraordinary powers of the President.

This committee made a report to the Republican conference last night in connection with the bill (H. R. 3325) to extend the time within which the powers relating to the stabilization fund and alteration of the gold content of the dollar may be exercised.

I ask unanimous consent, Mr. Speaker, that I may extend my remarks by including therein a copy of the report which was unanimously submitted to the Republican conference of last evening.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The report referred to follows:

REPORT OF THE SPECIAL COMMITTEE ON EXTRAORDINARY POWERS OF THE PRESIDENT

MONETARY POWERS

I. Section 8 of article I of the Constitution, which sets forth the powers of Congress, specifically places in Congress the authority "to coin money" and to "regulate the value thereof. * * *" During the last 6 years successive New Deal Congresses have delegated all such powers over money and currency to the President. When delegating these powers Congress evidently assumed that they could be used only for good and ignored the possibility that they could be made to serve ends other than those originally envisaged. In the words of the President, "such powers in the hands of political puppets * * * would provide shackles for the liberties of the people."

For the very reason set forth by the President, your committee unanimously recommends that these powers be recovered by the Congress. As pointed out by the minority in the report of the House Committee on Coinage, Weights, and Measures to accompany H. R. 3325, "The granting of such discretionary powers to the President is a clear abdication of the rights and duties of Congress."

II. The power to devalue: Specifically your committee recommends that Congress should terminate without further delay the President's power further to devalue the gold dollar as provided in the act approved January 30, 1934. This act gave the President discretionary power to reduce the gold content of the dollar between 40 and 50 percent. President Roosevelt, by proclamation, on January 31, 1934, reduced the gold content of the dollar by 40.94 percent, or to 59.06 percent of its original value. Since the law provided that the President could reduce it 50 percent, he can still reduce the gold content of the dollar by an additional 9.06 percent of its original value. The power of the President to change the gold content will expire on June 30, 1939, unless it is extended by the enactment of H. R. 3325.

When seeking this power in the early days of the administration the New Deal argued that reducing the gold content of the dollar would instantaneously and automatically raise prices by the full amount of devaluation; that devaluation would stimulate our exports of farm products and that devaluation would enlarge the monetary base, thus providing ample credit in order to finance business recovery.

On all counts an unbiased examination of the facts indicates that the program has failed miserably. Prices today are only 6.4 percent above the level which existed prior to devaluation, and even this increase must, to a great extent, be attributed to other factors, notably to the crop failures in 1934 and 1936, to the restriction programs carried out under A. A. A. and the N. R. A., to price pegging crop loans, and to such normal recovery forces as have been permitted to operate.

Secretary of the Treasury Morgenthau is among those who admit that further extending the power of the President to devalue the dollar cannot be justified on the basis of this earlier argument.

That the program has failed to stimulate exports of farm products is best indicated by referring your attention to the recent numerous attempts of the administration to hit upon some alternative scheme. Certainly this admits of past failure. The President's recent proposal to inaugurate an export subsidy for cotton would not have been necessary had the monetary program been successful. Furthermore, the increase in exports that has occurred must, to a great extent, be attributed to an increased foreign demand for materials and implements of war.

While the devaluation did serve to increase the monetary base, it has done so to the point of embarrassment. Since raising the price of gold from $20.67 an ounce to $35 an ounce our monetary gold stocks have increased from $6,800,000,000 as of January 31, 1934, to $15,000,000,000 as of April 6, 1939, or to the point where we now possess about 60 percent of the world's monetary gold.

There have been other ill effects. As long as the President has the power to devalue the gold dollar recurring rumors are bound to circulate that he is on the verge of using that power. Such rumors create uncertainty, and business cannot carry on amidst such conditions. The mere fact that the Secretary of the Treasury must periodically deny the truth of such rumors is sufficient to prove the above contention.

Inasmuch as the devaluation program failed of its original purposes, the administration has been forced to find new arguments in its behalf. While originally the power was to serve the cause of recovery, it is now to be used as a "club" to force other nations to do as the President bids. As the Secretary of the Treasury has pointed out, "This power is a weapon. * * * In the monetary field it is as important as a powerful navy in the field of defense against armed attack." A navy, as is readily noted, equally serves as an offensive weapon.

III. The stabilization fund: In view of the many ill-advised uses which can be made of the stabilization fund by the President, the committee recommends that congressional control over this fund be tightened to an even greater extent than is recommended in current legislation.

The stabilization fund of $2,000,000,000 was established by section 10 of the Gold Reserve Act, approved January 30, 1934. The money placed in the fund was obtained from the increment accruing to the Treasury from the decrease in the weight of the gold dollar and the consequent increase in the dollar value of gold held by the United States. Originally the stabilization fund had a life of 2 years, and the President was authorized to extend the period for 1 additional year. This he did on January 10, 1936. Then, in January 1937 Congress extended the life of the stabilization fund until June 30, 1939. Legislation now being considered by Congress will, if enacted, extend the life of the fund until June 30, 1941.

There is little question but that a stabilization fund can serve a useful purpose during a period such as the present when practically every nation in the world has departed from the gold standard. While the purpose of our stabilization fund is to stabilize the exchange value of the dollar, it is foolhardy to ignore other purposes which such a fund can be made to serve, especially when the power over it is complete and when its operations are shrouded in secrecy.

Already the Treasury has used the fund to buy large quantities of foreign currencies. While to date these transactions have been backed by adequate gold and silver collateral, nothing in the law makes it compulsory that such precautions be taken. Thus, the Secretary of the Treasury can make dollar exchange available to a given country without any collateral whatsoever other than the foreign currency, which may prove to be worthless in the end. Meanwhile our dollars could conceivably be used to buy materials useful in war. While some may argue that it is unlikely that the present administration would so abuse this delegated power, your committee emphasizes that the power is there and could be so used.

The power to deal secretly in foreign currencies involves additional opportunities for engaging in activities not contemplated by Congress when the legislation was first enacted. Conceivably the fund could be used to favor the currency of one nation as against the currency of another nation, and thus to materially aid a favored nation. For example, should the administration wish to make our markets more accessible to one country than to another, it could force up the price of dollar exchange in one instance and force the price down in another instance.

The above potential uses would result from the single fact that the operations of the stabilization fund are secret. The administration argues that secrecy is essential, for otherwise speculators will reap rich profits. (Note that the administration uses the reverse of this argument in connection with the regulation of the securities and commodity exchanges. There full information is considered essential in order to prevent speculative activity. As a matter of fact, an exchange rate is a price just as a stock quotation is a price.)

While legislation currently under consideration provides for an annual report of the operation of the fund to the Congress as well as to the President, as previously provided, this is hardly a sufficient safeguard. In the first place, the present audit is made by the Treasury Department, the agency in charge of administering the fund. This is not an independent audit. Nor is an annual audit sufficient to keep Congress properly informed. Thus it is recommended that the function of the audit be vested in the Comptroller General, the agent of Congress, and that the audit should be made at not less than 6-month intervals and a report thereof made to the Clerk of the House of Representatives. The law should be further amended so as to prohibit the Secretary of the Treasury from using the exchange stabilization fund in any manner that might involve us in international hostilities or to use the fund in such a way as to make exchange available for carrying on armed hostilities.

IV. Silver powers of the President: The members of this committee oppose the continuation of the silver program of President Roosevelt provided in section 2 of H. R. 3325 and in the Silver Purchase Act of June 19, 1934. The major factors involved are the power of the President to devalue the silver dollar and the power to purchase newly mined silver, both domestic and foreign.

Under powers granted by this legislation the President can monetize the monetary silver stocks of the country at $1.29 an ounce and then devalue the silver dollar by monetizing it at $2.58 an ounce. This would bring about a ruinous inflation. While the President has not exercised this power, its very existence is a threat that unsettles the foundations of our national economy.

Under the silver-purchase program the New Deal has purchased 251,000,000 ounces of newly mined domestic silver at an average price of 73.28 cents an ounce, or a total of about $180,000,000, and 1,600,000,000 ounces of foreign silver at an average price of 53.44 cents an ounce. Under the Silver Purchase Act the Secretary of the Treasury is required to buy silver until one-fourth of the monetary value of the entire monetary stock of the country shall be in silver. On the basis of present gold stocks, to comply with this law, the Secretary of the Treasury must buy an additional 1,300,000,000 ounces.

The members of this committee disapprove of this silver program for the following reasons:

1. The silver-purchase program has been undertaken largely at the demand of foreign producers, speculators, and President Roosevelt. Chairman Eccles of the Board of Governors of the Federal Reserve System distinctly disapproves of it, and Secretary Morgenthau refuses to commit himself in favor of it. Meanwhile, foreign producers and speculators are making great profits at the expense of a sound national-monetary system.

(2) If the President should exercise his power to monetize our silver monetary stock and to devalue it to the full extent provided by law, and if he should buy all the silver required to fulfill the requirement of the Silver Purchase Act, in all probability disastrous inflation would follow. Over $9,000,000,000 of silver certificates could be issued if these conditions prevailed, compared with only $6,600,000,000 of currency in circulation at the present time. Such a vast increase in the amount of money in circulation might result in raising the price level 250 percent, and this in turn might in all probability bring about such public hysteria as to result in price increases far beyond 250 percent. This would be as disastrous to this country as the wage of run-away inflation that swept Germany and Austria 15 years ago.

(3) The power of the President to devalue the silver dollar and remonetize silver at any ratio he sees fit is a serious threat hanging over the national economy. If the President should decide to remonetize silver at some arbitrary ratio to gold the effect of such action would be disastrous on long-term contracts and would be highly inflationary. The huge silver stocks, which have been bought up by the United States under the Silver Purchase Act, represent a heavy potential loss to the people of the United States. If the silver were thrown on the world markets there would be a loss that might approximate 20 cents per ounce, because it is inconceivable that the large stocks which we hold could be disposed of without breaking the market very substantially.

(4) The power vested in the Secretary of the Treasury to buy foreign silver has very important international potentialities. Through the power to fix the price of silver and to buy foreign silver in unlimited quantities great damage might be done to one nation and equally great assistance might be rendered to another. Either such possibility might have far-reaching and unforeseen international complications. We need only look at the effect of the silver program on China to see the extent to which the silver-purchase program can be used to control and even injure other nations.

President Roosevelt stated that a major purpose of the silver-purchase program was to increase the purchasing power of China and thus benefit her economically. Instead, China was plunged from the heights of a prosperous boom into the depths of a depression even greater in its severity than that which we ourselves are now enduring. Our policy caused silver to flow from China into the United States in tremendous quantities. This resulted in an impossible drain of the silver backing China's currency and in fatal runs on her banking system. Within 6 months practically every bank in China had been forced to close its doors. As the process continued, commodity prices fell sharply, industrial production decreased rapidly, and great unemployment resulted.

It was not until China had closed her banks, suspended all silver payments, and pegged her currency to the pound sterling through agreement with Great Britain that the drain was halted. The damage, however, had been done. We had, through an unwise silver policy, ruined China and made her a ready victim for foreign aggression.

This illustration indicates the extent to which the President, under the arbitrary powers of the Silver Purchase and Gold Reserve Acts can disrupt the internal economy and political existence of foreign governments. Such results might well endanger our diplomatic relations with friendly nations. It is dangerous to leave such powers in the hands of any one man. That the power belongs to Congress is obvious.

The potentialities of international danger are even greater at a time when the President is talking of applying economic sanctions and enforcing a quarantine against nations with whom we are supposedly at peace.

The silver-purchase program of President Roosevelt has the potential capacity of bringing about a rapid and thorough destruction of our internal economy, and in the international sphere it may be so administered as to involve us in international difficulties as yet unforeseen by any individual.

V. Recommendations: The members of this committee strongly urge the adoption of a sound and constructive monetary program on the part of the Federal Government. In addition to the above recommendations, the committee urges the adoption of the following proposals:

(1) Congress should repeal that section of the act of May 12, 1933, as amended by the act of 1934, which gives the President the power to issue $3,000,000,000 in unsecured United States notes, and the power to issue $3,000,000,000 of notes secured only by Government bonds (par. 1, subsec. (b) of sec. 43 of title 12 of the act of May 12, 1933).

(2) Congress should repeal the Silver Purchase Act of June 19, 1934.

(3) Congress should repeal the act of November 1, 1893 (ch. 8, 28 Stat. 4), which provides for bimetallism in the United States despite the passage of the Gold Standard Act of November 14, 1900 (Rev. Stats., sec. 3500).

(4) If it should ever be proved to be desirable to subsidize the domestic silver industry, Congress can do it in a less undesirable manner than is now being pursued. It could be done by purchasing all newly mined domestic silver at a price that would be reasonable to both the public and the mine owner and by sterilizing the silver so acquired, thus preventing it from becoming a part of the monetary base.

(5) Congress should also provide for a joint congressional committee to study our monetary system and to make recommendation for its improvement, including a study with recommendations concerning the possibility of effectuating an early return to specie payments.

The pursuit of the above program would without doubt put an end to all the unsound and dangerous elements in our present monetary program, and it would to an immeasurable degree stimulate national recovery in the United States, and it would restore the confidence of the American people in their Government.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, just a day or two ago, before a subcommittee of the Committee on Appropriations which is investigating the expenditures of W. P. A. funds, David Lasser, who is head of the Workers Alliance but denies that he is a Communist, testifying under oath, said that dues

paid by W. P. A. workers financed a Russian trip he made last year to aid in celebrating the Russian revolution.

Continuously, Congressmen are threatened with defeat if they do not vote more W. P. A. funds and the plea is made that the money is needed to buy the necessities of life. Now we learn, through Lasser's sworn admission, that W. P. A. funds paid to members of the Workers Alliance are in turn used to pay for a pleasure trip he took to Russia. How much longer shall we vote money, collected through taxation or borrowed, to finance vacation trips?

Those on W. P. A. belonging to the Workers Alliance, Lasser said, paid dues of from a minimum of 10 cents to a maximum of 35 cents a month for unemployed members, to a minimum of 15 cents and $1 maximum a month for employed members.

Shall we vote relief money from the funds paid by taxpayers or from money which we borrow so the W. P. A. relief workers on a Government job can pay from 15 cents minimum to $1 a month maximum to Lasser's organization, the purpose of which is to get more money for W. P. A. workers?

To put it in another way, shall we vote funds paid through taxation or borrowed so that W. P. A. relief workers may contribute to a fund to bring pressure to bear on us to vote more W. P. A. money to them?

It is about time that those who are living on dues collected from W. P. A. workers are told to hunt a job of their own and not live on relief funds voted for others. [Applause.] And, by the way, how much money has Congress appropriated to aid in financing the President's vacation trips, his fishing trips?

HOUR OF MEETING TOMORROW

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

Mr. FISH. Mr. Speaker, reserving the right to object, I would like to know from the majority leader whether it is his intention to get a vote on the pending bill tomorrow. I would not object if I thought the gentleman would let the vote go over until Friday morning.

Mr. RAYBURN. I would not make this request if I had not consulted the minority leader with reference to it.

Mr. FISH. I know that, and I know the minority leader himself would like to know about this.

Mr. MARTIN of Massachusetts. I may say to the gentleman from New York I am perfectly satisfied with the arrangement.

Mr. FISH. But what about the vote?

Mr. RAYBURN. I do not think it will be possible to get final votes on the pending bill tomorrow.

Mr. FISH. That is what I wanted to know.

Mr. RAYBURN. I do not think so.

Mr. FISH. The minority leader does not think so either. Of course, if the House continued in session until about 7 or 8 o'clock tomorrow night the House could do it, but not if we wish to adjourn at 4 or 5 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING ON FRIDAY

Mr. RAYBURN. Mr. Speaker, for reasons that may be obvious, we want to get through early on Friday, and I therefore ask unanimous consent that when the House adjourns tomorrow it adjourn to meet at 11 o'clock a. m. on Friday.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate insists upon its amendments to the bill (H. R. 4852) entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1940, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. ADAMS, and Mr. NYE to be the conferees on the part of the Senate.

The message also announced that the Senate had ordered that the Secretary be directed to return to the House the engrossed bill (S. 1871) entitled "An act to prevent pernicious political activities."

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 14. Concurrent resolution requesting the President of the United States to return to the Senate the enrolled bill (S. 828) to permit the President to acquire and convert, as well as to construct, certain auxiliary vessels for the Navy, and providing for a correction in said bill.

HERBERT HOOVER, REPUBLICAN CANDIDATE FOR PRESIDENT IN 1940

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, the gentleman from New York [Mr. FISH], in commenting upon an alleged Republican victory in a municipal election in West Virginia, says that coming events cast their shadows before. "Shadows" is right. I will tell what one of those shadows is. It is the figure of Herbert Hoover. The indications are that the Republican nominee for President in 1940 will be the Honorable Herbert Hoover. of California—that is, he lives in California at the present time; and it is not improbable that Mr. Tom Dewey, of New York, will be the nominee for Vice President.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Not at this time. Mr. Dewey was out in front for the Presidential nomination for a while, but I see from the newspapers this morning that the Du Ponts have turned thumbs down on him. The Du Ponts are head of the Munitions Trust in the United States that expects to make millions, or hundreds of millions, if not billions, of dollars out of munitions of war if we should get into another war, and, of course, the Republican Party is looking to them for campaign contributions, just as they did in 1920.

Whenever the big interests turn thumbs down on a Republican candidate, he cannot be nominated in a Republican convention. [Laughter and applause.]

The SPEAKER. The time of the gentleman from Mississippi has expired.

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday, and the Clerk will call the committees.

The Clerk called the Committee on Interstate and Foreign Commerce.

CIVILIAN PILOT-TRAINING BILL

Mr. LEA. Mr. Speaker, I call up the bill H. R. 5619, to provide for the training of civil aircraft pilots, and for other purposes, which I send to the desk.

The SPEAKER. The gentleman from California calls up the bill H. R. 5619, to provide for the training of civil aircraft pilots, and for other purposes. This bill is on the Union Calendar. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5619, with Mr. O'NEAL in the chair.

The CHAIRMAN. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispended with.

There was no objection.

The CHAIRMAN. Under the rule, the gentleman from California [Mr. LEA] is entitled to 1 hour and the gentleman from Michigan [Mr. MAPES] to 1 hour.

Mr. LEA. Mr. Chairman, I yield 10 minutes to myself. I shall endeavor to explain briefly the provisions of this bill. A few months ago, in the early part of this year, $100,000 of National Youth Administration funds were allotted to the Civil Aeronautics Authority for the purpose of experimenting in pilot training through the use of universities. Thirteen or more universities have entered into contracts with the Government and are now engaged in training about 330 pilots.

The bill we have before us today proposes to give the Civil Aeronautics Authority control of a program for pilot training. The bill has the approval of the Army and Navy Departments. The bill and the policy it involves have been evolved by cooperative agreement between the Army and the Navy and the Civil Aeronautics Authority.

The fundamental purpose of the bill is to provide for primary training of young men between 18 and 25 years of age. The plan contemplates the training within the next year, or before July 1, 1940, of 15,000 pilots. The pilot who takes this training will at the end of the year have the qualifications now required of private flyers. This training under the plan proposed is to be carried on in schools, universities, and colleges of the United States. The Civil Aeronautics Authority will make agreements with these various institutions, including universities, colleges, air-pilot training schools, and junior colleges. The course includes 35 to 50 hours of pilot flying and about 300 hours of ground school work in order to properly qualify these young men for flyers.

It is estimated that about 50 percent of the young men who start on this course will be disqualified. That conclusion is based on the experience of the Army and Navy, which has shown that from 50 to 60 percent of the men who take training service fail to qualify. It is the purpose to require substantially the same physical tests for these young men as are now required of young men who qualify for the Army service.

Each of these young men is to carry insurance. I believe the amount now being carried in these universities where training is being carried on is $3,000 each. Of course, they have the privilege of taking insurance for a higher sum if they desire. Each student will contribute a fee not exceeding $40, out of which this insurance and other minor charges will be paid. The authorization proposed in this bill is for $5,675,000. Making a general break-down of the figures, it provides $4,875,000 for the payment of the expense of training the 15,000. It provides $300,000 for ground schools, largely required for schools not fully qualified to meet the requirements of the training schools; $250,000 for supervision; and $250,000 for research work, this research work to be particularly directed to gaining information about the qualifications of the pilot himself. In other words, it is research that deals with the human quality in determining the adaptability of young men for flying.

By amendment added to this bill its operation is limited to 5 years. The committee adopted that amendment recognizing that this was an experimental effort, the diffusion of training for air flight in a method different perhaps from any other country in the world. All of the other countries concentrate their students in a few locations. Practically all training elsewhere is under the Army and Navy, strictly military training, while here we provide for widespread civil training.

There are some important direct benefits that come from this plan of training. In the first place, I believe that from the standpoint of primary training it provides a method by which the fullest resources of the United States now available for primary training purposes can be utilized immediately. That is, by availing ourselves of fields and airplanes all over the United States that are fit and available for primary training purposes; the utilization of local men who have certificates as instructors in air training.

This plan provides a fine system of beneficial training for young men. They will be improved in health, mental poise, and alertness by their experience and training. The plan will undoubtedly aid the progress and stability of civil aviation.

The plan provides a reservoir of pilots for the military needs of the country. One thing that would contribute most, perhaps, to the strength of the United States in the air service would be the widespread diffusion of knowledge concerning the requirements of aircraft operation; to develop air-mindedness in the young people of America. Forty years ago it was difficult to find an efficient mechanic for a motorcar. It was difficult to find a repair shop where one could get good service for the ordinary difficulties of an automobile. Today the average boy in the high school can give better service for an automobile engine than the average mechanic could 40 years ago. We have developed a nation that is thoroughly familiar with the automobile, and knowledge of its operation has become the common knowledge of the American people. When our people become likewise familiar with the airplane they will be invincible in the air.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. PACE. Did the committee give any thought to the training of airplane mechanics in addition to the pilots?

Mr. LEA. It did, but the committee decided not to include mechanics in this bill, because there is an interdepartmental committee studying that very question, and until they work out a policy we thought it was better to stay off that subject. Of course, a plan for mechanical training would require an additional appropriation and possibly another set-up.

Mr. PACE. Of course, the gentleman agrees with me that the mechanics are just as important as the pilots, and certainly in time of war?

Mr. LEA. There is no doubt about that. It so happens that I am the sole survivor of the War Investigating Committee in the House. That committee studied this question and made a report. By referring to that report, I think you will see we made that very point at the conclusion of the war, that the mechanic is just as necessary as the flyer or as the machine.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. STEFAN. I know the gentleman is sympathetic, and I have been asked to ask this particular question: What chance has the young man who has been taking aviation lessons in the ordinary commercial schools, who has had no opportunity to go to college? What chance has he to get some benefit out of this appropriation and get the aspiration, or really become a pilot, under this appropriation?

Mr. LEA. The plan of training contemplates that it shall not be necessary for a man to be a graduate of a college in order to get training. It does contemplate that he shall have the mental equipment substantially equal to 2 years of a college course when he finally qualifies.

Mr. STEFAN. Many of these young men who have not had an opportunity to go to college are very, very well fitted to become aviation mechanics or aviators and pilots. For instance, Eddie Rickenbacker never went to college. He never had an opportunity, yet he was our ace flyer. Here we are really giving an advantage to the young man who goes to college, to take advantage of this appropriation of $5,000,000.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I yield myself 2 additional minutes.

It is not the purpose to confine the training to college graduates. If a man has the qualifications that will make him a competent flyer, that he can carry on flying with due regard to safety to himself and others, he will be accepted. That is the theory on which the plan is being designed.

Mr. STEFAN. Then those young students who have been going to the private commercial aviation schools will have an opportunity to take advantage of this legislation?

Mr. LEA. Yes. If they can show that they are qualified to meet the requirements of a flyer, they will be entitled to training.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. THOMASON. What are the requirements of the university or college in order to become accredited under this act and by whom is that determined?

Mr. LEA. That would be determined by the Civil Aeronautics Authority. There is no specification in the bill to cover that subject.

Mr. THOMASON. Practically every university or college in the country will be an applicant to become an accredited school. Just what are the requirements that must be met in order to become accredited?

Mr. LEA. They must have the ground course that is necessary; also the availability of flying opportunity, both from the standpoint of the airport and the machines, and, of course, instructors also.

Mr. THOMASON. Can the college or university qualify under this act if there is an aviation field in the locality; for instance, if it is near an Army post where training could be had?

Mr. LEA. If such facilities are available in the locality, they can qualify. Understand, what I said applies to the plan, which is a matter of administrative detail and is not specifically provided for in the bill.

Mr. THOMASON. If the gentleman will permit a further question: Following up the point raised by the gentleman from Nebraska, must one be a student in a university or college in order to be eligible for this training?

Mr. STEFAN. No.

Mr. VAN ZANDT. They are concentrating on college people, though.

Mr. LEA. A man might be a student in a training school on the outside, and not have attended college, yet be qualified.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. VAN ZANDT. At the present time the Army and Navy maintain training schools, such as Randolph Field, Kelly Field, and Pensacola. The requirements for admission to these schools are 2 years of a college education or the equivalent thereof; but even though the equivalent of 2 years of college training is provided for, a man cannot be admitted at Pensacola or Randolph Field unless he has had 2 years of actual college education. The requirements of this program, according to my understanding, are based on the regulations that govern Randolph Field and Pensacola. Nobody, therefore, would be admitted under this program unless he had had 2 years of college education.

Mr. LEA. The physical requirements would be the same, but not the scholastic requirements.

Mr. THOMASON. I think the gentleman from Pennsylvania may be mistaken in view of the new National Defense Act. Two years of college training is not required provided the student applicant has gone to one of these schools that has been accredited by the War Department.

Mr. VAN ZANDT. Yes; I recognize that. In spite of that, however, the fact remains that these boys who spend so much time around the air fields, such as Chamberlain, Rickenbacker, and Corrigan, are going to be excluded from this program because they have no college education.

Mr. LEA. The representatives of the Civil Aeronautics Authority were asked about that. They took the position that the man should be properly qualified mentally and physically, but not necessarily that he must have a college training or 2 years in college.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. EBERHARTER. Following up the inquiry of the gentleman from Nebraska and of the gentleman from Pennsylvania, the actual fact is that, under the terms of this bill, the directors will have authority to outline the qualifications. We have found in the past that they will require a college education. This means that those boys who have had some preliminary training will not be accepted. This is what we shall find in actual practice under the terms of the bill which permits those in charge of its administration to outline the mental and physical qualifications necessary. Thousands of young men otherwise qualified to become first-class pilots would be denied the opportunity because they have not been so fortunate as to be able to go to college.

I believe, therefore, that we should incorporate in the bill language to the effect that college education shall not be considered, or the equivalent of a certain number of years' college education shall not be considered necessary in order for an applicant to qualify under this bill.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I yield myself 3 additional minutes.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. AUGUST H. ANDRESEN. Is the bill sufficiently broad that the Civil Aeronautics Authority may provide instructors to train young men at commercial landing fields? What I have in mind is that in a good many communities throughout the country where there are aviation fields, groups of local boys have organized their own class, purchased a ship, and hired an instructor. Aviation is being advanced by what they are doing. Will this bill permit the Authority to cooperate with them and to advance this type of training locally?

Mr. LEA. It will. It should be definitely understood that this bill does not require a man to have had 2 years of college education before he can qualify. The point of it is that he must have the proper mental and physical ability, not necessarily 2 years of college training. A satisfactory location would require the availability of a proper ground school course also.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. MAY. I may state to the gentleman that in the hearings on the national-defense bill for the expansion of the Air Corps our committee had a communication from the Civil Aeronautics Authority in which they stated that they had designated certain schools for the training of these pilots, including mechanics. The War Department, of course, has a list of the colleges which it has designated as honor schools.

The point I am trying to make is whether it appeared in the testimony before his committee that the Civil Aeronautics Authority would cooperate with the training that is to be done by the War Department? As a matter of fact the Civil Aeronautics training course would be what might be called a preliminary course. They will not be put into the air as fliers or aviators, or even put to work as mechanics until the War Department has trained them in what might be termed a postgraduate course.

Mr. LEA. A plan has been worked out; and the War Department, the Navy Department, and the different agencies involved are in entire harmony as to what the plan should be according to the evidence presented to our committee.

Mr. MAY. All three agencies are working together to try to make it as practicable as possible.

Mr. LEA. Yes.

Mr. MAY. If the gentleman will permit, I may state that in the hearings it was emphasized that mechanical training and the perfection of planes would be given very great attention because everybody realized that you could put the best pilot in the world in the air in a deficient machine and he would be killed.

Mr. LEA. Manifestly that is true and important.

Mr. Chairman, I yield myself 2 additional minutes.

Mr. DOWELL. Will the gentleman yield?

Mr. LEA. I yield to the gentleman from Iowa.

Mr. DOWELL. May I ask if a student not having 2 years of college can get this training?

Mr. LEA. Yes.

Mr. DOWELL. But this training will not get him into the service?

Mr. LEA. No. This 1 year's training is only equal to primary training and would not qualify him to operate a fighting plane or anything of that kind. The advance training is beyond that first year, of course.

Mr. DOWELL. He might have all the training to be given here, but he never could get into the service until the regulations are changed to permit him to get into the service without 2 years of college work?

Mr. LEA. Of course, he would have to qualify under the Army and Navy requirements. There is nothing in this bill that gives him the right to enter the military service. The Army and Navy must decide that.

Mr. DOWELL. This does not qualify him in that respect?

Mr. LEA. No; this does not give him that qualification.

Mr. STEFAN. Why should we not write into this law something which will give the poor boys who have not had an opportunity to go to college for 1 or 2 years the opportunity? Their parents may have been poor, yet they have saved enough money to go to one of these schools. They will be the potential Eddie Rickenbachers. Why not write something into this bill which will give them the opportunity?

Mr. LEA. The Civil Aeronautics Authority says it will do that very thing.

Mr. STEFAN. But there is nothing in the law which gives that assurance.

Mr. MILLER. Will the gentleman yield?

Mr. LEA. I yield to the gentleman from Connecticut.

Mr. MILLER. Is it not a fact that the new head of the Civil Aeronautics Authority is one of the strongest advocates in the country of this 2-year requirement? I cannot believe that we are going to spend $5,000,000 to train men, or to give them a primary training, who under present regulations would not be qualified to go through with it. It would be a waste of time and money.

Mr. LEA. They would have to show their qualifications in order to be received into the Army or Navy.

Mr. MILLER. As a matter of fact, Professor Warner will certainly insist in his regulations that the boy have an equivalent of 2 years in college.

[Here the gavel fell.]

Mr. WOLVERTON. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, first of all I want to commend our chairman for the splendid work he has done on this bill. I do not know whether I can add anything to what he has already said, but I wish to discuss it for just a few minutes in my own way. Possibly I may say something that will clarify some of the provisions in the minds of the Members.

In the first place, it should be borne in mind that this bill is simply an authorization of power to the Civil Aeronautics Authority which was created within the past year by act of Congress. The details of the program will be worked out by the Civil Aeronautics Authority in compliance with the specific delegation of authority contained in the pending bill. Therefore, to get the details of the proposed program, one must consider the views expressed by the Civil Aeronautics Authority as to what it expects to do in putting this program into operation.

In this connection, it said to us that it expected to go into the colleges and universities, as well as other schools of like character in the United States, to the end that this program may reach into every corner of the country, thereby being made available to all sections of the country. Obviously, before such a program as this can be put into operation in any college or university it will be necessary that there be available close to that college or university an airport or airport facilities from which the operations may be carried on.

Our information is that a great number of the colleges and universities do have such facilities available for the carrying on of the program.

Mr. MAHON. Will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Texas.

Mr. MAHON. Since it will be physically impossible to give this training in every school, does not the gentleman think that preference will be given to the technological colleges which are well established and which also have airport facilities, to which the gentleman referred?

Mr. HALLECK. Of course, some discretion will have to be exercised by the Authority in selecting the schools into which the program will be placed, if it is impossible to take care of every school that seeks to have the program. In other words, it is possible that in the minds of the members of the Authority an engineering school, or a school whose students were engaged in a study much along the line that might be considered in harmony with air-flight training, would be selected by the Authority in preference to some other school.

Mr. GREEN. Will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Florida.

Mr. GREEN. I think we should write into this law that at least one college in each State be designated.

Mr. HALLECK. Mr. Chairman, in answer to that suggestion, the Authority has indicated to us, and I have no reason to doubt its word, that it wants to put this program into every State and into every corner of every State where it is possible to put the program.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. In addition to the requirements which the Authority may lay down for schools and colleges, would not climatic conditions and such also have a bearing on that determination? Proper flight conditions and high percentage of clear weather should be considered.

Mr. HALLECK. Well, frankly, that had not occurred to me. I do not know whether the climate of one section of the country is more conducive to effective flight training than some other climate. If that is true, possibly some consideration should be given to the matter.

Mr. PATRICK. Will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Alabama.

Mr. PATRICK. May I ask the gentleman a question and call attention, in the seriousness of the approach that has been made to the matter, to the fact that under the testimony given by Mr. Hinckley, tests were made in Purdue University, the Universities of Michigan, New York, Massachusetts, North Carolina, Georgia, Alabama, and North Texas. It also included Minnesota, Washington, Teachers College, and Pomona College. Is that not right?

Mr. HALLECK. Yes; that is my understanding.

Mr. PATRICK. Those are the ones in which the test has already been made, and there are 330 in which the training has already been begun in this respect.

Mr. BREWSTER. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Maine.

Mr. BREWSTER. Did the committee or the Authority give consideration to the question of these pilots being available for military training and service?

Mr. HALLECK. In answer to that question I may suggest to the gentleman that that matter was considered in the committee hearings. There was some suggestion, and as a matter of fact, I myself suggested the possibility of carrying these boys on through the course and then enlisting them in the Organized Reserve to the end that they would be subject to call. Purdue University has been mentioned. I have information from Purdue that 85 or 90 percent of the boys there taking the training now are eager to get into some branch of the service. Beyond that, we were assured in the hearings that the character of these boys is such that in the event of necessity arising out of a condition of war they will come forward almost to a man.

Mr. BREWSTER. If that is correct, why should any hesitate to assume the obligation that would be entailed in agreeing that they would make themselves available? Why permit a minority of 1 or 5 percent to get this training and then refuse to serve?

Mr. HALLECK. To pursue that a little further, it was suggested in the hearings that the training these boys would

get in this course would not be sufficient and would not carry them along far enough to entitle them to a Reserve commission as fliers. Let me suggest this, however, in further answer to the gentleman from Maine. These programs will be carried on in many instances in colleges and universities which now have R. O. T. C. units. Completion of the R. O. T. C. work in a college or university makes a student eligible for a commission in the Reserve. The R. O. T. C. work will be carried on along with this work. I have no doubt that many of these boys will be commissioned in the Reserve as a result of their R. O. T. C. work and will thus be subject to call and assignment to any branch for which they may be best fitted.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Iowa.

Mr. DOWELL. How will the colleges and universities be selected, and by whom?

Mr. HALLECK. The Civil Aeronautics Authority will select the colleges and universities in which this program will be placed, subject, of course, to the will of the institution itself to have the program instituted there.

Mr. DOWELL. Will there be a certain standard that will be approved by the department in accordance with which a college or university may enter upon this program, or will the schools be selected by personal selection?

Mr. HALLECK. I assume the Authority will have certain standards or formulas which will be applied. Of course, with that must necessarily be a certain discretion to the end that the best results may be obtained under the program.

Mr. DOWELL. Under this program, I take it, a great many colleges and universities will apply for permission to train students. What I am getting at is, Will the selection of those schools be by a personal selection or will a certain standard or certain rules be placed in effect so that if a college complies with such standard it may enter into this training program?

Mr. HALLECK. I believe I have answered that about as fully as I can, except to suggest, as I have already stated, that if more schools apply than can be accommodated under the program and the amount available, necessarily some school will fail to get the program.

[Here the gavel fell.]

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield 5 additional minutes to the gentleman from Indiana.

Mr. HALLECK. Mr. Chairman, I prefer not to yield further at this time, because I have some things I would like to say in connection with the bill and the program.

I believe it also should be pointed out that as the program is contemplated, the Authority does not propose to buy a lot of airplanes and a lot of other equipment to carry this program into operation. The representatives of the Authority will go to a university and employ a licensed instructor to carry on the training of the boys in that school. This instructor will have other licensed instructors assisting him, if necessary. The instructor, having this contract with the Authority, will furnish the airplanes and keep them in repair and do all the flight training. As a result of this sort of a program it will be possible to effect this training at the figure of $325 per student, upon which the authorized appropriation is based.

Mr. MAHON. Mr. Chairman, will the gentleman yield at that point?

Mr. HALLECK. May I continue? It has already been said that these boys will be given a careful physical examination. To my mind, this is highly important, because each one of them will have an expectancy of a period of years during which he can carry on in civil aviation and be available to the service of the country in its defense, if necessary, if he is physically fit.

It is also possible that as the program progresses the training may be carried on for more than the first year; in other words, boys exhibiting a special aptitude may be selected and put into more advanced classes and carried on in the training to the end that they more nearly approach real, seasoned flyers.

I have believed for years that we could spend no better money in this country for national defense or for the stimulation of interest in civil aviation than to provide flight training in the colleges and universities throughout the country.

This bill does not exclude the training by the Authority of boys who do not attend colleges and universities. Under the provisions of the bill the Authority can use its personnel and its facilities to train pilots as well as training them by entering into contracts with educational institutions. The boys in colleges and in universities are there maintaining themselves. The Government does not have to board them or provide them with quarters or pay them a salary. They are accessible for such a program as this. Beyond that I think our experience in the last war proved rather conclusively that taking men as a group or one group as opposed to another, that the men with the higher educational qualifications were generally able to become officers and effective and efficient soldiers in less time than someone of lesser mental qualifications.

[Here the gavel fell.]

Mr. WOLVERTON. Mr. Chairman, I yield an additional 5 minutes to the gentleman from Indiana.

Mr. HALLECK. To my mind this program, when put into operation, will carry on the traditional defense policy of this country. It has never been our policy to have an enormous standing army or an enormous number of fighting pilots for our air force, but rather have we sought wherever possible to have a reservoir of civilian strength from which we could draw in time of emergency. We will have that traditional defense policy in respect to our air defenses and in respect to pilots if this program goes into operation. These boys will not be completely trained. They will not be able to get into a fighting ship and go into combat, but they will have had the preliminary training. They will have had such training that the men in the Army and the Navy can select those who are best qualified, who can learn the job the quickest, and in that way immensely strengthen the air defense of the country.

Beyond that, these boys will be trained as civilian flyers. They are boys who are going from these colleges and universities into business, into professions, and into trades. They will be economically self-sustaining, and I am inclined to believe that many of them, upon their graduation from college, knowing how to fly an airplane, will buy an airplane and will continue their flying, and in buying these airplanes will stimulate production in the aircraft factories of the country, thereby adding enormously, in my opinion, to the defense of the country.

Some have suggested that possibly this program should not be carried on by the Civil Aeronautics Authority, but by the Army or the Navy. The representatives of the Army and the Navy appeared before our committee and testified that the Army and the Navy were not in a position to carry on such a program. As a matter of fact, they have about all they can do to carry on the expansion program for which we have heretofore provided.

In addition to this, it has been suggested to me that the commandant at Pensacola has advised the Civil Aeronautics Authority that if this program is as successful as it appears it will be, it will permit them to make their selection of cadets direct from the colleges rather than to send them to a Reserve training base before going to Pensacola, thereby saving much money in the selection of cadets.

This program has already been tried out. As the chairman of our committee has pointed out, 330 boys have been in this work in 13 colleges since about the middle of February. Out of these 330, 200 have already soloed in the air—flying by themselves.

Purdue University was the first school to get this program in operation. Purdue happens to be in my district. I have watched the development of the program there. Fifty boys started in the program. All 50 of them have already been in the air by themselves, 4 of them have already qualified for private flyers' licenses and 8 more of them will likely qualify tomorrow. Beyond this, I am advised by the Civil Aeronautics Authority that the youngsters who have taken the

examination for private flyers' license as a result of this training are making marks which are much higher than those ordinarily expected after that amount of training.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. LUTHER A. JOHNSON. How many schools is it contemplated may be designated for this training?

Mr. HALLECK. We expect, under the program, to train 15,000 students. The Authority advises us they want to decentralize it as much as possible in order to bring about the highest safety factor. It may be 200 schools or it may be 300, but the idea, as I understand it, is to keep down the number of boys in each school and to spread the program all over the country.

Mr. LUTHER A. JOHNSON. That is what I wanted to know—whether the schools would be scattered geographically throughout the country or not. I assume the Authority will make the designations or the selection of the schools to be so used.

Mr. HALLECK. I think we can trust the Authority to carry that on.

In many of these schools, in connection with the flight training, the boys taking the course will be studying navigation and meteorology. Many of them are in mechanical-engineering schools where their training outside of this program will work directly in developing real flyers.

In this discussion it should be suggested that by this bill we and the Civil Aeronautics Authority are undertaking to initiate a training program in which the factor of safety must always be paramount. The Authority must be primarily charged with so administering the program that a minimum of accidents will occur. But it is probably well for us to bear in mind that some accidents will occur in spite of every precaution. We cannot train 15,000 boys without some risk of injury to some of them. However, the Civil Aeronautics Authority has already demonstrated its effectiveness in the direction of safety. In the trial program now in operation, no accidents of any consequence have occurred. And in the field of safety in commercial aviation, the Authority is making a good record. I quote from an editorial which appeared in the New York Times on April 15, 1939:

> Sound cooperative effort between the air lines themselves and the Civil Aeronautics Authority, rather than luck, is to be credited for this year's splendid record of safety in winter flying. The C. A. A. reports that in the period from December 12 to March 20 the domestic lines flew 128,162,050 passenger-miles with but one fatal accident.

In conclusion, I want to read from a letter addressed to me by Edward C. Elliott, president of Purdue University. Purdue is one of the outstanding universities of the country, and President Elliott is one of our best known and highest ranking educators. He has observed the trial program in operation in his school. He is competent to speak of it. His letter to me is as follows:

> MY DEAR MR. HALLECK: This is written in reply to your inquiry of March 20 concerning the program of training in aeronautics promoted by the Civil Aeronautics Authority.
>
> As you know, this program is yet in the first stage of its operation. Consequently, our judgments are based on a somewhat brief experience. However, from an educational point of view we are convinced that the flight training program of the Civil Aeronautics Authority affords an unusual opportunity for engineering and scientific institutions such as Purdue University to round out the present plan of aeronautical training. It will enable our students to be more effectively prepared for competent service in the development of the aeronautical industry. This industry has become one of critical value, not only in time of peace but also in time of national emergency. It must be obvious to all who have given the matter serious consideration that a relatively large group of scientifically minded civilians carefully trained as private pilots will be of inestimable value in maintaining the defensive power of the Nation.

Mr. LEA. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, possibly I can be of some assistance in explaining the present program for the training of pilots. There seems to be considerable misunderstanding. We have the naval training school at Pensacola. They tell you that 2 years' college education is required, but when you make application they will advise you that they already have sufficient applications from college graduates, and, therefore, they will not take anyone at this time who is not a graduate of a university. Then we have Randolph and Kelly Fields in Texas with similar entrance requirements. In addition to that program, which we will call No. 1, the Army has recently inaugurated another. The Army is now sending to private flying schools 330 young men each month, and will do so over a period of 11 months. Those young men go to these private-training schools, which are privately owned, for a period of 3 months. At the conclusion of the 3 months, it is figured that at least half of them will fail to demonstrate that they are proper material for pilots. Then the remainder, who have demonstrated their ability, will be transferred to Randolph Field, and if they develop properly they will ultimately be transferred to Kelly Field for, one might say, combat flying.

This program which is here today is, in my judgment, only a beginner. It authorizes an appropriation of $5,000,000. I venture the guess that a year from now we will be back here probably appropriating $50,000,000 for this program.

The next war will be determined by the forces at sea and in the air. Unquestionably that is true. I think this country should have at least 100,000 trained pilots.

For adequate national defense we should perfect our airplane-production facilities so we can produce planes in great quantities when needed and then have the necessary trained pilots and mechanics. This is the beginning of a program. It has been mentioned here that there should not be any strict educational requirements. Let me remind you that the science of the air today is a science unto itself. A student must not only be able to use his hands in a mechanical way, but he must be able to use his mind in studying navigation and the science of the air. I am sure that the Civil Aeronautics Authority is going to require reasonable educational qualifications.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. PACE. Yes.

Mr. MAHON. I am very much interested in the success of this bill. In fact, I introduced a bill to provide such training shortly after the message of the President on the subject and prior to the introduction of the bill now under consideration. I agree with the gentleman that the primary training under this program ought to be in colleges, but I am concerned about the ability of the Civil Aeronautics Authority to secure sufficient trained personnel to carry on this program in some 300 colleges. I am anxious to see the program succeed, but I am sure that adequate training personnel will be one of our difficulties.

Mr. PACE. Of course the gentleman must understand that this program is strictly preliminary, if I may use that term. The training given there does not qualify a man as an expert flyer. After he has taken this year of preliminary training and has learned the fundamentals, if he has demonstrated proper ability, he will be transferred either to Randolph Field or to Pensacola for training. This is merely preliminary training, and, as I said before, I think we should have at least 100,000 boys qualified in this way.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield 8 minutes to the gentleman from Minnesota [Mr. YOUNGDAHL].

Mr. YOUNGDAHL. Mr. Chairman, I should like to speak in my short allotted time on two phases of this proposal, which, to my mind, are outstanding reasons for its adoption. These are its application to our national-defense program and the additional opportunities it offers for employment to the young men of our country.

Members of this House know that I am 100 percent in favor of adequate national defense. The two or three times I have spoken before this House have all been on subjects which I deemed important to our national defense. But

when I say I favor adequate national defense, I mean national defense, not preparation for a foreign war. The police department of any city is an organization for defense—the defense of the rights of others; the armed mob is the spirit of war, of hysteria—the spirit which is being stirred up in America today.

I do not know what our foreign policy is at this moment—I have not read the latest edition of the papers. I find it hard to keep up with our foreign policy these days. In one edition it is commitments and pledges on the one side, and name calling on the other. In the next it is a "good neighbor" vision. A few days later it is threat of economic boycotts and tariff retaliations. Then suddenly it is an olive branch with an offer of peace moderator. It is not a policy—it is a roulette wheel.

But I do know what I think our foreign policy should be. Bluntly and tersely, in my humble opinion, it should be simply minding our own business.

And just as bluntly and just as tersely, I think our adequate national defense consists in our preparedness and our ability to tell the whole world that we are going to mind our own business and that we intend to run it without any interference from anyone.

We should be ready to enforce the Monroe Doctrine of "hands off," but at the same time let us practice the policy of keeping our own hands off Europe or Asia or any other foreign soil.

High in importance in such a national-defense program is the necessity for an adequate air force.

The air of Europe today is filled with airplanes. Mass flights and mass parachute jumps look like migrations of blackbirds in the fall. But all of this is composed of army fliers, army planes, preparations for war. Nowhere is there any preparation for peace or extended plans for air transportation. Peaceful use of the airplane is forgotten in war hysteria.

The United States should have just as many trained pilots as any country in Europe. But they should be trained for peace flying, not for war combat.

This bill proposes to train 15,000 pilots for the peaceful development of aviation, of rapid transportation.

Should any emergency arise in which the United States would be forced to call for pilots for actual warfare, pilots trained for safe peacetime pilots could be turned into Army pilots in a short time.

In an emergency airplanes can be built by mass production. Pilots cannot be trained on a mass-production basis. We tried that in the last war and found it did not pay.

America can best insure her national defense by training her young men in peaceful flying which in times of emergency will furnish already trained men for defense.

According to testimony before the committee, there are in this country today only some 23,000 airplane pilots, both commercial and private. Of these only some 6,500 are of the ages which would make them available for defense services in case of a national emergency. This bill proposes to train an additional 15,000 young men not only in a peaceful occupation but in an occupation which would serve to insure peace.

Already this plan has attracted wide attention and interest. I have before me a copy of a letter from the president of the University of Minnesota, one of the 13 schools selected for a test course of training such as set up in this bill. I quote from that letter:

> The University of Minnesota was allotted a quota of 20 students. Upon announcing the training program we had about 360 applications for the training, which indicates the broad interest which the plan has enlisted. The response in itself, it seems to me, has significance. One hundred and twenty-six of these applicants were selected by a special committee and were sent to our university health service for preliminary physical examination. From this group 70 were then sent to an Army flight surgeon for the final selection of 20 candidates.
>
> The Wold-Chamberlain Field at Minneapolis lends itself splendidly to student flight training. It is large, it has no surrounding obstructions, and there are a number of competent flight schools attached to it. As an inland city, Minneapolis is much interested in aviation.

And now I come to the second reason I believe this bill should have your support.

For 8 years our colleges and universities have been graduating thousands of young people, young people trained and equipped to carry on America's progress. We have given them the education and the equipment, but no place to apply it. They graduate and sit twiddling their thumbs or walk the streets looking for employment.

To my mind, a far greater menace to our democracy than all the threats of war or invasion from Europe today is the undermining of the faith of our youth. Democracy's greatest threat today is not Europe's totalitarianism but the failure of democracy itself.

Police chiefs and peace officers freely admit that 9 out of 10 crimes committed in the United States today are by young people. America's youths are turning to crime for a livelihood because America is giving them nothing else to do.

This bill will provide for the immediate training of 15,000 pilots. It will increase the manufacture of airplanes and everything that goes into airplanes; it will require the services of many more mechanics; it will stimulate employment at airports in many capacities.

In my opinion, this bill offers great employment possibilities to the young men of our Nation.

The prospect of the employment of thousands of young men in a peacetime-training program which would make them available for national defense should be all the reason that anyone needs for supporting this measure. On these two grounds alone I ask your support of this bill. [Applause.]

Mr. LEA. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. PATRICK].

Mr. PATRICK. Mr. Chairman, the only thing I have in mind is merely to discuss a matter that has come up through a few questions that have been asked on the floor and some that have been asked personally of members of the committee, and that is as to why this is not to be handled by the Army or the Navy. We had testimony from Army and Navy officers. This bill comes here from the Committee on Interstate and Foreign Commerce, and comes under the Civil Aeronautics activities of the Nation. It seems very important in the light of the philosophy that is abroad in the land today in respect to what we should do to take care of ourselves, that whatever emergency may arise we want to act so as to encourage it to be slow in rising. Most everyone says that America should attend carefully to its own business and yet practically everyone concludes that we ought to do that which we do as well as we can while we are at it, and that while we must stay at home and look after our own affairs and attend to them strictly, we should do it as securely and as safely as possible. This is the philosophy that is behind this program. It will be noticed how this program is distributed over the Nation in preparing, in a preliminary way, for this year's training of only 330 students. Thirteen different colleges have been selected.

Now, here is the point I want to make. This appeals to the very heart of the Nation. We will be conscious, and every one of those who get this training will be conscious, of the philosophy of Government defense, not because he is a member of the Army or Navy but because he is a patriotic American citizen; not because he has been called upon by special alinement but because of the great national need and the thing that has been done to train him as a specialist in an important work.

Thank you very much. [Applause.]

[Here the gavel fell.]

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, the provisions of this bill have been pretty thoroughly explained, and I would be guilty of repetition if I embarked upon any general discussion of it. But in view of the fact that some suggestions have been made this afternoon about certain changes in the bill, perhaps a few observations concerning those suggestions may be in order.

It has been suggested that it would be wise if we imposed some obligation upon these young men to the effect that, having finished their training, they should be subject to draft into the military service. I use the words "subject to draft" advisedly, because that is about all we could do. I hope very much that no amendment to this bill will be adopted which will in any sense tend to militarize this project. That may seem strange coming from one who has taken such an interest in the Regular Army and Navy, but I conceive this thing as being primarily civilian. True, it will have a military value, and a very important one. To say to these young men when they apply for this training at these schools and colleges that they may not take it unless they enlist in some form of military or semimilitary organization, enter into some kind of a contract, is to change the picture, as I see it, to something very different from that conceived by the authors of this act. As a matter of fact, I do not see how that could be done, practically. It would require an amendment to the National Defense Act to accomplish it.

We would have to amend the National Defense Act to set up a new category, a new military group within the boundaries of our military system. We could not very well force those young men to take commissions in the regular Army Reserves or the regular Naval Reserves, because on finishing the primary course in flying they will not be fit to hold commissions. Their education will not have carried them that far. A Reserve officer in the Army Air Corps and in the naval aviation has gone through the entire course in military and naval aviation training, a course extending far beyond what we contemplate for these young men. So it stands to reason that we could not commission them in the Reserves of either the Army or the Navy, and to commission them in any other fashion or to bind them in any other way would involve an amendment to the National Defense Act, setting up a new category in the Military Establishment of the United States. My own view is that such an attempt would fail. More than that, it is quite unnecessary. These men will provide a pool from which the Army and the Navy in time of emergency may draw. The Army and Navy will find a large number of these young men who, having finished this course, have become licensed private pilots and are susceptible to further training, and many will be invited to take it, and then, having finished that, will be commissioned in the Reserves of the Army or the Navy. In the event of war or a major emergency, those men who have had their primary training can, under the laws which are passed at the inception or outbreak of the war, be either invited to volunteer or be subject to draft, depending on which way the Congress decides to recruit its Army and expand its Navy.

Those men subject to the law on that day can be moved right into the Army and Navy training schools and finish their course in a much shorter time than would be consumed if no such pool of young men existed. I think we had better leave it as it is provided in this bill and leave out any attempt to militarize this thing, even part way. I say that with the more confidence that I am right, because I listened with great interest to the testimony of Admiral Cook, Chief of the Naval Aviation in the Navy Department, and Brigadier General Yount, second in command under General Arnold, of the Army Air Corps. Neither of them made one move in their suggestions toward militarizing this program in whole or in part. Both of them expressed the greatest enthusiasm for this bill just as it stands, and they based their enthusiasm on its military value, emphasizing the fact that establishing and maintaining this pool of young men who have had this primary training, will lift from the shoulders of the War Department and the Navy Department a tremendous burden in time of peace, and a much greater burden in time of war, in that those departments will not have to take boys utterly green and send them to Randolph or Pensacola to spend 3 months on primary training before they are fit to go on advanced training. More than that, they emphasize the fact that the physical examinations to be given to these young men before they are permitted to take this primary course under the C. A. A. will be exactly like the physical examination now exacted by both the War Department and the Navy Department; and the eliminations having been brought about, the 50 or 60 percent having been eliminated by the C. A. A. through this system, that job will not thereafter fall upon either the War Department or the Navy Department, and thus greatly expedite the advanced training of these young men.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. KELLER. How many men are provided for in this bill?

Mr. WADSWORTH. This bill, Mr. Chairman, as has been stated, by the limitation of its appropriation for the first year, will train 15,000 men. It is testified by the C. A. A. people that their experience demonstrates that an average of 50 boys will be trained at each of 300 institutions. This will make 15,000. Some institutions may have more than 50, some may have less, but the average is anticipated to be 50 to an institution. Obviously, they must be scattered over the country.

Mr. KELLER. I thank the gentleman.

Mr. HARTER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. HARTER of Ohio. This bill, I believe, provides for the training of civilian pilots under the Civil Aeronautics Authority. Does the gentleman know whether or not the Authority is taking any steps looking toward the training of aviation mechanics?

Mr. WADSWORTH. The Authority is studying the question of training aviation mechanics; so is the War Department; so is the Navy Department; and an interdepartmental committee is now working in an endeavor to find some way by which it can be done systematically and to select some agency, preferably an existing agency of the Government, to carry it on.

[Here the gavel fell.]

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield the gentleman from New York 2 additional minutes.

Mr. WADSWORTH. We could not merge into this bill provisions for training mechanics. While the two must come together finally, it was impossible in this legislation to provide for the training of mechanics.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. PACE. Is it not also true that mechanical training schools have now exhausted the capacity of their facilities, and that new facilities would have to be set up?

Mr. WADSWORTH. I understand there are about 29,000 competent aviation mechanics in the United States. Some are in the employ of the Army and the Navy and the rest are employed in the industry. Were the industry to expand we would have to find thousands and thousands more.

I have made one suggestion, Mr. Chairman, in which I have not overweening confidence, and I may perhaps be groping for some solution of this difficulty: That certain boys be selected from the C. C. C. camps, regrouped and reorganized, and moved alongside an aviation factory and trained in the factory at the same cost that is now borne by the Government when they are doing conservation work out-of-doors. Not every C. C. C. boy can be turned into a first-class aviation mechanic, but we might find among them quite a number who could. The other night I attended a certain ceremony at a C. C. C. camp. The commanding officer told me that he had received instructions from headquarters of C. C. C. to report back to headquarters whether or not any boys in the camp, in his judgment, could be educated as aviation mechanics, and if so, how many. So apparently they are taking a poll at this time.

Mr. KELLER. What did he say?

Mr. WADSWORTH. He had not finished his inquiry.

Mr. KELLER. But there were some?

Mr. WADSWORTH. He said there was sure to be some, but he could not say how many. [Applause.]

[Here the gavel fell.]

Mr. BULWINKLE. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. BOREN].

Mr. BOREN. Mr. Chairman, the importance of this bill for national-defense purposes cannot be overestimated. I feel that America, the pioneer of aviation, should at all times remain the first nation in the world in both commercial and military aviation.

Mr. Chairman, the only fault I find with this bill is that it does not go far enough. I believe in and supported a student program calling for 20,000 trainees.

Aviation daily grows in importance in relation to the economic life of America. The airplane as a factor in economic America is today an approximation of the automobile of a quarter of a century ago. Aviation is important to American communication and commerce, and even to agricultural America. A comprehensive program for aviation fits into a planned economic program for America's future. There is no separation of aviation from national defense, no separation from the American system of communications, no separation from American industries and enterprises. Aviation is involved in every phase of American life and enterprise. A program for agriculture includes a cooperative program for American aviation. A wise investment here will enhance the value of our investments in a multitude of fields in America's economy.

I earnestly urge the adoption of this bill.

Mr. Chairman, permit a partial digression for a moment to illustrate my opinion that we need great care and study to develop an understanding of aviation and its problems and for a full recognition of its great importance, value, and relationship to a general comprehensive program for America's economic system.

Mr. Chairman, in this connection I ask unanimous consent to revise and extend my remarks in reference to the weather bureaus, and so forth.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma [Mr. BOREN]?

There was no objection.

WEATHER BUREAU APPROPRIATION, 1940—TRANSOCEANIC SERVICE OF GREAT VALUE TO THE FARMER

Mr. BOREN. Mr. Chairman, certain statements in the CONGRESSIONAL RECORD of March 24, 1939, purporting to set forth reasons for the elimination of the amount in the Weather Bureau appropriation of the agriculture bill covering the expansion of weather observations from vessels at sea, give me great concern because they are at variance with the actual facts. I have no thought but that the divergence is entirely unintended; but that fact makes it no less fortunate, in view of the effect which these misstatements had in causing us unwisely to withhold support imperatively needed for the weather service.

On page 3258 of the RECORD, I find this statement: "To begin with, none of this appropriation is of any immediate practical service to agriculture." The appropriation referred to was for the purpose of increasing the present number of weather observations made on and reported from ships at sea, plus providing for securing additional information from each of these reports, in order to improve the Weather Bureau forecasting service.

It must be recognized that there are definite weather trends which are both indicated and affected by the movements of low- and high-pressure areas over the oceans. Therefore, current information about these movements is of considerable value if forecasting is to be improved. With this information available from vessels at sea, the forecasters are in position to determine more accurately the movements of pressure and the forthcoming changes in weather over the continental United States. For instance, if the weather information had been available in the form requested and covered by the appropriation, there is no doubt that the storm which struck the area of Los Angeles in 1936, causing many hundreds of thousands of dollars of crop damage, could have been forecast in sufficient time for the citrus growers in that area to take adequate protective measures. The recent hurricane which devastated a large area of New England could have been foreseen earlier and its movements could have been forecast much more accurately if more information had been available from ships at sea. It would have been possible to evacuate certain sections of Long Island and Connecticut. The loss of life which occurred as a result of lack of this information could have been minimized.

The particular weather service to be covered in this appropriation which we withheld is international in character and it is only by closer coordination of these important activities of our own and other nations that a closer cooperation of the services can be established. Being international in character, they directly affect international commerce which, in turn, is so vital to agriculture.

Among the further observations requested from vessels at sea which this appropriation would have made possible are upper air soundings, which are contemplated from certain vessels. With these soundings from points over the ocean, the forecasters can better visualize the movements of the upper atmosphere and determine more accurately the resultant movement of air masses which is so closely coordinated with weather changes and of which an accurate knowledge is essential to and is bound to result in improved forecasting.

In the same column on the same page 3258 of the RECORD I find this statement: "Direct benefit to the farmer is decidedly problematical." Increased appropriations have been granted from time to time to improve the weather service. However, it is impossible for the meteorological organization to realize the aim of this progress unless adequate weather information can be obtained from marine vessels plying the oceans within certain distances of the coasts of the United States. The present reports, it has been realized for some time, are inadequate in a great many respects and further improvements in forecasting could be realized if additional and more complete reports from vessels at sea could be obtained. During a portion of the year the area east of the Lesser Antilles and the Caribbean Sea is a breeding ground for the so-called hurricanes which have a great influence on the farmers in Florida, the Gulf States, and the eastern part of the United States. Some funds have been allocated in the past to improve this service in order to avoid loss of life and damage to farm property and crops. However, these funds have been only allocated to services within the continental limits of the United States. Further improvement could be made in this connection by obtaining additional reports from vessels off the coast of the United States and in the Caribbean Sea. The first indications of a hurricane almost invariably appear in these ocean areas, from which we now get virtually no prompt and current information. The more closely we coordinate observations from a sufficient number of ships, well distributed over the entire ocean, the more helpfully and profitably can the meterologist analyze the information at his disposal. Initial adequate forecasts and warnings are a result of an analysis of this information.

The question of additional reports from ships at sea has been a subject of considerable importance to the Weather Bureau in connection with international meetings in which they are called on to represent the United States. They are continually being requested to advise the international meteorological conventions as to when the United States may be expected to collect and furnish the additional information which other nations now collect and can make available to us as soon as we can do our part to effect an even exchange. This has brought about a deplorable situation, in that the Weather Bureau officials have had to attempt to answer these questions, and the only explanation that has been available to date is that lack of funds makes it impossible for the United States Weather Bureau to participate in what has become virtually an international obligation. All of the European countries now render this service from ships east of the thirty-fifth meridian. When these same vessels are in waters west of the thirty-fifth meridian, at which locations the weather observations are transmitted to the United States instead of to Europe, we find that the foreign vessels are actually transmitting the complete reports and four observations per day to their home governments, whereas we get only partial reports, and only twice a day, because the

United States Weather Bureau has no funds to carry on the duties agreed to in international meetings as an international standard. It is not conceivable that the Members of the House desire to have the Weather Bureau accused or the appropriate Government agency accused of not desiring to cooperate in this highly important project.

The weather is an international phenomenon, not just national. As an example of international cooperation, please note that the Russians have established meteorological stations in Siberia. The information collected by these services is made available to the services of the United States Weather Bureau through the medium of stations in Alaska and the United States.

There seems to be an erroneous impression that the services contemplated in the appropriation to which I have referred is for the benefit of aviation alone. There is no doubt but that the progress of aviation will continue for years. Its demand on the weather service already has brought about analysis and recognition of weather phenomena never previously undertaken but immediately useful to agriculture and in many other fields, thereby making it possible to improve the service as a whole, the greatest benefit of which has been to agriculture. Therefore, it is immediately evident that the services requested by means of this additional appropriation, and for the reasons set forth, will again directly benefit agriculture and mean more dollars and cents in the farmer's pocket.

Mr. WOLVERTON of New Jersey. Mr. Chairman, I have more applications for time than I am able to grant. May I inquire if the gentleman from California [Mr. LEA] has additional time so that he could yield to the gentleman from Minnesota [Mr. MAAS]?

Mr. LEA. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, this is a very important bill and I think it will accomplish the purpose for which it is designed. There is considerable misunderstanding about aviation and the part it will play in war. The airplane is not simply an auxiliary to the Army and Navy. In its early stages and until very recently it was, but the situation has changed, and today the airplane has assumed a distinct role in defense. It is as separate an approach to making war as either the Army or Navy themselves. While it is true that airplanes in and of themselves cannot conduct a war and cannot accomplish the purposes of war, which is occupation of territory or the prevention of occupation in the case of defense, even that may not be true in the not far distant future. Already planes carry large numbers of infantrymen who are dropped behind the lines by means of parachutes. It is possible that strategic points may be occupied through this means. In the near future the essential personnel necessary to occupy a territory may be transported by planes. Today large troop movements could be more expeditiously made by airplane than by train if we had a sufficient number of airplanes, because of speed of the airplane over surface transportation.

It is vitally important that we have a very large number of trained pilots at the incidence of war itself. There is a popular theory today that what we need is not so many airplanes and pilots as the facility to manufacture airplanes and the facility to train pilots after the war starts. The truth of the matter is that the greatest importance of the airplane in modern warfare is at the incidence of the war, probably during the first 2 weeks. That is the critical period of a war, certainly from the standpoint of the air.

One of the greatest military values of the airplane is its demoralizing effect, and this has its greatest effect at the very beginning of a war. The question of a short or long war and perhaps the question of ultimate victory or defeat may be involved in the number of planes and pilots that are ready on the very day that hostilities commence. In our own case, it is vital because we are a two-ocean nation with a one-ocean fleet and it is very necessary that we augment our naval defenses by a very large air force, ready at every moment, day or night. To illustrate briefly, should we become involved in a war we would undoubtedly be threatened in both oceans at the same time; but our fleet cannot safely be split, because divided it would be destroyed. Therefore, from a practical standpoint, the fleet must be maintained as a unit. It will have to select the ocean in which it is to carry on its defensive operations. The only safeguard we would have in the other ocean would be a sufficiently large air force ready on the day hostilities began to prevent an enemy from establishing any operating bases anywhere in the Western Hemisphere. The air force must prevent an enemy navy landing anywhere in the Americas and so harass the enemy force that no substantial invasion can take place. This must continue until the fleet has accomplished its mission of destroying the enemy fleet or fleets in the one ocean and then returning to the other ocean, there to meet that enemy fleet. Therefore, I say it is very vital that we have a large air force ready at all times and that we have a large trained reserve of pilots.

This bill will result in very great benefit to the Army and Navy as it will certainly take the place of the 2 weeks' period of initial training and elimination which is so costly in time and money during a war. This will be the weeding-out process and will give us a large reserve of pilots whom we will know can fly airplanes. We can then readily train them for military flying as those men will be available and suitable immediately for training as military pilots. We will therefore have an adequate force of air reserves which is vital to the continued peace and the protection and defense of this Nation.

Mr. MILLER. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Connecticut.

Mr. MILLER. The gentleman realizes many of us are concerned about questions raised on the floor with reference to the training of men without 2 years of college or the equivalent of that. Does the gentleman feel it would be wise to add an amendment to this bill authorizing the training of, say, 5 or 10 percent of students without college qualifications? I believe this bill carries a provision for a medical board to study the effect on students. Would it not be a worth-while contribution to train a substantial group of, say, 750 or even 1,500 students who have not had the advantage of any college education, have them observed by this board, and see if there is any real merit to the theory under which we have operated that a college training is essential? I realize the value of college training to the advanced courses—meteorology, navigation, and such as that—but I still believe we have a place in our national defense for these natural-born flying fools who have not been to college.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. MAAS. Mr. Chairman, I think there is a great deal of merit to the suggestion made by the gentleman from Connecticut [Mr. MILLER], because in time of war, of course, we are not going to be able to supply all of our pilot needs with only college graduates. We will have to take men who are not college graduates. It may be well to take a small percentage of these trainees who are not now college students, so as to be ready, through proper study and preparation in advance, to utilize every available source in time of war. I think the suggestion is well worth considering.

[Here the gavel fell.]

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, there has been some discussion in connection with this bill and some ideas expressed indicating that it would exclude from the training program those who are not college graduates.

I believe that if you will read the hearings you will find it was the intention of the C. A. A. to provide this course not only to colleges but also to junior colleges, junior colleges which have perhaps 2 years of college training over and above the second 2 years of the ordinary high-school course.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Would there be included in that program normal schools that have a 2-year course?

Mr. HINSHAW. Any school that is qualified will be open to the C. A. A. program, as I understand.

Mr. LEA. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to my chairman, the gentleman from California.

Mr. LEA. In that connection I should like to call attention to the fact that a man can take this course without having gone to college at all.

Mr. HINSHAW. He can.

Mr. LEA. When he comes to be a junior in the junior college he is entitled to take the course.

Mr. HINSHAW. Mr. Chairman, I believe that is a very valuable contribution and should allay some of the fears that gentlemen have expressed here. A student can take that course without ever having gone through college by beginning in the first year of the college course or in the third year of the so-called junior-college course in States where they have the 6–4–4 plan.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Connecticut.

Mr. MILLER. While it is true one can do that, is it not true that most of the men who are now on the C. A. A. have publicly stated on many occasions that 2 years of college are essential?

Mr. HINSHAW. They have stated that in connection with the Regular Army fliers who are to obtain commissions as second lieutenants, but that is not at all a necessity in this particular case. I believe that is a mistaken idea on the part of the gentleman. This course, as I understand it, is to be offered to young men over 18 years of age, and at 18 years of age they generally have not had any college training whatever. Furthermore, I want you to know that this program as it is outlined in this bill will enable some of the boys who are not in college or not in school at all to take this course. They will take it through extension programs of the schools.

Mr. HAWKS. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Wisconsin.

Mr. HAWKS. Does this apply to a high-school graduate or a senior in high school?

Mr. HINSHAW. A high-school graduate or a senior in high school will be entitled to take this course as an extension student, perhaps in some other school, providing his own school does not have it.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Georgia.

Mr. PACE. The gentleman would not recommend going below the level of a high-school graduate in view of the scientific training that is necessary?

Mr. HINSHAW. I would not; no. I believe it is very important that these boys have a certain degree of training in mathematics and primary training in mechanics before they are allowed to take training on these ships.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Can the gentleman state how the selection will be made in case there are more applicants than can be taken care of who want to take the course and are qualified physically and mentally? How will the selection be made under such circumstances?

Mr. HINSHAW. There is no provision in the bill in that connection, but I would assume that in any public institution, all qualifications being equal among the applicants, they might draw lots. It is the intention of this bill to provide flight training to any and all comers regardless of their place in society, their wealth, their poverty, or any other thing.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Connecticut.

Mr. MILLER. I recall that of three of the outstanding aces of our own Army one had had 1 year in high school, and the other two had never been in high school, yet they made good pilots.

Mr. HINSHAW. That may be, but the technicalities of flying were not quite so advanced in those days as they are today; neither was the speed of planes so advanced as in these days. Anyone who could take a ship off the ground and hold it level in the air and do stunts with it could be a pilot then, but today ships are full of instruments, instruments that must be understood.

[Here the gavel fell.]

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, in recent months the President has left no doubt of his desire to place the air forces of the country on a basis of strength commensurate with the disturbed conditions throughout the world.

It cannot be denied that the air forces in event of war will play an important part. With each succeeding year it becomes more evident that adequate national defense requires more and more trained pilots ready to respond immediately when the emergency arises.

The purpose of this bill is to provide for the training of pilots under the direction and supervision of the Civil Aeronautics Authority. It contemplates the utilization of existing facilities, both public and private, wherever adaptable. This will include colleges and schools where appropriate courses of instruction are already being carried on and the development of other agencies that will make possible a broad program of preparedness. Congress has already made provision for extending and increasing the Air Service of the Army and Navy. This bill supplements what is being done through military channels by coordinating the facilities that are available in the commercial air service. The bill has the approval not only of the Civil Aeronautics Authority but also of the Army and Navy. It will undoubtedly prove a great forward step in our effort to provide a coordinated and strong Air Service, ready for any emergency at any time.

This bill is designed to fill this need by making it possible to provide the necessary reservoir of trained civilian pilots, drawn from qualified young men from every section of the country, to which the Nation's defense forces could turn in the event of a national emergency.

There is no doubt that the training program intended to be provided by this bill will be invaluable to the national defense. As a part of the program now under way to improve and strengthen our defensive forces, both military and civil, this bill is entitled to have favorable consideration.

Already foreign nations are far ahead of us in providing trained pilots and workers for aviation service. The testimony before the committee showed this fact.

In Germany the Government is giving intensive training in various phases of aeronautics, including flight training, to 65,000 young men between the ages of 18 and 35. Reports indicate that Germany is turning out 25,000 airmen annually, completely trained as experts—that is, pilots, mechanics, engineers, and so forth.

Preliminary aeronautical training is provided for boys of school age. In the nation's primary schools there are 1,000,000 boys between 10 and 12 years of age who are being instilled with the ambition to wear the wings of the German air force, and there are 100,000 youths between the ages of 13 and 17 who are members of the Hitler Youth, all destined for aviation service. Members of the Hitler Youth study aeronautics in schools, and glider building and flying at more than 300 summer gliding camps.

All young Germans in primary and high schools and in colleges study aeronautics and flying, both in connection with their regular schooling and as recreation and sport at summer camps and glider clubs.

In Italy the training of youths in aviation by the Italian Government is similar in many respects to the German scheme. Every male child in Italy between the ages of 6 to 20 is compelled by law to belong to the Italian Youth of the Littorio. Aviation training starts at 8 and continues through grade school, high school, and college. Glider instruction is given in high school, and glider and powered flight training

in college. Italian youths are required during this early schooling to decide in which branch of the military services—army, navy, or air force—they desire to serve later. Students selecting aviation are given flying and ground instruction in connection with their regular schooling, which prepares them for advanced military flying as soon as they have completed college.

There are 50,000 students in Italy specializing in aviation not included in the 120,000 members of the R. U. N. A., a Government-sponsored aeronautical society organized to stimulate interest in aviation. The Italian Government gives the R. U. N. A. flying schools 4,000 lira—$210—for each member achieving a pilot's license similar to our own private pilot's certificate.

In France the French Government has established 153 civil flying training centers, which are reported to have a total of 20,000 members. In these training centers youths between the ages of 17 and 21 are encouraged to take primary flight instruction, completion of which enables them to apply for advanced training in the French Air Force. For the year 1939 over 80,000,000 francs have been appropriated for civil flight training.

In Russia, according to reports from sources believed to be reliable, 600,000 youths are studying various phases of aeronautics in the educational institutions. The number of individuals receiving actual flight instruction is not known. There are reported to be 7,000,000 members of the Soviet Aviation Propaganda Society, in which all "workers" of the state are required to take an interest.

In England there was established in the summer of 1938 a Civil Air Guard, with 30,000 members, through which flight training is available to men and women between the ages of 18 and 50.

The Civil Air Guard is really government supervision of airplane clubs and flight schools. For every member of the guard receiving his "A" license—which corresponds to our private pilot rating—the British Government pays approximately $240 to the club or school. The Government also pays $72 to the clubs for each member of the guard securing renewal of licenses, in order to insure that the pilot continues to fly after he receives his "A" license.

Similar statistics could be presented with respect to many other nations less militaristic than those I have mentioned. It all indicates the importance, yes, the necessity of this Nation making some preparation. To do otherwise is to be derelict in our duty to provide an adequate national defense.

Of course, we are not willing as a nation to adopt the compulsory features that may prevail in the programs of some foreign nations. The program proposed by this bill does not contemplate anything other than voluntary training.

A careful survey of the sufficiency of our potential air-defense forces leaves no doubt that we do not have an adequate trained force to be utilized in case of national emergency. The bill merits favorable consideration. [Applause.]

Mr. LEA. Mr. Chairman, we have no further requests for time on this side.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Civilian Pilot Training Act of 1939."

SEC. 2. The Civil Aeronautics Authority is authorized, within the limits of available appropriations made by the Congress, to train civilian pilots or to conduct programs for such training, including studies and researches as to the most desirable qualifications for aircraft pilots. Such training or programs shall be conducted pursuant to such regulations as such Authority may from time to time prescribe, including regulations requiring students participating therein to maintain appropriate insurance and to pay such laboratory or other fees for ground-school training, not exceeding $40 per student, as the Authority may deem necessary or desirable. Such training or programs may be carried out either through the use of the facilities and personnel of the Authority or by contracts with educational institutions or other persons (as defined in section 1 (27) of the Civil Aeronautics Act of 1938).

Mr. VAN ZANDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT: On page 2, after line 9, add a new section as follows:

"Students shall be selected from all walks of life who have at least 2 years' college training or equivalent thereof so far as aviation is concerned, but at least 10 percent shall be selected from applicants who do not present 2 years' college education as a qualification."

Mr. VAN ZANDT. Mr. Chairman, first I want to congratulate the chairman and the committee for this splendid bill. It certainly coincides with my thought on the development of aviation, so far as our national defense is concerned.

The analysis of the bill presented to the committee by the chairman convinced me that eligibility for the program would be confined to college students with 2 years of college education or the equivalent thereof. He further convinced me those who appeared before his committee, speaking for the Civil Aeronautics Authority, assured him they would not confine the eligibility to college training or a college education. May I comment at this time by saying those who appeared before his committee, no doubt, will keep their word, but should they be replaced by others, this assurance to the committee may be forgotten, and then the boy who does not have a college education will be denied the privilege of taking advantage of this splendid program.

Mr. Chairman, keep in mind at the Army Flying School at San Antonio and at Pensacola Naval Flying School at present there are so many applicants only those who do possess a 2-year college education are accepted for the classes, and keep in mind further that today some of the best flyers in the United States are men who did not attend college. Some attended high school for 1 year or 2 years. Let us think of Colonel Lindbergh and Eddie Rickenbacker; let us think of Clarence Chamberlin; let us think of the father of the Army Air Corps, General Foulois; and last but not least let us think of one of our colleagues, the gentleman from Connecticut, BILL MILLER, who sits here to my left. He had no college education, but still he was a great flyer during the World War.

So the amendment which we offer at this time will give to the man who does not possess a 2-year college education an opportunity, if he has the necessary knowledge of aircraft or of flying, to participate in this program.

Do not forget that the World War was not won by officers. It was won by the buck privates and, today, in the Regular Army and Navy and Marine Corps 20 percent of your pilots are enlisted men. So why exclude the man who has not the opportunity to go to college? Give him who educates himself, through practical experience, an opportunity to take advantage of this program and develop to be, as we all hope, a crack flyer.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. STEFAN. The gentleman will agree that if we do not adopt this proposed section to this legislation the young man who comes from a poor family, who has been studying aviation and spending his own money, but was unable to go to school, will have absolutely no chance to participate or receive any benefits from this appropriation of the taxpayers' money.

Mr. VAN ZANDT. That is right.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. Yes.

Mr. MURDOCK of Arizona. I came in at this moment and did not hear all that the gentleman said, nor have I heard his offered amendment, but I call his attention to one thing confirming what has been said, and that is that Frank Luke, the Balloon Buster of Arizona, was one of the greatest flyers during the World War, and as I remember it he had only a high-school education. He was a student in the Phoenix Union High School, at Phoenix, Ariz. He was one of the most outstanding aviators in the World War. He was signally honored by the Congress of the United States even after his death. I know what high-school boys can do.

Mr. VAN ZANDT. That is correct, and may I conclude by saying that today there is a policy prevailing in the armed forces of our country unless you are a graduate of Annapolis or West Point, you have no right to be a commissioned officer in the Army, Navy, or Marine Corps. Who can guarantee this policy will not be the policy of the board charged

with the responsibility of selecting students for this air-training program?

Mr. HAWKS. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. Yes.

Mr. HAWKS. I would advise the gentleman that in my correspondence there are many letters from boys in high schools who indicate that their parents are too poor to send them to school, but they are vitally interested in flying and they would like to serve their country and would like to get into this kind of air training.

Mr. VAN ZANDT. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. LEA. Mr. Chairman, I rise in opposition to the amendment. I think it is unnecessary and undesirable to adopt such an amendment which places such a restriction on the program without, in my judgment, doing any good. As I tried to explain to the House a while ago, it is not necessary for a man to have 2 years of college training to take this course. A man who is a freshman in a junior college may qualify. He is qualified so far as his education is concerned. In addition to that, a boy who has never been to college can go to an extension school and qualify for this training.

It must be borne in mind that a flyer has a very important and technical responsibility if he ever becomes a real pilot. If one will look at the instrument board in front of the modern machine, he will realize that a man must have good mental as well as physical qualifications in order to make a good pilot. A man should not take a flying course unless he is able to take the ground course that is necessary to prepare him to be a flyer. If he is qualified to take that ground course, he can qualify under the plan proposed. It seems to me that this amendment would be a needless handicap on this program.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. LEA. Yes.

Mr. HALLECK. I call the attention of the chairman and members of the committee to the fact that the amendment as proposed provides, first, that students shall be selected from walks of life who have at least 2 years' college education or the equivalent thereof. I do not know what that means. As I have understood the proposed program, it contemplates, insofar as college training is concerned, the training of students who are actually in college, so that they are accessible, and they will take this work in conjunction with their college work, and they possibly might be started as the chairman said, in their freshman year, or certainly in their sophomore year, to the end that they be trained and trained at the time when the best job could be done. As I read this amendment, I do not know whether it would require the authority to take a man who had 2 years in college and who may have graduated from college 10 years before, and undertake to train him in this course, possibly exclusive of the students actually then in the university.

Mr. LEA. Yes; the first part of the proposed amendment is restrictive rather than in favor of a liberalization of the conditions required.

Mr. VAN ZANDT. Oh, if the gentleman from Indiana had continued to read, he would have read "so far as aviation is concerned." It confines it solely to those boys who have qualifications in aviation, not in education, but the gentleman's statement convinces me that the money that will be appropriated for this program will be used exclusively to train college students and will exclude the poor boy who cannot go to college.

Mr. LEA. Oh, no.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. LEA. Yes.

Mr. WADSWORTH. May I remind the chairman and the gentleman from Pennsylvania [Mr. VAN ZANDT] that included in this program is the use of all available flying schools in the United States that are not colleges or universities; so they are going to use noncollegiate institutions, the flying schools, and there are 19 of them already certified by C. A. A., and those boys will not even be college students.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. LEA. Yes.

Mr. MILLER. Would the chairman be opposed to an amendment that simply stated that 5 or 10 percent of the students selected for training under this authority shall be selected from applicants without college education? We have had this theory that 2 years or more of college is valuable to pilot training, and I agree it is for advanced training, but this is an experimental program.

Would the chairman be opposed to selecting 5 or 10 percent as a group to see how they compare, say, high-school graduates or those without college, and see how they compare physically and how they stand up under training, and whether, in case of national emergency, we could to advantage use that group?

Mr. LEA. Such an amendment would put a restriction against possibly a higher type. However, the plan is to include a great many who do not need this educational requirement of 2 years. That is very definitely a part of the plan.

[Here the gavel fell.]

Mr. HINSHAW. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, while I appreciate greatly the interest of the gentleman from Pennsylvania [Mr. VAN ZANDT] and the gentleman from Connecticut [Mr. MILLER] in securing flyers from all walks of life, may I say to them that the very fact that this program is to be inaugurated at all insures the fact that pilots shall come from all walks of life, because at the present time, in order to get training for a civilian pilot's license, they must spend as high as $1,000 or $2,000 for training. This gives the training free, with the exception of the laboratory fee in the amount of $40.

As far as the applicant having college training is concerned, there is nothing in this bill that requires that they shall have college training. On the other hand, the bill states that an appropriation shall be made by Congress "to train civilian pilots, or to conduct programs for such training, including studies and researches as to the most desirable qualifications for aircraft pilots. * * *"

I wish to assure the gentleman that in this phrase "most desirable qualifications for aircraft pilots" it has been indicated to the committee that it is quite probable they will find new sources of pilots, entirely apart from college surroundings.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. VAN ZANDT. The chairman of the committee in his analysis of the legislation made the statement, if my memory serves me correctly, that the representatives of the Civil Aeronautics Authority appeared before his committee and made the statement that the college education of 2 years or the equivalent thereof would be a part of the requirements.

Mr. HINSHAW. I think the gentleman must have misunderstood the chairman or the chairman must have misstated it himself, because they can, as I understand it, take this course at the beginning of their college work. They would not necessarily be required to have 2 years of college.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. HALLECK. It occurs to me that a part of the confusion arises out of the fact that, as I understand it, the Army requires 2 years' college education or its equivalent, under their rules. I think that is what the chairman had reference to.

Mr. VAN ZANDT. In my statement I made the assertion that the Civil Aeronautics Authority representatives who appeared before the committee assured the committee that they were going to extend this to all walks of life.

Mr. HINSHAW. That is right.

Mr. VAN ZANDT. But I further stated that the policy of the Army and Navy today will probably work its way into this program, and when it is all said and done, the college student will be the only one entitled to participate.

Mr. HINSHAW. May I disagree with the gentleman, because the selection of students will be made by the local institutions in conjunction with such people as may be appointed by the C. A. A.

Mr. YOUNGDAHL. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. YOUNGDAHL. May I call the attention of the gentleman from Pennsylvania [Mr. VAN ZANDT] to the testimony of Mr. Hinckley, given before the subcommittee of the Committee on Appropriations on this matter, where he said:

> Well, from the outset we contemplated that we would not strictly limit the enrollment to those young men that were in colleges; that we would permit anyone that could meet our qualifications to enroll through the extension divisions of the colleges, so that they would be under the same general supervision and so that we would not discriminate against the young men that can meet our qualifications but who are not enrolled in college; because if the young man can come in and meet our requirements, then he will be permitted to enroll through the extension divisions.

Mr. HINSHAW. I hope the amendment is defeated, because I believe the bill is adequate as it stands.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. MAAS. If the comment made by the gentleman from Minnesota [Mr. YOUNGDAHL] is correct, what objection is there to putting in a limitation which will insure that we will get the benefit of experimenting with some noncollege graduates? We will have to use many of them as pilots in time of war.

Mr. HINSHAW. There is no intention of using only college graduates. As a matter of fact, a freshman can take this.

Mr. MAAS. Well, I should say "college men." We will not be able to get all college men in time of war.

Mr. HINSHAW. I might add to that the junior colleges, which are not strictly colleges at all. For instance, a part of this program is taking place now in Pomona Junior College in California, which is under the public-school system.

[Here the gavel fell.]

Mr. REED of New York. I rise, Mr. Chairman, merely to get information, and I am not particular who gives it to me so long as he is well informed on the subject.

For some time a great deal has been said in the papers about this program of training men for aviation. The first approach to it in the press was that they were going to turn to the Youth Administration for material. The next thing I saw in the press was that they were going to set up these courses through vocational departments in the public schools. Is this a separate program from all of that propaganda, or has the whole scheme been modified and crystallized in this bill?

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. HINSHAW. I may answer the gentleman's inquiry by saying that the initial appropriation to the C. A. A. for this experimental course was made the middle of February and amounted to $100,000. It came from the N. Y. A., but there is no other connection.

Mr. REED of New York. What I am anxious to find out is whether there is any provision in legislation now pending or any proposal whatsoever to take up the question of aviation in high schools; or is the whole program embodied in this bill that is before us today?

Mr. HINSHAW. There is no restriction in this bill as to the institutions which will be used. It is generally assumed, however, that a person of high-school age is a little too young to be put in charge of such an expensive instrument as an airplane. The junior colleges and the colleges, however, would take care of that.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. STEFAN. Is it not a fact that most of the information put out by the C. A. A. and the N. Y. A. would indicate that most of this is going to colleges?

Mr. HINSHAW. To colleges and junior colleges. These are the places where men of the proper ages will be found.

By unanimous consent the pro forma amendments were withdrawn.

Mr. MILLER. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

> Amendment offered by Mr. MILLER as a substitute for the amendment offered by Mr. VAN ZANDT: Page 2, after line 9, insert a new section as follows:
>
> "SEC. 3. Five percent of the students selected for training under this Authority shall be selected from applicants without college education."

Mr. MILLER. Mr. Chairman, I offer this substitute amendment simply for the purpose of trying to get some assurance that whether or not the interpretation of the bill as now written would permit the selection of men without college education a certain number of such men will be taken.

All of our experience in dealing with those who have charge of the training of pilots in this country is to the contrary. I may say in passing, however, that I believe a finer group of men could not have been selected than those who now constitute the Civil Aeronautics Authority. Mr. Warner, who has recently been nominated as Chairman of the C. A. A., has made a wonderful contribution to the advancement of aviation in this country, and I have every confidence in his ability and judgment.

The committee chairman has assured us that there is nothing in this bill that requires that a trainee be a student in a college. I am simply asking that no matter what the policy of the C. A. A. may be in the future, at least a group of 5 percent of the total to be trained in this program—and we propose to train 15,000, and my amendment therefore would simply mean that 750 of these 15,000—will be men who have not had the opportunity of going to college. The phrase was used in the report and in the hearings before the committee that "any young man who can meet our qualifications will be permitted to take this training course." Thus far in the debate, however, nobody has told us what the qualifications are or what they may be, and I have a very strong fear, based on observations of the last several years, that we shall find that one of the qualifications at least will be some college training.

Even assuming that they do not put such requirement in their regulation, what is the harm of making sure that at least 5 percent are provided for? I fear that some of these young men will apply to the C. A. A. or some of these civil aviation schools, only to receive a letter reading:

> DEAR SIR: We regret that, because we have had so many college students applying for this training and our funds are so limited, your application cannot be accepted.

After all, $5,000,000 is not a very large sum of money with which to undertake a national training program, and I want to be certain that the colleges or the C. A. A. cannot write such a letter. I want to be certain, also, that the authorities will not issue a regulation precluding men without college training.

All my amendment does is to insure that at least 5 percent of these opportunities go to men who have not been able to secure a college training. If you want to double the number, it would be very agreeable to me. I would like to see half the men in this program taken from those who were not able to avail themselves of college training.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I yield.

Mr. VORYS of Ohio. Did not the gentleman intend his amendment to read "at least 5 percent"? As the amendment was read, the words "at least" did not appear.

Mr. MILLER. Yes. Mr. Chairman, I modify my amendment by adding before "5 percent" the words "at least."

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I yield.

Mr. WADSWORTH. Did I understand from hearing the amendment read by the Clerk that the gentleman used the phrase "college education"?

Mr. MILLER. Yes; "college education."

Mr. WADSWORTH. How would the gentleman define a man possessed of college education?

Mr. MILLER. I would define such a man as one who had attended a recognized college.

Mr. WADSWORTH. For how long?

Mr. MILLER. I would not say that he must have graduated. I would say that a man who had properly entered and attended one term would be college trained.

Mr. WADSWORTH. Even though he had been dropped for not being able to get through the first year?

Mr. MILLER. I would not say he was possessed of a college education.

Mr. WADSWORTH. Neither would I.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut [Mr. MILLER] that the amendment be corrected by inserting the words "at least"?

There was no objection.

Mr. LEA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I concur in the general thought that this training should not be limited to men who have a college education. There is abundant evidence that many men who have not had this advantage can perform such service creditably. However, this amendment is unnecessary. It is part of the plan to train men who have not had a college education. In fact, a large percentage of them will be of that type. In addition to that, it is planned to take in some men who do not qualify for primary training under the Army regulations. It is proposed to test out these young men and learn by human experience how far they can safely meet flying experience.

Mr. MAAS. Mr. Chairman, I ask unanimous consent to amend the substitute amendment by striking out the words "without any college education" and substituting the words "other than college students."

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota [Mr. MAAS]?

There was no objection.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Connecticut [Mr. MILLER] to the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. MILLER) there were—ayes 79, noes 28.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania as amended by the substitute amendment.

The amendment, as amended, was agreed to.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: Page 2, line 4, strike out the period, insert a colon, and the following: "*Provided*, That in the administration of this act none of the benefits of training or programs shall be denied on account of race, creed, or color."

Mr. DIRKSEN. Mr. Chairman, the purpose of the amendment is very simple, indeed. It seeks only to prevent discrimination in the administration of this act in order to make possible the benefits of this training and these programs to the Negroes of the United States.

The House and the Senate wrote into the Auxiliary Defense Act, which was approved by the President on the 3d of April 1939, a provision to the effect that there should be no discrimination and that all the benefits of a civilian training program should be made available to the Negroes as well.

That is the purpose of the amendment which I have offered and I certainly hope there will be no objection. The national-defense idea has been emphasized at great length here this afternoon. May I advise the Members of the House that the Negro citizenry of the country is moved by the same patriotic ardor and is possessed of the same aptitude in any field of national defense as anyone else. Negro soldiers fought with General Braddock in 1775. There were three or four thousand Negroes in the Revolutionary Army. There were Negro soldiers in the War of 1812 and 17 Negroes received the Congressional Medal of Honor in the War of 1861. They made a splendid record in the Spanish-American War and in the World War. The Eighth Illinois Infantry did yeoman service in the Spanish-American War of 1898 and was commanded by a Negro colonel by the name of John Marshall. There are today over 350 Negro civilian pilots in the United States of America. Let no one say that the Negro has not an aptitude for flying the same as the members of any other race. In view of the fact that they constitute a very integral portion of the population of this country, certainly the Congress does not want to discriminate against them. We have written in antidiscriminatory provisions in other enactments heretofore, including the Works Progress Administration Act and the National Defense Act which was signed by the President on the 3d of April 1939. Certainly this House, without a dissenting vote, ought to make sure that there will be no discrimination with respect to the program which is to be set up by the pending bill.

Mr. Chairman, I hope my amendment will be agreed to. [Applause.]

Mr. LEA. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois.

Mr. Chairman, the law authorizes no discrimination on the basis of race at the present time. A faithful administration of the law would disregard that, so far as it is based purely on the question of race. We have a few colored educational institutions in this country that may be able to qualify as training centers under this bill. It seems to me there is no contribution made to race equality to drag a thing like this forth that has no legitimate or necessary place in the legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The question was taken; and there were on a division (demanded by Mr. DIRKSEN)—ayes 71, noes 53.

So the amendment was agreed to.

Mr. VORYS of Ohio. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. VORYS of Ohio: Page 2, line 9, strike out the period, insert a colon, and add the following: "*Provided*, That no student shall be accepted until he consents in writing to serve in the armed forces of the United States in case of war."

Mr. VORYS of Ohio. Mr. Chairman, this amendment simply provides specifically what I understand is the reason for passing this authorization at all. It puts in a provision that I cannot find in the bill and have not found taken care of anywhere in any other way, that is, a requirement that nobody can get this training unless he consent in writing to serve his country in time of war. I appreciate that it would be impractical to attempt to enlist every one of these boys in one of the branches of the service where he might serve in time of emergency, but we certainly want to prevent any slacker or conscientious objector from getting merely free aviation training. As I take it, this is not an attempt to subsidize civil aeronautics any more than we subsidize the training of automobile drivers or others who merely want a job. It is to provide for the national defense. This amendment would provide that those who accepted this free training from the Government would sign up so they would thereafter be estopped from saying that the cause involved in a particular emergency was one in which they did not believe or to which they had conscientious objections, so we would not have to go after them with the draft in order to procure their services.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield to the gentleman from Indiana.

Mr. HALLECK. I take it the gentleman does not contend that if a minor in college signs such an agreement he would thereby be forced to sign up in the service in the event of war, whether or not he wanted to.

Mr. VORYS of Ohio. I believe if a minor signed such an agreement he would thereafter be estopped from urging his conscientious scruples against serving in time of war.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield to the gentleman from North Carolina.

Mr. BULWINKLE. If the gentleman's amendment should become law, will the gentleman please tell the Committee how we could enforce such a law and how the Government would enforce it?

Mr. VORYS of Ohio. I do not know.

Mr. BULWINKLE. That is what I am thinking.

Mr. VORYS of Ohio. I am just saying that if we have no assurance that we are doing anything except giving free airplane training to a lot of boys, we had better secure as much assurance as we can.

Mr. ROUTZOHN. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield to the gentleman from Ohio.

Mr. ROUTZOHN. Such an agreement, however, would have some moral effect on the boys who signed it.

Mr. VORYS of Ohio. It would have a moral effect and would serve to remove those who had any conscientious scruples against fighting and those students who might take this training with the very purpose, possibly, of crowding out other students who might want to serve for patriotic reasons. It would bar such students—slackers, or conscientious objectors—from getting this free training and would prevent persons who received the training from later urging conscientious scruples when called upon for service in time of an emergency. [Applause.]

Mr. BULWINKLE. Mr. Chairman, I rise in opposition to the amendment.

I am afraid, Mr. Chairman, that our mind is too much on national defense in considering this bill. It is intended to do something else besides provide aviators in time of war. This bill, if passed and enacted into law, will create as far as national defense is concerned, a reservoir of aviators, but will also do something greater than that: It will aid in training young men to enter civil life as commercial aviators.

Suppose the amendment offered by the gentleman from Ohio should become law. It is admitted here on the floor that nothing could be done about it. The agreement referred to might be a moral deterrent, but that is all. This is a serious proposition. This bill should pass as it came from the committee. I say this not because I am on the committee but because the committee, the chairman especially, for months has studied this question and has brought to the floor a bill that will be workable when enacted into law.

Mr. KITCHENS. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Arkansas.

Mr. KITCHENS. Does not the gentleman believe that a conscientious objector would be the last fellow in the world you would get up in the air as high as 10 feet?

Mr. BULWINKLE. I do not believe a slacker, who would know that when the time came he would sell out, just as did Grover Cleveland Bergdoll, would take this training.

Mr. Chairman, I do not believe this amendment amounts to anything practically. It means just an unnecessary vote.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I call attention to the fact that this is a civil aeronautics bill and has nothing to do directly with the training of pilots for the Army. This is merely to provide a reservoir from which such pilots may be selected.

In addition, the bill has a wider significance. It offers a certain amount of vocational training to the young men of this country, a vocational training to which many of them will not be able to aspire, not having the funds for taking such a course.

I urge that the amendment be defeated.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Does the committee then want the House to understand that this is really merely a subsidy for helping young people to get into the airplane business, and that all this talk about national defense has been a smoke screen?

Mr. HINSHAW. No; that is not true. The idea of the bill basically, as I say, is to form a reservoir from which young men can be selected. On the other hand, I recognize, as the gentleman must recognize, that a situation might develop in which a particular war might be declared in which certain young men might not wish to enter, although they might wish to enter some other war.

Mr. VORYS of Ohio. Does the gentleman want to have this money spent on young men who are unwilling to state in writing that they are willing to serve their country in time of war? Whether this is merely a moral deterrent or whether the students happen to be old enough, as many of them will, so the agreement will be a binding contract, in other words, whether it is a moral or a legal obligation, does the gentleman want to have any of this money spent on persons who will not agree that after receiving this training they will serve their country?

Mr. HINSHAW. I am satisfied with the bill as it stands.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Indiana.

Mr. HALLECK. I believe the gentleman is wise in pointing out that the program contemplated to some extent follows precedents heretofore established in other fields of vocational education. The Federal Government today is spending $22,000,000 a year in carrying on vocational education in the fields of agriculture, commerce, trade, and industry. This training approaches more closely those precedents of vocational training than does the strict military training carried on in the R. O. T. C., for instance.

Mr. HINSHAW. The gentleman has stated it very well.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The question was taken; and on a division (demanded by Mr. VORYS of Ohio) there were—ayes 30, noes 68.

So the amendment was rejected.

The Clerk read as follows:

SEC. 3. The Authority is authorized to lease or accept loans of such real property, and to purchase, lease, exchange, or accept loans of such personal property, as may be necessary or desirable for carrying out the provisions of this act.

SEC. 4. For the purpose of carrying out the provisions of this act the Authority, in addition to the powers hereby conferred and imposed upon it, may exercise all powers conferred upon said Authority by the Civil Aeronautics Act of 1938: *Provided*, That appointments of personnel for temporary service may be for periods not in excess of 1 year in any one case: *Provided further*, That the provisions of section 3709 of the Revised Statutes shall not apply to contracts with educational institutions and other persons for the use of aircraft or other facilities or for the performance of services authorized by section 2 of this act.

SEC. 5. Any executive department or independent establishment is hereby authorized to cooperate with the Authority in carrying out the purposes of this act, and for such purposes may lend or transfer to the Authority, by contract or otherwise, or if so requested by the Authority, lend to educational institutions or other persons cooperating with the Authority in the conduct of any such training or program, civilian officials, experts, or employees, aircraft and other property or equipment, and lands or buildings under its control and in excess of its own requirements.

SEC. 6. There is hereby authorized to be appropriated the sum of $5,675,000 for the purpose of carrying out the provisions of this act during the fiscal years 1939 and 1940 and such other sums as may be necessary to carry out such provisions during subsequent fiscal years. This act shall expire on July 1, 1944, and all contracts, leases, or other obligations entered into under this act shall expire on or prior to such date.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER of Wisconsin: On page 3, at the end of the last line, insert: "*Provided*, That no alien shall receive training under the provisions of this act."

Mr. SCHAFER of Wisconsin. Mr. Chairman, the committee report, page 2, indicates that this bill is a part of a national-defense program, in addition to being part of a program to increase the efficiency of our civil aviation industry. This Congress, by an overwhelming vote, has written into the W. P. A. appropriation a provision to keep aliens off the W. P. A. rolls. In view of the national-defense aspect of this proposed legislation, I believe that this House should unanimously accept this amendment.

We do not want to train youths who are aliens and then later find them in the aviation service of some foreign country with which we might be at war.

I sincerely hope the committee will adopt this real American amendment. There are many of us in America who, while we oppose Uncle Sam's meddling in the affairs of foreign countries and becoming a warmonger in foreign lands, will vote unlimited appropriations and will fight to the last drop of blood and to the last breath in order to protect America and the American people in America.

Mr. Chairman, I hope, in the interest of national defense and the security of America, this amendment will be adopted without opposition.

Mr. LEA. Mr. Chairman, I have no objection, and I think I express the sentiment of the committee, so far as I have been able to ascertain it, when I say there is no objection to the amendment.

The amendment was agreed to.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last word to bring to the attention of the chairman of the committee a very important part of this measure.

I am in favor of this legislation. I think it is an excellent measure, but section 6 does not appeal to me in its present form. This section provides that there is hereby authorized to be appropriated the sum of $5,675,000 for the purpose of carrying out the provisions of the act during the fiscal year 1939 and 1940, and such other sums as may be necessary to carry out such provisions during subsequent fiscal years. When you say "such other sums," you throw the amount wide open "during subsequent fiscal years." The amount is unlimited and any amendment offered on the floor of the House at a future date will be germane if this section passes in its present form.

I want to suggest to the chairman of the committee that he strike out, in line 14, the words "and such other sums as may be necessary" and substitute "not exceeding $10,000,000 a year to carry out such provisions during subsequent fiscal years." That, you must admit, is a very liberal amount. This would place a limitation on the amount that may be appropriated in future years. I do not believe we should pass legislation authorizing the Committee on Appropriations or authorizing the House and the Senate when considering an appropriation to appropriate any amount that may be desired. I hope the committee will agree there should be some limitation on the amount of money that can be appropriated in subsequent fiscal years. If it is found, after the operations of this act in 1939 and 1940, that it is advisable to increase the amount above, say $10,000,000, then I think we could bring in an amendment and it will pass, but why should we provide in legislation that the Civil Aeronautics Authority or any Member of the House or Senate could demand any sum, unlimited, that was desired?

Does not the gentleman from California feel that $10,000,000 for each subsequent year would be sufficient?

Mr. LEA. Mr. Chairman, the theory of the committee in leaving the amount open for subsequent years, was that we are engaging upon an experimental program, and the importance of it depends very largely upon what occurs in the world in the next few months.

In case it should become important to materially expand this program, it was thought best not to require further authorization for the appropriation, but that the Appropriations Committee would have control of future appropriations, and would limit them to what the necessities of economy require, and it was upon that theory that the committee wrote the bill in this shape.

Mr. COCHRAN. We are having examples every day in reference to appropriations. We fight here for days and days to cut down appropriations in the House. The bill then goes to another body and the amounts we reduce are raised. For instance, the other day referring to the Department of the Interior appropriation bill, the gentleman from Pennsylvania [Mr. RICH] made the statement that the Senate never even had the bill before it in its amended form as it came from the committee, but that it passed every amendment recommended by the Committee on Appropriations of the Senate without discussing one. I think he said every amendment was agreed to and the bill sent back to this House for conference. I really feel we should place a limit on the amount in this bill that can be appropriated. We can bring in an amendment at any time and increase the amount, and, if it can be justified, there will be no doubt but it will be agreed to. This is going to be a very popular act. There is no doubt about that, and the demands will be such, large appropriations will be asked for.

Mr. LEA. It seems to the committee, under the particular circumstances with which this legislation deals, that we should not limit the Government in what it may want to do. The committee agreed that it is better not to limit the amount for future years, but to leave that to Congress to decide, when it can make the decision in the face of the conditions existing at the time.

Mr. COCHRAN. Mr. Chairman, I say this is not a proper way to legislate. We can only assume what is going to happen. I know the young men of this country are going to appeal to Members of Congress for an opportunity to learn to become pilots, and so do you. Then again you are going to get appeals from every district in the country for an aviation field which this bill provides the Civil Aeronautics Authority can provide. The amount needed to comply with the requests is liable to be very large. If the limitation is placed in the law then any amount above that limit will be subject to a point of order. That is the way to hold down the activities to a reasonable sum. I repeat, Mr. Chairman, this is no way to legislate and I hope the chairman of the committee will see the wisdom of limiting the amount as I suggested.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. LEA. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. O'NEAL, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 5619 and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. LEA. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time and passed; and a motion to reconsider laid on the table.

AMENDING FEDERAL FOOD, DRUG, AND COSMETIC ACT

Mr. LEA. Mr. Speaker, by direction of the Committee on Interstate and Foreign Commerce I call up the bill (H. R. 5762) to amend the Federal Food, Drug, and Cosmetic Act.

The SPEAKER. The gentleman from California calls up the bill H. R. 5762, which the Clerk will report.

The Clerk read as follows:

Be it enacted, etc., That (a) the effective date of the following provisions of the Federal Food, Drug, and Cosmetic Act is hereby postponed until January 1, 1940: Sections 402 (c), 403 (e) (1), 403 (i) and (j), 501 (a) (4), 502 (b), 502 (d) to (h), inclusive, 601 (e), and 602 (b).

(b) No regulation promulgated under the provisions of section 403 (g) or (h) of the Federal Food, Drug, and Cosmetic Act shall become effective prior to January 1, 1940, except regulations prescribing definitions and standards of identity, standards of quality, or standards of fill of container, for foods for which standards of

quality were prescribed under section 8, paragraph fifth, under the heading "In the case of food:", of the Food and Drugs Act of June 30, 1906, as amended.

(c) The Secretary of Agriculture is hereby authorized further to postpone the effective date of the following labeling provisions of the Federal Food, Drug, and Cosmetic Act: Sections 403 (e) (1), 403 (g), (h), (i), and (j), 502 (b), 502 (d) to (h), inclusive, and 602 (b), but only insofar as such provisions are applicable to containers bearing labeling which, prior to February 1, 1939, was lithographed, etched, or fused on such containers, or blown or stamped therein, and only to the extent that the Secretary is of the opinion that compliance with such provisions would be unduly burdensome by reason of causing the loss of the use of valuable stocks of such containers. The authority granted to the Secretary under this subsection shall not in any case be exercised to postpone the effective date of any such provision beyond July 1, 1940. No postponement shall be made under this subsection with respect to the use of any container bearing labeling which would not have complied with the requirements of the Food and Drugs Act of June 30, 1906, as amended.

SEC. 2. Notwithstanding the provisions of section 1 of this act, such section shall not apply—

(1) To the provisions of section 502 (f) of the Federal Food, Drug, and Cosmetic Act, insofar as such provisions require the labeling to bear adequate warnings against unsafe dosage or methods or duration of administration or application; or

(2) To the provisions of section 502 (b) or section 502 (d) to (h), inclusive, of such act, insofar as such provisions relate to drugs to which section 505 of such act applies.

SEC. 3. Section 502 (d) of the Federal Food, Drug, and Cosmetic Act is hereby amended by striking out the words "name, quantity, and percentage" where they appear therein and substituting in lieu thereof "name and quantity or proportion."

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That (a) the effective date of the following provisions of the Federal Food, Drug, and Cosmetic Act is hereby postponed until January 1, 1940: Sections 402 (c); 403 (e) (1); 403 (g), (h), (i), (j), and (k); 501 (a) (4); 502 (b), (d), (e), (f), (g), and (h); 601 (e); and 602 (b).

"(b) The Secretary of Agriculture is hereby authorized further to postpone the effective date of the following labeling provisions of the Federal Food, Drug, and Cosmetic Act: Sections 403 (e) (1); 403 (g), (h), (i), (j), and (k); 502 (b), (d), (e), (f), (g), and (h); and 602 (b), to the extent that the operation of such provisions would be unduly burdensome by reason of the cost of compliance therewith, but only insofar as such postponement will not prevent the public interest being adequately served. The authority granted to the Secretary under this subsection shall not, in any case, be exercised (1) to postpone the effective date of any such provision beyond July 1, 1940, or (2) with respect to labeling which was lithographed, etched, stamped, printed, or otherwise manufactured after February 1, 1939. No postponement shall be made under this subsection with respect to labeling which would not have complied with the requirements of the Food and Drugs Act of June 30, 1906, as amended.

"SEC. 2. (a) The provisions of section 8, paragraph fifth, under the heading 'In the case of food:', of the Food and Drugs Act of June 30, 1906, as amended, and regulations promulgated thereunder, and all other provisions of such act to the extent that they may relate to the enforcement of such section 8 and of such regulations, shall remain in force until January 1, 1940.

"(b) The provisions of such act of June 30, 1906, as amended, to the extent that they impose, or authorize the imposition of, any requirement imposed by section 403 (k) of the Federal Food, Drug, and Cosmetic Act, shall remain in force until January 1, 1940.

"(c) Notwithstanding the provisions of section 1 of this act, such section shall not apply—

"(1) to the provisions of section 502 (d) and (e) of the Federal Food, Drug, and Cosmetic Act, insofar as such provisions relate to any substance named in section 8, paragraph second, under the heading 'In the case of drugs:', of the Food and Drugs Act of June 30, 1906, as amended, or a derivative of any such substance; or

"(2) to the provisions of section 502 (b), (d), (e), (f), (g), and (h) of the Federal Food, Drug, and Cosmetic Act, insofar as such provisions relate to drugs to which section 505 of such act applies.

"SEC. 3. Section 502 (d) of the Federal Food, Drug, and Cosmetic Act is hereby amended by striking out the words 'name, quantity, and percentage' where they appear therein and substituting in lieu thereof 'name and quantity or proportion.'"

Amend the title so as to read: "A bill to provide for temporary postponenent of the operations of certain provisions of the Federal Food, Drug, and Cosmetic Act."

The SPEAKER. This bill is on the Union Calendar. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5762, with Mr. O'NEAL in the chair.

The CHAIRMAN. Under the rules the gentleman from California is entitled to 1 hour and the gentleman from Michigan [Mr. MAPES] to 1 hour.

Mr. LEA. Mr. Chairman, I yield myself 15 minutes. Last year Congress passed a food, drug, and cosmetic act which went into effect on the 25th day of last June as to some of its principal features. Other important features were postponed as to effective date until June 25, 1939.

It has developed that the food, drug, and cosmetic industries are unable to provide the labels and to comply with the coal-tar provisions of the bill by the 25th of June. The regulations in reference to labeling were not announced until the 28th of December 1938. It is only within the last few days, if at all, that the regulations in reference to the use of coal-tar colors have been announced. No blame attaches on account of this delay. A creditable effort was made to thoroughly prepare regulations. It is admitted, by everybody interested, so far as I am aware, including representatives of the Food and Drug Administration, that further time is needed to comply with the new labeling requirements, and with the provisions requiring the use of coal-tar dyes certified by the Food and Drug Administration.

This bill would postpone until January 1, 1940, the effective date for compliance with the labeling and coal-tar provisions of the new law. The general purpose of the bill is to preserve the existing status under the act of 1906, as to these provisions, until January 1, 1940.

There are two fundamental provisions in the bill that provide for postponement. The first is the one to which I have referred, which gives a definite legal postponement until January 1, 1940.

The second is a provision in section 1 (b) which provides, in substance, that the Secretary of Agriculture may extend not beyond July 1, 1940, certain requirements as to the use of labels. It developed that many valuable stocks of labels are on hand, which comply with the existing law, but would not comply with certain provisions of the new act after they become effective next June or at the expiration of the postponement provided for in section (a) of the bill.

The Secretary would be given a discretionary power to permit the use of these old labels until July 1, 1940.

Such discretionary postponement of compliance given the Secretary, would be granted only on these conditions: That compelling the old labels to be discarded would be unduly burdensome; that it would not be against the public interest to extend the time; and that any extension granted shall not be beyond July 1, 1940. Such extensions apply only to labels manufactured prior to February 1, 1939.

In addition to that, the extension is not to be granted unless the labels used meet the requirements of the act of 1906.

There is no postponement of the effective date as to new drugs which were provided for in the act of 1938.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. CULKIN. Did I understand the gentleman to say the Food and Drug Administration is in full concurrence with this legislation?

Mr. LEA. The representative of the Food and Drug Administration agreed that all the extensions provided here should be granted.

Mr. CULKIN. As a matter of necessity?

Mr. LEA. Yes; a matter of just treatment. There was a question of whether it should be done legislatively or purely by administrative leniency without legal authority for the exercise of such discretion. The committee decided practically unanimously that the extension should be authorized by law.

Mr. CULKIN. Is the Food and Drug Administration on record in that respect, before the committee?

Mr. LEA. A representative appeared before the subcommittee and made a statement in substance as I have recited.

Mr. Chairman, I yield back the balance of my time.

Mr. MAPES. Mr. Chairman, as the gentleman from California [Mr. LEA], chairman of the committee, has said, this bill is reported by the Committee on Interstate and Foreign

Commerce by unanimous vote. I think it should be kept in mind that it in no way goes to the merits of the food and drug law. It simply postpones the time for putting into effect the labeling provisions of the act until January 1, 1940. It postpones the time for putting into effect the labeling provisions of the act until January 1, 1940, in all cases, and authorizes the Food and Drug Administration in its discretion to postpone the labeling provisions in individual cases after that time under certain conditions if it finds them unreasonably burdensome in any particular case.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. MAPES. I yield.

Mr. EBERHARTER. The present act, I understand, was passed last June?

Mr. MAPES. Yes.

Mr. EBERHARTER. According to the statement of the gentleman from California [Mr. LEA] some of these labels were manufactured in February of this year?

Mr. LEA. Yes.

Mr. EBERHARTER. Why is it that those persons had the labels manufactured after the act was in force? What explanation was given for that, if any?

Mr. MAPES. I am not familiar with the testimony upon which the gentleman from California made his statement that some of the labels had not been printed until February, but this is the fact, that the regulations of the department were not promulgated until approximately 6 months after the passage of the law. I am told by the gentleman from New York [Mr. WADSWORTH] that some of the regulations are not complete yet.

Mr. LEA. Perhaps the gentleman misunderstood or I misstated what I intended to state. This is confined to labels which were prepared before February 1 of this year. That limitation is placed with the view of preventing anybody from evading the law by subsequently printing labels to meet the old requirements instead of those in the old bill.

Mr. EBERHARTER. I thank the gentleman.

Mr. MAPES. I would like to say again that this legislation does not at all affect the merits of the Food and Drug Act. It simply postpones the effective date of the labeling provisions of the law until January 1, 1940.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That (a) the effective date of the following provisions of the Federal Food, Drug, and Cosmetic Act is hereby postponed until January 1, 1940: Sections 402 (c), 403 (e) (1), 403 (i) and (j), 501 (a) (4), 502 (b), 502 (d) to (h), inclusive, 601 (e), and 602 (b).

(b) No regulation promulgated under the provisions of section 403 (g) or (h) of the Federal Food, Drug, and Cosmetic Act shall become effective prior to January 1, 1940, except regulations prescribing definitions and standards of identity, standards of quality, or standards of fill of container, for foods for which standards of quality were prescribed under section 8, paragraph fifth, under the heading "In the case of food:", of the Food and Drugs Act of June 30, 1906, as amended.

(c) The Secretary of Agriculture is hereby authorized further to postpone the effective date of the following labeling provisions of the Federal Food, Drug, and Cosmetic Act: Sections 403 (e) (1), 403 (g), (h), (i), and (j), 502 (b), 502 (d) to (h), inclusive, and 602 (b), but only insofar as such provisions are applicable to containers bearing labeling which, prior to February 1, 1939, was lithographed, etched, or fused on such containers, or blown or stamped therein, and only to the extent that the Secretary is of the opinion that compliance with such provisions would be unduly burdensome by reason of causing the loss of the use of valuable stocks of such containers. The authority granted to the Secretary under this subsection shall not, in any case, be exercised to postpone the effective date of any such provision beyond July 1, 1940. No postponement shall be made under this subsection with respect to the use of any container bearing labeling which would not have complied with the requirements of the Food and Drugs Act of June 30, 1906, as amended.

SEC. 2. Notwithstanding the provisions of section 1 of this act, such section shall not apply—

(1) To the provisions of section 502 (f) of the Federal Food, Drug, and Cosmetic Act, insofar as such provisions require the labeling to bear adequate warnings against unsafe dosage or methods or duration of administration or application; or

(2) To the provisions of section 502 (b) or section 502 (d) to (h), inclusive, of such act, insofar as such provisions relate to drugs to which section 505 of such act applies.

SEC. 3. Section 502 (d) of the Federal Food, Drug, and Cosmetic Act is hereby amended by striking out the words "name, quantity, and percentage" where they appear therein and substituting in lieu thereof "name and quantity or proportion."

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That (a) the effective date of the following provisions of the Federal Food, Drug, and Cosmetic Act is hereby postponed until January 1, 1940: Sections 402 (c); 403 (e) (1); 403 (g), (h), (i), (j), and (k); 501 (a) (4); 502 (b), (d), (e), (f), (g), and (h); 601 (e); and 602 (b).

"(b) The Secretary of Agriculture is hereby authorized further to postpone the effective date of the following labeling provisions of the Federal Food, Drug, and Cosmetic Act: Sections 403 (e) (1); 403 (g), (h), (i), (j), and (k); 502 (b), (d), (e), (f), (g), and (h); and 602 (b); to the extent that the operation of such provisions would be unduly burdensome by reason of the cost of compliance therewith, but only insofar as such postponement will not prevent the public interest being adequately served. The authority granted to the Secretary under this subsection shall not, in any case, be exercised (1) to postpone the effective date of any such provision beyond July 1, 1940; or (2) with respect to labeling which was lithographed, etched, stamped, printed, or otherwise manufactured after February 1, 1939. No postponement shall be made under this subsection with respect to labeling which would not have complied with the requirements of the Food and Drugs Act of June 30, 1906, as amended.

"SEC. 2. (a) The provisions of section 8, paragraph fifth, under the heading 'In the case of food:', of the Food and Drugs Act of June 30, 1906, as amended, and regulations promulgated thereunder, and all other provisions of such act to the extent that they may relate to the enforcement of such section 8 and of such regulations, shall remain in force until January 1, 1940.

"(b) The provisions of such act of June 30, 1906, as amended, to the extent that they impose, or authorize the imposition of, any requirement imposed by section 403 (k) of the Federal Food, Drug, and Cosmetic Act, shall remain in force until January 1, 1940.

"(c) Notwithstanding the provisions of section 1 of this act, such section shall not apply—

"(1) to the provisions of section 502 (d) and (e) of the Federal Food, Drug, and Cosmetic Act, insofar as such provisions relate to any substance named in section 8, paragraph second, under the heading 'In the case of drugs:', of the Food and Drugs Act of June 30, 1906, as amended, or a derivative of any such substance; or

"(2) to the provisions of section 502 (b), (d), (e), (f), (g), and (h) of the Federal Food, Drug, and Cosmetic Act, insofar as such provisions relate to drugs to which section 505 of such act applies.

"SEC. 3. Section 502 (d) of the Federal Food, Drug, and Cosmetic Act is hereby amended by striking out the words 'name, quantity, and percentage' where they appear therein and substituting in lieu thereof 'name and quantity or proportion.'"

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. LEA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. O'NEAL, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 5762) to amend the Federal Food, Drug, and Cosmetic Act, directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

Mr. LEA. Mr. Speaker, I move the previous question on the bill and the amendment to final passage.

The previous question was ordered.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to provide for temporary postponement of the operations of certain provisions of the Federal Food, Drug, and Cosmetic Act."

A motion to reconsider was laid on the table.

AMENDMENT OF SECTION 503 (B) OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT

Mr. CROSSER. Mr. Speaker, by direction of the Committee on Interstate and Foreign Commerce, I call up the bill (H. R. 5379) to amend the act entitled "An act to prohibit the movement in interstate commerce of adulterated and misbranded food, drugs, devices, and cosmetics, and for other purposes," approved June 25, 1938.

The Clerk read the title of the bill.

Mr. WADSWORTH. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from New York rise?

Mr. WADSWORTH. Mr. Speaker, I desire to make a point of order, but before doing so I ask unanimous consent to proceed for 1 minute to ask the chairman of the Committee on Interstate and Foreign Commerce a question.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WADSWORTH. Is it the intention of the gentleman from California to push these next two bills through this afternoon?

Mr. LEA. We had hoped to be able to complete these bills this afternoon, at least to complete the one which has just been called up, and then to call up the other.

Mr. WADSWORTH. If that be the intention, I shall be constrained to raise the point of no quorum.

Mr. LEA. It is only quarter past 3. We could not adjourn this early in the afternoon.

Mr. WADSWORTH. It would be very pleasant if we could adjourn.

Mr. LEA. It is always pleasant to be out in the open air and the sunshine. We cannot, unfortunately, do so whenever we want to.

Mr. WADSWORTH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and sixty-one Members are present, not a quorum.

Mr. LEA. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 53]

Anderson, Calif.	Crowther	Jacobsen	Pierce, N. Y.
Arends	Curley	Keefe	Rich
Barton	Darden	Kennedy, Md.	Robinson, Utah
Bell	Delaney	Kennedy, Michael	Rockefeller
Blackney	Douglas	Kerr	Sacks
Bland	Drewry	Kleberg	Sandager
Bolles	Eaton, N. J.	Lambertson	Sasscer
Brewster	Elliott	McArdle	Secrest
Buckley, N. Y.	Engel	McGehee	Simpson
Burdick	Evans	McLaughlin	Sirovich
Burgin	Fish	McReynolds	Smith, Ill.
Byron	Ford, Leland M.	Magnuson	Smith, Wash.
Cannon, Fla.	Gavagan	Mansfield	Stearns, N. H.
Cartwright	Geyer, Calif.	Mitchell	Sullivan
Case, S. Dak.	Gifford	Murdock, Utah	Sweeney
Chapman	Green	O'Brien	Terry
Cole, Md.	Gwynne	Osmers	Tinkham
Colmer	Hart	O'Toole	Welch
Connery	Hartley	Owen	White, Idaho
Creal	Hendricks	Pfeifer	Williams, Del.

The SPEAKER. On this roll call 350 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a speech delivered last Saturday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE FEDERAL GOVERNMENT CANNOT CONFISCATE SUBMERGED LANDS OWNED BY STATES

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point and to include therein certain quotations from decisions of the Supreme Court.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ANGELL. Mr. Speaker, as a Representative of the Third Congressional District of Oregon, I desire to make some observations with reference to House Joint Resolution 181 and House Joint Resolution 176, now pending before this Congress, pertaining to submerged lands. These resolutions have for their purpose an attempt on the part of the Federal Government to confiscate the titles to these lands lying under navigable waterways which from the very beginning of our country have been held to be the property in fee of the several States in which such lands lie. My own State of Oregon, bordering on the Pacific Ocean and having the Columbia River (second largest river in the United States) as one of its boundary lines, and having many public works and other improvements erected over such submerged lands, is vitally interested in this legislation. All States with submerged lands are equally interested.

Yesterday I presented to the Congress House Joint Memorial No. 3 of the Legislature of the State of Oregon, adopted at a recent session of that body, which resolution is as follows:

To the honorable Senate and House of Representatives of the United States, in Congress assembled:

We, the memorialists, the Fortieth Legislative Assembly of the State of Oregon, convened in regular session, respectfully represent that:

Whereas the State of Oregon (in common with other western States) has acquired and exercised jurisdiction and control over the nonnavigable waters of the State and over navigable waters of the State, excepting insofar as the Federal Government has exercised jurisdiction and control over such navigable streams for navigation purposes; and

Whereas titles to the waters within the State have been acquired, adjudicated, and determined in this State under the Oregon system of water titles and very large, extensive, and complicated property values have been built up in reliance upon such titles and the continuance of such system of titles for the protection of both perfected and inchoate rights; and

Whereas any suspension of such system of water titles or interference with its continued operation or the inauguration of a new system for future acquired rights or the completion of existing inchoate rights will result in chaotic conditions, loss of property values, instability of titles, and retardation of the development of our water resources: Now, therefore, be it

Resolved by the House of Representatives of the State of Oregon (the senate jointly concurring therein), That the State of Oregon asserts the principle of State ownership and control of both navigable and nonnavigable waters of the State, subject only to such control by the United States as may be necessary in the actual preservation of the navigability of navigable streams, and hereby request our representatives in Congress to oppose any action upon the part of the Federal Government tending to deprive this State of such rights.

Resolved, That a certified copy of this joint memorial be sent forthwith to the President of the United States and the President of the United States Senate, the Speaker of the House of Representatives, and to each of the Members of the congressional delegation from the State of Oregon.

GENERAL STATEMENT

Mr. Speaker, while these resolutions are concerned only with oil deposits on submerged lands, and the Hobbs resolution (H. J. Res. 176) only with such petroleum deposits in the State of California, the principle involved is equally applicable to every State in the Union having submerged lands and particularly to those States bordering upon the ocean. Oregon has no commercial oil fields, but is interested in the broad question involved as it is equally applicable to docks and to the structures over waters adjacent to the shore line, as well as to mineral deposits under the waters.

PROPONENTS' CONTENTIONS

It is my understanding that the proponents of this legislation take the position that neither the individual States nor the United States has title to the submerged lands below low-water mark and extending out to the 3-mile limit, but that the United States, by virtue of its power to regulate interstate and foreign commerce and to provide for the national defense and maintain a Navy, and by reason of its national sovereignty, has a right to appropriate petroleum products in the submerged lands below low-water mark and within the 3-mile limit.

PROPOSITIONS MAINTAINED

Mr. Speaker, I maintain the following propositions:

First. Title to the submerged lands in question is owned by the State in whose territory the lands lie.

Second. The United States has no title of any kind in and to these lands or to the petroleum products or minerals under the soil. Its only rights therein are such as are given to it by the Constitution, extending power over interstate and foreign commerce.

Third. Under the Constitution the United States is a Government of delegated powers and has only such national sovereignty as is given to it by the Constitution. The States

retain all the sovereign powers they originally had before the compact was entered into in establishing the United States, and all of these residuary powers are still held by the States except the powers delegated by the Constitution to the United States.

Fourth. The National Government has the right to provide and maintain a Navy and provide for the national defense, but in doing so it is subject to the provisions of the Constitution and cannot deprive a State or an individual of its property or rights without due process of law, including just compensation.

TITLE TO SUBMERGED LANDS

I call attention to the act of Congress admitting the State of Oregon into the Union, wherein it is provided in section 1:

Admission of State—Boundaries: That Oregon be, and she is hereby, received into the Union on an equal footing with the other States in all respects whatever, with the following boundaries: In order that the boundaries of the State may be known and established, it is hereby ordained and declared that the State of Oregon shall be bounded as follows, to wit: Beginning 1 marine league at sea, due west from the point where the forty-second parallel of north latitude intersects the same; thence northerly, at the same distance from the line of the coast lying west and opposite the State, including all islands within the jurisdiction of the United States, to a point due west and opposite the middle of the north ship channel of the Columbia River; thence easterly, to and up the middle channel of said river, and, where it is divided by islands, up the middle of the widest channel thereof, to a point near Fort Walla Walla, where the forty-sixth parallel of north latitude crosses said river; thence east, on said parallel, to the middle of the main channel of the Shoshone or Snake River; thence up the middle of the main channel of said river, to the mouth of the Owyhee River; thence due south, to the parallel of latitude 42 degrees north; thence west, along said parallel, to the place of beginning, including jurisdiction in civil and criminal cases upon the Columbia River and Snake River, concurrently with States and Territories of which those rivers form a boundary in common with this State.

There are two provisions of this act that are important in considering this legislation: First, Oregon was admitted into the Union on an equal footing with all other States in all respects whatever; second, it is recognized that the territorial boundaries of Oregon extend 1 marine league at sea. From this specific provision it was recognized by the United States in its compact in admitting the State into the Union that the submerged lands in question are a part of the territory of Oregon. The rule with respect to ownership of the submerged lands lying above low-water mark and those lying outside of the low-water mark and to the 3-mile limit is the same. The courts have made no distinction with respect to such submerged lands.

The United States Supreme Court, early in our history, held that submerged lands lying below low-water mark are exclusively owned by the State on whose maritime border and within whose jurisdiction they lie. The Court held in *Smith* v. *Maryland* (18 How. 71):

Whatever soil below low-water mark in the subject of exclusive propriety and ownership belongs to the State on whose maritime border, and within whose jurisdiction it lies, subject to any lawful grants of that soil by the State or the sovereign power which governed its territory before the Declaration of Independence.

The question of the title and ownership to these submerged lands in Oregon has been adjudicated by the United States Supreme Court on two separate occasions. The cases to which I refer are *Shively* v. *Bowlby*, decided March 5, 1894 (152 U. S. 1), and *United States* v. *Oregon*, decided April 1, 1935 (295 U. S. 1). It is submitted that the principles of law enunciated in these two decisions determine definitely that the title to the submerged lands under consideration is vested in the State, and the Federal Government has no title therein or any interest or control over them other than such rights as have been given to the United States by the Constitution with respect to interstate and foreign commerce.

The Court in Shively against Bowlby said:

(P. 11.)

I. By the common law, both the title and the dominion of the sea, and of rivers and arms of the sea, where the tide ebbs and flows, and of all the lands below high-water mark, within the jurisdiction of the Crown of England, are in the King. Such waters, and the lands which they cover, either at all times, or at least when the tide is in, are incapable of ordinary and private occupation, cultivation, and improvement; and their natural and primary uses are public in their nature, for highways of navigation and commerce, domestic and foreign, and for the purpose of fishing by all the King's subjects. Therefore the title, jus privatum, in such lands, as of waste and unoccupied lands, belongs to the King as the sovereign; and the dominion thereof, jus publicum, is vested in him as the representative of the nation and for the public benefit. * * *

(P. 13.)

In England, from the time of Lord Hale, it has been treated as settled that the title in the soil of the sea, or of arms of the sea, below ordinary high-water mark, is in the King, except so far as an individual or a corporation has acquired rights in it by express grant, or by prescription or usage; * * *

It is equally well settled that a grant from the sovereign of land bounded by the sea, or by any navigable tidewater, does not pass any title below high-water mark, unless either the language of the grant, or long usage under it, clearly indicates that such was the intention. * * *

By the law of England, also, every building or wharf erected, without license, below high-water mark, where the soil is the King's, is a purpresture, and may, at the suit of the King, either be demolished, or be seized and rented for his benefit, if it is not a nuisance to navigation. * * *

(Pp. 14 and 15.)

The English possessions in America were claimed by right of discovery. Having been discovered by subjects of the King of England, and taken possession of in his name, by his authority or with his assent, they were held by the King as the representative of and in trust for the Nation, and all vacant lands, and the exclusive power to grant them, were vested in him. The various charters granted by different monarchs of the Stuart dynasty for large tracts of territory on the Atlantic coast conveyed to the grantees both the territory described and the powers of government, including the property and the dominion of lands under tidewaters. And upon the American Revolution, all the rights of the Crown and of Parliament vested in the several States, subject to the rights surrendered to the National Government by the Constitution of the United States. *Johnson* v. *McIntosh*, 8 Wheat 543, 595; *Martin* v. *Waddell*, 16 Pet. 367, 408–410, 414; *Commonwealth* v. *Roxbury*, 9 Gray, 451, 478–481; *Stevens* v. *Paterson & Newark Railroad*, 5 Vroom (34 N. J. Law) 532; *People* v. *New York & Staten Island Ferry*, 68 N. Y. 71. * * *

(P. 26.)

IV. The new States admitted into the Union since the adoption of the Constitution have the same rights as the original States in the tidewaters, and in the lands below the high-water mark, within their respective jurisdictions. * * *

(Pp. 26, 27, and 28.)

In *Pollard* v. *Hagan* (1844), this court, upon full consideration (overruling anything to the contrary in *Pollard* v. *Kibbe* (14 Pet. 353); *Mobile* v. *Eslava* (16 Pet. 234); *Mobile* v. *Hallett* (16 Pet. 261); *Mobile* v. *Emanuel* (1 How. 95); and *Pollard* v. *Files* (2 How. 591)), adjudged that upon the admission of the State of Alabama into the Union, the title in the lands below high-water mark of navigable waters passed to the State, and could not afterward be granted away by the Congress of the United States. Mr. Justice McKinley, delivering the opinion of the Court (Mr. Justice Catron alone dissenting), said: "We think a proper examination of this subject will show that the United States never held any municipal sovereignty, jurisdiction, or right of soil, in and to the territory of which Alabama or any of the new States were formed; except for temporary purposes, and to execute the trusts created by the acts of the Virginia and Georgia Legislatures, and the deeds of cession executed by them to the United States, and the trust created by the treaty with the French Republic of the 30th of April, 1803, ceding Louisiana. When the United States accepted the cession of the territory, they took upon themselves the trust to hold the municipal eminent domain for the new States, and to invest them with it to the same extent, in all respects, that it was held by the States ceding the territories. When Alabama was admitted into the Union, on an equal footing with the original States, she succeeded to all the rights of sovereignty, jurisdiction, and eminent domain, which Georgia possessed at the date of the cession, except so far as this right was diminished by the public lands remaining in the possession and under the control of the United States, for the temporary purposes provided for in the deed of cession and the legislative acts connected with it. Nothing remained to the United States, according to the terms of the agreement, but the public lands" (3 How. 221–223.) "Alabama is therefore entitled to the sovereignty and jurisdiction over all the territory within her limits, subject to the common law, to the same extent that Georgia possessed it before she ceded it to the United States. To maintain any other doctrine is to deny that Alabama has been admitted into the Union on an equal footing with the original States, the Constitution, laws, and compact to the contrary notwithstanding." "Then to Alabama belong the navigable waters, and soils under them, in controversy in this case, subject to the rights surrendered by the Constitution to the United States" (3 How. 228, 229). * * *

(Pp. 29 and 30.)

In *Weber* v. *Harbor Commissioners*, it was held that a person afterward acquiring the title of the city in a lot and wharf below high-water mark had no right to complain of works constructed by commissioners of the State, under authority of the legislature, for the protection of the harbor and the convenience of shipping, in front of his wharf, and preventing the approach of vessels to it; and Mr. Justice Field, in delivering judgment, said: "Although the title to the soil under the tidewaters of the bay was acquired by the United States by cession from Mexico, equally with the title

to the upland, they held it only in trust for the future State. Upon the admission of California into the Union upon equal footing with the original States, absolute property in, and dominion and sovereignty over, all soils under the tidewaters within her limits passed to the State, with the consequent right to dispose of the title to any part of said soils in such manner as she might deem proper, subject only to the paramount right of navigation over the waters, so far as such navigation might be required by the necessities of commerce with foreign nations or among the several States, the regulation of which was vested in the general government" (18 Wall. 65, 66).

In the very recent case of *Knight* v. *United States Land Association*, Mr. Justice Lamar, in delivering judgment, said: "It is the settled rule of law in this court that absolute property in, and dominion and sovereignty over, the soils under the tidewaters in the original States were reserved to the several States; and that the new States since admitted have the same rights, sovereignty, and jurisdiction in that behalf, as the original States possess within their respective borders. Upon the acquisition of the territory from Mexico, the United States acquired the title to tidelands, equally with the title to upland; but with respect to the former they held it only in trust for the future States that might be erected out of such territory" (142 U. S. 183). In support of these propositions he referred to *Martin* v. *Waddell*, *Pollard* v. *Hagan*, *Mumford* v. *Wardwell*, and *Weber* v. *Harbor Commissioners*, above cited. * * *

The Court, after reviewing the law in its former decisions, specifically held with respect to the title to the submerged lands in Oregon that the title was vested in the State, saying:

(P. 52.)

By the law of the State of Oregon, as declared and established by the decisions of its supreme court, the owner of upland bounding on navigable water has no title in the adjoining lands below high-water mark, and no right to build wharves thereon, except as expressly permitted by statutes of the State; but the State has the title in those lands, and, unless they have been so built upon with its permission, the right to sell and convey them to anyone, free of any right in the proprietor of the upland, and subject only to the paramount right of navigation inherent in the public. *Hinman* v. *Warren* (6 Oregon, 408); *Parker* v. *Taylor* (7 Oregon, 435); *Parker* v. *Rogers* (8 Oregon, 183); *Shively* v. *Parker* (9 Oregon, 500); *McCann* v. *Oregon Railway* (13 Oregon, 455); *Bowlby* v. *Shively* (22 Oregon, 410). See also *Shively* v. *Welch* (10 Sawyer, 136, 140, 141). * * *"

The court's conclusions are significant:

(Pp. 57 and 58.)

Lands under tidewaters are incapable of cultivation or improvement in the manner of lands above high-water mark. They are of great value to the public for the purposes of commerce, navigation, and fishery. Their improvement by individuals, when permitted, is incidental or subordinate to the public use and right. Therefore the title and the control of them are vested in the sovereign for the benefit of the whole people.

At common law, the title and the dominion in lands flowed by the tide were in the king for the benefit of the nation. Upon the settlement of the colonies, like rights passed to the grantees in the royal charters, in trust for the communities to be established. Upon the American Revolution these rights, charged with a like trust, were vested in the original States within their respective borders, subject to the rights surrendered by the Constitution to the United States.

Upon the acquisition of a Territory by the United States, whether by cession from one of the States, or by treaty with a foreign country, or by discovery and settlement, the same title and dominion passed to the United States, for the benefit of the whole people, and in trust for the several States to be ultimately created out of the Territory.

The new States admitted into the Union since the adoption of the Constitution have the same rights as the original States in the tidewaters, and in the lands under them, within their respective jurisdictions. The title and rights of riparian or littoral proprietors in the soil below high-water mark, therefore, are governed by the laws of the several States, subject to the rights granted to the United States by the Constitution.

The United States, while they hold the country as a Territory, having all the powers both of national and of municipal government, may grant, for appropriate purposes, titles or rights in the soil below high-water mark of tidewaters. But they have never done so by general laws; and, unless in some case of international duty or public exigency, have acted upon the policy, as most in accordance with the interest of the people and with the object for which the Territories were acquired, of leaving the administration and disposition of the sovereign rights in navigable waters, and in the soil under them, to the control of the States, respectively, when organized and admitted into the Union.

Grants by Congress of portions of the public lands within a Territory to settlers thereon, though bordering on or bounded by navigable waters, convey, of their own force, no title or right below high-water mark, and do not impair the title and dominion of the future State when created; but leave the question of the use of the shores by the owners of uplands to the sovereign control of each State, subject only to the rights vested by the Constitution in the United States.

The donation land claim, bounded by the Columbia River, upon which the plaintiff in error relies, includes no title or right in the land below high-water mark; and the statutes of Oregon, under which the defendants in error hold, are a constitutional and legal exercise by the State of Oregon of its dominion over the lands under navigable waters.

Mr. Speaker, this holding by the Supreme Court definitely establishes that the ownership, sovereignty, and control of all of the submerged lands within the territorial boundaries of Oregon which extend out 3 miles from the shoreline on the Pacific Ocean are vested in the State of Oregon, and the United States has no ownership, control, or dominion over the same, that such powers as are delegated to it by the Constitution with respect to navigation and commerce are not to be construed as ownership and do not give to the Federal Government any indicia of ownership, that the sovereignty with respect to such lands is vested in the States and not in the Federal Government.

The Supreme Court in the later case, in which the State of Oregon was a party—United States against Oregon—reexamined this same question and again laid down this definite rule, the Court, speaking through Mr. Justice Stone, said:

(P. 8.)

The State of Oregon was admitted to the Union on February 14, 1859. At that date the area within the meander line was a part of the public domain of the United States. No part of it has ever been disposed of, in terms, by any grant of the United States. Decision of the principal issues raised by the pleadings and proof turns on the question whether the area involved underlay navigable waters at the time of the admission of Oregon to statehood. If the waters were navigable in fact, title passed to the State upon her admission to the Union (*Shively* v. *Bowlby*, 152 U. S. 1, 26–31; *Scott* v. *Lattig*, 227 U. S. 229, 242, 243; *Oklahoma* v. *Texas*, 258 U. S. 574, 583, 591; *United States* v. *Utah*, 283 U. S. 64, 75). If the waters were nonnavigable, our decision must then turn on the question whether the title of the United States to the lands in question, or part of them, has passed to the State. * * *

(P. 14.)

Dominion over navigable waters and property in the soil under them are so identified with the sovereign power of government that a presumption against their separation from sovereignty must be indulged in construing either grants by the sovereign of the lands to be held in private ownership or transfer of sovereignty itself. (See *Massachusetts* v. *New York*, 271 U. S. 65, 89.) For that reason, upon the admission of a State to the Union, the title of the United States to lands underlying navigable waters within the States passes to it, as incident to the transfer to the State of local sovereignty, and is subject only to the paramount power of the United States to control such waters for purposes of navigation in interstate and foreign commerce. But if the waters are not navigable in fact, the title of the United States to land underlying them remains unaffected by the creation of the new State. (See *United States* v. *Utah*, supra, 75; *Oklahoma* v. *Texas*, supra, 583, 591.) Since the effect upon the title to such lands is the result of Federal action in admitting a State to the Union, the question whether the waters within the State under which the lands lie are navigable or nonnavigable is a Federal, not a local, one. It is therefore to be determined according to the law and usages recognized and applied in the Federal courts, even though, as in the present case, the waters are not capable of use for navigation in interstate or foreign commerce (*United States* v. *Holt State Bank*, 270 U. S. 49, 55, 56; *United States* v. *Utah*, supra, 75; *Brewer-Elliott Oil Co.* v. *United States*, 260 U. S. 77, 87). * * *

It is submitted that, as shown by the holdings of the Supreme Court in the two cases in which titles to Oregon lands were involved, which cases follow the uniform rule laid down by the Court, the titles to the submerged lands under consideration are vested in the respective States within whose boundaries they lie, and, therefore, the contention by the proponents of the legislation, that the title is vested in no one, is untenable. The title being in the State, it follows that the United States does not have any jurisdiction or control over the lands themselves or the petroleum products or minerals that may lie beneath the soil.

POWER TO PROVIDE NATIONAL DEFENSE AND MAINTAIN A NAVY

It remains to consider the question as to whether or not the powers of the National Government to provide and maintain a navy and provide for the national defense gives the Government the power to take the petroleum products in question. Having reached the conclusion that the title to these lands is vested in the States, and that under their sovereign powers they have the right not only to hold and control the land, but also to dispose of the title, it necessarily follows that the Federal Government in attempting to acquire

these lands must do so under the same rules and principles of law as obtain with respect to its dealings with other property not owned by the Federal Government. It does not follow that because the United States is empowered to maintain a navy and provide for the national defense, it can appropriate to itself private property owned either by one or more of the States of the Union or owned by individual citizens. Under the law, if these properties are essential for governmental use with respect to the national defense or the maintenance of a navy, the Government has the right to acquire them by condemnation under eminent domain, which involves due process of law and compensation. The Federal Government has no more right to take these privately owned properties, many of which have now been disposed of either by outright sale or lease by the State of California, than it has to take the capitol building belonging to the State of California, the State university buildings at Berkeley, or other properties owned by the State. Such powers are only held by a totalitarian state and not by a constitutional democracy such as the United States.

THE CONGRESS IS WITHOUT POWER TO TRANSFER TITLE TO OR CREATE RIGHTS IN THESE SUBMERGED LANDS

The proposed legislation cannot create new rights in the Federal Government. If the contentions of the proponents of this legislation are tenable, the Federal Government may maintain its rights in the court at the present time without this legislation. If it has any vested right in the petroleum products in question, the forum of our courts is open to it in a proceeding instituted for the purpose of defending those rights if they are being infringed upon either by the State of California or private individuals. If it has no such rights at the present time, this legislation will not create such rights. The Congress has no power to transfer the titles of these properties from the State governments to the Federal Government. Furthermore, if the rights of private individuals are involved, as being owners of the petroleum products in question through acquiring titles from the State, then neither this legislation nor the courts may deprive such owners of their rights without due process of law. Attempt to do so by legislation of this type would deprive such owners of their constitutional rights.

CONCLUSION

Mr. Speaker, in conclusion, it would seem that the only purpose to be served by such legislation is an attempt by the sponsors of it to secure an expression from the Congress to the effect that the Federal Government has some rights in these submerged lands and the petroleum products lying thereunder. It is a matter over which the Congress has no jurisdiction. Furthermore, if the Congress should enact such a resolution it would place a cloud upon the title to extensive holdings in these submerged lands with millions of dollars of improvements made thereon, not alone in the oil fields but in docks, wharves, elevators, flour mills, sawmills, warehouses, maritime facilities, and other public improvements now held by private individuals, States, port bodies, and other municipal corporations, many of which are covered by bond issues, the value of which would be jeopardized by such a cloud upon the title.

In the State of Oregon the commission of public docks, a municipal corporation, has through authority vested in it by the State made extensive improvements and has erected docks, grain elevators, and other dock facilities involving large expenditures on these submerged lands. Other municipal corporations in the State have erected on such lands flour mills, wharves, and docks, and issued bonds thereon as security for the payment of same. The title to all of these works and public improvements, and the bonds placed thereon, will be jeopardized and put under a cloud by the passing of this legislation. It will place a cloud upon the title and interfere seriously with the operation of these public facilities. The Federal Government should not take any steps which would call into question the titles to these properties which have been recognized by the courts for over a century. If, however, the Federal Government is of the opinion that it has any rights in these properties, it should follow the usual procedure of instituting a suit or action in the courts for the determination of the same, such as was done in the case of United States against Oregon.

The Honorable I. H. Van Winkle, attorney general of the State of Oregon, who has directed on behalf of the State much of the litigation having to do with the title to submerged lands, recently wrote me with reference to this question, as follows:

I am advised that there is now pending in the House of Representatives the Hobbs (H. J. Res. 176) and O'Connor (H. J. Res. 181) resolutions, which ostensibly seek to establish Federal ownership over oil deposits occurring in tidal and submerged lands of the Nation, and these resolutions, or either of them, should they become a law, will very detrimentally affect the interests of the State of Oregon, whose boundary is one marine league at sea from the shore line, and the bed of this strip of the Pacific Ocean belongs to the State of Oregon. Also, it is quite obvious that such action would be invalid as taking from the States their property without due process of law and contrary to the contract existing between the State of Oregon and the United States by reason of the act of admission of the State of Oregon and approval of its constitution, and, no doubt, the same is true as to all of the other States bordering on the ocean or Gulf. Also, there are probably other constitutional reasons for such invalidity.

The Commission of Public Docks of Oregon, a municipal corporation which owns extensive properties erected on submerged lands of the type here under consideration, recently advised me with reference to this proposed legislation as follows:

The Federal Government has no right or title to tide or submerged lands or to petroleum or other mineral deposits or any part thereof because title thereto remains in the various States or their grantees or the grantees of their predecessor sovereigns. Further, it appears that the Nye resolution makes no provision for the acquisition of the properties in question by negotiation or by condemnation and no consideration is given to the matter of the compensation.

It appears from the resolution that if the lands in question are taken over by the Federal Government all improvements such as wharves, elevators, warehouses, and other terminal facilities will become the property of the Government, as will all reclaimed land and improvements wherever these lands and improvements are outside of the original low-water line.

Mr. Speaker, I earnestly urge upon the consideration of my colleagues in the Congress these matters to which I have referred with regard to our submerged lands. To upset the title to these lands, which has always been recognized to lie in the several States in which the lands respectively are located, would not only result in confusion and economic disaster to undertakings of large magnitude carried on by public bodies and individuals, but would also be a departure from a long-recognized relationship between State and Federal Governments. It would be a usurpation of powers by the Federal Government long recognized to be held by the States. It would result in open confiscation by the Federal Government of property rights of the several States and individual citizens.

AMENDMENT OF SECTION 503 (B) OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT

The SPEAKER. This bill is on the Union Calendar. Under the rules the House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5379, to amend the Food, Drug, and Cosmetic Act, with Mr. O'NEAL in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. CROSSER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, I introduced this bill. It involves constituents of my district. At Mount Gilead, Ohio, is located a laboratory that puts out a certain medicine known as Nathan-Tucker Asthma Remedy. A Food and Drugs Act passed last year would compel firms of this sort to cease prescribing by making a diagnosis through the mails.

I am acquainted with this laboratory. I know the men who are at the head of it. I have practiced medicine for a good many years and have myself prescribed this remedy many times. I know many other regular physicians who prescribe this remedy, and I know physicians who use it themselves. Just before I left for Washington one of my colleagues told me he hoped they would not take this remedy away from the people. This colleague of mine has since died. He used this remedy himself [laughter]—not from the remedy.

Mr. SCHAFER of Wisconsin. Did the remedy kill him?

Mr. SMITH of Ohio. No.

I understand about 50,000 people use this asthma remedy. Since my acquaintance with the remedy I have never seen any harm come from it.

It will be argued that the present law does not prohibit people from obtaining the remedy. This may technically be true, but in order to obtain it they would have to go to Mount Gilead, Ohio.

The way I look at a thing of this sort is that if we keep on concentrating power and authority in Washington we soon will not be allowed to do anything unless Congress passes a specific law permitting it.

I have seen no harm come from the remedy. Therefore, I ask that the bill pass.

Mr. REES of Kansas. Will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Kansas.

Mr. REES of Kansas. What attitude does the Food and Drug Department take toward this particular measure?

Mr. SMITH of Ohio. The Food and Drug Department takes exactly the same position that every bureau in Washington takes on every question of this kind that confronts it. It takes the attitude that it does not desire its authority curtailed.

Mr. REES of Kansas. What the gentleman is trying to do here today is exempt this particular group from the present law. That is all there is to it, is it not?

Mr. SMITH of Ohio. I am simply saying I have never seen any harm done with this medicine, and people want it.

[Here the gavel fell.]

Mr. CROSSER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. REES of Kansas. Does the gentleman think that probably this is an opening gate for others to come in and take advantage of this particular law or does he think he is protecting one particular group?

Mr. SMITH of Ohio. That question needs consideration, of course. I am not committing myself on that particular point.

Mr. REECE of Tennessee. Will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Tennessee.

Mr. REECE of Tennessee. One gentleman spoke of this as an exception. In one sense of the word, it may be an exception, but in another, it is not an exception. The amendment which the gentleman from Ohio proposes will permit these highly reputable physicians who have evolved this medicine to continue the practice of medicine in accordance with their own methods which have proven effective. So that the amendment does not in effect create an exception, but permits these doctors to practice medicine just as other doctors are permitted to practice medicine. May I ask this question: Does not the Department of Agriculture admit that this asthma remedy is efficacious?

Mr. SMITH of Ohio. I have not any expression on that matter, but I do not believe they would deny it.

Mr. REECE of Tennessee. I understand that is the case. Further, so far as it came to the attention of the subcommitte which took testimony upon this matter, it is not contended by the Department of Agriculture or by any physician or by any other informed source that this medicine can do any possible injury to those who use it.

Mr. SMITH of Ohio. That is right.

Mr. REECE of Tennessee. It is generally admitted that it relieves sufferers from asthma.

Mr. MICHENER. Will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Michigan.

Mr. MICHENER. The Congress has passed a law known as the Pure Food and Drug Act. It is sought to create an exception here. Assuming this medicine is good, or at least is not injurious, do not these people have the same privilege as everybody else in selling their medicine if they will place on the label what it contains, the same as others have to do?

Mr. SMITH of Ohio. I understand that they do not intend to publish this formula.

Mr. MICHENER. That is quite evident, and that is one reason why the bill is here. May I ask another question? Is it the gentleman's judgment as a physician, if this formula is published and the truth known, that the formula contains a drug which could not be sent through the mail and sold unless it is sold on prescription?

Mr. SMITH of Ohio. The gentleman refers to cocaine?

Mr. MICHENER. I do not know what the drug is.

Mr. SMITH of Ohio. The fact is it does not contain cocaine except in very minute quantities. It contains a derivative of cocaine, which is not cocaine.

Mr. MICHENER. Is it the gentleman's professional judgment that this medicine contains a drug that could not be sent through the mail unless it were labeled and unless this exceptional legislation is enacted?

Mr. SMITH of Ohio. Under the present law it would have to be labeled.

Mr. MICHENER. And they do not want to label it.

Mr. SHORT. Will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Missouri.

Mr. SHORT. The gentleman from Ohio is a very reputable physician. He is a very faithful Representative in this body. May I say that I have received several communications from different people in my district who testify to the fact they have used this remedy with a great deal of relief to them. But what distresses me is this: There are a lot of other people in my district who use Dr. Pierce's Pleasant Purgative for Pale People, also Lydia Pinkham's Compound, and other things. If we pass this legislation, would we not establish a precedent and throw the door wide open for other firms to come in here and ask to be exempted?

[Here the gavel fell.]

Mr. CROSSER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. SMITH of Ohio. Mr. Chairman, I should like to know who is going to watch the Congress?

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Missouri.

Mr. SHORT. Does not the gentleman as a physician frankly admit it is impossible to regulate the physical functions of man by an act of Congress? [Laughter.]

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Minnesota.

Mr. KNUTSON. May I say to the gentleman from Ohio that if the gentleman from Missouri is going to insist on having Lydia Pinkham's Vegetable Compound exempted also, I must insist that Smith Brothers' Cough Drops be included.

Mr. SMITH of Ohio. That is fine. I agree with the gentleman on that.

Mr. HOUSTON. Mr. Chairman will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Kansas.

Mr. HOUSTON. As I understand, this medicine is for asthma?

Mr. SMITH of Ohio. That is right.

Mr. HOUSTON. How does it work on pileitis? [Laughter.] You are a doctor, are you not?

Mr. SMITH of Ohio. How do you spell it?

Mr. HOUSTON. P-i-l-e—you know the rest of it. [Laughter.]

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield for a further question?

Mr. SMITH of Ohio. I yield.

Mr. REES of Kansas. Could not the company that prescribes this particular medicine be protected by securing a patent and selling the medicine as a patent medicine?

Mr. SMITH of Ohio. I am not familiar enough with that to answer the gentleman's question.

Mr. REES of Kansas. As I understand, what they want to do is to continue to prescribe as doctors under this measure.

Mr. SMITH of Ohio. That is right.

Mr. REES of Kansas. I am just wondering if it is not a fact that they could get a patent on this medicine and sell it as a patent medicine.

Mr. SMITH of Ohio. I am not familiar enough with that to answer the gentleman's question.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Maine.

Mr. OLIVER. Is it not a fact that thousands of people in this country are asking for an exemption for this particular remedy?

Mr. SMITH of Ohio. Yes.

Mr. OLIVER. Why then should not we as Members of Congress grant this exemption? Does the gentleman know of any good reason we should not do so?

Mr. SMITH of Ohio. I know of none. [Applause.]

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, I may relieve the anxiety of the members of this committee by announcing at the outset that I do not intend to inflict upon them a professional judgment. I have lost too many cases.

Mr. Chairman, I believe this bill is one of the most extraordinary measures I have seen in a not very short membership in the Congress. We have a Food and Drug Act which lays down certain principles of law and under which certain regulations are applied. When the Congress passed that act and authorized the regulations, it intended, doubtless, that they should apply equally to all persons in the food and drug business and in the medical profession as far as members of that profession were affected. Here we have a bill that singles out a single remedy for a single disease—no, two diseases, asthma and hay fever—and we deal in this bill differently with that particular remedy for these two particular diseases than with any other remedies or diseases known to mankind. If you will read this proposed amendment to the law you will find that it is drafted in such language as to apply to only one man in the United States. True, this doctor's name is not given. It might just as well be printed in the bill. Everyone knows who he is. I am not reflecting upon his professional skill or reputation. I understand he is a physician of good standing. Neither am I reflecting at all upon the efficacy of his remedy for asthma and hay fever. I am merely pointing out the fact that this bill ought to be known in common truth as the Dr. Robinson Asthma Cure bill, and nothing else—the Dr. Robinson Asthma Cure bill—for he is the only person and that the only remedy affected by this proposed legislation.

Mr. ANDERSON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Missouri.

Mr. ANDERSON of Missouri. Is Dr. Robinson the same sort of a doctor as Dr. Townsend?

Mr. WADSWORTH. He is probably more apt to take in the $200 a month than to give it out. [Laughter.]

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I have a speech to make here, Doctor, if you will wait a moment.

You will notice the way the amendment is carved down so as to affect only one person and exempt him. It applies only to those people who have been doing this sort of business for 25 years. It so happens that this gentleman is the only one we know of in the United States who has been in this particular business, the asthma cure business, in this particular way for that length of time.

I can remember, if I may inflict a little reminiscence upon the members of the Committee, an instance that occurred in the Senate a good many years ago when the Army appropriation bill was before the Senate and I had charge of the bill. Some Senator offered an amendment of a legislative character in which he stated that "all officers of the Army now in the grade of colonel, who have served 30 years, 10 of which were in the Philippines and 5 in Panama, and the rest in continental United States, and whose hair is red, and who have lost two front teeth, and who have been decorated for gallantry, shall, upon retirement, be promoted to be brigadier generals on the retired list." I raised the point of order that it was general legislation, and therefore out of order on an appropriation bill. Vice President Marshall, who was presiding, said, "The Senator from New York is mistaken. It is brigadier general legislation." [Laughter.]

So this is Dr. Robinson legislation. I make no reflection upon his character or the efficacy of his remedy, but I do submit in all seriousness to the members of this Committee that the Congress of the United States should not legislate in this fashion. [Applause.]

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. KNUTSON. The gentleman stated that no one except Dr. Robinson could qualify because they had not been in the business for 25 years. Of course, that is reassuring because there are so many in this House who thought that it might affect Dr. Brinckley's business.

Mr. WADSWORTH. I think that is true; in fact, I am certain it is true, because it was so stated to our committee. And may I remind the members of the committee that it is entirely possible for the prescriber of this medicine to send it to his patients, if he will only abide by that provision of the law to the effect that when remedies are to be sent through the mails they must bear upon the package or upon the bottle the formula of the contents of the medicine. This Dr. Robinson refuses to do. He does not care to divulge the secret of his remedy. He has a perfect right to maintain it in secrecy, and I make no complaint against that, but if he is to maintain it in secrecy, then he should conform with the law.

Mr. WOLVERTON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. WOLVERTON of New Jersey. It would seem from the statement the gentleman has just made that it may be assumed that this remedy was of his own invention. Is that the case?

Mr. WADSWORTH. I am not certain about that.

Mr. WOLVERTON of New Jersey. It is my recollection from the statements that were made before the committee when the bill was under consideration that this particular remedy was purchased by Dr. Robinson some 25 years ago from a doctor by the name of Tucker, so that it is not the case of an individual having concocted some remedy that has proved beneficial, but rather one who is seeking to obtain financial returns from a purchase he made 25 years ago.

Mr. WADSWORTH. I thank the gentleman, and yield back the balance of my time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk proceeded to read the bill.

Mr. RAYBURN (interrupting the reading of the bill). Mr. Chairman, I understand the gentleman from Ohio, who did not rise to his feet at once, wanted to yield some time, and I ask unanimous consent that the reading of the bill up to this point be vacated if the gentleman from Ohio desires to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Ohio has 45 minutes remaining.

Mr. CROSSER. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, I realize that this is a sort of thing about which much merriment can be made, but I cannot help but be impressed with the fact that there are a lot of people who have great and serious interest in this legislation.

Now, that we may keep the record straight and that we may know and understand what we are talking about, I think we ought to go back to the provisions of the food and drug bill as it was originally passed. We talk about exceptions and an exception that is to be made here. Well, if it is an exception, it is an exception in a group of other exceptions.

To begin with, the section of the food and drug bill to which this seeks to apply is headed "Exemptions in case of drugs and devices," and in subsection (b) these words are used:

A drug dispensed on a written prescription signed by a physician, dentist, or veterinarian—

And then in parentheses—

(except a drug dispensed in the course of the conduct of a business of dispensing drugs pursuant to diagnosis by mail shall, if—

And so forth.

Then the provision continues with such words as make it possible for a licensed physician to dispense drugs in the course of the carrying on of his profession, except that the exception is made that he cannot prescribe that drug in the course of a business carried on through a diagnosis by mail.

Now, what is the situation? Here are licensed physicians in the State of Ohio—I never saw them until they came before the subcommittee—men reputable in their profession. They claim to have a remedy for asthma. They have through the years—more than 25 years or this bill would not be written in this way—prescribed this remedy for sufferers from asthma all over this country. They have done it upon a diagnosis by mail, that is true. They have done it upon the filling out of a detailed questionnaire by the person seeking the treatment.

I am not a doctor and I do not know much about asthma. I never had it, but people who ought to know say to me that it is the sort of condition which could properly be diagnosed in this way.

Now, then, further to keep the record straight, I stood for this provision against diagnosis by mail in the general bill when it was before us.

It was urged by people in the medical profession, and I think rightly so. But when we talk about exceptions, I was on the subcommittee that drafted the pure food and drug bill in the first instance, and I know that time and again that committee listened to individual interests of people carrying on legitimate enterprise in this country and we tried to protect them wherever possible, having due regard to the rights generally of the people of our country and the protection of their safety and health by the legislation.

What is the issue? These people are prescribing this remedy to sufferers all over the land. Some of them are in my district, some are in your district, and I say here for the RECORD that I know personally some of these people. They are people with means to go to Mount Gilead, Ohio, or to any place on the globe to get a treatment of this kind if they have to do it. I am informed that other doctors prescribe this remedy.

It is said that these people can carry on this business in the manner of patent medicine purveyors if they see fit. Possibly they can, but they have not carried on their business in that way heretofore. They have carried it on as practicing physicians, and it is stated on good authority that they have brought health and comfort to thousands of people over this land. It is within their legal right, if they see fit, to continue to carry on their business as doctors, licensed practicing physicians of the State of Ohio.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. CROSSER. Mr. Chairman, I yield the gentleman 3 minutes more.

Mr. HALLECK. And if they see fit to carry on their business as doctors, then they can rightly say to everyone who wants this remedy, unless this bill passes, "You come to Mount Gilead, Ohio, in our office, and we will look you over and then we will give you the remedy, and if you do not come here and get it we are not going to sell it, because of the provision of law applicable."

That is the issue which is for the House to vote up or vote down. Of course, it probably applies just to this one concern, but the bill is written in general terms, and it applies generally within the limits prescribed.

Someone may say—and it has been said—that we will be deluged with propositions of this sort, that everyone will be coming in here to get an exemption. My answer to that is that I do not know of another similar proposition being submitted to the Committee on Interstate and Foreign Commerce.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. Yes.

Mr. TREADWAY. To ask whether in the preparation of this bill in the hearings the committee had, there was any evidence that the medicine is deleterious or was there any evidence that it ever harmed anybody? On the contrary, has it not been of great benefit to thousands of people?

Mr. HALLECK. There was no evidence, so far as I remember, that it had ever harmed anybody. On the contrary, people who stand with us here in this Chamber appeared before the committee and testified as to the efficacy of this remedy.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. Yes.

Mr. MARCANTONIO. As a matter of fact, this medicine does contain cocaine, does it not?

Mr. HALLECK. Let me tell the gentleman what I know about that, and again I am getting onto technical grounds. As I understand it, this preparation originally has some cocaine, but in the preparation of it there is some sort of a change that takes place in that drug, so that by the time it actually gets to the consumer it is said to me that it does not contain cocaine.

Mr. MARCANTONIO. Does not the gentleman think for the protection of the American public that when cocaine or any of its derivatives are used in any medicine that the formula should be put on the bottle?

Mr. HALLECK. I say "yes." Of course I believe that. That is the reason we passed the pure food and drug law, but I also believe that a regular licensed practicing physician should be allowed to prescribe these drugs and give them to patients without writing on the bottle they give them that there is cocaine in the medicine. That gets it back to the question, Shall we say to these people, "You cannot carry this business on by mail, as you have carried it on? Rather you must cease that operation and either change the whole plan of your operation of carrying on your business or else require people to come to your office in order that you may personally see them." That is the issue which the House will have to decide.

Mr. LEA. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. Yes.

Mr. LEA. I call attention to the fact that this remedy has been used for 48 years, and there is no evidence whatever that it ever harmed anybody on the face of the earth. Also I call attention to the fact that some years ago, I believe over 20 years, it was in court decided that there was cocaine in the product and that it should bear a label accordingly. All this medicine that has been distributed has had a label declaring that there is cocaine in it, but in recent times the Food and Drug Administration went to Dr. Robinson and complained because the label was alleged to be misbranded, because there was not any cocaine in it. The fact is that originally there was cocaine in the product, but it is broken down in the process of manufacture and

only its derivatives are retained in the product. In addition to that, there is no evidence that these derivatives are habit-forming or violate the law.

[Here the gavel fell.]

Mr. CROSSER. Mr. Chairman, I yield to the gentleman from Mississippi [Mr. DOXEY] 5 minutes.

Mr. DOXEY. Mr. Chairman, I am not speaking to you as a member of the House Committee on Interstate and Foreign Commerce. Neither am I speaking to you as a doctor. I am speaking to you, my colleagues, as a sufferer from asthma and as a user of this asthma treatment. However, I regret more than I can say, the apparent effort made here on the floor of the House this afternoon to make this piece of legislation a joke. When a person suffers from asthma it is no joke, and when he finds a remedy that gives relief he knows it is a blessing to mankind.

I hesitate to speak on this subject, as I am not a member of the committee charged with the responsibility of this legislation, but I speak the words that I do in the interest of suffering humanity. I do not know what the evidence was before this committee, but I know that I was in favor of the Food and Drug Act, and I know that I have lent my efforts, even though they may be feeble, as much as any man in this House, to do away with quacks. But I know that Dr. W. B. Robinson and Dr. G. B. Robinson and their associates of the Dr. Nathan Tucker Laboratory in Mount Gilead, Ohio, manufacturers of the Nathan Tucker Asthma Specific, are no quacks. They are men of the very highest caliber and men who stand high in their profession. I challenge any man in this House to ask the people who suffer from asthma, who have ever used this remedy, to say that this laboratory or these doctors are quacks or that their remedy is a quack. I pause for anyone to answer that.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. Certainly.

Mr. HOUSTON. Then why does he not put the formula on the bottle and comply with the laws of the United States?

Mr. DOXEY. I am glad the gentleman raised that question. I am not discussing it as a doctor, and I do not think the gentleman from Kansas is a doctor, but these men are practicing physicians. They do not engage in distributing patent medicine. This Asthma Specific has never been a patent medicine. They never advertise. One of my best friends suggested to me to go and get the Dr. Tucker Asthma Specific remedy, and I got it. I can continue to get it if this bill is not passed, because I am able to go to Mount Gilead, Ohio, and get it; but there are thousands and thousands of other asthma sufferers who cannot make the trip to Mount Gilead, Ohio, to get it. They do not have the means. They are the ones for whom I am speaking. [Applause.]

Mr. HOUSTON. Now will the gentleman answer the question?

Mr. DOXEY. I will answer anything I am capable of answering.

Mr. HOUSTON. Why is not the label on the bottle?

Mr. DOXEY. That is the property of the Dr. Nathan Tucker Laboratory—a formula handed down in the Dr. Robinson family by several generations. If it is their property, and they do not want to put the formula on the bottle and make it public, that is their business. That formula belongs to those people who have it and is their property. I am not arguing the merits or demerits of that proposition, but you nor any other man can say that whatever the formula is it is injurious to mankind.

Mr. HOUSTON. Do you not think that cocaine is?

Mr. DOXEY. I will tell you, it does not matter. When a man has asthma he does not look at what is on the label. He wants to know what effect the medicine will have on him. If those men do not want to put the formula on there, that is their business. They are not the ones who will be hurt by failure to pass this bill. It is the poor man or the poor woman suffering from asthma who cannot get the medicine unless they go to Mount Gilead, Ohio, who will be the ones hurt.

Mr. HOUSTON. If the gentleman is correct, let us repeal the whole law.

Mr. DOXEY. I am not in favor of repealing the whole law, but I will say in answer to those people who have spoken about Lydia Pinkham's pink pills and the Smith Brothers' cough medicine, if they can make a case as strong as this particular case has been made, as I understand it was made before the committee that had hearings on this bill, they, too, are entitled to exemption, because I say what I say in the interest of those people who are afflicted with this dread disease, asthma——

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. I yield.

Mr. DIES. I appreciate very much what the gentleman says because I have had asthma in my family for 17 years. I have gone all over the country to every physician that we could find, so I sympathize very much with what the gentleman says. There is only one point I am interested in, however. I know that the doctors know very little about asthma. I know I have carried my wife to every clinic I could find. I have gone everywhere in search of some remedy and the doctors know practically nothing about it. But what I cannot understand is why this doctor does not want to put his formula on the bottle. What is the objection to complying with the law?

Mr. DOXEY. I imagine that the point you raise is the only valid objection there can be to this piece of legislation. However, I know this treatment for asthma is not a patent medicine. These doctors vary and change it as the case develops. The Drs. Robinson are practicing physicians, and good ones, and I don't think they want to make this treatment a patent medicine.

Whether or not the owners of this specific want to make public their formula is a matter for them to decide. If he puts it on there, it may cease to be his property. This formula, as I understand it, has been handed down from generation to generation.

[Here the gavel fell.]

Mr. CROSSER. Mr. Chairman, I yield 3 additional minutes to the gentleman from Mississippi [Mr. DOXEY].

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. I yield.

Mr. DIES. I cannot understand why, if this doctor wants to render a great public service, he should refuse to comply with the law after he has had the benefits of this formula for 25 years. I do not know of any greater public service that could be rendered than to make public something that would relieve sufferers from hay fever and asthma.

Mr. DOXEY. As I say, I have no interest in the case, except to do all I can to prevent an irreparable injury being done those who suffer from asthma. My answers are based on the logic of the situation and what I personally know about this treatment. If he put his formula on the package, it is conceivable that others would compound his medicine and use it or sell it. I imagine something like that is in the mind of the owners of this formula. I do not say that that is in their mind, but I do know that if I should publish a formula to the world, anybody else could use it or, rather, might use it.

Mr. DIES. The gentleman would be protected under the law even though he printed his formula on the label.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. I shall be delighted to as soon as I answer this question. I want to keep the record straight. The only reason I am making a statement in this matter at all is because an attempt has been made to make a joke out of this piece of legislation. To my mind, it is a serious matter. I say to you that the great committee that brought this piece of legislation out—and I am not a member of it—had evidence before them that warranted a favorable report on this bill.

That question the gentleman from Texas [Mr. DIES] asks might have come up before the committee. My good friend the gentleman from Ohio [Mr. CROSSER] has not yet spoken on the bill. He may be able to answer these questions more directly than I. I am not setting myself up here to answer questions from the scientific standpoint, but I do say this to you, as those who have had asthma will bear me out, that you

can spend thousands and thousands of dollars with the best doctors in the world without getting cured. I have spent a great deal of money in an endeavor to find a cure—and spent it without getting cured. This remedy is not held out as a cure. The most that is claimed for it is that it will relieve. I have told hundreds of people about this medicine not with the idea of advertising it but in order to render a helpful service to those who suffer these spasmodic attacks of asthma, but I have never yet recommended it to anybody but what they gave me their everlasting thanks.

Here is what I am concerned with, Mr. Chairman. The great majority of the people who want and need this asthma treatment cannot go to Mount Gilead, Ohio, and get this medicine. I cannot tell the doctors to put their formula on the package and send it to asthma sufferers. The formula is the property of the owners to do with as they want to. As I am informed, if this bill is not passed, the asthma sufferers will have to go to the doctors, and the doctors cannot send them this treatment through the mails. I venture to say the committee has never had another case exactly like this. I am, therefore, going to vote for this bill, and I hope the rest of you will support it out of consideration for suffering humanity. I hope you will not be carried away by the effort that has been made here to make a joke out of it. [Applause.]

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I yield 8 minutes to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, first let me express my sympathy for those patients afflicted with asthma and hay fever. I know no other set of patients who require the sympathy of both the profession and the laity as do this type of sufferers.

After I came to Congress, representing the third largest district in Pennsylvania, three people in my district wrote me concerning this very particular thing we are discussing here this afternoon. In justice to these three people I took it upon myself to write to the American Medical Association, research department, Chicago, and ask them what they knew about this Dr. Nathan Tucker's Asthma Specific. I received the following letter:

AMERICAN MEDICAL ASSOCIATION,
BUREAU OF LEGAL MEDICINE AND LEGISLATION,
Chicago, Ill., March 4, 1939.

Hon. IVOR D. FENTON,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN FENTON: I regret that the pressure of business has prevented an earlier reply to your letter of February 24, relative to Dr. Nathan Tucker's Asthma Specific.

The distributors of Dr. Nathan Tucker's Asthma Specific, Dr. W. B. Robinson and Dr. G. B. Robinson, both of Mount Gilead, Ohio, in a letter written in September last, said:

"In compounding the medicine we use cocaine. However, during the many months of process of manufacture in the laboratory the cocaine is destroyed as such, entering into the formation of a new chemical compound, so that by the time the finished product goes to the patient there is no cocaine at all present, or at the most but an infinitesimal amount, due to an uncompleted reaction; the vast majority of samples are cocaine free."

The clear inference is that the distributors of this nostrum do not know whether, when this nostrum is used by the consumer, it does or does not contain cocaine.

Notwithstanding the fact that the distributors of Dr. Nathan Tucker's Asthma Specific claim that it contains no cocaine, or cocaine in an infinitesimal amount, it has been repeatedly brought to the attention of the American Medical Association that the packages are labeled as containing cocaine, varying in amount from 5 grains per fluid ounce up to 7½ grains per fluid ounce. Why the nostrum should be labeled as containing cocaine is not clear, if it contains no cocaine. The nostrum is, of course, subject to the labeling requirements of the Food and Drugs Act of 1906, as amended, whether it contains cocaine or any derivative of cocaine. If, as its distributors allege, the cocaine in the mixture is decomposed in whole or in part before the nostrum reaches the user, the label should obviously declare the nature and proportions of the decomposition products then present. In some cases, at least, it does appear from correspondence received by this association to possess habit-forming properties.

Cocaine and any compound, salt, or derivative thereof, come within the purview of the Harrison Narcotic Act, and their sale is limited by that act. As has already been stated, a nostrum, so long as it contains cocaine and any derivative or preparation thereof, must, under the Food and Drugs Act of 1906, as amended, be labeled so as to show the presence of the derivatives of cocaine, as well as of any cocaine, contained in it. If the nostrum contains cocaine in substantial quantities, it comes within the purview of the postal laws and cannot be sent through the mails, except that the Postmaster General may authorize the distributor thereof to mail it to licensed physicians, surgeons, dentists, and pharmacists under such rules as he may prescribe, but subject always to the requirements of the Harrison Narcotic Act and the Food and Drugs Act of 1906, as amended.

I have been unable to discover anything in the Food, Drug, and Cosmetic Act of 1938 that will go any further toward preventing the sale of "Dr. Nathan Tucker's Asthma Specific" than do existing laws. The clamor on the part of persons habitually using this nostrum for legislation that will permit its more nearly indiscriminate distribution than at present seems to be based on appeals sent out by its distributors to persons whom they know to be users of it. The most that the new act will require is adequate labeling to show the presence of cocaine, if there is any present, and to show that the drug may be habit forming. If the nostrum contains only decomposition products of cocaine and its active properties depend on them, the presence of such decomposition products will have to be declared by their name or respective names, but the warning legend, "Warning—May be habit forming," will not have to be affixed until after the Secretary of Agriculture has found such derivative or derivatives to be habit forming.

Of course, under the new act all active ingredients of the nostrum must be declared, and if it contains only cocaine, or one of its derivatives, possibly ecgonine, as active drugs, users of the nostrum may discover that they are paying exorbitant prices for such drugs and resort to medical advice and local purchases for relief. It may be that it is that result that the distributors of "Dr. Nathan Tucker's Asthma Specific" fear.

Yours truly,

WM. C. WOODWARD, *Director.*

Mr. MAPES. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, some months ago, when I first joined this august body, I began to receive a number of communications from people in my district concerning the measure now pending before us. I have in my hand some 30 or 35 of the finest testimonails for ths asthma specific that one could ask for. I imagine if they were offered for sale to those who compound this specific that they might be worth some money, except that perhaps they have thousands more just like them. Upon receiving these letters I was very much interested to find out what prompted their being sent to me.

In my hand I hold a letter from the Dr. Nathan Tucker Laboratories in Mount Gilead, Ohio, which, in its second paragraph, reads as follows:

The new law quite properly exempts physicians from its requirements, but into the final draft some influence slipped 21 words which provide that diagnosis may be made only after a personal examination. In treating most of the ills that flesh is heir to, a personal examination is essential; but 48 years of experience and the statements in our textbooks have convinced us that it is an unnecessary and an unreasonable requirement when dealing with such characteristic syndromes as asthma and hay fever.

Mr. Chairman, I, for one, would be the last to deprive of their remedy these people who suffer from asthma and hay fever; but I call attention to the fact that the act of 1938 contains nothing that provides that diagnosis may be made "only after a personal examination."

The only thing the act requires is that medicine shipped through the mail must be properly labeled. So far as I can tell from reading the Food and Drug Act, there is nothing to prevent sending a written prescription through the mail, nor is there anything to prevent sending the medicine to a doctor in a local community for dispensing to a patient. Maybe I am wrong about that and if I am I would like to be corrected.

If that procedure is resorted to by the laboratory, it will be necessary for those who purchase this asthma specific to pay a doctor's fee in the town in which they reside and that doctor in turn will have to have the remedy sent to him for dispensation. Such fees would be an avoidable burden upon the sufferers.

Mr. SHEPPARD. Will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from California.

Mr. SHEPPARD. May I ask the gentleman if in his research he has found any indication from the company involved here as to whether they have ever made application to the American Medical Association for its so-called "stamp of approval" and if they have, what has been the result?

Mr. HINSHAW. I have not inquired into that.

Mr. SHEPPARD. I am sorry. I think the gentleman would find it quite interesting.

Mr. SCHULTE. Will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Indiana.

Mr. SCHULTE. The gentleman referred to some letters he held up and said they would be very valuable to Dr. Robinson or his concern. Does not the gentleman feel that in view of the fact Dr. Robinson has received about two million dollars' worth of publicity here this afternoon he ought to contribute this formula to the rest of the medical profession, if it is of such great help to those who are suffering?

Mr. HINSHAW. I thank the gentleman. There was one member of the committee who made that remark the other day, but he is apparently not present today. Perhaps I am not fully familiar with the ethics of the medical profession, and I admit to being seriously confounded by the ethics of the medical profession, but if this is so valuable, as it is said to be by those who use it, all of the people who suffer in the United States should have it made available to them at a reasonable price.

Mr. BROOKS. Will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Louisiana.

Mr. BROOKS. If this is good practice and if it is a good remedy, why is the restriction of 25 years put in here? Why is it necessary to put a restriction of years in?

Mr. HINSHAW. The restriction in years has nothing to do with the remedy itself. That has to do with selecting from among all the physicians in the United States that one group of physicians who have prescribed medicine for this particular ailment for a period of 25 years.

Mr. ROMJUE. Will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Missouri.

Mr. ROMJUE. If the legislation as drawn here is passed, suppose some other physician had an equally good remedy, he would not be permitted under this legislation to sell it?

Mr. HINSHAW. He could not deliver it by mail unless it was properly labeled.

Mr. ROMJUE. He could not prescribe it unless he had been in practice for 25 years or more?

Mr. HINSHAW. That is my understanding, unless, of course, the medicine was properly labeled.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Tennessee.

Mr. TAYLOR of Tennessee. Has the gentleman any evidence to indicate that the letters to which he refers were inspired by Dr. Robinson?

Mr. HINSHAW. Absolutely. Patients, of course, until receiving a letter from the laboratory, were not aware of the fact they would not be able to secure this unlabeled medicine after the 25th of June unless a bill such as this was passed.

Mr. TAYLOR of Tennessee. And they were advised to communicate with their Congressmen?

Mr. HINSHAW. They were advised to communicate with their Congressmen; yes.

Mr. TAYLOR of Tennessee. Just another example of propaganda.

Mr. HINSHAW. I would assume so.

Mr. Chairman, I would like to see some way by which this purportedly wonderful specific could be made available to all the people of the United States without regard to where they may reside. My district is on the Pacific coast. It is a long way from Mount Gilead, Ohio, and it would be impossible for the 30 or 40 people who have written me these letters to make the trip to Mount Gilead, Ohio.

Mr. BRADLEY of Pennsylvania. Will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Pennsylvania.

Mr. BRADLEY of Pennsylvania. I am not interested very much in perpetuating a monopoly for a group of physicians who evidently have no concern for humanity in general. I would like to ask the gentleman a few questions. When a physician prescribes in your home town it is a matter of record in the drug store where you have the prescription filled, is it not?

Mr. HINSHAW. Yes.

Mr. BRADLEY of Pennsylvania. Is there any record anywhere of this prescription and what it may contain for the individual who uses it?

Mr. HINSHAW. So far as I know there is not, except in Mount Gilead, Ohio.

Mr. BRADLEY of Pennsylvania. Does the gentleman think these physicians who make up this concern have the welfare of humanity at heart when they want to keep in perpetuity a monopoly on this particular drug?

Mr. HINSHAW. As I said before, I am not thoroughly familiar with the ethics of the medical profession, but I do know a number of doctors who have made discoveries and have given them widely to the world and to suffering humanity.

Mr. DINGELL. Will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Michigan.

Mr. DINGELL. I would like to ask a question or two.

Mr. HINSHAW. I will answer to the best of my ability.

Mr. DINGELL. The gentleman is familiar, of course, with the patent laws which protect formulas or prescriptions or recipes for a period of 17 years.

Mr. HINSHAW. I know of it.

Mr. DINGELL. That as a matter of fact is the law. In this instance, Dr. Robinson has enjoyed a monopoly on something that is said to be of great benefit to suffering humanity and he has enjoyed this monopoly for over 35 years. Can the gentleman see any difference between Dr. Robinson and the great physician who discovered insulin and immediately gave it to suffering humanity?

Mr. HINSHAW. I would be interested in the gentleman's opinion.

Mr. DINGELL. I can see a great deal of difference. The humanitarian plea made here for Dr. Robinson loses a lot of its appeal when we know that for 25 years he has enjoyed the fruits of his monopolistic business. He now comes to Congress to get special legislation in order to give him a further hold on this monopoly when he ought to give it to the people.

Mr. HINSHAW. I believe we are in agreement.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. If we adopt this bill as a precedent, may we not expect Dr. Brinkley, of goat-gland fame, from the State of Arkansas, to come here and ask us to pass a special bill for his relief? They have destroyed the business in which he had invested over half a million dollars, so a colleague on the other side advises me.

Mr. HINSHAW. I may say to the gentleman from Wisconsin that, if this bill could be recommitted to the committee and that particular provision of the food and drug law that has to do with the dispensing of drugs by mail caused to be stricken, and that activity placed under the control of the Food and Drug Administration in order that they might themselves say what could be shipped and what could not be shipped by mail, it would enable my suffering people to get this asthma specific or any other remedy that might be good for them or for other people.

[Here the gavel fell.]

Mr. CROSSER. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, I have had asthma all my life. Twenty years ago I began to use Dr. Nathan Tucker's Asthma Specific. Dr. Tucker was then living. Dr. Robinson had nothing to do with it. Prior to the time I began to use this medicine I found it necessary to take morphine at the hands of a doctor, who injected it into my arms, and I also took adrenalin and codeine. For the 20 years I have used this medicine I have not taken a dose of morphine, codeine, adrenalin, or anything else. Because of this fact I have given this remedy and information about it to thousands of people, and I have had hundreds and thousands of people send me letters conveying their heartfelt appreciation of this information.

Whether or not Dr. Robinson purchased this medicine or inherited it, or whether he gave $1,000 or $100,000 for it, or whether he cares now to give it to suffering humanity, without this remedy thousands and hundreds of thousands of people will suffer with asthma who could be relieved if

they had this medicine. I ask my fellow members of this committee to vote for this bill, not for Dr. Robinson but for me and a hundred thousand other people in the United States who are relieved by this remedy. [Applause.]

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER of Wisconsin. Mr. Chairman, I sincerely hope the House will defeat the pending bill. It is ridiculous to take up almost an entire afternoon of the time of the Congress to consider a special bill of this nature for the relief of one quack-medicine dispenser. I wonder what the American people will think of this Congress when they read the RECORD and read the newspaper reports that the Congress spent almost a day considering this legislative monstrosity which should properly be laughed off the floor of the House.

If this Congress passes this bill, there is no valid reason why the entire pure-food laws should not be repealed so that the sellers of Crazy Water Crystals and other big quack patent medicine dispensers can run wild in the country. We might as well bring back Dr. Brinkley, of goat-gland fame, and pass a special bill permitting him to operate. The idea of allowing physicians to diagnose and prescribe quack remedies for diseases which may be a matter of life and death when the patient is a thousand miles away is indefensible. Are these patent-medicine vendors physicians—Houdinis who can make a diagnosis when their patient is a thousand miles away?

In the interest of the American people and in the interest of sanity in Government and to protect the integrity of this House, we should defeat this bill. This quack-medicine dispenser has received millions of dollars worth of free advertising today. Congress has put on a good Indian medicine show. I certainly hope we are not going to permit the beneficiary of this bill to capitalize on this free advertising. If you pass this bill and open up the door for him, others will knock and enter.

[Here the gavel fell.]

Mr. CROSSER. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FLANNERY].

Mr. FLANNERY. Mr. Chairman, I do not profess to have any peculiar or special knowledge as to the scientific merits of this controversy, but I come from a district in which asthma, unfortunately, happens to be an occupational disease. My mail has reflected this situation as it affects my district. I have received numerous letters begging me in the interest of those suffering people to do what I could to assist in the passage of this legislation. I am here today to express my views and translate to you what I believe are their views.

It struck me as rather an incongruous thing that probably the most healthy Member of this House, the last speaker, is the man who is most contemptuous of the proceedings pending before us now. It was a significant fact that those persons who might be directly affected by the disease this remedy professes to cure or help were deeply and touchingly sincere in their requests to assist them and assist their fellow sufferers.

I have heard ethical questions considered here today. Someone said, "Why does he not put the formula on the package?" I understand there is a rumor to the effect that a man did that once and by accident the formula was appropriated and he lost whatever right he might have in the formula. There is a further answer, of course, that such procedure brands the prescription as a patent medicine and the prescriber a quack.

I have heard it said, "Why does not he give this remedy to the world, as the discoverers of insulin gave it to the world?" That is a matter of taste. I cannot condemn wealthy men just because they do not give their money away as did Mr. Carnegie. We may condemn this man's taste but we must defend his right to act as he does.

As I understand, there is no evidence before the committee that this remedy is harmful. There is no evidence before the committee that this is habit-forming. On the contrary, there is evidence before the committee that the remedy is not harmful and that it is not habit-forming.

I understand the Department itself would not go so far as to suggest that it might be deleterious. In other words, the only evidence before this House is that this remedy has aided and helped hundreds of thousands of sufferers whom the medical profession could not otherwise reach, and has not harmed one single individual.

"Ah," they say, "but why make exceptions," I say to you that it is our duty to weigh these responsibilities and if this is a case which deserves to be excepted then we should except it. That others may ask for exceptions is no argument, because that is also our responsibility and if they are entitled to an exception, then they ought to get it too. This is just another one of our duties here and it is a duty that we ought to face, whether it seems to us tremendously great or, perhaps, great only to several hundred thousands of our people, yet it is a situation we ought to face and this is a bill that we ought to pass. [Applause.]

[Here the gavel fell.]

Mr. CROSSER. Mr. Chairman, for more than 28 years, Dr. W. B. Robinson has been engaged in treating asthma and hay fever, and since 1925 Dr. G. B. Robinson has been associated with him in that work.

It is generally conceded that the work of these physicians has been most helpful.

Dr. W. B. Robinson graduated from the University of Cincinnati Medical College in 1896. After 6 months of work in the hospitals of Berlin and Vienna he was in general practice at Indianapolis for 14 years. Until he left Indianapolis he was a member of the staff of Indiana Medical College.

Dr. G. B. Robinson graduated from Yale College in 1920 with the degree A. B. He was a member of Phi Beta Kappa.

In 1924 Dr. G. B. Robinson graduated from Yale Medical School and was first in his class. He was made a member of Alpha Omega Alpha, which is the medical equivalent of Phi Beta Kappa. He is also a member of Sigma Xi, which is an honorary fraternity in which membership is given for research work showing scientific promise. He also received the Campbell medal for leading his medical class during the 4 years of medical work.

Dr. G. B. Robinson served as an interne at Cleveland City Hospital 1924–25, doing general rotating service in a general hospital of 1,200 beds.

He passed the 9 days of examinations required to receive the diploma of the National Board of Medical Examiners. This diploma is recognized without further examination in nearly every State in the Union and in almost all foreign countries.

The Drs. Robinson treat asthma and hay fever only. They treat cases of asthma only after diagnosis based upon a complete history of the case. The diagnosis of asthma is necessarily based on the history of the case, given either in writing or orally, because when the patient is not suffering from the paroxysm nothing could be determined definitely by mere inspection. Depending on the nature of the information procured from the patient, the treatment is varied in different cases. It would be, therefore, manifestly unwise to place on the market a medicine to be purchased by all persons believing themselves to be suffering from asthma.

The present law permits physicians to prescribe by mail. The act which goes into effect on the 25th of June 1939, prohibits prescription pursuant to diagnosis by mail unless the container bears a label setting forth its formula as in case of patent medicines.

This bill, under its strict restrictions, permits physicians who have heretofore prescribed by mail to continue their practice.

It would confer no exclusive right, but would simply permit those within this limited class to conduct the practice in which for not less than 25 years they have been engaged.

I may say that not a scintilla of evidence was placed before the committee to the effect that the Drs. Robinson's treatment of asthma and hay fever is in the slightest degree

harmful. On the other hand, it was shown positively that it is not harmful and there is abundant evidence that the treatment is beneficial and helpful.

[Here the gavel fell.]

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the act entitled "An act to prohibit the movement in interstate commerce of adulterated and misbranded food, drugs, devices, and cosmetics, and for other purposes," approved June 25, 1938, be amended as follows:

After the word "mail" in the fourth line of paragraph (b), section 503, strike out the bracket and add: "which exception, however, shall not apply to a drug dispensed by a physician for the treatment of asthma and hay fever where such drug shall have been exclusively dispensed by physicians for at least 10 years prior to June 25, 1939),", so that paragraph (b) as amended will read: "A drug dispensed on a written prescription signed by a physician, dentist, or veterinarian (except a drug dispensed in the course of the conduct of a business of dispensing drugs pursuant to a diagnosis by mail, which exception, however, shall not apply to a drug dispensed by a physician for the treatment of asthma or hay fever where such drug shall have been exclusively dispensed by physicians for at least 10 years prior to June 25, 1939), shall if—."

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That section 503 (b) of the Federal Food, Drug, and Cosmetic Act is amended by striking out the following: '(except a drug dispensed in the course of the conduct of a business of dispensing drugs pursuant to diagnosis by mail),' and by inserting at the end of such subsection a new sentence, as follows: 'The exemptions provided for in this section shall not apply in the case of a drug dispensed in the course of the conduct of a business of dispensing drugs pursuant to diagnosis by mail; except that the exemption from section 502 (e) shall apply in the case of any such drug dispensed by a physician or physicians for the treatment of asthma or hay fever if such dispensing is in the course of the conduct of a business of dispensing such drug, which business shall have been conducted solely by physicians for at least 25 years immediately prior to June 25, 1939.'"

Mr. WADSWORTH. Mr. Chairman, I offer a motion, which I send to the desk.

The Clerk read as follows:

Mr. WADSWORTH moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. Does the gentleman from New York desire recognition?

Mr. WADSWORTH. I do not.

The CHAIRMAN. The question is on the motion of the gentleman from New York [Mr. WADSWORTH].

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were ayes 91 and noes 90.

Mr. CROSSER. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. CROSSER and Mr. WADSWORTH.

The Committee again divided; and the tellers reported that there were—ayes 98, noes 102.

So the motion was rejected.

Mr. ANDERSON of Missouri. Mr. Chairman, I submit a preferential motion. I move that the Committee do now rise.

The question was taken; and on a division (demanded by Mr. ANDERSON of Missouri) there were—ayes 89, noes 91.

Mr. ANDERSON of Missouri. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the Committee refused to rise.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. CROSSER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and Mr. RAYBURN having assumed the chair as Speaker pro tempore, Mr. O'NEAL, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 5379) to amend the act entitled "An act to prohibit the movement in interstate commerce of adulterated and misbranded food, drugs, devices, and cosmetics, and for other purposes," approved June 25, 1938, had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. CROSSER. Mr. Speaker, I move the previous question on the bill and the amendment to final passage.

The previous question was ordered.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I was on my feet trying to make a point of order that a quorum was not present.

The SPEAKER pro tempore. The Chair did not know what was in the mind of the gentleman when the Chair was in the act of putting the motion. The gentleman may make the point of order now if he wishes to.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The gentleman from Wisconsin makes the point of order that a quorum is not present. The Chair will count.

Mr. MAPES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MAPES. Mr. Speaker, if the House should adjourn now, the previous question having been ordered on the bill, would the vote on final passage come up tomorrow?

The SPEAKER pro tempore (Mr. RAYBURN). The Chair, acting in two capacities, would like to make a statement.

The order has been entered that the House meet at 11 o'clock tomorrow and also at 11 o'clock on Friday, in order to expedite the disposition of the bill under consideration on yesterday known as the stabilization bill. It is thought that it will take all of the hours from 11 o'clock to adjournment time tomorrow and from 11 o'clock to ball game time on Friday to complete that bill. If, therefore, Members take 30 or 40 minutes for a roll call tomorrow we may be 30 or 40 minutes late adjourning on Friday.

The Chair certainly will answer the gentleman's question, and that is that the vote on passage would be the unfinished business tomorrow.

Mr. MAPES. If the Chair will permit, I will withdraw the inquiry.

The SPEAKER pro tempore. The gentleman from Wisconsin makes the point of order that a quorum is not present. The Chair will count. [After counting.] Two hundred and five Members are present, not a quorum.

Mr. CROSSER. Mr. Speaker, I move a call of the House.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I submit a preferential motion. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Wisconsin.

The motion was rejected.

The SPEAKER pro tempore. The question recurs on the motion of the gentleman from Ohio.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 54]

Allen, Ill.	Celler	Flannagan	LeCompte
Anderson, Calif.	Chapman	Ford, Miss.	McArdle
Arends	Cluett	Ford, Leland M.	McCormack
Arnold	Cole, Md.	Fries	McGehee
Barry	Colmer	Geyer, Calif.	McGranery
Barton	Connery	Gifford	McReynolds
Beam	Creal	Gilchrist	Maloney
Bell	Curley	Grant, Ala.	Mansfield
Blackney	Delaney	Hart	Mason
Bland	DeRouen	Hartley	May
Boland	Dickstein	Hobbs	Merritt
Bolles	Ditter	Hoffman	Mitchell
Bolton	Douglas	Jarman	Mouton
Boren	Drewry	Kee	Nichols
Buckley, N. Y.	Eaton, N. J.	Keefe	Osmers
Bulwinkle	Elliott	Keller	O'Toole
Burch	Engel	Kennedy, Md.	Owen
Burdick	Evans	Kennedy, M. J.	Patrick
Burgin	Ferguson	Kerr	Pfeifer
Byron	Fernandez	Kleberg	Pierce, N. Y.
Cannon, Fla.	Fish	Knutson	Plumley
Cartwright	Fitzpatrick	Lambertson	Rabaut

Rich	Shannon	Sullivan	West
Robinson, Utah	Sheppard	Sutphin	Wheat
Rockefeller	Sirovich	Sweeney	Williams, Del.
Rogers, Okla.	Smith, Ill.	Tarver	Wood
Sacks	Smith, Va.	Taylor, Colo.	Woodruff, Mich.
Sandager	Smith, Wash.	Tinkham	Woodrum, Va.
Sasscer	Sparkman	Voorhis, Calif.	
Schiffler	Starnes, Ala.	Wallgren	
Secrest	Stearns, N. H.	Welch	

The SPEAKER pro tempore. Three hundred and nine Members have answered to their names. A quorum is present.

On motion of Mr. LEA, further proceedings under the call were dispensed with.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I demand the reading of the engrossed copy of the bill.

The SPEAKER pro tempore. Of course, that is physically impossible at this time.

Mr. LEA. Mr. Speaker, I move to dispense with further proceedings in order today, Calendar Wednesday.

The motion was agreed to.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. JENKINS] is entitled to recognition for 30 minutes.

Mr. JENKINS of Ohio. Mr. Speaker, in view of the fact we have had a very strenuous day, I will relinquish my time and ask for permission at some other time.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. MURRAY] is entitled to recognition for 20 minutes.

THE TROUBLES OF THE FUR FARMERS OF AMERICA

Mr. MURRAY. Mr. Speaker, I wish to call your attention and the attention of the Members of this House to the deplorable condition of the fur farmers of America.

The predicament of the fur farmers today is one more indictment of the so-called reciprocal trade treaties that are crucifying all farmers on the altar of world commerce.

Domesticated fox farming had its beginning in 1887 on Prince Edward Island, Canada, and was started by two men—Charles Dalton and Robert T. Oulton. These men not only domesticated the silver fox, which is a "sport" of the common red fox, but they established this "color phase" by careful breeding. By 1900, due to the demand for these splendid domesticated pelts, high prices prevailed. Fox farming began to be profitable by 1911, and a corporation was organized to promote fox farming, and the business passed through the usual promotional and frenzied-finance stage, with artificial values placed on breeding animals. At the present time the industry has settled down to be a business and a branch of farming where the pelt is the crop to be marketed, and it has become the foundation of the fur-farming industry.

Furs have been used since the beginning of history, and in Genesis iii: 21 we find:

> Unto Adam also and to his wife did the Lord God make coats of skins, and clothed them.

Fortunes like that of John Jacob Astor, as everyone knows, were made on the native furs of America and Canada. A large percentage of these furs were shipped to the markets of the world, and at times brought over $60,000,000 a year. Our native fur supply gradually disappeared, and when the value of the domesticated fox fur was demonstrated, the demand for silver fox was greatly increased.

By 1915 the United States Government had appropriated money to carry on an experimental fur farm at Keesville, N. Y. The same year the Prince Edward Island breeders had an auction of silver-fox pelts at St. Louis; by 1917 the United States had a Black Fox Magazine; by 1918 the American Fox Breeders Association was formed; by 1920 the National Fox Breeders Association was organized; and the American National Fox Breeders Association was formed from the two national associations in 1924.

The rapidity and growth of this industry is shown in the following table:

Number of pelts

Fiscal year ending June 30:	
1930	85,000
1931	110,000
1932	130,000
1933	150,000
1934	170,000
1935	185,000
1936	200,000
1937	275,000
1938	300,000
1939 [1]	350,000

[1] Estimated.

Source: U. S. Department of Agriculture.

There is now an annual world production of 1,000,000 pelts.

The phenomenal growth of this fox industry has been due to the wonderful, undisputed value of this great fur that is so difficult to imitate. The prices have been reduced due to mass production, until these beautiful furs grace the necks and shoulders of thousands of average American women, and have passed out of the luxury class.

The silver fox is largely produced in the two northern tiers of States of our country, and the largest producing States are Wisconsin, Minnesota, Michigan, Washington, Montana, and New York.

The dairy farmer and general livestock farmer has made a splendid fur farmer.

He understands the fundamentals of breeding livestock and has the patience, knowledge, and natural husbandry so necessary in raising fur animals. This accounts, no doubt, for the leadership of Wisconsin.

The following chart shows the relation of Wisconsin to the fox-fur industry of America:

Number of fox pelts produced in United States, 1937	225,000
Number of fox pelts produced in Wisconsin, 1937	129,504
Income from fox pelts produced in United States at $35 per pelt	$7,875,000
Income from fox pelts produced in Wisconsin at $35 per pelt	$4,532,640
Percentage of fox pelts produced in Wisconsin	57.5

You will note that Wisconsin produced 57.5 percent of the fox pelts of America in 1937.

While there are several large silver-fox ranches in the country, a large percentage of these foxes are produced by small operators who own only a few pairs. It is in behalf of this great number of small breeders that I implore you today to give heed to their troubles, and I pray you to realize what the trade treaties have done and are doing to their very existence in the fur farming business.

The fur breeders have secured the services of Dr. W. Wisnicky, of Madison, Wis., one of the outstanding practitioners of veterinary science in America today, and he is spending all of his time in trying to solve the various diseases and sanitary problems confronting the modern breeders of domesticated fur-bearing animals.

I do not wish to boast of the magnitude of the fur industry in Wisconsin, but I do wish to call the attention of the Members of this House to the conditions of these fur farmers.

These fur farmers have an infant industry, and it is certain that without proper protection it is not going to survive. The last Canadian treaties reduced this tariff from 50 to 37½ percent, or a reduction of 25 percent.

Let us see what influence this treaty has had on the importations:

Imported from—	1929	1931	1933	1935	1936	1937	1938	January and February 1939
Canada	622	2,094	848	1,175	6,402	7,959	8,685	12,991
United Kingdom	23	------	688	24	7,844	11,656	3,396	687
Norway	------	------	------	------	1,000	6,188	4,015	6,252
All other countries	9	4	465	6	543	191	372	69
Total	654	2,098	2,001	1,205	15,789	25,994	16,468	19,999

Fox pelts exported are usually the poorer grades and in 1937, 8,983 were exported, and in 1938, 4,827 were exported.

Is it any wonder that the price of fox pelts has been reduced 38 percent since these new trade treaties went into effect? On January 1, 1939, as you will note, more pelts were imported in January and February of 1939, than in the whole year of 1938.

I called your attention a few days ago to what happened to the cheese industry in Wisconsin as a result of the trade treaties. I showed you that in 1935, with no treaty talk, the price of cheese rose during the winter months, and that in 1936 when the Canadian treaty was renewed, the price went down to 12½ cents from 17 cents a pound, while the storage was reduced from 99,572,000 pounds on January 1 to 85,798,000 pounds on July 1, 1936. Then again, in 1937, the price was uniform from the period January 1 to April 1. When you consider this loss on the millions of pounds of butterfat produced each year in Wisconsin, you can easily see how insignificant the soil subsidy checks appear to be, and why Wisconsin farmers have been so critical of the agricultural programs.

The same disaster is evidently the destiny of the fur farmer, unless immediate steps are taken to come to their assistance. From present indications the hog farmer is next in line to be ruined, even with Germany begging to bargain for our surplus lard and pork products right now.

What constructive program can be followed to help the fur farmers of America? Let us—

First. Ask for an immediate repeal of the Canadian treaty. Let us forget political parties and prejudices for a short time and acknowledge that these trade treaties are a stumbling block to every constructive farm program and if continued will ruin every branch of agriculture in America. To me these trade treaties are unfair and unjust, and I say that regardless of what political parties are in favor of them, or against them.

According to the press, the State and Agricultural Departments are ready to start to barter cotton and wheat. They must realize the futility of the so-called trade treaties. When it is necessary to take $20,000,000 from the Federal Treasury in order to subsidize the exports of $45,000,000 worth of wheat, it is time to correct our agricultural program. Our colleague, the gentleman from Minnesota [Mr. ALEXANDER], as you all know, has this wheat situation well in mind.

Let us quit right now before any more branches of agriculture are ruined.

Second. Let us realize that with seasonal help 8,000 Americans are trying to make a living from this exacting, highly skilled, and comparatively new system of farming, and an infant industry that deserves protection and assistance at this time.

Third. Let us prevent the practice that is evident where live foxes are imported into the United States from Canada at 15 percent ad valorem, whereby the 37½ percent ad valorem on pelts imported is avoided. According to the American Fox and Fur Breeders Associations there were 1,269 live foxes imported in 1937. Of these 1,269, there were 1,143 imported in November 1937, which is at the height of pelting season. This can be prevented by increasing the tariff on live animals.

Fourth. Let us appreciate the fact that this infant industry of fur farming has over $50,000,000 of investment and that it spends one-half million dollars each year in advertising and that many farm crops are used in feeding the animals raised. I contend the rich home market that has been built up by careful breeding and selection of these foxes, and by extensive advertising, belongs first to the fur farmers of America.

Let us realize that the large majority of the people of this country feel the injustice of these trade treaties and wish to cancel them with the 6 months' notice that is necessary.

I believe 100 percent of the Republican Members of this House are against these treaties and I have every reason to believe that a surprising number of the majority Members of this House believe in canceling these treaties, before all agriculture is ruined.

Fifth. Let us forget the politics of the treaties and frankly admit that if agriculture is going to be helped by lowering the tariff, then the "world is flat" and "black is white."

Let us admit they are fundamentally wrong "in principle and vicious in consequences," as we have seen demonstrated so clearly in all branches of agricultural life.

Sixth. Let us realize that this industry where in 1937 fox pelts alone brought $7,850,000 in the United States and $4,532,640 in Wisconsin, needs every consideration today.

In Wisconsin this $4,532,640 is about one-half the value of the potato crop of the State and Wisconsin is the third potato State in acreage in our Nation.

Let us begin to think of and do something for our people at home. Our total foreign exports are only a little over $3,000,000,000 a year. This is small when we consider our national income of from sixty to seventy billions. Why continue a policy of impoverishing our farmers and every branch of industry in order to try to have some hypothetical benefit to some other people of the world? Let us have normal world trade by divorcing our politics from our economics.

Let us realize that our total exports in 1937, 24 percent were agricultural exports, and that of our imports, 53 percent were agricultural products; that in 1938, 27 percent of our exports were agricultural products and 49 percent of our imports were agricultural products.

Let us realize that no Member of this House has yet stood on this floor and been able to show where these trade treaties have been of value to any branch of American agriculture, and I doubt if anyone can.

Mr. Speaker, I ask you and every Member of this House, in all justice, fairness, and equity to these fur breeders of America, to heed their cry at this time of need and help place these men and their industry back into their rightful place in agriculture that they so richly deserve.

Let us realize that although the past Congresses may or may not have had the legal right to delegate this power to make trade treaties, as they were never confirmed by the Senate, there is one thing certain and that is that no past, present, or future Congress, if we are going to follow the principles of a democracy, has any moral right to delegate the power to any one man to have direct control over the income of every farmer in America, or direct control of the grocery bill of every family in our country.

Let us realize that if President Roosevelt is right in his desire to get the South out of "hock" to the North, it is surely equally true that we should get the United States farmers out of "hock" to the political agriculturists, the peasants of Europe, and the peons of South America.

Let us bring the American market back to the American farmer. Let us bring the Government back to the people—and take some constructive steps to work for economic justice for our rural people.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, earlier in the afternoon, during debate on the bill to provide for the training of civilian aircraft pilots, I was unable to participate due to other duties which took me from the Chamber.

By passing today H. R. 5619, known as the Civilian Pilot Training Act, we have taken a forward step in providing a program which will give to this Nation thousands of pilots who, in peacetime, will receive the training which will adequately prepare them to successfully carry on this vital work. It is important to recognize the fact that in the event of war this country would have a reservoir or backlog of skillfully trained individuals who could be of invaluable aid. I have long been an advocate of such a program, and just a year ago on the floor of this House I urged that we give aviation

its proper place and stimulate flying through the training of civilian pilots with Government aid.

The primary purpose of this measure passed today is to provide for the carrying forward of a civilian pilot training program by the Civil Aeronautics Authority. It will be remembered that the President gave recognition to the need for such a program in his message to Congress earlier this year. He also called the attention of the House Appropriations Committee to the need for funds for this purpose.

Through the passage of this bill the Civil Aeronautics Authority will be able to provide for the training during the coming year of 15,000 civilian pilots between the ages of 18 and 25. This training can be brought about by using the facilities and personnel of the Civil Aeronautics Authority or it can be provided at colleges, universities, aviation schools, and so forth. I believe it is intended at the present time to turn the program over to the colleges and universities for prosecution.

In this connection, I am thinking especially at this time of the possibilities of such a program in my congressional district and the State of West Virginia. There is a real need for this training in that territory and hundreds of youths are ready to embrace the opportunity for such training under the guidance of competent instructors and Government sponsorship. Splendid facilities are to be found at Morgantown, W. Va., where there is nearing completion one of the finest airports to be constructed anywhere in the United States. The campus or property of West Virginia University is adjacent to this modern flying field, and I am happy to report that university, city, and civic officials in that community have pledged their wholehearted support and cooperation to the program as it will affect that territory.

By the passage of this particular legislation, two vital objectives will be accomplished. As we know, the Civil Aeronautics Act of 1938, which was passed during the last session of Congress contained the stipulation that it should be so administered as to encourage and develop civil aviation. This measure provides the Authority with a most effective means of doing so, because, if a large number of additional civilian pilots are trained, it naturally follows that more planes will be manufactured and sold, the number of those using the services provided at the airports will be increased, and the number of possible passengers for the air lines will be enlarged.

In addition to the above-mentioned benefits, this legislation provides a way by which we can better defend ourself in time of war. In view of recent developments abroad we must give thought to the adequacy of our own air force. At the present time I am advised we have 3,800 commercial pilots and 3,600 private pilots between the ages of 18 and 30. This number would be greatly reduced by eliminating those who would probably be unable to meet the physical requirements of the Army Air Service. In this connection, I feel it perhaps appropriate at this point to call attention to recent comment made by Bernarr Macfadden to whom I talked only a few days ago. Mr. Macfadden, now past 70 years of age, pilots his own plane, and it is to be remembered that in November 1937 he sponsored a plane flight from New York City to Miami, Fla., which enabled private fliers to test their ability under Government flight regulations. This publisher and aviation enthusiast has himself been at the controls more than 1,300 hours. He says:

It is indeed gratifying that the United States Government has finally authorized a program for training each year 20,000 students in the art of flying.

And we are glad to have the assurance of General Arnold, Chief of the Air Corps, in which he says, "We will insist that all cadets conform to our physical and mental requirements, thereby standardizing the cadets."

It is not possible to overemphasize the importance of vital dynamic health to those who expect to devote their lives to flying. There is no activity of any kind in which the perfect control of the nervous system is more important than in this particular profession.

One great flying organization has each pilot examined by a physician before he goes out on an important trip. He is not only given a "once over" in a physical sense but his mental attitude is determined. If he is worried for any reasons or, as the official facetiously remarked, "If he has had a quarrel with his wife he will not be allowed to take out the ship." That indicates very forcibly the great importance of perfect adjustment in the nervous organization when one is given exclusive management of a valuable ship and the more valuable human freight which it is to carry.

And to every young man who wants to qualify for this important service I especially stress the importance of the physical training. He should make himself an athlete in every sense and follow a system of training which will maintain this physical perfection throughout every day of his active career.

And there is no possible chance of a young man being successful in the flying world unless he is able to discipline himself. He must not be afraid of work; most rigid training will be necessary to perfect himself for this fascinating career.

Self-mastery is said to be life's greatest victory. All nations of Europe insist upon rigid discipline in their military system, and every young American who hopes to qualify as an aviator should be willing and ready to assume the arduous duties which will be required of him.

It is clear that the number of pilots in private aviation would be entirely inadequate to meet any national emergency, and it is important that steps be taken to remedy this condition. H. R. 5619 is intended to do this by building up an adequate reserve of trained pilots to which we could turn in time of need. This program personifies the way we in the United States have always endeavored to meet our military needs—not by compulsory service, but by maintaining and increasing the strength and efficiency of our people in civilian life.

I again want to express my wholehearted cooperation and support in carrying forward this splendid program.

Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein certain excerpts.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. RAMSPECK, for the remainder of the week, on account of important business.

To Mr. HARE, for 2 days, April 22 and April 23, on account of important business.

EXTENSION OF REMARKS

Mr. HEALEY. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. HEALEY]?

There was no objection.

Mr. HEALY. Mr. Speaker, I have before me an editorial of the Washington Times-Herald of April 15, 1939, which I feel is worthy the notice of the Congress of the United States. I wish to set out that editorial forthwith in my remarks:

DANGEROUS TRADE TRENDS

If we can get our minds off Europe for a minute, some attention had better be paid to a home-made variety of economic aggression which is a far greater threat to our survival than Hitler, Stalin & Co.

WE'VE A JOB RIGHT HERE

This is the trend of local governments to slip under the guard of the Constitution and set up discriminatory barriers against the free flow of interstate commerce.

Article 1, section 10, of this pact between us all says:

"No State shall, without the consent of Congress, lay any imposts or duties on imports or exports, except what may be absolutely necessary for executing its inspection laws; and the net produce of all duties and imposts, laid by any State on imports or exports, shall be for the use of the Treasury of the United States; and all such laws shall be subject to the revision and control of the Congress."

But, as in the case of many a tighter-drawn agreement, the live lawyers in the State legislatures have outfoxed the dead lawyers of the constitutional convention.

GOING DOWNHILL FAST

Only recently, in Chicago, the Council of State Governments brought the facts up to date. Special committees surveyed the State doings in control of agriculture, commerce, and industry, liquor, and taxation, and found that local and State governments are going downhill faster and faster in the matter of such economic legislation as this mentioned.

One legislature, responding to a local pressure group, slaps on a tax against "foreign" competition, and immediately the "foreigners" squeeze down on the first defender of home territory with a discrimination against his products in the "foreign" State. The course and the result are obvious. Our Federal Union cannot help but disintegrate.

The council set up a wide-ranging formula for correction, and asked each State to get to work tearing down the barbed wire found specifically in public-purchase preference laws; margarine excise taxes; ports of entry; State-use taxes; State laws concerning peddlers; motor-vehicle laws; agricultural quarantines; State laws concerning dairy products; and out-of-State alcoholic beverages.

In this list there are several which snag trade in and out of the District of Columbia. They were put there by Congress. It is up to Congress now to take them out as an example to the States.

For the snarling of the free-flowing lines of commerce is so intricate by now that the States will probably never untangle without help.

This editorial is typical of the widespread and growing concern that has arisen throughout the Nation over the rising tide of artificial barriers to the free flow of trade and commerce between the States.

Today 30 States have laws favoring their own citizens as against the citizens of all other States in the letting of public contracts for general supplies and building materials. A number penalize so-called foreign corporations with higher entry fees and license taxes than are collected from domestic corporations. Fifteen have "use taxes" on goods bought and brought in from other States. These obstructions to trade are thrown up in various guises, such as ports of entry, sales and usage taxes, local-materials laws, milksheds, and so forth. They all have for their ultimate purpose the restriction of importations from other States.

The menace to the internal welfare of our Nation presented by this trend should be readily apparent. In reading the history of our early Confederation, one fact stands out prominently—that the lack of power granted by the Articles of Confederation to curtail or eliminate the barriers to commerce that had been thrown up between the States was one of the prime reasons for the Confederation's failure. One of the paramount problems that confronted the founders of our country at the Constitutional Convention was that of eliminating the unnatural impediments to internal trade which presented an insuperable obstacle to the formation of a united nation. The problem was solved by vesting in the Federal Government, under article I, section 10, of the Constitution of the United States, the exclusive control over interstate commerce. As was stated in 1824 by the Supreme Court of the United States in the case of Gibbons against Ogden:

If there was any one object riding over every other in the adoption of the Constitution, it was to keep commercial intercourse among the States free from all invidious and partial restraints.

The great wisdom of the founding fathers in so providing has been demonstrated, not alone by 150 years of the history of America as a firmly united Nation, but also by the contrasting present-day economic difficulties that harass the existence of European nations, conspicuously the Balkan states.

The relatively recent growth, under the guise of sanitary regulations and other devices, which impose artificial restraints on internal commerce presents an economic problem of grave proportions. The adoption of laws by the States which restrict or completely block the free movement of commodities over State lines raises a serious threat to the economic and social welfare of our country. The danger has been widely recognized and the Council of State Governments recently held a conference of representatives of the 48 States, at which attention was, as stated in its magazine—

Focused on State "isolationist" legislation which impedes interstate commerce in the products of agriculture and industry at the expense of the consumer.

As an example of these virtual tariff walls thrown up around States, we have right here in the District of Columbia, a situation resulting from the act of Congress of February 27, 1925, which has had the effect, and perhaps the purpose, of resticting the supply of fluid milk for the District of Columbia to farms located within a limited area in nearby Maryland and Virginia, although there is serious question of the ability of this area to adequately supply the needs of the District. The act, however, exempts from its terms fluid milk and cream that is to be used solely for the manufacture of ice cream and fluid milk and cream for such purposes can be brought in from anywhere in the United States provided it has been produced in accordance with the specifications of an authorized medical commission or State board of health.

Everyone will agree, of course, that sanitary regulations governing the production of milk are vital and essential to the public health. My remarks are not intended to apply to such regulations. I am speaking now only of those regulations which have no reasonable relation to public health and are merely disguised barriers to trade. And I feel that the exclusion of fluid milk and cream not produced within the favored area under the District law, even though it may have been produced under the most sanitary conditions, is merely a disguised barrier to trade. My remarks are intended to apply to that provision alone.

As I have already stated, milk and cream produced out of the restricted area may not be brought into the District in fluid form for fluid consumption, but may be admitted for use in the manufacture of ice cream. Analysis of the results reveals no valid grounds for the distinction or the exclusion.

For example, butter, bread, cake, pies, candy, and all the products of the candymaker and baker may not be manufactured in the District unless milk and cream brought in from the favored area is used. Yet all of these finished products may be brought into the District from nearby cities and towns of Maryland and Virginia and sold here despite the fact that outside milk or cream was used in their manufacture.

Evaporated and condensed milk is not subject to this restriction. Yet physicians commonly prescribe it for infants and no one has ever seriously contended that the public health would be served by its exclusion unless produced from the milk of nearby farms.

Then again, fluid cream finds its greatest use in coffee, tea, and similar beverages by adults, while the numbers of infant and youthful consumers of ice cream are legion. It seems self-evident that, if a health purpose is to be served, the health of children and infants requires the highest degree of protection.

The so-called fountain drinks further illustrate the illusory nature of the public-health purpose attributed to this restriction. So-called milk shakes, for instance, are commonly made up of both fluid milk and ice cream. It is estimated that the final fluid product is approximately 60 percent cream brought in from farms outside the restricted area and only about 40 percent milk governed by the restriction.

It must be obvious from these facts that the restriction which permits the sale in fluid form in the District of only such milk and cream as is produced in the favored areas of Maryland and Virginia bears no reasonable relation to public health. As has been so aptly stated in the special report to the Secretary of Agriculture by the Bureau of Agricultural Economics, United States Department of Agriculture, entitled "Barriers to Internal Trade in Farm Products," page 10:

When it is found, for example, that refinements in regulatory procedure cause milk to sell regularly at 1 and 2 cents a quart more than in other nearby well-regulated cities (as in the case in the District of Columbia), the ordinary consumer may wonder if this additional item of protection is fully justified in terms of public health. Low-income families who can afford little and frequently no milk for their children might bear witness to the adverse public-health effects of an inspection program that helps to hold milk out of their reach.

And I might also add, in the light of the foregoing facts, that it may well be wondered what, if any, additional protection is afforded by this restriction. The experience of many large cities throughout the Nation has demonstrated that the public health may be carefully safeguarded while yet adhering to those broad principles of comity between States that has welded America into an inseparable Union of States. By accepting the inspection and certification of the public authority established where the cream is produced the public health may be adequately safeguarded. Boston and other cities comprising metropolitan Boston, for instance, have long permitted outside inspection of their cream supply. Of course, everyone realizes that regulations requiring the production of milk under sanitary conditions and its inspection to insure its safety for consumption are vitally necessary,

and such protection to public health must be preserved. However, such regulations should be set up solely for that purpose and should not be permitted to serve merely as a protectorate against competition for the benefit of a chosen area.

In the March issue of the publication State Government the problem is stated in these words:

Perhaps the greatest menace to the internal economy of the United States today is the growth of trade barriers among the States. During the last 10 years numerous laws have been adopted in every State in the Union which restrict or completely block the free movement of certain types of commodities over State lines. Born of the desperation of depression politics, this ominous trend has continued to grow and to gain momentum despite economic gains of the past few years.

The United States, once the largest free-trade area in the world, is now threatened by the disintegrating effects of laws which operate as State protective tariffs. Such legislation is cumulative; "unprotected" States retaliate with similar laws in attempts to equalize competitive opportunities for their producers and enterprisers.

One thing is evident through all the welter of discrimination, laws of retaliation and laws of counter-retaliation—and that is that the general consuming public inevitably pays the bill. Every law which protects home producers from out-of-State competitors adds to the cost of living of all consumers within that area while it adds to the incomes of only the protected few.

Unquestionably the greatest advance toward the elimination of this situation must come through the voluntary cooperation and effort of the various State governments. Undoubtedly methods will be found to restore to their former preeminent position the broad principles of comity which have so well served the economic and social welfare of our Nation for a century and a half.

However, it seems to me that the Congress, in its capacity as the legislative body for the District of Columbia, has the opportunity to set a splendid example to the Nation by tearing down once and for all whatever artificial barriers to trade and commerce have been erected around the District. We have made a start by authorizing a special committee to investigate the milk situation in the District of Columbia. I hope that, when this committee has made its report, Congress will take the lead in the movement to restore to the Nation a free and unimpeded flow of internal commerce and trade by eliminating any restrictions in the District milk regulations that serve only to shield a favored area from competition. In so doing, Congress will best serve the health and welfare of the residents of the District and will furnish to the Nation an encouraging leadership in the movement to eliminate barriers to commerce between the States.

PERMISSION TO ADDRESS THE HOUSE

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma [Mr. JOHNSON]?

There was no objection.

PICTURES OF ALASKA

Mr. JOHNSON of Oklahoma. Mr. Speaker, I have asked the indulgence of the House at this time in order to announce that the Oklahoma delegation in Congress is sponsoring a picture that will be shown in the caucus room of the House Office Building Thursday evening of this week at 8 o'clock.

The picture to be shown is of Alaska and was made by John Kayser, a young man from Chickasha, Okla., who recently made an extended tour in connection with the Will Rogers-Wiley Post Memorial Expedition. This illustrated picture is not only very educational but interesting. All Members of the House and Senate are invited to attend this showing with their families. It will be of special interest to the younger members of your family. In order for your children to attend it will be necessary that you accompany them. I am sure you will all appreciate the picture inasmuch as Alaska is receiving much attention at the hands of this Congress.

EXTENSION OF REMARKS

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein two communications from labor organizations in the State of Minnesota.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota [Mr. ALEXANDER]?

There was no objection.

Mr. LUDLOW asked and was given permission to extend his own remarks in the RECORD.

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial in connection with the Oklahoma run.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma [Mr. MONRONEY]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts [Mrs. ROGERS]?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, today, the 19th of April, they are celebrating Patriot's Day in Massachusetts, or Lexington and Concord Day. I have the honor of representing the district in which are located Concord and Lexington, where on the 19th day of April the first shot of the Revolutionary War was fired—"that was heard around the world"—and where the Battle of Lexington and Concord was fought. It was really the beginning of the American Revolution, which led later to our splendid free form of government. In these days of terrible unrest and distress across the seas we are particularly grateful to the men who died there. When we compare our lot with that of the people living under the iron heel of the dictators of other lands, everyone in America should pause and pay tribute to those honored patriots of the American Revolution. The entire country should celebrate every 19th of April and pledge anew our determination to preserve it.

Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts [Mrs. ROGERS]?

There was no objection.

EXTENSION OF REMARKS

Mr. HARRINGTON asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. LEA. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill H. R. 5379, under consideration today, may have 5 legislative days in which to revise and extend their own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. LEA]?

There was no objection.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval a joint resolution of the House of the following title:

H. J. Res. 224. Joint resolution to authorize the painting of the signing of the Constitution for placement in the Capitol Building.

ADJOURNMENT

Mr. LEA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 2 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, April 20, 1939, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON FOREIGN AFFAIRS

The Committee on Foreign Affairs will meet again Thursday, April 20, 1939, in the committee room, Capitol, for the

purpose of continuing open hearings on the following bills and resolutions on the subject of neutrality: House Resolution 100, to prohibit the transfer, loan, or sale of arms or munitions (by Mrs. ROGERS of Massachusetts); House Joint Resolution 3, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. LUDLOW); House Joint Resolution 7, to implement the Kellogg-Briand Pact for World Peace (by Mr. GUYER of Kansas); House Joint Resolution 16, to prohibit the exportation of arms, ammunition, or implements or materials of war to any foreign country when the President finds a state of war to exist between or among two or more foreign states or between or among two or more opposing forces in the same foreign state (by Mr. KNUTSON); House Joint Resolution 42, providing for an embargo on scrap iron and pig iron under Public Resolution No. 27 of the Seventy-fifth Congress (by Mr. CRAWFORD); House Joint Resolution 44, to repeal the Neutrality Act (by Mr. FADDIS); House Joint Resolution 113, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. FISH); House Joint Resolution 226, to amend the Neutrality Act (by Mr. GEYER of California); House Joint Resolution 254, to keep the United States out of foreign wars, and to provide for the neutrality of the United States in the event of foreign wars (by Mr. FISH); House bill 79, to keep America out of war by repealing the so-called Neutrality Act of 1937 and by establishing and enforcing a policy of actual neutrality (by Mr. MAAS); House bill 163, to establish the neutrality of the United States (by Mr. LUDLOW); House bill 4232, to limit the traffic in war munitions, to promote peace, and for other purposes (by Mr. VOORHIS of California); House bill 5223, Peace Act of 1939 (by Mr. HENNINGS); House bill 5432, to prohibit the export of arms, ammunition, and implements and materials of war to Japan, to prohibit the transportation of arms, ammunition, implements, and materials of war by vessels of the United States for the use of Japan, to restrict travel by American citizens on Japanese ships, and otherwise to prevent private persons and corporations subject to the jurisdiction of the United States from rendering aid or support to the Japanese invasion of China (by Mr. COFFEE of Washington); House bill 5575, Peace Act of 1939 (by Mr. HENNINGS).

Open hearings will continue from Thursday, April 20, to April 26, beginning at 10 a. m. each day, with the exception of Saturday, April 22.

COMMITTEE ON NAVAL AFFAIRS

There will be a meeting of the Committee on Naval Affairs at 10:30 a. m. Thursday, April 20, 1939, for the consideration of H. R. 5765, "To authorize commissioning of aviation cadets in the Naval and Marine Corps Reserves upon completion of training, and for other purposes."

COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be a meeting of the Committee on the Post Office and Post Roads at 10 a. m. on Tuesday, April 25, 1939, for the consideration of H. R. 1827, to allow moving expenses to employees of the Railway Mail Service, and H. R. 4322, giving clerks in the Railway Mail Service the benefits of a holiday known as Armistice Day.

There will be a meeting of the Committee on the Post Office and Post Roads at 10 a. m. Wednesday, April 26, 1939, for the consideration of H. R. 2209 and H. R. 5278, bills to place postmasters of the fourth class on an annual salary basis.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a hearing before the Bridge Subcommittee on Thursday, April 20, at 10 a. m. on H. R. 3643, a bridge over the Straits of Mackinac near St. Ignace, Mich.

There will be a meeting of the Petroleum Subcommittee of the Committee on Interstate and Foreign Commerce at 2 p. m. Wednesday, April 26, 1939. Business to be considered: Hearing on S. 1302, petroleum shipments.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

On Tuesday, April 25, 1939, at 10 a. m., the committee will hold public hearings on the following bills: H. R. 2883, H. R. 2543, H. R. 2558, to increase further the efficiency of the Coast Guard by authorizing the retirement, under certain conditions, of enlisted personnel thereof with 20 or more years of service.

On Wednesday, April 26, 1939, at 10 a. m., the following bills: H. R. 4592, allowing all registered vessels to engage in the whale fishery; H. R. 4593, relating to the whale fishery.

On Thursday, April 27, 1939, on H. R. 4983, to amend sections 712 and 902 of the Merchant Marine Act, 1936, as amended, relative to the requisitioning of vessels.

On Thursday, May 4, 1939, at 10 a. m., on H. R. 4650, making electricians licensed officers.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

652. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Temporary National Economic Committee amounting to $600,000 to remain available until the expiration of the Seventy-sixth Congress (H. Doc. No. 254); to the Committee on Appropriations and ordered to be printed.

653. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Social Security Board for the fiscal year 1939 amounting to $12,000,000 (H. Doc. No. 253); to the Committee on Appropriations and ordered to be printed.

654. A letter from the Administrator, Wage and Hour Division, Department of Labor, transmitting amendments proposed in connection with the Fair Labor Standards Act; to the Committee on Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COSTELLO: Committee on Military Affairs. H. R. 3364. A bill to transfer the control and jurisdiction of the Park Field Military Reservation, Shelby County, Tenn., from the War Department to the Department of Agriculture; without amendment (Rept. No. 432). Referred to the Committee of the Whole House on the state of the Union.

Mr. MERRITT: Committee on Military Affairs. H. R. 3408. A bill to authorize the Secretary of War to terminate certain leases of the Long Island Railroad Co.; without amendment (Rept. No. 433). Referred to the Committee of the Whole House on the state of the Union.

Mr. COSTELLO: Committee on Military Affairs. H. R. 5449. A bill making inapplicable certain reversionary provisions in the act of March 4, 1923 (42 Stat. 1450), and a certain deed executed by the Secretary of War, in the matter of a lease to be entered into by the United States for the use of a part of the former Fort Armistead Military Reservation for air-navigation purposes; without amendment (Rept. No. 434). Referred to the Committee of the Whole House on the state of the Union.

Mr. MURDOCK of Arizona: Committee on Indian Affairs. S. 18. An act authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896, and reopening such lands to mineral entry; with amendment (Rept. No. 438). Referred to the Committee of the Whole House on the state of the Union.

Mr. FULMER: Committee on Agriculture. H. R. 4539. A bill to extend the time during which orders and marketing agreements under the Agricultural Adjustment Act, as

amended, may be applicable to hops; without amendment (Rept. No. 439). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 4929. A bill to amend the act of June 23, 1938 (52 Stat. 944); with amendment (Rept. No. 440). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SMITH of Connecticut: Committee on Military Affairs. H. R. 4617. A bill for the relief of Capt. Robert E. Coughlin; without amendment (Rept. No. 431). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on War Claims. H. R. 5719. A bill conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Joliet National Bank, of Joliet, Ill., and Commercial Trust & Savings Bank, of Joliet, Ill., arising out of loans to the Joliet Forge Co., of Joliet, Ill., for the providing of additional plant facilities and material for the construction of steel forgings during the World War; without amendment (Rept. No. 435). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on War Claims. H. R. 5720. A bill for the relief of Capt. Roger H. Young; without amendment (Rept. No. 436). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on War Claims. H. R. 5722. A bill for the relief of Evelyn Gurley-Kane; without amendment (Rept. No. 437). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRADLEY of Michigan:

H. R. 5867. A bill granting the consent of Congress to the State of Michigan to construct, maintain, and operate a toll bridge or series of bridges, causeways, and approaches thereto, across the Straits of Mackinac at or near a point between St. Ignace, Mich., and the Lower Peninsula of Michigan; to the Committee on Interstate and Foreign Commerce.

By Mr. WALTER:

H. R. 5868. A bill to amend the Judicial Code in respect to claims against the United States for just compensation; to the Committee on the Judiciary.

By Mr. DISNEY:

H. R. 5869. A bill to prohibit the importation of flags, standards, colors, and ensigns of the United States; to the Committee on Ways and Means.

By Mr. ANGELL:

H. R. 5870. A bill to provide for the payment of annuities to blind persons; to the Committee on Ways and Means.

By Mr. CRAWFORD:

H. R. 5871. A bill to regulate the taking by aliens, not residing within the United States or its Territories, of personal property or the proceeds thereof by descent or inheritance, and to provide for the escheat thereof; to the Committee on the Judiciary.

By Mr. FLANNAGAN:

H. R. 5872. A bill to provide and maintain an adequate supply of suitable seed for production of food for the population of Hawaii in times of emergency; to the Committee on Agriculture.

By Mr. IZAC:

H. R. 5873. A bill to provide pay of grade as provided in the act of June 10, 1922 (pay of retired officers), to any retired officer in the Army of the United States who was retired on account of disability in line of duty and who has performed active duty in the grade now held; to the Committee on Military Affairs.

By Mr. McKEOUGH:

H. R. 5874. A bill to amend the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever," approved February 28, 1929, by including therein the name of Gustaf E. Lambert; to the Committee on Military Affairs.

By Mr. MAGNUSON:

H. R. 5875. A bill for the purpose of extending to employees of the Government of the United States rights and privileges in adjusting grievances; to the Committee on Naval Affairs.

H. R. 5876. A bill for the purpose of regulating the conditions of employment of mechanics and helpers at all navy yards and naval stations under the Navy Department, and for other purposes; to the Committee on Naval Affairs.

By Mr. MERRITT:

H. R. 5877. A bill to incorporate the American Gold Star Mothers of the World War; to the Committee on the Judiciary.

By Mr. MUNDT:

H. R. 5878. A bill to amend Public Law No. 383, Seventy-third Congress (48 Stat. L. 984), relating to Indians, by exempting from the provisions of such act the Pine Ridge Sioux Tribe of Indians of the State of South Dakota; to the Committee on Indian Affairs.

By Mr. O'CONNOR:

H. R. 5879. A bill to provide suitable rooms and accommodations for holding terms of the District Court of the United States for the District of Montana at Livingston and Miles City, Mont.; to the Committee on the Judiciary.

By Mr. REED of Illinois:

H. R. 5880. A bill to incorporate the Navy Club of the United States of America; to the Committee on the Judiciary.

By Mr. SWEENEY:

H. R. 5881. A bill for the relief of able officers of the Medical Corps of the United States Navy; to the Committee on Naval Affairs.

By Mr. FERGUSON:

H. R. 5882. A bill to amend subsection (h) of section 344 of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. O'LEARY:

H. R. 5883. A bill to amend the Merchant Marine Act, 1936, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. VINSON of Georgia:

H. R. 5884. A bill to amend the act of May 4, 1898 (30 Stat. 369), so as to authorize the President to appoint 100 acting assistant surgeons for temporary service; to the Committee on Naval Affairs.

By Mr. KELLER:

H. J. Res. 268. Joint resolution to provide for the establishment and maintenance of the Franklin D. Roosevelt Library, and for other purposes; to the Committee on the Library.

By Mr. HENDRICKS:

H. J. Res. 269. Joint resolution proposing an amendment to the Constitution of the United States relating to old-age assistance; to the Committee on the Judiciary.

By Mr. BREWSTER:

H. J. Res. 270. Joint resolution proposing an amendment to the Constitution of the United States relating to old-age assistance; to the Committee on the Judiciary.

By Mr. VINSON of Georgia:

H. Res. 170. Resolution for the consideration of H. R. 4929, a bill to amend the act of June 23, 1938; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 5885. A bill granting an increase of pension to Lorenzo T. Sullivan; to the Committee on Pensions.

By Mr. DIES:

H. R. 5886. A bill for the relief of the estate of Whitt M. Griggs; to the Committee on Claims.

By Mr. HENDRICKS:

H. R. 5887. A bill granting an increase of pension to Herbert B. Holloway; to the Committee on Pensions.

By Mr. JENKS of New Hampshire:

H. R. 5888. A bill for the relief of Jerry McKinley Thompson; to the Committee on Claims.

By Mr. JOHNSON of Indiana:

H. R. 5889. A bill for the relief of Percy Head; to the Committee on Claims.

H. R. 5890. A bill granting an increase of pension to Estella Walton; to the Committee on Pensions.

By Mr. KENNEDY of Maryland:

H. R. 5891 (by request). A bill for the relief of Dorothy Clair, G. F. Allen, and Earl Wooldridge; to the Committee on Claims.

H. R. 5892 (by request). A bill for the relief of E. Devlin, Inc.; to the Committee on Claims.

H. R. 5893. A bill for the relief of Guy F. Allen; to the Committee on Claims.

H. R. 5894 (by request). A bill for the relief of John E. Garrett; to the Committee on Claims.

H. R. 5895. A bill for the relief of James D. Larry, Sr.; to the Committee on Claims.

H. R. 5896 (by request). A bill for the relief of Thomas A. Ross; to the Committee on Claims.

H. R. 5897. A bill for the relief of Ivan Charles Grace; to the Committee on Claims.

By Mr. RAYBURN:

H. R. 5898. A bill for the relief of the estate of Joe Fugiti; to the Committee on Claims.

By Mr. ROUTZOHN:

H. R. 5899. A bill for the relief of Louisa Kipp; to the Committee on Claims.

H. R. 5900. A bill for the relief of Thomas T. Gessler; to the Committee on Naval Affairs.

By Mr. SCHIFFLER:

H. R. 5901. A bill for the relief of James Evans Monroe; to the Committee on Claims.

By Mr. SWEENEY:

H. R. 5902. A bill for the relief of Mr. and Mrs. Charles O. Nevel; to the Committee on Claims.

By Mr. WALLGREN:

H. R. 5903. A bill for the relief of Joseph Lee Hauser; to the Committee on Military Affairs.

By Mr. WEAVER:

H. R. 5904. A bill granting an increase of pension to McKinley Cook; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2609. By Mr. GERLACH: Resolution adopted by the House of Representatives of the General Assembly of the Commonwealth of Pennsylvania, urging that action be taken to prevent the importation of such grains and foodstuffs, cattle, and meat products which compete in the American market with the products of our own farmers; to the Committee on Ways and Means.

2610. By Mr. HALL: Petition of the Freeport Council, No. 57 (Freeport, Long Island), Junior Order United American Mechanics, urging tightening of immigration restrictions and opposition to admission of refugees from Europe; to the Committee on Immigration and Naturalization.

2611. By Mr. HANCOCK: Petition of Norman J. Whitney and 250 other residents of Syracuse, N. Y., favoring a strong mandatory neutrality law without giving the President discretion to take sides in any foreign war; to the Committee on Foreign Affairs.

2612. By Mr. JENKS of New Hampshire: Memorial of the Legislature of the State of New Hampshire, urging the passage of the Townsend national recovery plan, providing ample old-age security; to the Committee on Ways and Means.

2613. By Mr. JOHNS: Joint resolution of the Wisconsin State Legislature, memorializing Wisconsin Members in the Congress of the United States to exert every effort to secure for Wisconsin additional allotments for Works Progress Administration; to the Committee on Appropriations.

2614. By Mr. LUTHER A. JOHNSON: Resolution passed by the fourth district, Texas Federation of Women's Clubs, of which Mrs. Jud Collier is president, urging that the Agricultural Adjustment Administration for 1940 encourage the planting of home gardens; to the Committee on Agriculture.

2615. Also, resolution passed by the fourth district, Texas Federation of Women's Clubs, of which Mrs. Jud Collier is president, urging that discrimination in freight rates of Texas and other Southern States be removed; to the Committee on Interstate and Foreign Commerce.

2616. Also, senate concurrent resolution of the State Senate of Texas, favoring the $1,000,000 appropriation to aid the States in wildlife restoration; to the Committee on Appropriations.

2617. By Mr. KEOGH: Petition of Archibald R. Davidson, Dongan Hills, N. Y., concerning the Guffey Coal Act; to the Committee on Ways and Means.

2618. Also, petition of George D. Brown, Jr., secretary, executive department, division of housing, New York City, concerning Senate bill 591; to the Committee on Banking and Currency.

2619. By Mr. LAMBERTSON: Petition of Henderson Taylor and 22 other citizens of Topeka, Kans., urging Congress to pass the Federal antilynching bills (H. R. 103 and S. 845); to the Committee on the Judiciary.

2620. By Mr. LEWIS of Colorado: Senate Joint Resolution No. 16 of the Thirty-second General Assembly of the State of Colorado, urging the Congress to reenact the excise tax on foreign copper of 4 cents per pound, as originally enacted by act of Congress of 1932 and reenacted in the revenue bill of 1937; to the Committee on Ways and Means.

2621. By Mr. PFEIFER: Petition of the Women's International League for Peace and Freedom, Minneapolis, Minn., favoring the Nye-Bone-Clark neutrality legislation; to the Committee on Foreign Affairs.

2622. Also, petition of the Keep America Out of War Congress, New York City, urging a strong neutrality policy; to the Committee on Foreign Affairs.

2623. Also, petition of Archibald R. Davidson, Dongan Hills, N. Y., urging amending or repealing of the Guffey Coal Act; to the Committee on Ways and Means.

2624. Also, petition of the New York State Division of Housing, New York City, urging support of Senate bill 591 and House bill 2888; to the Committee on Banking and Currency.

2625. Also, petition of the Hygrade Iron Works, Inc., Brooklyn, N. Y., urging consideration of House bill 4223, a bill to extend the civil-service benefits to special-delivery messengers; to the Committee on the Civil Service.

2626. Also, petition of the Trade Upholstery Shop, Inc., Brooklyn, N. Y., urging consideration of House bill 4223, a bill to include special-delivery messengers in the civil service; to the Committee on the Civil Service.

2627. Also, petition of the Simowitz Bros. Trucking Co., Inc., Brooklyn, N. Y., favoring consideration of House bill 4223, to include special-delivery messengers in the civil service; to the Committee on the Civil Service.

2628. Also, petition of the Pocahontas Steamship Co., New York City, concerning the Wheeler-Truman bill (S. 2009) and the Lea bill (H. R. 4862); to the Committee on Interstate and Foreign Commerce.

2629. By Mr. SCHAEFER of Illinois: Petition of Townsend Club, No. 1, Frank C. Smith, president, East St. Louis, Ill., 1,000 signers, and with endorsements of 11 organized labor organizations including East St. Louis Building Trades Council; to the Committee on Ways and Means.

SENATE

THURSDAY, APRIL 20, 1939

(Legislative day of Wednesday, April 19, 1939)

The Senate met at 12 o'clock meridian on the expiration of the recess.

The Chaplain, Rev. Zebarney T. Phillips, D. D., offered the following prayer:

Almighty and everlasting God, creator and preserver of all mankind: We, Thy children, render Thee our humble praises for all Thy blessings vouchsafed unto us, and especially for having delivered us from the dangers of the past night. Since it is of Thy mercy, O gracious Father, that another day is added to our lives, we dedicate anew to Thee, at this altar of devotion to our country, our souls and bodies in a sober, righteous, and godly life, beseeching Thee for the constant assistance of Thy Holy Spirit, that we may be effectually restrained from sin and incited to our duty.

Direct us in all our ways; let Thy fatherly hand ever be over us, and be graciously pleased to take all who are near and dear unto us under Thy loving care and protection. We ask it for His sake, who lay down in the grave and rose again for us, Thy Son, our Saviour, Jesus Christ. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, April 19, 1939, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5619. An act to provide for the training of civil aircraft pilots, and for other purposes; and

H. R. 5762. An act to provide for temporary postponement of the operations of certain provisions of the Federal Food, Drug, and Cosmetic Act.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Hughes	Radcliffe
Andrews	Davis	Johnson, Calif.	Reed
Ashurst	Donahey	Johnson, Colo.	Reynolds
Austin	Downey	King	Russell
Bankhead	Ellender	La Follette	Schwartz
Barbour	Frazier	Lee	Schwellenbach
Barkley	George	Lodge	Sheppard
Bilbo	Gerry	Logan	Shipstead
Bone	Gibson	McCarran	Smathers
Borah	Gillette	McKellar	Stewart
Bridges	Glass	McNary	Taft
Brown	Green	Mead	Thomas, Okla.
Bulow	Guffey	Miller	Thomas, Utah
Burke	Gurney	Minton	Townsend
Byrd	Harrison	Murray	Truman
Capper	Hatch	Neely	Tydings
Caraway	Hayden	Norris	Vandenberg
Chavez	Herring	O'Mahoney	Wagner
Clark, Idaho	Hill	Overton	Walsh
Clark, Mo.	Holman	Pepper	Wheeler
Connally	Holt	Pittman	Wiley

Mr. MINTON. I announce that my colleague [Mr. VAN NUYS] is absent from the Senate because of illness.

The Senator from North Carolina [Mr. BAILEY] and the Senator from Connecticut [Mr. MALONEY] are members of the Board of Visitors to the Coast Guard Academy, and, therefore, are necessarily absent from the Senate.

The Senator from Minnesota [Mr. LUNDEEN] is addressing the University of Kentucky today and is, therefore, necessarily absent.

The Senator from Illinois [Mr. LUCAS] and the Senator from South Carolina [Mr. SMITH] are detained on important public business.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

RESERVE OFFICERS ON DUTY WITH CIVILIAN CONSERVATION CORPS

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and referred to the Committee on Military Affairs:

To the Congress of the United States:

After consideration of the administrative difficulties and fiscal effects flowing from the enactment of the last proviso of section 5, Public, No. 18, approved April 3, 1939, I am constrained to recommend to the Congress that early consideration be given to amending the law so as to remove all Reserve officers on duty with the Civilian Conservation Corps from the purview of the benefits provided in that section of the law for members of the civilian components of the Army brought into active military service for more than 30 days.

In making this recommendation, I am influenced by the belief that the Congress in enacting the law had in mind its application to individuals serving on extended active duty with the Army under conditions where they are exposed to military hazards of the same nature and to the same degree as individuals of the Regular Army. While it is held that duty with the Civilian Conservation Corps is military service, nevertheless, application of the law to the Reserve officers on such duty is considered neither desirable nor necessary; as a matter of fact, as we all know, duty with the Civilian Conservation Corps is in no way comparable with active military duty—in fact, it is almost wholly civilian duty. Legislative action in accordance with my recommendation is considered preferable to the alternative of replacement of Reserve officers by civilians, and I therefore recommend the matter to the favorable consideration of the Congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 20, 1939.*

COOPERATIVE AGRICULTURAL EXTENSION WORK

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 518) to provide for the further development of cooperative agricultural extension work, which was, on page 2, line 5, to strike out "$500,000" and insert "$300,000."

Mr. BANKHEAD. I move that the Senate concur in the House amendment.

The motion was agreed to.

AMENDMENT OF FAIR LABOR STANDARDS ACT—WAGES AND HOURS

The VICE PRESIDENT laid before the Senate a letter from the Administrator of the Wage and Hour Division, Department of Labor, recommending certain amendments to the Fair Labor Standards Act to meet problems that have arisen in the administration of the act, which was referred to the Committee on Education and Labor.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution of Local No. 102, United Federal Workers of America, of Wheeling, W. Va., favoring the enactment of the so-called appeals bills relating to Federal employees under the civil service, which was referred to the Committee on Civil Service.

He also laid before the Senate a resolution of District No. 5, Council of the Oil Workers International Union, Oklahoma City, Okla., remonstrating against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate a memorial of sundry citizens of Cresco, Iowa, remonstrating against foreign entanglements or the entrance of the United States into war, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a telegram in the nature of a memorial from Dr. John Szczpaniak, of Buffalo, N. Y., remonstrating against Poles or other racial groups in the United States raising money in this country to assist in the defense of their mother countries, which was referred to the Committee on Foreign Relations.

Mr. DANAHER presented a memorial of sundry citizens of Manchester, Conn., remonstrating against the admission to the United States of Grover C. Bergdoll, which was referred to the Committee on Immigration.

He also presented numerous petitions of sundry citizens of the State of Connecticut, praying for the enactment of House bill 5479, relative to substitute postal employees, which were referred to the Committee on Post Offices and Post Roads; and one of the petitions was ordered to be printed in the RECORD, without the signatures attached, as follows:

To the Congress of the United States:

In reference to the Sweeney substitute bill, H. R. 5479, we, the undersigned, all American citizens and voters of Hartford, Conn., would be truly grateful if you would consider that the postal substitutes are the only postal employees who do not receive either a vacation with pay or sick leave, and must in many instances jeopardize their health to maintain a living. Some substitutes have worked from 3 to 10 years without these benefits. Being heartily in accord with the enunciation of this fair and human bill, we therefore respectfully call upon you to elevate the standards of living for postal substitutes by urging the enactment of the Sweeney substitute bill, H. R. 5479.

Mr. MINTON. I send to the desk numerous petitions signed by a great number of people of Indiana in favor of legislation prohibiting the advertising of liquor shipped in interstate commerce. I make that statement for the RECORD, and ask that the petitions be received and referred to the proper committee.

The VICE PRESIDENT. The petitions will be received, the receipt of the petitions will be noted in the RECORD, and the petitions are referred to the Committee on Interstate Commerce.

(The petitions presented by Mr. MINTON are from sundry citizens of the State of Indiana and pray for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio.)

NEUTRALITY AND INVOLVEMENT IN WAR

Mr. WILEY presented a resolution of the Milwaukee (Wis.) County Board of Supervisors, which was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Whereas current world conditions and events point to the imminence of a widespread European conflict into which efforts will doubtless be made by both foreign and local influences to force the entry of these United States; and

Whereas the overwhelming sentiment of our citizenry, based upon their vivid memories of the last World War and its consequences, is against the participation of the United States in any foreign conflict, and that our military and naval forces be utilized solely in defense against a foreign invader: Now, therefore, be it

Resolved by the Milwaukee County Board of Supervisors in regular meeting duly assembled, That our Senators and Representatives in Congress be memorialized to exert their every effort to preserve the strict neutrality of these United States in the event of a European war and to avoid by any policy of economic pressure, sale of munitions, expression of sympathy, or otherwise, all acts that might tend to bring about American involvement in such conflict; be it further

Resolved, That copies of this resolution, certified to by the proper county officers, be forthwith transmitted to Wisconsin's two Senators and to Milwaukee County's Representatives in the House of Representatives of the United States.

PETITION—REVENUE FOR MUNICIPAL TREASURIES OF THE VIRGIN ISLANDS

Mr. TYDINGS. Mr. President, on yesterday I presented a petition addressed to the Congress by a delegation from the Virgin Islands, composed of Hon. Lionel Roberts, member at large, municipal council, St. Thomas and St. John; chairman, municipal council, St. Thomas and St. John; vice chairman, Legislative Assembly for Virgin Islands; and Hon. Frederick D. Dorsch, chairman, Legislative Assembly, and so forth; and Hon. Joseph Alexander, member, municipal council of St. Croix, and so forth; and Hon. Ralph Paiewonsky, member of municipal council for St. Thomas and St. John, and so forth; and Hon. Jacques M. Schiffer, member at large, municipal council of St. Thomas and St. John, and so forth; requesting the Congress to pass certain legislation; also statements from each of the petitioners supporting the petition.

Unanimous consent was granted that the petition be printed in the RECORD, and that the statements of the delegation be referred to the Committee on Territories and Insular Affairs of the Senate for appropriate action.

It has since been deemed advisable that the statements also be printed in the RECORD. I, therefore, ask unanimous consent that the petition of the delegation, together with the statements of the members thereof, be printed in the RECORD.

There being no objection, the petition and accompanying statements were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *April 18, 1939.*

PETITION TO THE CONGRESS OF THE UNITED STATES

Whereas heretofore, and on the 19th day of November 1938, and the 21st day of November 1938, respectively, the Legislative Assembly of the Virgin Islands of the United States, the duly constituted legislative branch of the government of the Virgin Islands of the United States, did resolve and petition the Congress of the United States as follows:

Resolution to petition the Congress of the United States to permit all internal-revenue taxes collected on liquors and articles arriving from the Virgin Islands into the United States to be credited to the municipal treasuries of the government of the Virgin Islands

Be it resolved by the Legislative Assembly of the Virgin Islands of the United States in session assembled:

1. Whereas all liquors and articles produced in the Virgin Islands and transported to the United States are subject to the Federal internal-revenue tax provided in the United States Code, title 26, section 1470 (February 24, 1919, ch. 18, sec. 1304, 40 Stat. 1142); and

Whereas it is provided by title 26, section 1463, "Deposit of internal-revenue collections: All internal revenue collected in and for account of the Philippine Islands shall accrue intact to the general government thereof and to be paid into the insular treasury (June 17, 1930, ch. 497, sec. 301, 46 Stat. 686)"; and

Whereas it is also provided by United States Code, title 26, section 1430, subsection (c), "Deposit of internal-revenue collections: All taxes collected under the internal-revenue laws of the United States on articles produced in Puerto Rico and transported to the United States, or consumed in the island, will be covered into the treasury of Puerto Rico (March 2, 1917, ch. 145, sec. 9, 39 Stat. 954; May 17, 1932, ch. 190, 47 Stat. 158)"; and

Whereas the basic industries of the Virgin Islands are the production of rum and sugar and the revenues derived from these two items would greatly enhance the rehabilitation of the Virgin Islands and their self-support: Now, therefore, be it

Resolved by the Legislative Assembly of the Virgin Islands of the United States in session assembled, That the Congress of the United States be, and is hereby, petitioned to enact legislation to authorize the deposits of all internal-revenue collections on liquors and articles produced in the Virgin Islands and transported into the United States to accrue intact and to be paid into the municipal treasury of that municipality of the Virgin Islands where the articles were manufactured and from where they were shipped; and be it further

Resolved, That copies of this petition be forwarded to the President of the Senate, Speaker of the House of Representatives, Secretary of the Department of the Interior, the Secretary of the Treasury, chairman of the Senate Committee on Territories and Insular Affairs, and chairman of the House Committee on Insular Affairs.

Thus passed by the Legislative Assembly of the Virgin Islands of the United States, St. Thomas, November 19, 1938.

FREDERICK D. DORSCH, *Chairman.*
PAUL E. JOSEPH, *Secretary.*

RESOLUTION

Whereas the Territory of Hawaii, and Puerto Rico, and other sugar-producing areas enjoy the benefits of the Sugar Act of 1937, with particular reference to the sugar-processing tax; and

Whereas the sugar producers of the Virgin Islands constitute the largest source of municipal revenues for the maintenance and operation of the government of the Virgin Islands and represent the main wealth-producing industry in the Virgin Islands; and

Whereas recent and severe droughts and other climatic conditions over which we have no control have given a serious blow to this most hazardous industry; and

Whereas the return of the sugar-processing tax to producers in the Virgin Islands would greatly aid in the rehabilitation of the sugar industry: Now, therefore, be it

Resolved by the Legislative Assembly of the Virgin Islands in session assembled, That the Congress of the United States be, and is hereby, petitioned to enact legislation to authorize the return to producers in the Virgin Islands of the sugar-processing tax collected on sugar exported from the Virgin Islands of the United States and to make applicable to the Virgin Islands all the benefits of the Sugar Act of 1937; and be it further

Resolved, That copies of this resolution be forwarded by the chairman of the legislative assembly to the President of the Senate, Speaker of the House of Representatives, Secretary of the Department of the Interior, the Secretary of the Treasury, the Secretary of Agriculture, chairman of the Senate Committee on Territories and Insular Affairs, and the chairman of the House Committee on Insular Affairs.

Thus passed by the Legislative Assembly of the Virgin Islands of the United States, St. Thomas, November 21, 1938.

FREDERICK D. DORSCH, *Chairman.*
PAUL E. JOSEPH, *Secretary.*

Whereas the respective municipal councils of St. Thomas and St. John, and St. Croix, did, on or about the 31st day of January 1939, elect members of the said legislature delegates to the Congress of the United States to present justifications demonstrating absolute necessity and urgency for congressional enactment of the premises contained in the foregoing resolutions; and

Whereas we, Lionel Roberts, Frederick D. Dorsch, Joseph Alexander, Ralph Paiewonsky, and Jacques M. Schiffer, the duly elected representatives of the people of the Virgin Islands, on behalf of the people of the Virgin Islands did request the Honorable WILLIAM H. KING to introduce in the Senate on March 3, 1939, Seventy-sixth Congress, first session, S. 1685, and the Honorable Ross COLLINS to introduce an identical bill in the House on March 6, 1939, Seventy-sixth Congress, first session, H. R. 4773, which Senator KING and Congressman COLLINS did so introduce, and entitled:

"A bill to authorize the appropriation to the government of the Virgin Islands of the United States of taxes collected under the internal-revenue laws of the United States on liquors and other articles imported into the United States from the Virgin Islands; the return to the producers in the Virgin Islands of the benefit payments on sugar imported from the Virgin Islands to the United States under an act of Congress known as the Sugar Act of 1937; and also the repeal of the export duty on sugar in St. Croix, V. I."

Wherefore come your petitioners and respectfully pray the Congress of the United States to enact such legislation as introduced and above quoted, upon and for the reasons presented by the members of this delegation as justifications therefor and as hereinafter contained.

For the people of the Virgin Islands of the United States.

By the Virgin Islands delegation to Congress.

LIONEL ROBERTS, *Chairman.*
FREDERICK D. DORSCH.
JOSEPH ALEXANDER.
RALPH PAIEWONSKY.
JACQUES M. SCHIFFER, *Counsel.*

The statements presented by Mr. TYDINGS are as follows:

STATEMENT AND TESTIMONY OF HON. LIONEL ROBERTS, CHAIRMAN OF DELEGATION, MEMBER AT LARGE, MUNICIPAL COUNCIL, ST. THOMAS AND ST. JOHN, CHAIRMAN, MUNICIPAL COUNCIL, ST. THOMAS AND ST. JOHN, VICE CHAIRMAN, LEGISLATIVE ASSEMBLY FOR THE VIRGIN ISLANDS, MEMBER OF MUNICIPAL COMMITTEE OF ST. THOMAS AND ST. JOHN

JUSTIFICATIONS BEFORE THE CONGRESS OF THE UNITED STATES FOR THE RETURN TO THE VIRGIN ISLANDS OF THE INTERNAL REVENUE TAXES COLLECTED ON LIQUORS AND OTHER ARTICLES ARRIVING FROM THE VIRGIN ISLANDS INTO THE UNITED STATES; THE RETURN TO THE PRODUCERS IN THE VIRGIN ISLANDS OF THE BENEFIT PAYMENTS ON SUGAR EXPORTED FROM THE VIRGIN ISLANDS UNDER AN ACT OF CONGRESS KNOWN AS THE SUGAR ACT OF 1937; AND, THE REPEAL OF THE EXPORT DUTY ON SUGAR PRODUCED IN THE VIRGIN ISLANDS

Our Virgin Islands delegation comes before your committee, this august representative body of Congress, to pray for the return to the Virgin Islands of the internal revenue taxes on liquors arriving from the Virgin Islands into the United States; and for the return to the producers in the Virgin Islands of the benefit payments on sugar exported from the Virgin Islands under an act of Congress known as the Sugar Processing Act of 1937. Both these items have by precedence demonstrated that except for the Virgin Islands all other outlying Territories and possessions of the United States enjoy the benefits of their returns (particularly those Territories and possessions which manufacture and grow liquors and sugar, respectively).

There was a period in the recent history of the Virgin Islands when the generous hand of the American people through the Congress of the United States contributed Federal money grants yearly to cover expenses incident to the occupation of the Virgin Islands; these contributions were known as deficiency appropriations to the budgets of the municipality of St. Thomas and St. John, and the municipality of St. Croix. These were yearly grants which throughout the years from 1918 to 1930, ranged from $343,000 to $240,000; they were grants given the naval administration of the Virgin Islands, and, exclusive of salaries paid by the Department of the Navy to the Navy personnel in the islands, including those placed as directors and heads of the various administration offices and departments.

In the year 1931, by an Executive order of the then President of the United States, Herbert C. Hoover, the administration of the Virgin Islands was declared by him changed from a naval to that of a civil form of government.

With the induction into office of the civil personnel came all the politics accompanying it. The deficiency appropriations saw rapid decreases as governmental agencies were established with millions of dollars of Federal moneys; these agencies having guaranteed to substitute the deficiency appropriations with the revenues and benefits expected. To date, these governmental agencies have signally failed of their respectively promised results; the facts to be presented before your committee will demonstrate that the Virgin Islands are left to struggle for themselves and from the economic standpoint success is a foreordained physical impossibility.

The strong minority which clamored for this form of civil government did not properly weigh the difference between a democratic and that of a paternalistic form of government. The minority's imagination was distorted to the point of a belief that democracy and its principles could be acquired without responsibility. At this time the minority is conceding and acknowledging the fact that a serious error was accomplished when the civil form of government was promulgated the way it has been, and the mistake has proved itself time and again within the past 8 years, even from that time when President Hoover on his visit proclaimed the Virgin Islands an effective poorhouse.

The economic depression which began in the year 1929, and on a national scale served to cripple big business and distress most of the so-called well-to-do people of the United States, did not extend itself to the people of the Virgin Islands until the years from 1931 to 1933. What, with a new and inexperienced local administration, was likely to occur, and would have happened had it not been for the advent and application of the National Recovery Act (acknowledged shortcomings notwithstanding), is better left unsaid. Sufficient to say, however, that the incomes of the people in business in the respective municipalities had dwindled to such extent that the necessary cost of upkeep of government was alarmingly threatened. There was no gainful occupation to which the working and laboring elements could resort in support of themselves and their families greatly dependent upon their resources.

During the latter part of the year 1933 and the early part of the year 1934 the glad hand of the N. R. A. was extended to the Virgin Islands, and so much money was meted out to them that even the "small change" that fell from the millions of dollars spent so injudiciously by the Relief Administrator (responsible only to the Federal Government) gave welcome relief, despite the meager wages paid to the laborers and workers.

Most of this money was granted to the Virgin Islands with the understanding that it would serve to rehabilitate the islands through plans proposed and submitted by the then superior authority of the islands.

These plans were calculated to help the Virgin Islands in efforts to become self-supporting by construction of such projects which, when operating, would yield returns of adequate revenues to take up and minimize the yearly Federal deficit appropriation grants in the same proportion as the revenues from the projects advanced, provided that the sum to be reduced was not more than $20,000 yearly. Here, then, is where the serious problem of rehabilitation began; that problem's solution which would be made of avail and under which the local construction projects would take care of the loss of the Federal deficiency appropriations.

Early in the year 1934, the then Colonial Council of St. Thomas and St. John passed an ordinance proposed by the Governor of the Virgin Islands, "creating a corporation known as the Virgin Islands Co.; to establish and define its powers and for other purposes." This corporation grew out of a grant of $1,000,000 set aside by His Excellency, Franklin D. Roosevelt, President of the United States, for the rehabilitation of the rum industry in the Virgin Islands. In the ordinance is specifically stated the use to be made of profits accruing to the company. Section 3 (a) states:

"To aid in effecting the economic rehabilitation of the Virgin Islands of the United States and to promote the general welfare of the people of the Virgin Islands of the United States and to exercise all of the powers conferred upon it herein in order to so advance and accomplish such economic rehabilitation and promotion of the general welfare."

Section 3 (b) continues, and states:

"To acquire or assist in acquiring in any manner, disposing of in any manner, construct, build, establish, drain, equip, operate, maintain, improve, administer, and supervise any buildings, plants, mills, factories, forests, parks, mines, industries, power plants, farm gardens, orchards, dairies, agricultural processing enterprises, market agencies or other improvements and facilities, or any other enterprises or activities of any kind necessary or desirable to the economic well-being of the inhabitants of the Virgin Islands, and to perform any other necessary or desirable operations or functions in connection therewith."

The two subsections (a) and (b) as outlined, present a glowing picture of things desired and intended to be done in the Virgin Islands, for the Virgin Islands and its people. The things enumerated in the ordinance herein mentioned dating back to the year 1934 were extremely necessary at that time as a means for the rehabilitation of the Virgin Islands. Since they remain undone in the present year of 1939 there is sufficient reason for this delegation to appear before you honorable gentlemen to seek your aid in behalf of the people of the Virgin Islands which it represents.

Section 12 of this ordinance creating the corporation reads:

"The principal office of the corporation shall be located within the municipality of St. Thomas and St. John. All books, records, papers, documents, and files of the corporation shall be kept at the said principal office of the corporation and shall at all reasonable times be opened for the inspection of every stockholder of the corporation or his duly constituted agent or representative."

Despite this provision in section 12 the Virgin Islands Co. operates solely in the island of St. Croix, and little or no part of its activities are known to have come to St. Thomas and St. John.

While the Virgin Islands Co. and its capital operates solely in St. Croix, a project known as the Blue Beard Castle Hotel operates in St. Thomas under the same premise of contributing its profits to take care of the loss of the yearly Federal deficiency appropriations. That these projects have proved themselves to be economic failures—perhaps because of unforeseen and adverse circumstances—stands out unmistakably. Failures not only from the standpoint of being unable to operate for such extensive profits, but failures because they were never able to substitute revenues for the loss of the Federal deficiency appropriations and are in no wise equipped to assist the yearly municipal budgets. Failures which because of their blind assurances have lost us both the Federal deficiency appropriations and that which we should have obtained through the activities of the Virgin Islands Co. and the Blue Beard Castle Hotel, thus leaving us to face undue hardships, crippling the income of the small percentage of taxpayers constituting less than 10 percent in either municipality and impairing the economic status of the islands.

The people of the Virgin Islands are fully cognizant of the fact that the generosity of the Congress and the American people should not be expected to continue as a "beginning without an end." The saying that "God helps those who help themselves" becomes more active and alive each day to those of us who can appreciate its true significance. There are times in life when we are made helpless even though we are able to perform such obligations as should by their nature carry monetary compensations, but since no such compensations are available we cannot help ourselves and are bound to solicit such help as may tide us along. There are other times when opportunity points the way for us to help ourselves, such opportunities are then to be vigorously pursued.

I have taken this course mainly to present the background of our case before you, Mr. Chairman and honorable members of this committee, to illustrate our present position from the economic standpoint. We have been assisted by Federal deficiency appropriations for a period of about 22 years. We have also during the past 5 years been receiving contributions in goodly amounts from certain Federal relief measures. We have followed the tendency of the Congress to discontinue the yearly contributions to cover deficits in our budgets of the respective municipalities. The rehabilitation projects have proved themselves incapable of the task of subscribing in any manner to the municipal budgets. We are now aware that insofar as the municipality of St. Thomas and St. John is concerned, the deficiency appropriation is discontinued as of and for the coming fiscal year 1939–40. The Federal relief program, which, to some degree, however small, is presently of benefit to us, will also sooner or later come to a close if the present tendencies are observed.

The Virgin Islands do not receive benefits under the vocational and educational grants-in-aid acts; they do not receive benefits under the Federal highway acts; they do not receive benefits under or by virtue of any other grants-in-aid acts. Our special problems and their special needs in the fields of education, sanitation, public health, pensions, and allowances to provide for our poor and needy were acquired by the United States when the Virgin Islands were purchased in 1917. We cannot too strongly emphasize the fact that we were not taken by conquest, but gladly became citizens of the United States through a transfer which was most welcome. We have no desire other than to be loyal Americans and to live and die for America. It is true that our needs can no more be met now by our local government than they were when the islands belonged to the Kingdom of Denmark.

What with the changed economic conditions caused by the World War of 1914 and the many essentials necessary to measure up to the ideals and principles of true democracy, our local government should not be required to live up to an American standard of education, sanitation, public health, pensions, and allowances to provide for the needy if it is not to be given financial assistance for those purposes.

Many of the public buildings that for years have been neglected now require substantial rehabilitation. Hospitals, schools, sewer systems, water-supply systems, drainage works, road and street improvements all must be rebuilt, continued, and expanded if the Virgin Islands are to meet the requirements of modern civilization. Continued progress along these lines can be accomplished if the same treatment is accorded to the Virgin Islands as that presently given to Puerto Rico and the Philippine Islands. The reappropriation of the internal-revenue tax collected on liquors and other products manufactured in the Virgin Islands sold and collected in the United States will furnish the means for this continued progress.

Amendments agreed upon and found necessary will be submitted in bill form and read into the record as my closing remarks. The tax on raw sugar produced in the Virgin Islands and imported into the United States is not returned to the Virgin Islands as is the case with sugar produced in any other Territory or area of the United States. Unfavorable climatic conditions with frequent droughts of a prolonged nature make sugar production a hazardous business at best. It is as yet the only substantial agricultural industry which gives employment in the island of St. Croix. Because of the unfavorable climatic conditions, coupled with unfavorable freight rates, it is especially appropriate for the benefit payments to be granted to the producers in the Virgin Islands, same as accorded sugar growers elsewhere under the American flag.

For these reasons we are here before this august committee in a sincere and earnest endeavor to convince you gentlemen that we fully realize the growing, threatening economic situation facing us and to seek your kind and sympathetic support in a prayer that you recommend unconditionally the return of these taxes to us, thereby giving us the opportunity to help ourselves in the same nature as our neighboring Territory, Puerto Rico; in the interests of justice we seek equal treatment as accorded that Territory.

In the absence of other benefits which have not been made available to the Virgin Islands, among which at this time is included the Federal deficiency appropriation given to the Virgin Islands during the past 22 years, it is appropriate that favorable consideration be given to the return of the internal-revenue taxes collected on liquors and articles arriving in the United States from the Virgin Islands, and that they be credited to the municipal treasuries of the government of the Virgin Islands; also the return to the producers in the Virgin Islands of the sugar-processing tax collected on sugar exported from the Virgin Islands under the Sugar Act of 1937.

By act of Congress of March 3, 1917 (39 Stat. 1132), an export duty of $6 per ton was levied on sugar produced in the Virgin Islands and exported from the Virgin Islands regardless of destination. Similarly, under the Danish occupancy and law of long standing, the tax of similar rate falls on molasses and other sugar products. At present sugar prices this duty constitutes a charge upon growers ranging between 10 and 15 percent of the gross receipts. Not only should benefit payments under the Sugar Act of 1937 be extended to sugar growers in the Virgin Islands but all export duties on sugar and sugar products should be repealed so that the sugar industry, which is the greatest employer of labor, may be permitted to survive.

It is to be noted that the $6 per ton levied on sugar produced in the Virgin Islands reverts to St. Croix and is one of its major revenues collected for budgetary purposes. It is, therefore, obvious that only on the return of the internal-revenue tax and the inclusion of the Virgin Islands to the benefits of the payments under the Sugar Act of 1937 can the sugar export duty be repealed as a welcome relief to the sugar industry of the island, and more especially to homesteaders and squatters.

The bills introduced by Mr. KING in the Senate on March 3, 1939, Seventy-sixth Congress, first session, S. 1685, and Mr. COLLINS in the House, Seventy-sixth Congress, H. R. 4773, on March 6, 1939, at our request, "a bill to authorize the appropriation to the Government of the Virgin Islands of the United States of taxes collected under the internal-revenue laws of the United States on liquors and other articles imported into the United States from the Virgin Islands; the return to the producers in the Virgin Islands of the benefit payments on sugar imported from the Virgin Islands to the United States under an act of Congress known as the Sugar Act of 1937; and also the repeal of the export duty on sugar in St. Croix, V. I.," are, after conferences between the Department of the Interior and the delegation from the Virgin Islands, found to be lacking in some particulars. We, therefore, after having unanimously agreed on amendments to the bill in order to secure more definite specifications and tractable jurisdiction, hereby submit these amendments, praying that they be incorporated in the bill before you gentlemen and reported out favorably by your august committee. The bill, when rewritten in amended form, will read thus:

"A bill to provide revenue for the government of the Virgin Islands by covering into the insular treasury the proceeds of the tax collected under the internal-revenue laws of the United States on articles of Virgin Islands manufacture coming into the United States, to aid those engaged in the production of sugar in the Virgin Islands, to repeal the export duties now in effect for the Virgin Islands, and for other purposes

"*Be it enacted, etc.*, That it is the policy of Congress (1) to establish the municipal governments of the Virgin Islands on a self-sustaining basis and (2) to aid the development of agriculture in the Virgin Islands.

"SEC. 2. The proceeds of the tax levied, collected, and paid in the United States under section 3350 (a) of the act of February 10, 1939 (Public, No. 1, 76th Cong., 1st sess.), entitled 'An act to consolidate and codify the internal-revenue laws of the United States,' on articles of Virgin Islands manufacture coming into the United States shall be covered into the treasury of the Virgin Islands and held in account for the municipality in which such articles were produced, to be expended in accordance with the provisions of section 35 of the organic act of the Virgin Islands of the United States (49 Stat. 1816).

"SEC. 3. The proceeds of the tax collected under title IV of the Sugar Act of 1937 (50 Stat. 912), on sugars produced in the Virgin Islands and brought into the United States shall be covered into the treasury of the Virgin Islands and held in account for the municipality in which such sugars were produced, and shall be expended by such municipality for benefit payments to growers of sugarcane in the Virgin Islands * * * in amounts which shall be proportionate to the weight of sugarcane grown by such growers and processed into raw sugar in the Virgin Islands.

"SEC. 4. On and after the date of the approval of this act no export duty shall be levied, collected, and paid upon the exportation of sugar to any foreign country, or the shipment thereof to the United States or any of its possessions, from the Virgin Islands. The provisions of section 4 of an act entitled 'An act to provide a temporary government for the West Indian Islands acquired by the United States from Denmark by the convention entered into between said countries on the 4th day of August 1916, and ratified by the Senate of the United States on the 17th day of September

1916, and for other purposes,' approved March 3, 1917 (39 Stat. 1133), as amended by section 5 of the act of February 25, 1927 (44 Stat. 1235), and the act of June 24, 1932 (47 Stat. 333), directing the levy, collection, and payment of an export duty of $6 per ton of 2,000 pounds, irrespective of polariscope test, upon exportation of sugar to any foreign country, or the shipment thereof to the United States or any of its possessions, from the Virgin Islands; all local laws and ordinances providing for the levy, collection, and payment of an export duty on other articles exported or shipped as aforesaid from the Virgin Islands, which were continued in force and effect by section 2 of the act approved March 3, 1917, and section 18 of the organic act of the Virgin Islands, approved June 22, 1936 (49 Stat. 1807), and the provision of section 36 of the organic act authorizing the reduction, repeal, or restoration of export duties in effect on the date of the enactment of said act by ordinance of the municipal council having jurisdiction, are hereby repealed."

STATEMENT AND TESTIMONY OF HON. FREDERICK D. DORSCH, CHAIRMAN, LEGISLATIVE ASSEMBLY; CHAIRMAN, MUNICIPAL COMMITTEE OF ST. CROIX; MEMBER, ST. CROIX MUNICIPAL COUNCIL FOR TOWN OF FREDERIKSTED, ST. CROIX

ST. CROIX ECONOMIC SITUATION

There seems to be a wide discrepancy between the facts and the senatorial conception of the actual economic status of St. Croix, V. I. As a representative of the people, I propose for a few minutes to present in clear, simple language the actual conditions as they exist and substantiate each statement with figures. These figures are available from the files of the Government in St. Croix and can be checked by anyone interested in doing so.

As you know, the Danish state was contributing funds to run the government of the Virgin Islands in 1916, when we took them over to prevent Germany's securing control over them. When the islands were transferred to the United States on March 31, 1917, Congress was confronted with the problem of financing the government of the Virgin Islands. It must be remembered that on transfer day the new standards of living had not been introduced. An expensive type of administration was unknown, and yet the Danish state was compelled to contribute to the upkeep of the Virgins.

The sugar industry as then operated did not provide sufficient revenues by taxation to meet the cost of maintaining the St. Croix schools, hospitals, public works, police courts, police forces, and the like. Therefore, it was necessary to supplement the income from taxes with annual appropriations from Congress to provide sufficient revenue to pay the cost of the St. Croix municipal government. In the 16 years from 1923 St. Croix has raised a total in taxes of $1,963,779.72 and Congress has donated in the same 16 years the sum of $1,713,635.56, or nearly one-half the cost of the government. Today St. Croix is raising annually $90,000 more local taxes than it did 10 years ago. With the small population of St. Croix this tax increase equals $7 per capita. There is nothing more to tax. Taxes cannot be increased. To do so would mean municipal confiscation for delinquency.

The work-relief programs on roads and public buildings, the work provided by the Federal homestead house construction, and the work-relief program of the Virgin Islands Co. have increased temporarily the spending power of those employed, with the resulting ratio of increased revenues. Work-relief programs, etc., make a temporary picture that is misleading. Relief money spent on roads and other public improvements removes from the local budget temporarily these expenses, but they do not actually eliminate, eventually, the problem of maintenance which will fall directly back on the local treasury when the $20,000 a month relief money ceases. It is false economics to plan a stability on temporary relief projects which of necessity cannot continue forever. Should we even grasp the glimmering hope of permanency in relief projects established for rehabilitation, we find that their total expenditure only replaces the pay rolls which were discontinued when the Bethlehem sugar factory and sugarcane estates went into liquidation in 1930, and it must be remembered that in 1930 the Federal deficit contribution was $99,000.

From 1922 to 1936 the Federal deficit contributions ranged between a minimum of $77,000 and a maximum of $243,000. The average for those 14 years was $115,570. For 1937 it was reduced to $60,000, for 1938 to $50,000, and for next year to $30,000. As these recommended progressive decreases occurred they were not balanced by increasing revenues from additional resources. There are no undeveloped resources in the Virgin Islands. There is nothing natural to supplement the reduction in aid. We must rely upon such artificial sources as relief cited above. There is no way in the island to make up for such drastic reductions without inconceivable curtailment of services required by humanity and decency.

The recent progressive decreases in Federal deficit contributions have apparently been based upon presumption that offsetting increases in municipal revenues would result from rehabilitation projects in the Virgin Islands. In St. Croix no such increases have yet resulted. They should not have been anticipated without factual data in support. They are not likely to occur in the near future. Regardless of the conception you gentlemen may have concerning our ability to balance our municipal budget, it is impossible to do so under the present circumstances. This fact is attested to by submitting a copy of the Governor's budgeted estimates of income and expenditure for the coming fiscal year and part of his justification. Therein you will find that he presents to the municipal council of St. Croix a budget with a shortage of $152,096. From this is to be subtracted your contribution of $30,000, and we yet have a deficit of $122,096 handed to us by the Governor himself. Gentlemen, you have been shown that St. Croix now bears a per capita tax increase of $7 over 10 years ago. Where, under the sun, can we find this additional $10 per capita to balance the deficit handed us by the Governor? Justification for this budget states: "These estimates are arrived at by a study of comparative figures for the full years of 1936–37 and 1937–38; the revised estimates of receipts for the fiscal year 1938–39 based upon 8 months' actual receipts and normal expectancies for the next 4 months; and a detailed study of the specific items as they are likely to be affected by legislation already enacted and by local economic conditions * * *. These estimates are neither optimistically inflated nor pessimistically deflated."

When the West Indian Sugar Factory went into bankruptcy in 1930 the American Red Cross came to St. Croix to feed nearly 80 percent of the people, establishing the fact that there was no substitute for the stable industry of the island and only stimuli could maintain her. From the Red Cross we shifted to relief; after relief, what?

It will be remembered that during prohibition the once famous St. Croix rum business could not be developed. St. Croix was left to rely entirely upon sugarcane cultivation for the manufacture of raw sugar, and without the rum business the West Indian Sugar Factory failed. The land had grown back into bush and the mills rusted and became obsolete.

The Government sought rehabilitation projects for St. Croix. Two of economic significance have been established—Federal homesteading and the Virgin Islands Co. While homesteading has greatly improved the living standards and hopeful outlook of 400 families rescued from economic serfdom, it has as yet made no appreciable contribution to municipal revenues except by increasing cane production and consequent sugar-export tax over and above the former production of laborers and squatters. On the other hand, 3,000 acres of land transferred to Federal ownership, until paid for, have temporarily reduced land and property taxes at least $2,000, and their sugar production has only been a participation in the partial restoration of the sugar business that went into decline after 1929.

The Virgin Islands Co., which began its reclamation of abandoned land and sugar factories 4 years ago, has only been in production for 2 years—lean years of drought. Its full production as now planned will, under normal conditions, only restore St. Croix' employment and sugar production to that of a decade ago. Congress authorized the company to pay all taxes on these properties of the United States as well as the taxes on all business conducted by the company. Those taxes and fees have been most acceptable to the Treasury, totaling for last year $35,632, but here again we discover that they only equal the taxes and fees paid by the Danish West Indian Co. 10 years ago and do not present any additional revenues for maintenance of the municipal government.

The economic situation in St. Croix is a most difficult one, with the sugar industry confronted with the very low price of sugar—around $2.75 per 100 pounds. The freight rates are too high to afford legitimate competition. Our freight rate is 21 cents per 100 pounds, as compared with Puerto Rico's rate of only 15 cents. Our sugar yield per acre is perhaps the lowest in the world, equaling less than a ton of sugar per acre, as compared with Puerto Rico's yield from 4 to 7 tons per acre. We have a high, un-American export duty of $6 per ton on raw sugar from St. Croix. There is no export duty on other American sugars. Congress did not extend the sugar benefit payments to St. Croix as it did to other sugar-producing areas. On the 1939 estimated crop of only 4,500 tons of raw sugar, with the benefits averaging about $10 per ton, this would amount to $45,000, so sorely needed by the St. Croix small sugar growers, who produce about 61 percent of the cane. During the past 4 years, by collective bargaining, wages have increased more than 60 percent. The Fair Labor Standards Act of 1938 will give an increase of an additional 100 percent, and more for many of those producing goods for interstate commerce. It is not difficult, therefore, to understand why the lands of many persons are going out of cultivation. Small growers have become discouraged, and many fields are full of grass and weeds with few signs of planting sugarcane during the coming fall unless some succor is offered them.

The World War, the decline in sugar prices, the increase in wages, the increase in freight rates, the increase in the cost of living, the increase in the cost of government, the hurricanes of 1916, 1924, and 1928, and the bankruptcy of the West Indian Sugar Factory brought upon the people of St. Croix the acute situation which caused a desperate struggle for economic existence.

The Virgin Islands Co. and the Federal Homestead program have attempted to reestablish part of St. Croix' lost sugarcane industry. But to balance the St. Croix municipal budget on the export duty laws would require more raw sugar than the island can produce annually under present-day conditions. A 10-year analysis furnishes the economic factors to prove this statement. From 1929 to 1938 the average sugar export duty on raw sugar at $6 per ton has equaled only $28,062.08. The annual average of other tax income for that same period is $100,272.40 making an average total of $128,334.48. If we add to that the average annual deficit appropriation for those 10 years, which equals $89,810.15, we find the average cost of government is $218,144.63. On these figures we can see that if the average sugar export tax has been only $28,062.08 and that we need the decreased deficiency appropriation

overbalanced by additional sugar export it would require 14,968 more tons of sugar exported. That means an annual tonnage shipped of 19,645 tons and you must remember that our entire sugar quota is only slightly more than 9,000 tons.

The export of raw sugar from St. Croix averaged between 1900 and 1934, for 35 years, only 7,513 short tons. Therefore, it is readily seen that it is not possible to balance the St. Croix municipal budget by raising sugarcane and taxing raw sugar under the provisions of the existing laws providing for the $6 per ton export duty, even if land were available and the costs were reasonable enough to encourage growing of sugarcane again on such a large scale. For the present year there are 939 growers who have planted 4,439 acres from which are estimated about 4,500 tons of cane.

We then must look to another industry to assist in filling the financial gap caused by the decreased Federal deficit appropriations. The solution seems to be in the rum business of the islands. This is centered in five distilleries known as A. A. Riise, Clifton Hill, Hermon Hill, Diamond, and the Virgin Islands' Co., with someone stating that three-fourths of the rum manufactured is by unaided, independent producers. Exact figures for the small distillers were not available, but the Virgin Islands' Co. sales to December 31, 1938, represent 33,339 proof gallons delivered to the United States importer.

Having based our figures on a 10-year average, we saw that an average of at least $117,872.23 is needed each year to replace the export duty and the annual congressional St. Croix municipal deficit appropriation. The $2.25 per gallon United States internal-revenue tax on rum already provides sufficient revenue to replace the $117,872.23. It is believed that the distillers have already established sufficient commerce so that it is reasonable to assume that the taxes on this business, if returned to St. Croix, would balance the municipal deficit. Congress has only to extend the law to the Virgin Islands as it did to Puerto Rico and both of our municipalities could maintain their municipal governments, it is believed, without annual deficit appropriations if there is no decrease in rum sales.

The St. Croix small grower is also discriminated against by the $6 per ton export duty. When Congress encourages these small growers by repealing the export duty and extending the raw-sugar benefit payments to the Virgin Islands, as it has already done for the others in the cane industry under the American flag, then the people of St. Croix will raise sugarcane and furnish themselves with employment.

We need about 16,000 acres in sugarcane to solve this economic problem. Growers can only plant more cane if their income is increased by the benefits from the sugar-processing tax and their production costs reduced by the repeal of the $6 export duty. Future development of the homesteading project depends upon making it possible for the independent grower not only to stay in business but to increase his cultivation.

Whim and Princess homesteads have produced an average of about 766 tons of raw sugar per year for 5 years. With the $6 export duty and no law extending the benefit payments from the sugar processing taxes, it is estimated that these 267 homesteaders have been deprived of an average of $13,788 per year for the years of the processing-tax law. Knowing this, it is not difficult to understand why the homesteaders were $7,317.43 in arrears on their land and house purchase installments as of July 1, 1939, or why they have nearly $14,000 outstanding cultivation loans to repay.

The ruinous drought of 1938 caused arrears and unpaid cultivation loans to be high. One can determine from these figures that the average yield per acre and the net income per homesteader are both very low. It is essential that the discrimination against the St. Croix grower of sugarcane be discontinued so his net income can be increased. The repeal of the export duty and extension of the benefit payments will increase his net income nearly $16 for every ton of raw sugar he produces. Then he should not be in arrears with his obligations. The enactments of the Virgin Islands' bill which we are discussing will aid the grower of sugarcane directly so he can pay his present debts and make a living from his labors. This is preferable to relief, which tends toward the perpetuation of poverty.

We urge that this bill be adopted and enacted. It provides for two important fundamentals of good government:

1. It makes it possible for the small grower to earn a living by his own labor, and the community itself can furnish employment for its people which will eventually replace the thousands on relief.

2. It will make available to the treasury of the Virgin Islands the revenues from the taxes collected on articles of Virgin Islands manufacture so island legislators can provide for the costs of the schools, hospitals, institutions, sanitation, police, and the like as other island possessions do, thus anticipating the ending of the municipal deficit appropriations made annually since the United States Government acquired the Virgin Islands in 1917 for defense purposes.

Estimated revenues for the fiscal year from July 1, 1939, to June 30, 1940

I. DIRECT TAXES

1. Real property tax			$52,000
2. Income tax			8,000
3. Road fund:			
(a) Automobile tax	$8,000		
(b) Gasoline tax	10,000		
		18,000	
			$78,000

Estimated revenues for the fiscal year from July 1, 1939, to June 30, 1940—Continued

II. INDIRECT TAXES

4. Import duty			$8,000
5. Export duty			30,000
6. Ships' dues			3,500
7. Cranage and wharfage			3,000
8. Stamp dues			3,000
9. Vendue fees and percentages			500
10. Tax on inheritances			2,000
11. Court fees and fees from police office			4,000
12. Fees from burgher briefs, etc			1,700
13. Internal-revenue taxes:			
(a) Excise duty	$9,000		
(b) Internal revenues	6,000		
		15,000	
			$70,700

III. SUNDRY REVENUES

14. Fines and confiscations			1,200
15. Revenues from the prison			700
16. From municipality of St. Thomas:			
(a) Toward support of leper asylum			750
(b) Toward support of insane asylum			1,400
(c) Toward support poor farm			400
(d) Toward support penitentiary			500
17. Returns from sanitary work			2,800
18. Corporation fees			500
19. Fees from customhouses			350
20. Passport fees			100
21. Miscellaneous			5,000
22. St. Croix telephone service			7,000
		20,700	
			$169,400

Grand total estimated revenues	169,400
Grand total expenditures	321,496
United States contribution	30,000
Deficit, amount needed	122,096

STATEMENT AND TESTIMONY OF HON. JOSEPH ALEXANDER, MEMBER, MUNICIPAL COUNCIL OF ST. CROIX FOR TOWN OF CHRISTIANSTED AND SUBURBS, ST. CROIX; MEMBER, MUNICIPAL COMMITTEE, ST. CROIX; MEMBER, LEGISLATIVE ASSEMBLY OF THE VIRGIN ISLANDS

At a meeting of the legislative assembly convened in St. Thomas, V. I., last year, November, two resolutions were passed petitioning Congress to secure for the Virgin Islands the same treatment that has been granted to the neighboring territory of Puerto Rico with respect to the internal-revenue taxes, the extension of the benefit payment under the Sugar Act of 1937, and the repeal of the export duty on sugar.

In order to further this the municipal council of St. Croix, in collaboration with the municipal council of St. Thomas and St. John, passed a resolution sending a delegation to appear before the Congress for the purpose of giving information and urging such legislation as may be favorable to the islands tending to the restoration of economic conditions, mostly brought about by severe and prolonged droughts which have seriously jeopardized the sugarcane industry, which furnishes employment to the greatest number of people that live on the island of St. Croix. The Virgin Islands are divided into two municipalities, viz, the municipality of St. Thomas and St. John and the municipality of St. Croix. Each municipality has its legislative body. When they meet in joint session they constitute the Legislative Assembly of the Virgin Islands.

The islands of St. Thomas and St. Croix are worlds in miniature. Each of the islands has its own distinguishing features and characteristics and each its own background of romantic history.

St. Croix, as you may know, lives chiefly by agricultural pursuits. A large part of the island is flat and about 16,000 acres of its 51,000 acres of the total area is susceptible to cultivation. This means about a trifle more than one-third of the island's total area can be cultivated. The principal crop is and always has been sugarcane, and, with normal weather and fair prices for sugar, should produce in value about $800,000. In addition to this we should produce on other areas not suitable for cane cultivation about $40,000 worth of cattle. These are our most important industries at present. For many years sugarcane has been the only crop that has yielded anything for export.

The sugar crop depends entirely upon rainfall, and in absence of this the yield is low and the succeeding year's crops are hampered, as the profits, if any, depend on the first and second year's ratoon. On this account American private capital has been discouraged in investing in sugar property. Several years ago a firm by the name of Peabody & Houghteling, having offices in Chicago and New York; also a Boston sugar corporation operating in Puerto Rico as the Aguirre Sugar Co., were much interested in acquiring properties formerly owned by the West Indian Sugar Factory, now owned by the Virgin Islands Co., and after investigating were discouraged by the conditions they found. Two of the principal reasons that discouraged them from buying the properties were, first, the matter of irrigation, which was necessary, due to the extended droughts; the second, the export duty on sugar.

The population of St. Croix at the time of the transfer from Denmark to the United States was 15,000. In 1930 it dwindled to

10,000. It has again increased to 15,000. Due to the friendly aid of the Federal Government's rehabilitation program we have managed to find work for the people living on the island and discouraged them from emigrating as they did in years prior to 1930. Of this number practically 90 percent of the people of the island of St. Croix depend directly or indirectly on the sugar business for their existence. Therefore, when the sugar crop is affected by drought or other causes beyond control not only commerce suffers or the municipal government finances but the population as a whole.

Apart from the effects created by droughts on cane cultivation, the growers of sugarcane must pay an export duty on all canes sold to the sugar mill and processed into raw sugar. This tax at present amounts to $6 per short ton. Formerly it was $8 but was reduced to its present rate in 1927 when a similar delegation came to Congress from the island and advocated the repeal thereof. This tax was arbitrarily enacted by Congress in March 1917 just at the time the islands were to be actually transferred from one sovereignty to the other in order to offset the loss of revenue obtained from the import duty in effect on the island of St. Croix at the time and levied on goods imported from continental United States, the rate being approximately 16 percent ad valorem. The tax was not repealed in whole in 1927 when the island's legislature petitioned Congress on the matter because there was nothing concrete proposed to replace the largest contributing revenue in those years. During that period the sugar factories were unable to manufacture and develop a rum business because it was during the prohibition period that the act was in effect and applicable to the islands, thereby handicapping their economic existence. Before prohibition Santa Cruz rum had been world famous for 2 centuries. Today prohibition is repealed and the rum business is being slowly reestablished. The exportation of rum from the Virgin Islands, which is principally to the United States, and amounts at an annual rate of 100,000 to 150,000 gallons, would care for the export tax if the proceeds of the tax levied, collected, and paid in the United States under the internal-revenue laws of the United States on articles of Virgin Islands manufacture coming into the United States could be covered into the treasury of the Virgin Islands for the benefit of the municipality in which such articles were produced. Congress would then be relieved of appropriating money for the municipal deficits because collections from taxes would be sufficient to defray the cost of the local governments of the island and enable the legislatures for the municipalities to provide for the needs of the island's governments, which are many at present.

While the export duty might have proven a good substitute for replacing the revenues lost by the lifting of the tariff from goods made in the United States, it proved very harmful to the sugarcane industry, as in principle it worked out to be a direct tax on the sugar industry which rate ranged from 10 to 15 percent, based on the New York Produce Exchange quotation. For example, if the price quoted is $3 per 100 pounds, the cost of a ton of sugar will be $60. At $6 per ton the export tax will be $6, which is exactly 10 percent on the gross receipts of the sugar. You will admit that this tax is high. Apart from the rate of the tax in principle, the system is un-American and not obtainable in any other American territory. In the year 1936 President Coolidge while addressing the National Cotton Manufacturers' Association said in part, "That it was the practice of the United States not to impose export duties on primary products."

In 1930 conditions in the island became so serious that the entire economic structure was facing a collapse and the larger sugar estates and centrals began to fail. Those who did not fail found it very difficult to continue operation, due to the scarcity of labor, increase of wages, and unfavorable weather conditions and low sugar prices. They then began to turn their fertile lands into grazing land for cattle which required less capital, meant lower taxes, and very little labor if any to maintain. At the time land in cultivation or cane cultivation paid a tax of 70 cents per acre, whereas land in pasture or used for grazing paid 16 cents per acre. Uncultivated land paid almost no tax at all. Recently the tax on land has been changed by the local legislature to an assessed valuation basis. The American Red Cross at the time of this economic collapse had to come to the aid of the people and feed them. Finally the Federal Government, on the recommendation of its Federal agencies, who was investigating economic, social, and political conditions at the time recommended as a kind of solution to our economic ills the purchase of lands for cultivating sugarcane. The lands were bought and turned over to the agricultural laborers; most of them suffered unemployment, due to the failure of the largest sugar concern on the island. This then started the Federal homesteading program. The decline in cultivating lands for sugarcane began to show itself several years prior to this setback on the part of the large estate owners but did not become so eminent and effective until the West Indian Sugar Factory, Ltd., went into liquidation in 1930. This corporation ever since its existence from 1904 to 1930 was the main artery of business in St. Croix. They not only owned the best cane lands on the islands but produced two-thirds of the sugar crop at the time. The West Indian Sugar Factory was one of the creations arising out of the report made by the royal investigating commissioners, headed by Governor Nordelin, who visited the islands in 1902, sent out by the Danish Diet to suggest reforms for assisting the islands economically and otherwise. The seriousness of their failure may be mentioned by the fact that they gave employment to no less than 1,000 persons which included not only agricultural laborers but other skilled and unskilled laborers, clerks, bookkeepers, mechanics, engineers, etc. At one time there were no less than 1,500 employed on their pay rolls.

Out of the economic collapse came not only the establishment of the Federal homestead program but also municipal homesteads. The municipal government established these in order to satisfy a craving demand for others unable to qualify under the rules and regulations set up for Federal homesteaders. With the progress of these homesteads the land began to return gradually from a state of wilderness into sugar cultivation, which caused an optimistic attitude to prevail. During the period of 4 years which began in 1930 and lasted until 1934 the government did everything possible to get private capital to take over the defunct properties of the West Indian Sugar Co. Private capital was scared and not interested for reasons previously mentioned, coupled with fear of the recent experience of what had happened to the largest sugar producers on the island.

The people and the government of the Virgin Islands realized that if the economic condition of the island of St. Croix was to be improved that the production of sugarcane would have to be increased through more extensive cultivation of the fertile soil available for the purpose. Impelled by this economic requisite, the government finally, through the paternal aid of the Federal Government, purchased the properties of the West Indian Sugar Co. Left idle for 4 years, the land had grown in bush, the mills rusted, and the buildings were in disrepair, in most instances unfit for occupation. They have since rehabilitated the property, cleared the lands, and put into cultivation approximately 3,000 acres of sugarcane land and reconditioned the mill.

The purchase of this property was therefore imperative if St. Croix should be returned to its former status, and the homesteading and small-growers program be made successful to survive, as homesteading and the Virgin Islands Co. are essential to each other's interests. Combined, the island's economic salvation depends on it.

The appellation of the Virgin Islands Co. was given to the corporation chartered by the Colonial Council of St. Thomas and St. John on April 16, 1934, to manage and operate these properties and to put them to economic use, thereby filling the gap so much needed to give relief employment and to supply those revenues so urgently needed by the municipal government. Since the existence of the company it has contributed in 1937 the sum of $26,701.33 and in 1938, $35,632.04 to the municipal treasury in taxes paid on export duty on sugar, rum, real property, licenses, and other fees. The Virgin Islands Co. processes its own canes and those bought from the homesteaders, small growers, and other sugar-estates owners into raw sugar. In order to make sugar growing profitable it is necessary to use its byproducts. It should bear in mind that in the days of prohibition the sugar growers were deprived of the income from the rum production, as the molasses which forms the byproduct from which this is made became a total loss.

In St. Croix today we have 939 sugar growers, of which the Virgin Islands Co. produces 39 percent of the sugarcane, while the homesteaders and the other small growers produce the balance. The brunt of the entire economic structure, therefore, is borne by these two classes of growers. Optimism has existed from 1932 until the drought of the latter part of 1937. This optimism has changed to despair as the results obtained from the last sugarcane harvest. The small growers have become discouraged, and there is all just reason for this when you compare the results of 1937 with that obtained in 1938. In 1937 these small farmers produced 16,117 tons of sugarcane, valued at $53,081, as compared with 6,121 tons, valued at only $15,274, in 1938. This was exactly 25 percent of their 1937 income. Sugar production declined from 8,211 tons to 4,362 tons, while the price fell more than 20 percent. A loss of 47 percent in tonnage and about 60 percent in value. On account of this setback, discouragement exists among them, and many fields are being neglected, full of grass and weeds, with no signs of planting sugarcane during the planting time of 1938.

Outside of the Virgin Islands Co. who has recently planted 1,000 acres just at the time we had some favorable rains no other planting is being carried on to any great extent. Due to unfavorable weather conditions the average production of sugar amounts to 1 ton per acre in St. Croix while in Puerto Rico the average is 3.3 tons and 8 tons in Hawaii. Nature determines the economic situation in the island as far as agricultural results are concerned to a larger extent than man's wisdom and methods.

With the recent set-back due to unfavorable weather conditions which the small growers have met it means that he has been unable to meet his amortizing payments or to pay his rents if he so rents the land and not even means available to keep himself alive. In the preparation of the land for sugarcane cultivation he has to spread the cost over a period of 3 years before he can realize a small profit, if any. Here is an example of the average cost of preparing an acre of land for cane cultivation by the average small grower. First, preparing the land:

First plowing	$2.50
First harrowing	1.00
Second plowing	2.50
Second harrowing	1.00
Banking	1.50
Total	8.50

Planting, cultivating, and harvesting, first crop per acre, which is called plant cane:

Cost of seed (using 5,000 seeds per acre, at $2.50 per 1,000)	$12.50
Labor planting	2.50
Cost of seed (replanting)	3.00
Labor	1.00
Weeding (5 times, at $2.60 per acre)	13.00
Cultivating	3.00
Harvesting	10.00
Transportation (1 cent per 100 pounds)	4.00
Total	49.00

First ratoon crop per acre:

Lining trash	1.10
Cultivating bank (with mules)	1.00
Weeding (3 times at $2.66 per acre)	8.00
Harvesting	6.00
Transportation (1 cent per 100 pounds)	2.40
Total	18.50

Second ratoon crop per acre:

Lining trash	1.10
Cultivating bank (with mules)	1.00
Weeding (2 times at $3 per acre)	6.00
Harvesting	4.00
Transportation (1 cent per 100 pounds)	1.60
Total	13.70

On the basis of 20 tons of sugarcane per acre for the first reaping, which is known as the plant cane; 12 tons per acre for the second reaping a year after, which is known as the first ratoon; and 8 tons per acre for the third or second ratoon, we have the following results, viz:

First year, 20 tons at 12 cents per 100 pounds	$48.00
Second year, 12 tons at 12 cents per 100 pounds	28.80
Third year, 8 tons at 12 cents per 100 pounds	19.20
Total	96.00
Gross yield, 3-year crop	96.00
Total cost for 3 years	89.70
	6.30

With this balance he must pay $3 per acre for amortizing payment if he owns the land, or $5 per acre if he rents the land.

The price of 12 cents per 100 pounds of canes is equivalent to $24 per short ton for sugar, which is the net amount recently paid to the grower of sugarcane to the Sugar Central. This price is computed from the Saturday quotation of the New York Produce Exchange as a basis to pay for canes delivered during the current week to the centrals buying the canes after deductions are made for commission, freight, shipping, landing charges, and export duty at the rate of $6 per ton.

The freight charges are exorbitant in comparison to the rate paid by the Puerto Rican sugar shippers to New York. In Puerto Rico they pay 15 cents per 100 pounds on sugar, while in St. Croix we pay 21 cents per 100 pounds. The sugar shipped from St. Croix is taxed at the refineries and the tax amount is collected on St. Croix sugar, but the benefit payments do not go to the small growers or to the sugar companies who grow the canes in St. Croix. Therefore the industry has been discriminated against. The benefit payment would figure out for St. Croix approximately $10 per acre for each small grower. With $10 per ton sugar benefit going to the sugar grower and the repeal of the export duty on sugar, the grower should be $16 at the maximum to the good; with his amortization payment or rental deducted he should have better profits than he now enjoys from the cultivation of the land. As soon as the small grower can operate profitably and not fall behind in his payments or neglect his cultivation and let it grow up with weeds and bush, then we will have an industry that can get along. Right now with the effects of the drought it will take them about 2 years to get back into full cultivation.

If economic conditions are to be definitely improved in the island of St. Croix, additional acreage of land will have to be cultivated. Presently we have only 8,000 acres of land in sugar cultivation. There are 8,000 more acres of fertile land available for this purpose. About 50 years ago the island cultivated in the vicinity of 20,000 acres, which gradually declined to 4,000 acres in 1933, which decline was due to a number of vicissitudes, some of which have been mentioned before.

To increase the acreage it is necessary to have the cooperation of the independent large landholders, some of which have turned their land into cattle ranches, while others allowed their land to remain idle. To make this possible it will be necessary to make the cultivation of sugarcane a profitable undertaking. This objective may be achieved by the repeal of the export tax and the payment of the proceeds of the tax collected under title IV of the Sugar Act of 1937. With the relief of the one tax and the benefit payment of the other, the planter might fare well by just breaking even in the event of a drought or with a small profit in the period of favorable weather.

Presently the Government of Great Britain has sent to the West Indies a royal investigating committee to investigate and report on the matter of social unrest and economic conditions in the British West Indies. They recently visited our islands for comparative study. While some of these British islands' ills may be ascribed to social conditions, eventually, in the final report of the committee, I am sure that their recommendations will center on the recommending of sugar subsidies for the smaller islands of the Windward and Leeward group similar to the subsidies granted to the British beet-root sugar industry. Unless this is done, the sugar planters of these islands will never be able to make a profit or pay a decent wage to their laborers. In the case of St. Croix, we ask for no sugar subsidy, but we ask that the island's industry be not discriminated against and unfavorable laws be repealed, as the economics of this industry determines the standard of living, and, unlike most other commodities which suffered in depression slumps, sugar has never fully recovered.

For more than 50 years the acquisition of the Virgin Islands was a subject of negotiations between the United States and Denmark. These negotiations began in 1865, during the administration of President Lincoln. He, impressed with their strategic value, became very anxious to secure them. These negotiations continued until 1915, under the administration of President Wilson, when the islands finally came into the possession of the United States on March 3, 1917, for a consideration of $25,000,000.

It was always generally understood that the United States did not purchase the Virgin Islands as an investment. They were purchased primarily for strategic purposes. St. Thomas and its harbor is the strongest and most easily fortified spot in the West Indies. It can be made for the United States both an impregnable fortress and a valuable commercial and shipping station apart from the tourist and other industries that are carried on there today. With St. Thomas went the island of St. Croix as part of the defense as haven for submarines in case of war. One island was therefore necessary with the other. The United States Navy was appointed by the President as the Department to have jurisdiction over the islands and Rear Admiral Oliver was appointed as the first Governor under the American regime. Ever since this it has been the practice to provide the necessary appropriations for the municipal deficits. When the Department of the Interior took over the administration of the islands from the Navy Department in March 1931, it followed as much as possible with a civilian form of Government, the precedence established by the Navy in continuing the request from the Federal Government to make up the deficits of the municipal governments for the islands. These have varied in contributions from $243,000 to $50,000. For the past 16 years these have averaged approximately $107,000 per year.

In 1934, 3 years after the islands had been placed under the Department of the Interior's jurisdiction, the revenues of the municipal government began to increase to what they were in the past. Some of these increases were primarily due to the matter of new taxes being created, repealing of prohibition, and the pick-up in business due to the rehabilitation program. Then came the information that we must be prepared to increase taxes or raise more revenues as Congress was not willing to contribute municipal deficit appropriations as we should look forward to eventually being self-supporting. We realize that ourselves, having a sense of responsibility, that we should provide for the needs of our municipal government and try and be independent of the Federal Government's aid, even taking into consideration that the islands were bought for defense purposes and the upkeep should be considered as the interest on a battleship. We, therefore, again taxed ourselves further by increasing some of the items already taxed and added a few more nuisance taxes to our list of revenues. But our dreams could not be realized even with the 16,000 acres of land in cultivation; the revenue from the export tax would not pay the deficiency as we would yet be short $10,000. In 1938 despite our adverse weather conditions which caused sugar losses we increased our revenue 7 percent over the preceding year of 1937, in spite of the fact that we assumed some of the burden of central administration, which was shoved on us for salaries for the medical department. In addition to this our Federal deficit contribution was decreased $10,000. Under these considerations we feel that we have done exceedingly well to provide as best we can for the needs of our municipal government, taking cognizance of the fact that deficit appropriations have been reduced too rapidly instead of being a gradual process. The result of such action has been that we were forced to apply for an additional deficiency appropriation to meet obligations incurred in the 1938 budget, and what is expected to happen in the 1939 budget, making a total of $60,000 desired.

In order to relieve our Federal executive and legislative departments of the continual demands to meet these municipal deficits the enactment of the bill which we are discussing should obviate the necessity of this. The exports of products from the island to the United States on which internal-revenue taxes are collected should average approximately $135,000 per year which would take the place of the average deficit of $107,102.22 plus the loss of the repeal of the export duty on sugar which amount averages approximately $28,000 per year. This allows a surplus of $35,000 which amount is badly needed to provide for the needs of our local government which are many at present. Our roads, schools, hospitals and other municipal institutions have been sadly neglected for years and are in disrepair and require renovating. Our hos-

pitals are in terrible condition and dilapidation, and are often the source of ridicule and criticism by visiting physicians from the continent as being unfit for the care of the sick. With the surplus of $35,000 more or less we should be able to start a building program, construct a new hospital, repair our insane asylum, which is estimated at a cost of $10,000 for such repairs, and gradually every other year equip same with modern hospital equipment. Presently we are fortunate in having in the municipal physician of St. Croix a very able and skillful surgeon, who seems to be acquiring not only national but international reputation in tropical diseases. If we can achieve our desire to rebuild our medical institution it may be a means of encouraging people from the neighboring islands to come to our island for medical treatment which will mean additional revenues to help us along with our expenses in running this institution and then bring publicity to the island.

If St. Croix is to continue as an agricultural island, depending chiefly on sugarcane for its economic existence, it will be necessary that the Government employ a professional agriculturist and plant pathologist who understands cane culture, hybridization, and germination and who can experiment and recommend a system of cultivation that will produce more cane per acre and at a lower cost per ton.

In conclusion we present again our three objectives sought in this bill:

First: We ask that all articles of Virgin Islands manufacture coming into the United States and paying internal-revenue tax shall be covered into the Treasury of the Virgin Islands for the benefit of the municipality where such articles were produced.

It is hoped that it will yield sufficient revenues to take the place of the amount no longer contributed by the Federal contributions and the amount to be lost to the municipal treasury by the repeal of the export tax.

Second objective: That the proceeds of the tax collected under title IV of the Sugar Act of 1937 on sugars produced in the Virgin Islands and brought into the United States should be covered into the treasury of the Virgin Islands for the account of the municipality where such sugars were produced for the benefit of the sugar growers. This will yield approximately $45,000 to the growers of sugarcane.

Third objective: The export tax as applied by Congress in 1917 on all sugar exports from the islands to the continental United States as amended on February 25, 1927, to $6 per short ton should be repealed. This will relieve the burden of the grower and save him from destruction which presently faces him.

Conditions in the Virgin Islands differ considerably in some instances from the mainland, and what suits the one may not suit the other. We have to live an artificial way to eke out an existence. The people of the Virgin Islands are grateful to the Federal Government for the interest in their welfare. They also feel proud that they are blessed in being citizens of the most powerful democratic country on earth. Our local problems are numerous and pressing. We pray that you gentlemen of the committee will favorably recommend this measure to the committee of the House and Senate; in the meantime we shall await with patience in anticipation of your report.

TABLE 1.—*Showing how price of sugarcane is computed, based on the New York Stock Exchange quotation, and showing how the export tax of $6 per ton figures in the price*

New York price per short ton at $3 per 100 pounds of raw sugar, f. o. b. New York		$60.00
Insurance, commission, port entry fees, etc	$1.35	
Freight at 21 cents per 100 pounds, plus 13 cents per bag	5.24	
St. Croix trucking, handling, and lighterage	2.30	
Export duty	6.00	
		14.89
		45.11

It takes 10 tons of cane to equal 1 ton of sugar, which means that sugarcane is worth $4.511 per ton after it is processed into sugar. Sixty percent of $4.511 is purchase price per ton of cane in the fields, or $2.7016. Therefore, 2,000 pounds of cane cost $2.7016, or 13½ cents per 100 pounds.

TABLE 2.—*Showing average estimated cost of cultivating an acre of land by the small growers of sugarcane in the island of St. Croix, V. I.*

ESTIMATED COST OF PREPARING LAND PER ACRE

First plowing	$2.50
First harrowing	1.00
Second plowing	2.50
Second harrowing	1.00
Banking	1.50
Total	8.50

ESTIMATED COST OF PLANTING, CULTIVATING, AND HARVESTING PLANT CANE CROP PER ACRE

Cost of seed (using 5,000 per acre at $2.60 per thousand)	$12.50
Labor, planting	2.50
Cost of seed (replanting)	$3.00
Labor	1.00
Weeding (5 times at $2.60 per acre)	13.00

TABLE 2.—*Showing average estimated cost of cultivating an acre of land by the small growers of sugarcane in the island of St. Croix, V. I.*—Continued

ESTIMATED COST OF PLANTING, CULTIVATING, AND HARVESTING PLANT CANE CROPS PER ACRE—continued

Cultivating	$3.00
Harvesting	10.00
Transportation (1 cent per 100 pounds)	4.00
Total	49,000

ESTIMATED COST OF CULTIVATING AND HARVESTING FIRST RATOON CROP PER ACRE

Lining trash	$1.10
Cultivating bank (with mules)	1.00
Weeding (3 times at $2.66 per acre)	8.00
Harvesting	6.00
Transportation (1 cent per 100 pounds)	2.40
Total	18.50

ESTIMATED COST OF CULTIVATING AND HARVESTING SECOND RATOON CROP PER ACRE

Lining trash	$1.10
Cultivating bank (with mules)	1.00
Weeding (2 times at $3 per acre)	6.00
Harvesting	4.00
Transportation (1 cent per 100 pounds)	1.60
Total	13.70

Using as a basis 20 tons per acre for plant cane, 12 tons per acre for first ratoon, and 8 tons per acre for second ratoon, we have the following:

Receipts:	*Per acre*
First year, 20 tons at 12 cents per 100 pounds of canes	$48.00
Second year, 12 tons at 12 cents per 100 pounds of canes	28.80
Third year, 8 tons at 12 cents per 100 pounds of canes	19.20
Total over a 3-year spread	96.00
Gross yield for 3-year spread	96.00
Total expenses for 3-year spread	89.70
Profit	6.30

Balance of $6.30 left for grower to pay $3 per year as an amortizing payment toward the purchase of his land, or $5 per year if he rents the land.

REMARKS

If the benefit payments are extended to the Virgin Islands, as per the Sugar Act of 1937, it will mean approximately $10 per acre revenue for the grower; and if the local export duty is repealed, which is $6 per ton, provided Congress enacts a law to return to the island the revenue taxes collected from such liquor exports to continental United States, the gross receipts to the grower will amount to $16, approximately. If these, our objectives, be recommended and passed by Congress, it will be a means of reorganizing the sugar business so that it may continue to be a source of living for those who own the land and to those who seek employment.

Table 3.—Export duty collected for the period of the last 10 years, viz, from 1929 to 1938, and part of the fiscal year of 1939, on sugar shipments exported from the island of St. Croix, V. I., to continental United States

Fiscal year:	
1929	$52,797.13
1930	29,364.13
1931	19,316.57
1932	16,749.42
1933	19,992.40
1934	14,008.54
1935	20,347.97
1936	13,055.02
1937	29,958.01
1938	29,958.01
1939 (Jan. 31, 1939)	18,143.36

STATEMENT AND TESTIMONY OF HON. RALPH PAIEWONSKY, MEMBER OF THE MUNICIPAL COUNCIL FOR ST. THOMAS AND ST. JOHN TOWN DISTRICT, CHAIRMAN, MUNICIPAL COMMITTEE, ST. THOMAS AND ST. JOHN, SECRETARY, MUNICIPAL COUNCIL FOR ST. THOMAS AND ST. JOHN, ASSISTANT SECRETARY OF THE LEGISLATIVE ASSEMBLY FOR THE VIRGIN ISLANDS

Supplementing the statements of the delegates from St. Croix, it would be advisable to give a brief outline of the history of St. Thomas in order to grasp the full importance of its political and economic life and status. Although the islands of St. Thomas and St. Croix are separated by only 40 miles of water, the economic life of each cannot be even remotely connected with the other. St. Thomas, which comprises one of the islands acquired from Denmark by the United States in 1917, is approximately 12 miles long and 1 to 3 miles wide, with a total area of 27.12 square miles, and maintains a population of approximately 9,000 persons (1938).

Owing undoubtedly to the excellent and well-sheltered harbor and its strategic position, St. Thomas gradually became the Singapore of the West Indies. It was the depository for the large Euro-

pean commercial firms, and merchants from the surrounding West Indian centers of commerce came to secure and replenish stocks and stores. The island was used as a clearing house for vessels where captains would secure their instructions and await orders from their home ports. It is estimated that the number of sailing vessels calling at the port of St. Thomas rose from 1,200 to more than 2,800 annually during the sailing-ship period of the nineteenth century. The development of the steamship and the introduction of the cables had marked effects upon the importance of the port. The golden age of St. Thomas was at this period when the importations intended chiefly for reexportation were estimated at five to six millions of dollars annually. After 1850 the business began to decline until in 1901–2 the importations were estimated at only $881,697.

The economic pursuits of St. Thomas are definitely commercial and entirely distinguished from those of its sister island St. Croix. From a trading center St. Thomas developed more and more into a refueling station. In 1902 when the depression of that period encompassed the island a Royal Danish Commission was sent to the islands to examine into the causes for the downward trend and make its findings and incorporate in its report all feasible recommendations for improving conditions. Among the proposals which were accepted and acted upon by the Kingdom of Denmark were the establishment of the National Bank of the Danish West Indies, the harbor board, and dredging of the harbor—begun in 1911. Reduction in prices of coal and fuel stimulated business. Another recommendation which was not carried forward was the establishment of a new floating drydock for the harbor. An old dock had been brought to St. Thomas in 1867 to provide ordinary docking facilities and was operated in conjunction with a machine shop located ashore. The old dock afforded work for several hundreds of people but unfortunately in 1924 the dock suffered an accident which ended its utility. Efforts were made to secure a large floating drydock but the amount of money necessary to accomplish the venture could not be raised.

Since 1905 the Danish East Asiatic Co., Ltd., made a definite bid for the bunkering business by reestablishing the necessary facilities in the island of St. Thomas. By 1911–12 the total importation of coal into the port amounted to 120,313 tons, up to then an all-time high. On the basis of this experience the Danish West Indies Co., Ltd., was inaugurated. It built a 2,250-foot bulkhead at a cost of $1,000,000. The bunkering business then offered work to hundreds of men and women employed to load coal on calling ships by means of individual baskets full of coal. Today, because of competition from the neighboring islands (British, French, and Dutch) coaling is done exclusively by crane except for some isolated incidents.

The port of St. Thomas began to be developed by many other steamship companies, among which were the British Royal Mail Co., Ltd., the Dutch Lines, the French Trans-Atlantique Line, and the German Hamburg-American Line. The Hamburg-American Line was developing a volume transshipping business, using St. Thomas as the main port of operations. It is estimated that this firm alone spent from $25,000 to $40,000 per month in the island. The change of sovereignty and the World War put this company out of commission, as well as causing serious detriment to the other shipping interests. Subsequently the trade picked up again until 1929, when a new record of 143,695 tons of coal were imported. With the depression of 1929 the number of ships declined from 397 in 1929 to 163 in 1932. However, with the increased world shipping, the number of ships calling at the port increased from the last number to 429 in 1936, and it is still on the incline.

It is manifest from the foregoing history of St. Thomas that its economic life is definitely entwined with the commercial activities of the outside world and it rises and falls accordingly. During the days when St. Thomas enjoyed a fair commercial trade, several hundred men and women were gainfully occupied with the loading and unloading of cargoes, another group coaled ships, while others were at work in the machine shops and the drydock. During this period there was hardly any unemployment and the merchants were enjoying good trade. It is interesting to note that the total local revenues collected for the operation of the municipal government of St. Thomas (and St. John) was only $100,500, and of this amount approximately $50,000 was derived from postal revenues and customs dues. Just 1 year before the transfer of the islands the local budget expenditure was set at $98,705.55, which included the post-office operating expenses in the amount of $9,140, for customs the amount of $1,950, and $3,000 subsidy to the cable company. If these items were subtracted from the budget, it would leave a balance of $84,615.55, which is about one-third of our present municipal cost, or we might say that the cost of the municipal government has increased over 300 percent since 1917.

Following the transfer a new system of government was established as more in keeping with American ideals, and the cost of municipal government for the islands of St. Thomas and St. John rose to $185,000. The Navy Department, under whose jurisdiction the islands were first placed, realized that ideals could not become realities by governmental decrees alone, and they established the deficiency-contribution principle. An examination of the budget will readily give the picture. As previously stated, the Hamburg-American Line was finished in St. Thomas, and with it went the vast proportion of the transshipment business and trade in St. Thomas. This was reflected in the local revenues as set up in the budget of 1918–19, which were estimated at $67,940, while the expenditure was set up to $185,056.40, with an estimated difference between revenues and expenditures to be made up from the Navy's appropriation in the sum of $117,116.40.

The increased cost of government was due to the development and enlargement of the sanitation department from about $20,000 to approximately $100,000, and schools from $8,000 to $30,000. In addition to this the Navy set up what is today termed "central administration," and all commissioned officers, paid by the Navy Department, assumed the duties of heads of the different departments of the municipal government. It might be stated here that at the time of transfer of sovereignty it served a useful purpose that the administration of the island was placed under the jurisdiction of the Navy, because in addition to the strategic position and importance for the protection of the Panama Canal, the Navy gave work to hundreds of natives and filled the gap of unemployment, in part, at least, counteracting the effects of the loss of the shipping trade. Naval activities in the island put money in circulation and created an artificial stimulation, which had a telling effect in 1931, when the Navy withdrew and hundreds of people were again thrown out of work. The Navy's withdrawal had further effects: The houses occupied by the Navy personnel became vacant and no money was found in circulation, which of itself demonstrates the economic condition thereafter. It must be pointed out that even in those days from 1918 to 1930, when this artificial stimulus existed, an amount of a little more than $100,000 annually had to be contributed to run the municipal government, and this in addition to the cost of central administration. It must be remembered that between $350,000 to $500,000 were circulated locally through other naval activities in the island of St. Thomas, and for that reason the Navy constituted a major industry in itself. During the stay of the Navy there were few persons on relief or unemployed. The islands never were self-supporting, and never can be unless sufficient industries are established to give permanent employment and take up the slack in taxation. Even the Kingdom of Denmark was forced to contribute an average of $132,836.64 annually toward the central administration of the islands. A table of the figures covering the years 1910 to 1917, inclusive, is attached.

The next episode of Virgin Islands history took place between 1930 and 1939. The islands were rushed into a civil form of government and the Navy withdrew. Elaborate schemes for their rehabilitation were established and fashioned after the plan similar to that set by the Royal Danish Commission in 1902. Had the naval activities continued in the island the civil government would have been successful. To fill the gap Federal agencies such as the N. R. A., P. W. A., and the W. P. A. were forced to pump thousands of dollars into the islands to prevent economic collapse. In St. Thomas several projects were established such as the Bluebeard Hotel, a small cooperative, and some homesteading, but these could not begin to fill the dire needs of the community. In 1935 a small Marine Corps air base was established and then enlarged somewhat; this took up a small number of the unemployed. In 1937 the Angostura-Wuppermann Corporation came to St. Thomas and gave some employment, but contributed in direct income tax and corporate taxes a sum of about $27,000. The shipping trade picked up a bit around 1935 and the tourist trade increased. Much remains to be accomplished if the islands are to be made self-supporting. The "so-called balancing of the budget" at this time is by no means any indication that St. Thomas is self-supporting, and anyone believing this to be so is laboring under preconceived delusions or is really not familiar with the honest and true picture of St. Thomas. Relief projects must be carried on for the many reasons already stated and it cannot be denied that if this stimulus is eliminated before sufficient new industries are established the islands will lapse into an almost immediate and complete state of bankruptcy. The return of the internal-revenue taxes, the repeal of the export duty on sugar, and the inclusion of the Virgin Islands under the benefit payments provided for in the Sugar Act of 1937 constitute the first real sound steps toward making the municipal governments self-supporting.

When the rehabilitation agencies were established it was hoped that the islands would become self-supporting. Upon this premise was predicated the annual $10,000 cut from the deficiency appropriations for each municipality. However, these rehabilitation agencies were never able to make up the difference to the municipal treasuries. Yet the cuts were made in the deficiency appropriation for St. Thomas and St. John as follows:

During the fiscal year:

1934–35	$10,000
1935–36	20,000
1936–37	30,000
1937–38	40,000
1938–39	60,000
1939–40	100,000
Total	260,000

Under the rehabilitation schemes the rehabilitation agencies should have contributed to the St. Thomas municipal treasury during the period from 1934 to 1939–40, a total of $260,000, but the records prove, however, that the total amount paid into the municipal treasury by these agencies amounted to less than $6,000 during the entire period. If the Federal Government, with more than $3,000,000 invested in the Virgin Islands in these agencies cannot make the islands self-supporting, how is it possible that the small industries and local concerns without the necessary financial aid can be made to perform this miracle? Something had to be done to meet the expenses of the local government during the continuing periods of reduced appropriations so additional relief appropriations were secured to keep people employed on various Federal projects and local taxes were increased to an all-time high.

The Municipal Council of St. Thomas has been faced many times over with the problem caused by the cut in the deficiency appropriation and it tried to inaugurate drastic economies. Maintenance was cut by 25 percent. Salaries were already too low, but on occasion during the early stages of civil government cuts were nevertheless made. This point is of importance—the problem is always presented to the municipal council when the act has already been accomplished—and this relates particularly to the systematic and continuous decrease in the deficiency appropriation; the municipal council was never consulted about the conditions laid before the Bureau of the Budget or any other branch of the Federal Government having jurisdiction. Without recriminations we feel constrained to point out as suggestively as we, with propriety may, that if the internal-revenue taxes are made available to St. Thomas we shall be able to continue our burden; but, if on the other hand, this taxation or the receipts thereof are not forthcoming to St. Thomas, then the $40,000 taken from us completely (from the deficiency appropriation) will work chaos in our economic structure. Already the income-tax assessments for the fiscal year have fallen short of expectations and some more items will undoubtedly fall below the budgeted expectancy, and if this does transpire we shall be forced to approach this honorable committee for a deficiency appropriation in the approximate sum of $60,000 within the next year, and this if we are to only carry on on the basis of the last fiscal year. We here only mention the fact that there is a single item of $22,000 which was borrowed from the public trust funds which must be repaid regardless of source.

An important feature which deserves consideration is the fact that since the United States purchased the islands the bulk of the imports into the Virgin Islands are United States products. The customs records show that during the year 1937 about $3,000,000 worth of American goods in commerce were imported into the Virgin Islands, as compared with less than $1,000,000 of Virgin Islands products brought into the United States proper. The period from 1918 evidences an abnormal trade balance in favor of the United States. This is proof that whatever moneys are spent in the islands eventually finds itself back in the United States again.

In 1926 the taxable wealth of St. Thomas was about $3,700,000, and in 1939 the figure remains the same. This indicates conclusively that the islands (St. Thomas and St. John) have practically stood still during the past 13 years.

The people realize their responsibility and are more than willing to do all within their power to help themselves. Recently a corporation was organized by ordinance consisting of all the leading businessmen in the community to develop the tourist trade and stimulate new industry. But before these objectives can be accomplished in any appreciable degree considerable work and expenditure must be utilized in improving the health and sanitary conditions. There is at present an obnoxious system of removal of human excreta which takes place nightly about 11 p. m. Feces are collected in cans from the different homes of the poor people and transported by truck to some dumping spot outside the city limits. (American tourists complain continuously about this unhealthy condition.) Extension of the sewer system must be accomplished. The hospitals are in bad shape and new buildings and equipment are absolutely necessary. There is dire need for water catchments and basins to retain water for the poor and others during the droughts. The department of public welfare has to take care of the poor and needy. Approximately 400 persons are receiving direct aid in small pensions averaging $2.60 per month. This cannot take care of their rentals. When additional funds could not be found through the legislature on account of the financial conditions due to the loss of the sums needed and provided by the deficiency appropriation the welfare department formed a community chest and raised approximately $3,000, which has been distributed in pensions and direct aid to the poor. It is pathetic to see the conditions under which human beings are compelled to live. Schools and equipment are sadly needed. It is not stretching the truth at all to say frankly that conditions are intolerable. The various reports filed herewith will show the truth of all the assertions herein. The conditions pertaining to the municipal hospital in St. Thomas and in St. John can only be believed when seen personally. We have sought every way and means at our command to remedy the situation, but unfortunately we cannot accomplish the desired results without funds. There is appended hereto a full report of the necessary needs in the community, and it is obvious that each and every item therein contained is fundamentally sound and of vital need.

The only solution remains our just requests for the proceeds of the internal-revenue tax. We who live permanently in the Virgin Islands surely know the vital necessaries and we trust that we have demonstrated sufficient knowledge of our problems and the manner of approach to a complete solution of them.

There is another matter in which I am much interested which pertains almost entirely to the island of St. Thomas, and that is the modification of the application of the navigation laws to the Virgin Islands. As you know, the navigation laws were made to apply to the Virgin Islands in the Organic Act, for what reason I am unable even now to state. In less than 3 years they have shown their baleful influence. There are three important reasons why these laws should not apply to the Virgin Islands:

(a) Because nine-tenths of the vessels that come to the harbor of St. Thomas are of foreign registry, and American shipping has shown no intention of providing services, freight or passenger, for these islands;

(b) Because the restrictions imposed by the navigation laws, such as number of radio operators and American inspection, have already deprived us of the important services rendered by the Dutch steamship *Baralt*, plying between the islands. It is estimated that this port will lose $120,000 of trade in 1 year because of preventing the steamship *Baralt* from calling at this port. The steamship *Baralt* could not afford to carry two radio operators. Within the Virgin Islands a vessel is never more than 20 miles from land.

(c) Because of the navigation laws foreign freighters which frequent the port for bunkers and other reasons are precluded from carrying passengers between the islands. Our passenger service is therefore limited to one vessel, the American steamship *Catherine*, of the Bull Line. When the steamship *Catherine* is taken off for repairs practically the only communication between St. Thomas and St. Croix is a cargo boat that can carry only 12 passengers. This is a distinct hardship. There are many excellent cargo steamships entering this port which can safely carry passengers between St. Thomas and St. Croix and vice versa.

Figures taken from the Danish state budget for the Danish West Indies covering fiscal years 1910–17, inclusive

March 31:	
1910	$120,863.32
1911	134,118.19
1912	123,758.18
1913	131,437.16
1914	135,147.16
1915	137,338.37
1916	142,060.51
1917	137,970.30
Total	1,062,693.09
Average	132,836.64

NOTE.—The above figures show that the Danish Government contributed toward the central administration of the Virgin Islands, then the West Indies Islands of Denmark, an amount of $132,836.64 average annually.

Statement showing the total amount of rum exported, in proof gallons, from the islands of St. Croix and St. Thomas, V. I., as per calendar years from 1934 to 1938, inclusive

	St. Thomas, V. I.	St. Croix, V. I.
Calendar year:		
1934	18,793	None
1935	22,495	42,349
1936	54,110	42,445
1937	68,902	94,791
1938	63,534	56,564

NOTE.—These figures were compiled and submitted to the committee by the collector of customs at St. Thomas, V. I.

For municipality of St. Thomas and St. John, V. I.

Fiscal year	Estimated total local revenues St. Thomas, V. I.	Estimated total expenditures, St. Thomas, V. I.	Estimated total Federal deficit contribution
1925–26	$106,860.00	$219,474.30	$112,614.30
1926–27	124,000.00	224,300.00	100,300.80
1927–28	124,300.00	231,682.60	107,382.26
1928–29	122,290.00	222,638.00	100,348.80
1929–30	124,690.00	228,290.00	103,600.00
1930–31	126,420.00	233,423.00	107,003.00
1931–32	120,400.00	236,813.40	116,513.40
1932–33	88,735.00	202,135.00	114,400.00
1933–34	105,362.80	181,802.80	76,440.00
1934–35	140,708.00	230,708.00	90,000.00
1935–36	113,310.00	193,310.00	80,000.00
1936–37	145,180.00	215,180.84	70,000.00
1937–38	155,697.00	215,697.00	60,000.00
1938–39	199,377.00	239,377.00	40,000.00
1939–40	(?)	(?)	(?)

[1] None asked for.

NOTE.—The above figures represent the estimated amounts budgeted at the beginning of each fiscal year and usually represent the fixed expenses of the Government for that fiscal year. Surpluses if any are usually taken care of by additional money bills but are generally for additional expenses of the local government.

Fiscal year	Estimated total local revenues, St. Thomas, V. I.	Estimated total expenditures, St. Thomas, V. I.	Estimated total Federal deficit contribution
1916–17	$100,500.00	$98,705.55	[1] None
1917–18	67,940.00	185,056.40	$117,116.40

[1] Under Danish administration.

First budget under changed sovereignty after transfer of islands.

Tabulation of revenues taken from municipal budget for St. Thomas and St. John, V. I., covering the period for 1925–26 up to and including 1938–39

Year	Customs dues	Vendue fees and percentages	Dues recorded, transfers not sold at vendue	Tax on inheritance	Court fees and fees from police office	Stamp dues	Fees from steamship tickets	Fees from grants and dues on burger briefs	Internal-revenue tax	Auto license tax or fees	Real-property tax	Personal-property tax	Trade tax
1925–26	$8,000	$100	$160	$500	$6,000	$1,600	$1,000	$600	----------	----------	$35,000	$5,000	$7,000
1926–27	10,000	100	160	1,500	6,000	1,600	1,000	600	----------	----------	37,000	6,000	9,000
1927–28	10,000	150	160	1,500	6,000	1,600	1,000	900	----------	----------	37,000	6,000	9,000
1928–29	10,000	150	100	1,500	6,000	1,600	1,000	900	----------	----------	37,000	6,000	9,000
1929–30	10,000	100	100	600	6,000	1,600	1,000	900	----------	----------	37,800	5,600	9,000
1930–31	10,000	100	100	600	6,000	1,600	1,000	800	----------	----------	37,800	5,600	8,400
1931–32	8,000	100	100	4,000	6,400	1,600	1,000	1,000	----------	----------	37,800	5,800	8,000
1932–33	4,000	60	100	3,000	5,000	1,200	600	900	----------	----------	36,050	5,200	6,500
1933–34	5,000	200	----------	3,600	5,000	1,600	600	900	----------	----------	33,000	4,400	6,000
1934–35	10,000	10	----------	3,600	5,000	1,600	600	2,000	$30,000.00	----------	33,000	4,400	6,000
1935–36	10,000	10	----------	2,000	5,000	2,000	1,000	4,000	17,500.00	----------	34,000	4,400	4,800
1936–37	12,000	----------	----------	1,000	7,000	2,500	1,500	6,000	34,180.84	----------	38,000	4,500	4,000
1937–38	12,000	----------	----------	1,000	3,700	2,500	1,500	5,000	16,000.00	$3,800	47,000	----------	8,000
1938–39	13,000	----------	----------	2,000	5,000	2,500	1,000	5,000	16,000.00	4,000	47,000	----------	5,000

Year	Lamp tax	Horse carriage and boat tax	Income tax	Gasoline tax	Pay patients at municipal hospital	Fees collected at customhouse	Returns from sanitary works	Passport fees	Fees from St. Thomas telephone system	Annual license fees	Miscellaneous	Contribution from harbor board
1925–26	$1,400	$1,200	$16,000	----------	$2,000	$2,000	$4,600	$100	$9,000	$1,200	$4,400	----------
1926–27	2,000	1,200	20,000	----------	2,600	2,000	4,600	160	8,740	1,340	4,400	----------
1927–28	2,000	1,200	20,000	----------	2,600	2,000	4,600	160	8,740	1,340	4,400	$4,000
1928–29	2,000	800	20,000	----------	2,400	1,000	4,600	160	8,740	1,340	5,000	2,000
1929–30	2,000	800	26,000	----------	2,400	1,000	4,000	160	8,740	1,340	4,000	1,500
1930–31	1,600	800	26,800	----------	3,000	1,000	4,200	80	8,600	1,340	5,420	1,500
1931–32	2,000	800	18,000	----------	3,000	700	3,400	40	8,600	1,500	5,420	2,000
1932–33	1,630	500	31,000	----------	2,000	400	3,460	100	7,600	1,460	3,100	400
1933–34	1,200	500	30,000	----------	2,000	400	3,660	20	7,500	1,400	3,200	4,600
1934–35	1,250	500	7,000	----------	2,000	400	3,600	20	8,000	1,400	3,200	5,552
1935–36	3,500	160	10,000	----------	3,400	500	3,500	20	----------	1,400	3,000	3,000
1936–37	----------	500	17,000	----------	2,500	600	3,300	20	----------	1,500	4,000	5,000
1937–38	----------	500	37,197	----------	2,500	600	3,300	20	----------	2,000	4,000	5,000
1938–39	----------	----------	61,000	$6,000	5,000	600	3,500	20	----------	2,100	4,000	4,517

NOTE.—Revenues from telephone system was removed from budget in 1934–35 and set up in separate account to pay operating cost of telephone system. Operating cost previously was taken care of on the expenditure side of the budget, but was discontinued after 1934–35.

The increase under real-property tax was due to a 25 percent increase in rate. The increase under income tax caused by increased shipping and sale in oil and coal. Also due to establishment of Angostura Wuppermann Corporation in St. Thomas, V. I., and does not represent or reflect local economic condition insofar as small merchant is concerned. The item of gasoline tax, $6,000, represents 4 cents per gallon tax levied recently.

Statement showing the Federal appropriations for the Virgin Islands, fiscal years 1925 to 1939, inclusive

	1925	1926	1927	1928	1929	1930	1931	1932
Deficit, municipality of St. Thomas and St. John	$105,363.83	$112,290.73	$113,780.02	$89,762.22	$89,582.56	$74,956.11	$104,648.96	$118,349.88
Deficit, municipality of St. Croix	148,768.86	147,891.56	106,569.39	99,032.42	82,592.38	101,774.69	125,619.99	122,127.11
Central administration	85,382.00	57,926.29	59,635.00	60,336.00	83,795.31	90,527.45	90,883.01	140,487.68
Rehabilitation projects	----------	140,400.00	----------	----------	----------	50,960.00	217,360.00	----------

	1933	1934	1935	1936	1937	1938	1939
Deficit, municipality of St. Thomas and St. John	$110,000	$86,000	$90,000	$80,000	$70,000	$60,000	$40,000
Deficit, municipality of St. Croix	110,000	78,600	94,990	95,000	60,000	50,000	35,000
Central administration	150,613	134,750	117,840	131,500	125,000	120,250	127,250
Agricultural experiment station	25,000	25,000	29,968	35,000	35,000	35,000	38,000

FIGURES TAKEN FROM BUDGET FOR THE MUNICIPALITY OF ST. THOMAS AND ST. JOHN, V. I., FOR THE FISCAL YEAR JULY 1, 1938, TO JUNE 30, 1939

Revenues

I. DIRECT TAXES

1. Real-property tax		$47,000
2. Income tax		61,000
3. Road fund:		
(a) Gasoline tax	$6,000	
(b) Automobile license	4,000	
	10,000	
4. Trade and lamp tax	5,000	
		$123,000

II. INDIRECT TAXES

5. Net revenues from customs	13,000	
6. Taxes on inheritances	2,000	
7. Court fees and fees from police office	5,000	
8. Stamp dues	2,500	
9. Fees from steamer tickets	1,000	
10. Fees from grants and dues on Burger briefs, etc	5,000	
11. Internal-revenues tax	12,060	
12. Trade tax	16,000	
		56,560

III. SUNDRY REVENUES

13. From pay patients at municipal hospital	5,000	
14. Fees collected by customhouse	600	
15. Night soil removal service	3,500	

FIGURES TAKEN FROM BUDGET FOR THE MUNICIPALITY OF ST. THOMAS AND ST. JOHN, V. I., FOR THE FISCAL YEAR JULY 1, 1938, TO JUNE 30, 1939—Continued

Revenues—Continued

III. SUNDRY REVENUES—continued

16. Passport fees	$100	
17. Corporation annual license fees	2,100	
18. Miscellaneous	4,000	
19. Harbor board	4,517	
		$19,817
Total revenues		199,377
Total expenditures		239,377
Total deficit to be covered by Federal Government		40,000

Expenditures, by departments, for the fiscal year July 1, 1938, to June 30, 1939

Municipal council		$4,580
Municipal committee		700
Police court		4,440
Police and prison department		25,948
Department of health:		
Medical service	$47,671	
Sanitation service	10,500	
		58,171
Electoral board		500
Department of public welfare		8,500
Public library		3,270
Department of education		54,601

FIGURES TAKEN FROM BUDGET FOR THE MUNICIPALITY OF ST. THOMAS AND ST. JOHN, V. I., FOR THE FISCAL YEAR JULY 1, 1938, TO JUNE 30, 1939—Continued.

Expenditures, by departments, for the fiscal year July 1, 1938, to June 30, 1939—Continued

Public works and fire departments	67,045
Miscellaneous	5,530
Pensions and allowances	2,838
General contingent	3,254
Grand total expenditures	239,377

Remarks: It is interesting to note that the department of health, department of public welfare, department of education, and pensions and allowances total $124,110 is over 52 percent of the total estimated cost of the municipal government.

STATEMENT AND TESTIMONY OF HON. JACQUES M. SCHIFFER, COUNSEL TO THE DELEGATION FROM THE VIRGIN ISLANDS, MEMBER AT LARGE, MUNICIPAL COUNCIL OF ST. THOMAS AND ST. JOHN, MEMBER OF MUNICIPAL COMMITTEE OF ST. THOMAS AND ST. JOHN, AND MEMBER OF LEGISLATIVE ASSEMBLY FOR THE VIRGIN ISLANDS IN SUPPORT OF A PETITION OF THE DELEGATION REQUESTING THE CONGRESS TO PASS CERTAIN LEGISLATION DESIRED BY THOSE ISLANDS

As the concluding witness before the Congress of the United States on the subject of the real and actual problems confronting the people of the Virgin Islands, as set forth by my honorable colleagues, I deem it to be my privilege and solemn duty to attempt in some measure to enlighten the Members of this, the greatest deliberative body known to civilization, on a subject rarely entertained or discussed by those Federal agencies entrusted with the duties of representing the best interests of the people of the Virgin Islands. I refer to the sterling qualities of the people of the Virgin Islands as true and good American citizens and subjects in every sense which the American Republic has come to look upon as the very epidemy of fine citizenship. Judging from the past and present unfortunate situation facing the people of the Virgin Islands coupled with the lack of accurate information concerning the islands, probably in part due to the scarcity of visits to the Virgin Islands by Members of the Congress, it seems apparent that the view has obtained in some quarters of responsibility that the people of the Virgin Islands are somewhat inferior in intelligence to the continental American and that the honesty of purpose of Virgin Islanders is at least questionable. With the entertainment of such views and truly unfounded opinions at home of a possession over a thousand miles from the mainland there must needs follow the concomitant disinterest on the part of the Federal governmental agencies to deal with the affairs of the Virgin Islands from the common ground of intimacy and understanding. The unvarnished truth must be recorded—the people of the Virgin Islands have demonstrated on every occasion on which they have been put to the test, by and large, that their intelligence and honesty of purpose rank with that high plane expected from the standpoint of true American ideals. There is no evidence of even a remote suggestion of a common trait to do ought but that which is honest and fair and just with whomsoever they come in contact. I should like to take this opportunity to invite the attention of the Members of the Congress to the fact that tremendous credits, for a group of islands containing less than 30,000 inhabitants, are extended to both small and large merchants in the Virgin Islands, of whom there are many, by firms in both the United States and foreign countries; and this reputation could only come to the people of the Virgin Islands from many long years of trade and commerce. The intelligence of the Virgin Islanders cannot be ranked as of an inferior level and I submit that any person of intelligence who has availed himself of ample opportunity to make comparisons must record his honest conviction without derogation of the statements herein expressed. The Honorable FRED CRAWFORD, Member of Congress, has expressed himself in no uncertain terms on this particular subject in an issue of the CONGRESSIONAL RECORD published within the past few weeks. Representative CRAWFORD draws the attention of the Congress to the standard of certain newspapers published in the Virgin Islands by Virgin Islanders and anyone who will take the opportunity to peruse the editorials published daily must perforce respect the intelligence of the people.

I have gone to this length so that the problems of the Virgin Islands under consideration may receive the attention and well-considered judgment of the Congress in the light of seeking a solution to the ills besetting a most deserving and patriotic American group of citizens.

I have heard it said on occasion here in Washington that the United States threw away $25,000,000 when it purchased the Virgin Islands for that sum from the Kingdom of Denmark. Let us recall the fact that Germany was negotiating for the purchase of these islands for the purpose of establishing a western German imperial submarine base; what with the dangers attendant to such a purchase by an unfriendly alien power in our own home waters, the United States at the earliest possible opportunity secured the islands. In the light of present-day circumstances, the value of the islands far exceeds the price paid in 1917—once we consider the cost of building a single battleship and maintaining it for a year, we must view as ridiculous the supposed exorbitant and alleged misspent cost of the Virgin Islands to the United States. If the accounts of the strategic value of the islands as stressed by American war experts mean anything at all, the United States acquired a group of possessions which in the light of today's war dangers are priceless.

Since my colleagues have already demonstrated the complete failure of the rehabilitation agencies in the Virgin Islands to produce income in adequate sums proportionate to the reductions in the annual deficiency appropriations (St. Thomas and St. John having been completely ignored in the fiscal year 1939–40 at the instance of the local administration), I shall set forth the needs of the municipality of St. Thomas and St. John, which must be classified as extremely urgent and of dire necessity, and the ills which can only be remedied by the legislation sought by this delegation, since the executive of the Virgin Islands has seen fit to paint a picture which to the members of this delegation does truly reflect the continuation of past policies which have brought the municipality of St. Croix to a state of bankruptcy and the municipality of St. Thomas and St. John to a position where the people therein resident must continue to suffer the results of past administrative errors and continue to live and die under the same handicaps which their predecessors experienced. It would seem to be quite an easy proposition, on paper, to balance the budget of St. Thomas and St. John, and, on paper, the local administration has made a pretense of accomplishing what for almost a hundred years, and continuing to this very date, namely, make St. Thomas and St. John self-sufficient, had been recognized by the administration of the Kingdom of Denmark and the administration of the Virgin Islands by the United States Navy Department as a fiction. Experience is a sound teacher, and she taught the Danish Government and the United States Naval Department a lesson which is incontrovertible, and they accordingly profited from that lesson. Some of my colleagues have gone to great length and produced the actual facts and figures to demonstrate that this municipality must by the laws of nature exist on the harbor, its trade, and the commerce and business allocated to the merchants on our Main Street from the shipping interests in the main. It may well be repeated that St. Thomas exists only because of its harbor. Without repetition, the Danish Government contributed to the support of this municipality, and so did the naval administration during its occupancy of the islands. To continue, let us examine the evils to be corrected and then decide how the budget was balanced.

HEALTH DEPARTMENT

It is almost beyond words to describe the condition of the medical facilities available in St. Thomas and St. John. We do not seek merely beautiful buildings and equipment as any American community almost without exception has accepted as a necessity. I herewith list the needs of the community in this respect:

1. New children's wards.
2. New obstetrical ward with a modern delivery room attached.
3. New operating room.
4. New building for out-patients' clinics to care for eye, ear, nose clinic, poly clinic, ante partum clinic, infant clinic, venereal clinic for examination and treatments, minor surgery dressings and first-aid attendance room, four consulting rooms, and toilet facilities.
5. Toilet and bathroom facilities for all wards, also utility rooms.
6. New insane wards.
7. New wards for patients suffering from tuberculosis.
8. New nurse's home, with rooms to be used for nurse's training-school classes.
9. Additional cisterns to gather water now running into the sewer pipes or gutters.
10. New office building, with offices for the physicians, superintendent, chief nurse, general hospital office—also proper toilet facilities.
11. New building for modern shock-proof X-ray outfits for taking roentgenograms and giving treatments (two machines). The old dual purpose X-ray machine is badly in need of repairs. There should also be a waiting room for patients and toilet facilities in this building.
12. Modern laboratory with modern fixtures, including a medium-size electrically operated refrigerator.
13. Modern pharmacy with facilities for storing, compounding, and issuing of drugs.
14. Proper garage facilities.
15. Modern laundry facilities.
16. Proper private ward facilities, with toilets and baths, etc.
17. New and large storerooms.

This list of needs explains more fully than words that the facilities presently in use cannot under any consideration be considered adequate or sanitary in the Tropics. It should be remembered that germs and bacteria are especially active in our hot climate and the dangers of infection from the slightest wounds are much greater than on the continent of the United States. At present persons undergoing surgery must be wheeled from the surgery room through a large yard to a ward. Due to the lack of wardroom, tubercular patients mingle with patients suffering from other afflictions. In the hospital located on the island of St. John male and female patients must disrobe in the presence of others, due to the lack of available accommodations. All the equipment in the hospital is outmoded and a complete installation of new and advanced equipment is urgently needed. At the request of the chairman of the municipal committee, the superintendent of public works made an estimate of the cost of the necessary improvements, which reads as follows:

"The estimated cost of constructing and equipping a fairly decent hospital for this municipality, including alterations and renovations to the existing buildings, will be $125,000. The construction of a hospital building and medical facilities in Cruz Bay, St. John, will be $12,000. A new building at Emmaus, St. John, to replace the present dilapidated structure now being used, and to accommodate the clinic, etc., will be $12,000."

During the school year, Dr. Knud Knud-Hansen, commissioner of health, assisted by the school nurse, conducted the most comprehensive and extensive examination of school children ever undertaken in the municipality. Results showing malnutrition as high as 92 percent and anemia as high as 89 percent in some of our schools surely indicates a most appalling condition. We are not alarmists, but does the executive realize his responsibility to this coming generation or is he only interested in demonstrating before the Congress that he has made a semblance of making the Budget balance on one side? Has not this Congress legislated funds for the single purpose of preserving the health of our citizens, and particularly for communities such as exist in the Virgin Islands? We, the members of this delegation, were selected by the representatives of the people of the Virgin Islands to come before the Congress and place our true plight before it and let the Congress decide whether we must go back in vain, and without that help which has been granted to so many more fortunate Americans, and worse, to a continuation of policies which in the final analysis must again end in dismal failure.

EDUCATION

Despite the crying needs for improvements of buildings and equipment necessary to successfully carry forward an American standard of efficiency this field has also been neglected due to lack of sufficient funds. That the school buildings are a disgrace to any American community cannot be denied and the results stand out in bold relief when contrasted with the excellent accommodations and equipment and superb results obtained by those schools conducted by the Catholic Church. The contrast is indeed so great that it is heartrending for an American to stand by and see what the majority of the children of the islands must attend to receive the benefits of a pure guaranty under our democracy. Regardless of the abilities of instructors and teachers the environment encircling the child student in the school building and the classroom must have woeful effect. There is a perfect solution and that is to tear down the schoolhouses and build anew. The number of pupils in attendance at the public schools during 1937–38 was 2,012. The number of teachers employed during the same period was 60. It might not sound like truth when I assert that there are schoolrooms which are not equipped with blackboards because of the lack of funds, yet it is the miserable truth. Sanitation in the schools is, to all intents and purposes, practically unheard of, again because of the lack of funds. In one school, converted from an old building, the ground-floor rooms are so dark that there can be no doubt of serious eye failures and defects of vision among large numbers of pupils. On this point may I point out that the municipality cannot provide a service for the care of the eyes of this generation. Yet we are told that the budget of the municipality is balanced. Some people query as to whether it is better to study the three R's and go blind. Buildings are rented for three of our schools and are in a most dilapidated condition. But to remedy the situation we must have funds. Due to the law of the Virgin Islands, children under the age of 15 years cannot be committed to the jails upon their commissions of crimes but must be committed to a "parental school" (reformatory), but since the municipality is without funds to provide for this type of institution there is no parental school and the delinquents must be set free to continue, in some instances, further depredations.

Upon the request of the chairman of the municipal committee, the superintendent of public works drew an estimate for needed buildings and repairs, which reflect the following:

"For constructing and equipping a modern high-school building, including all necessary classroom equipment and facilities, including an auditorium that may be made available for use not only by the school, but also by the community in general. Estimated cost, $210,000. The repairs, renovation, and extension and new construction at the several public schools in the municipality, $80,000. The construction of a public and parental school at St. John, $25,000."

According to the report of the director of education, the new Benjamin Franklin School, which has been occupied for over 3 years, is still incomplete for lack of blackboard installation. The answer? No funds—but, the budget is balanced. Imagine an American school without a single music teacher or music supervisor—that is exactly the situation in this municipality and has been so for the past two years, at least; and 2,012 children deprived of the rudiments and grace of a fundamental necessity in the teaching of the young, as all child experts agree today. And all this for the purpose of attempting to make a pretense of balancing a budget. The disgrace of the whole sham to the community will be felt in the present generations in only a few short years.

The facts of the situations confronting the departments of police and prison, sanitation, public welfare, public works and fire, and the bureaus of lesser import are of the same texture as already submitted for the health and education departments. The entire program of necessary repairs, improvements, and general construction are estimated to cost $2,580,000, and if these for the most part are not undertaken now, the cost will increase to much larger amounts.

The questions of salaries of governmental employees in every branch of the municipal service demand prompt attention. In the department of education the average salary paid to teachers has been estimated at about $35 per month; this sum speaks the whole story for that department and the rest of the service.

My colleagues have already expounded the vagaries and flights of fancy indulged in by the local administration, but we have appeared to put an end to uneconomic flights of imagination and secure some permanent lasting good for the islands.

We sincerely are convinced that with the enactment of the Congress of the bill introduced by Senator KING and Congressman COLLINS the first definite step in the right direction will have been taken toward establishing the Virgin Islands on a basis best calculated to insure the future best interests of this possession of the United States.

Before concluding I should like to avail myself of this opportunity to put before the Congress what in all probability is a shame-faced monopolization of labor in the Virgin Islands (St. Thomas). An organization termed "The Virgin Island Cooperative," operating under the guidance of governmental or political domination. This "cooperative," which apparently is only a misnomer, since there are no equal divisions made of the profits, or equal contributions made as entrepreneurs at the outset or periodically, is supervised by a manager or director, and employs an assemblage of employees in a large establishment situated in the building housing the district court. This business employs a large number of French people, who for the most part are bona fide residents of St. Thomas, and some being naturalized citizens of the United States. These French people take home the raw materials and make baskets, hats, and other straw goods, sew and embroider linen, make dolls and other novelties, jams, preserves, and a variety of other hand-made articles. Sales are made to tourists from the cruise ships calling at St. Thomas, but a great volume of these products are sent to outlets or purchasers in the United States via the United States mails. Inasmuch as the Fair Labor Standards Act is applied to the Virgin Islands (reference being made to the present 25-cent minimum-wage proviso and the minimum-hour clause), and private industry is called upon to comply with the act, we take this opportunity to present a condition before the Congress whereunder the local government itself assists in the operation of an industry which pays peonage wages while transmitting goods in commerce without complying with the wage and hour law. Following is a letter (copy) from a representative of the residents of the French village who make the articles described to Mr. Robert Herrick, deceased Government secretary, who at the date of the letter was Acting Governor in the absence of the Governor of the Virgin Islands:

ST. THOMAS, V. I.,
October 11, 1938.

Mr. ROBERT HERRICK,
Acting Governor, St. Thomas, V. I.

DEAR MR. HERRICK: In accordance with my conversation with you relative to the possibility of securing for my people in the French village a better rate of pay for the work they are now doing for the cooperatives, I beg to submit to you the following figures:

Name of items	Value paid by cooperative	Expense	Net to worker	Time required to make
Como flash hats	$0.25	$0.15	$0.10	1 day (12 hours).
Pauline purse	.26	.14	.12	8 hours.
Zipper bags	.20	.16	.16	1 day.
Doll skirts 6 inches, 12 for $1.20	1.20	1.03	.17	6 skirts per day.
Hollow skirts, 2 for	1.00	.79	.21	1½ days.
Doris mats	.25	.18	.07	1 day.
Luncheon mats, 9-piece set, 11 by 17 and 12 by 27.	1.00	.48	.52	3½ days.
Norbie weave mats	.20	.11	.09	1 day

NOTE.—The term "Expense" included above means the cost of straw, thread, cloth, dye, etc., which is deducted from the value paid by the cooperatives. It can readily be seen that these people are earning an average of 10 cents per day.

While they are grateful for the opportunity to be gainfully employed, yet the wages earned are so low that it is impossible for them to make headway. We respectfully request you to take this matter up with the heads of the cooperatives and secure for my people an increase in pay. While it is true that at the end of the year they receive a bonus of 2 percent, you will readily agree that this is far from sufficient to compensate their hard labor.

We want again to express our sincere appreciation and gratitude to the Government for their attempt to assist us, and hope you will be able to help us in our plight.

Respectfully yours,

J. VANTE,
Representative for the People of the French Village.

Aside from the purpose of registering this complaint the question presents itself concerning the purpose of the Government in permitting the employment of labor clearly engaged in the manufacture of goods destined for interstate commerce at coolie wages in direct contravention of the wage and hour law—is this a method of balancing the Budget? By very definition this venture cannot be deemed to be a cooperative venture and there can be no excuse for this situation.

All the members of this delegation submit the case of the people of the Virgin Islands to the Congress with the prayer that favorable legislation may be the result.

REPORTS OF COMMITTEES

Mr. WILEY, from the Committee on Claims, to which was referred the bill (H. R. 2098) for the relief of Katherine Patterson, reported it without amendment and submitted a report (No. 303) thereon.

He also, from the same committee, to which was referred the bill (H. R. 4133) for the relief of Joseph N. Thiele, reported it with an amendment and submitted a report (No. 304) thereon.

He also, from the same committee, to which was referred the bill (S. 1160) for the relief of Roland Hanson, a minor, reported it with amendments and submitted a report (No. 305) thereon.

Mr. HUGHES, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 765. A bill for the relief of Hugh McGuire (Rept. No. 306);

H. R. 2061. A bill for the relief of Ernest O. Robinette and others (Rept. No. 307); and

H. R. 2074. A bill for the relief of Junius Alexander (Rept. No. 308).

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 2126) authorizing the Comptroller General of the United States to adjust and settle the claim of E. Devlin, Inc., reported it without amendment and submitted a report (No. 309) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 1448. A bill for the relief of Anna H. Rosa (Rept. No. 310); and

S. 1812. A bill for the relief of A. E. Bostrom (Rept. No. 311).

Mr. SCHWARTZ, from the Committee on Claims, to which was referred the bill (S. 927) to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of Suncrest Orchards, Inc., reported it without amendment and submitted a report (No. 312) thereon.

He also, from the same committee, to which was referred the bill (S. 1449) for the relief of Robert Stockman, reported it with amendments and submitted a report (No. 313) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

S. 755. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Borg-Warner Corporation (Rept. No. 314);

S. 1092. A bill for the relief of Sigvard C. Foro (Rept. No. 315); and

S. 1372. A bill for the relief of W. B. Tucker, Helen W. Tucker, Lonie Meadows, and Susie Meadows (Rept. No. 316).

Mr. SCHWARTZ also, from the Committee on Military Affairs, to which was referred the bill (H. R. 4087) to amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended by the act of June 4, 1920, so as to confer on the commanding general, General Headquarters Air Force, the same retirement privileges now enjoyed by chiefs of branches, reported it without amendment.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on April 19, 1939, that committee presented to the President of the United States the following enrolled bills:

S. 961. An act for expenditure of funds for cooperation with the public-school board at Wolf Point, Mont., for completing the construction, extension, equipment, and improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.; and

S. 1574. An act to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Pittsburgh, Pa., from August 27 to September 1, inclusive, 1939.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

S. 2206 (by request). A bill providing for the final discharge of Federal supervision over certain individual Indians; providing for final settlement of Indian claims, determination of heirs, and for other purposes; to the Committee on Indian Affairs.

By Mr. TYDINGS:

S. 2207. A bill for the relief of the Boston Iron & Metal Co., a Maryland corporation, conferring jurisdiction on the Court of Claims to hear and determine the claim of said company; to the Committee on Claims.

By Mr. WALSH:

S. 2208. A bill to further amend the Shipping Act, 1916; to the Committee on Commerce.

By Mr. MINTON:

S. 2209. A bill for the relief of Earle Embrey; and

S. 2210. A bill for the relief of the Merchants Distilling Corporation; to the Committee on Claims.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on Commerce:

H. R. 5619. An act to provide for the training of civil aircraft pilots, and for other purposes; and

H. R. 5762. An act to provide for temporary postponement of the operations of certain provisions of the Federal Food, Drug, and Cosmetic Act.

ESTABLISHMENT OF PUBLIC WORKS AGENCY—AMENDMENTS

Mr. MEAD submitted amendments intended to be proposed by him to the bill (S. 2202) to establish a Public Works Agency, which were ordered to lie on the table and to be printed.

THE PRESIDENT'S MESSAGE TO YOUNG DEMOCRATIC CLUBS OF AMERICA

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD President Roosevelt's message to the Young Democratic Clubs of America on April 19, 1939, which appears in the Appendix.]

THE NEW DEAL ADMINISTRATION—ADDRESS BY SENATOR MEAD

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address on the subject of the New Deal administration delivered by Senator MEAD at the luncheon of the National Democratic Council, held at the Cosmos Club, Washington, D. C., April 19, 1939, which appears in the Appendix.]

JEFFERSON AND MONROE—ADDRESS BY SENATOR GILLETTE

[Mr. HERRING asked and obtained leave to have printed in the RECORD a radio address by Senator GILLETTE at a meeting of the Society of Virginia of the District of Columbia at the New Willard Hotel April 19, 1939, the meeting being in celebration of the anniversary of the birth of President Jefferson and of President Monroe, which appears in the Appendix.]

SUFFRAGE IN THE SOUTH—ARTICLE BY BARRY BINGHAM

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article by Barry Bingham published in the Louisville Courier-Journal of Sunday, April 9, 1939, entitled "Do All Americans Have the Right to Vote?" which appears in the Appendix.]

RECOVERY OBSTACLES—ARTICLE BY MARK SULLIVAN

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article by Mark Sullivan, published in the Washington Post of April 20, 1939, entitled "Recovery Obstacles," which appears in the Appendix.]

POWER OVER MONEY—EDITORIAL FROM NEW YORK TIMES

[Mr. TOWNSEND asked and obtained leave to have printed in the RECORD an editorial in the New York Times of Thursday, April 20, 1939, under the headline "Power Over Money," which appears in the Appendix.]

INTERNAL DANGERS TO AMERICA

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article from the Newport News (Va.) Daily Press of April 16, 1939, entitled "Warns of Danger to Nation From Internal Enemies and Foreign 'Isms' in America," which appears in the Appendix.]

CONDITIONS IN EUROPE

Mr. VANDENBERG. Mr. President, whenever there is a discussion of another war "to save democracy," I am always

interested in the voice of those who fought the last war to "make the world safe for democracy."

The American Legion in Michigan speaks through a publication known as the Legion News. Its leading editorial this week is entitled:

Watch Your Step, Uncle Sam.

I take the liberty of reading the last two sentences:

This Western Hemisphere is big enough back yard for the United States to play around in. Let us let the world know that this is our back yard, and that we don't want any outsiders carrying their neighbors' quarrels into our area—and by the same token, let us not get over in their back yard and get messed up in their family battles.

I ask that the entire editorial be printed in the body of the RECORD in connection with my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The editorial is as follows:

[From the Legion News of April 7, 1939]

WATCH YOUR STEP, UNCLE SAM

The more we watch the unfolding of the European mess, the more we are convinced that the best thing these United States can do is to keep our noses strictly out of it. And by that we mean we shouldn't even be sniffing at it.

A lot of World War veterans are still young enough to remember the last time we got tangled up in a ruckus over there, and are old enough to have sons who are of the age to get caught in the next one, should Uncle Sam get his nose caught in the trap again.

Memory is still green enough to recall how grateful the allied European nations were to see us come overseas with a couple of million young fighting men, and how that gratitude faded fast when it came to paying off the billions of dollars that Uncle Sam sent over after the young Americans had helped to win the war.

The nations that were glad to have us fight their wars and then pay for the rehabilitation of their devasted areas after the war was over, called the United States "Uncle Shylock" when it was suggested the loans be repaid. And American citizens who bought war bonds in patriotic support of the national efforts are now—as taxpayers—paying for their own bonds because the borrowers refuse to pay.

Democracy in Europe is having a tough time. Eventually dictatorship is going to have a tough time, too. And why the United States should get mixed up with the matter is beyond the power of most war veterans to understand.

Several allied countries—including the "democratic" countries in Europe—promised to repay their loans. But when it became inconvenient to do so, they just didn't.

Some of the countries promised to protect Czechoslovakia from aggression, after they had created the new country as a buffer state. But when it became inconvenient to do so, they just didn't, and now Czechoslovakia is no longer in existence.

Adolph Hitler, the German fuhrer, promised after taking the Saar that he was no longer interested in further territorial expansion in Europe; but when it became convenient to forget his promises, he took over Austria. He promised again, but welched by taking over the Sudetenland, and then Bosnia and Moravia. Then he took Memeland. And what he will take next is worrying a lot of nations. He showed his word to the allied nations to be no better on territory grabbing than their word was to Czechoslovakia, or no better than was their signed promise to pay the American loans.

While American sympathies and best wishes will naturally go to the democracies in their difficulties with Mussolini, Hitler, and those who may come within the influence of the Berlin-Rome axis, this sympathy should not extend, we firmly believe, far enough to get this Nation embroiled in European troubles.

This Western Hemisphere is big enough back yard for the United States to play around in. Let us let the world know that this is our back yard, and that we don't want any outsiders carrying their neighbors' quarrels into our area, and by the same token let us not get over in their back yard and get messed up in their family battles.

BOSTON IRON & METAL CO.

Mr. TYDINGS. Mr. President, I inquire if the parliamentary situation is such that it will be necessary for me to ask unanimous consent to address the Senate for 15 or 20 minutes. If so, I make that request.

The VICE PRESIDENT. There is nothing before the Senate at this time; so the Senator from Maryland asks unanimous consent that he may address the Senate. Is there objection? The Chair hears none.

Mr. TYDINGS. Mr. President, it is not often that in introducing a bill I find it desirable to make some remarks at the time the bill is introduced. At the conclusion of my remarks I shall send to the desk a bill with the following title:

For the relief of the Boston Iron & Metal Co., a Maryland corporation, conferring jurisdiction on the Court of Claims to hear and determine the claim of said company.

I am making these remarks at this time because, while having no disposition to dig up the bitterness and demagoguery of the 1938 election campaign in my State, this matter happened to be one of the things that my opponent and his press agent attempted to inject into that campaign, creating somewhat the idea by innuendo that there was something fraudulent or improper about this matter insofar as the Boston Iron & Metal Co. had had contact with the Federal Government.

I am making this statement now so that if there is anything improper in the transaction between the Boston Iron & Metal Co. and the Government of the United States anybody in or out of the Government, from the highest office down to the lowest, may have public notice of it and may come before the appropriate committee and present such facts as he thinks wise.

I shall read briefly the history of this matter.

At the entrance of the United States into the World War in 1917, the problem of transporting troops, munitions, and supplies abroad became of paramount importance. This country immediately went into a vast program of building quickly ships of every character for this purpose. After the war was over, the United States Shipping Board was set up for the purpose of managing the liquidation of this tremendous fleet. The Shipping Board found in its possession ships built in 1917, 1918, and 1919, and during its existence the Shipping Board determined upon, and to a large extent carried out, a scrapping program to liquidate the fleet. Hundreds of ships were sold by the Board for scrapping, in pursuance of this program.

In the spring of 1932, 13 years after the close of the war, the Shipping Board caused a survey of its fleet to be made, and found that it still had on hand a large number of obsolete vessels. It then determined to scrap these vessels and for this purpose invited open competitive bidding for these vessels.

The Boston Iron & Metal Co., being the highest bidder, was awarded the contract; and on November 5, 1932, a contract was entered into between the United States Shipping Board, acting on behalf of the United States of America, and the purchaser, the Boston Iron & Metal Co. This contract provided for the complete scrapping and dismantling of the vessels and their equipment in monthly allotments over a period of 3 years, and also provided for certain penalties in default thereof.

The purpose of this I shall make more apparent after I read this brief memorandum.

In article third of the contract, it was provided—

The seller reserves the right to withdraw from sale for scrapping any vessel or vessels it desires for operation or for sale for operation and may substitute any other vessel or vessels in place thereof. The buyer agrees, in event of any national emergency upon declaration of the Secretary of War that such emergency exists, and that the vessels agreed to be sold hereunder are needed by the United States for some one of its instrumentalities, the seller shall not be obligated to deliver any or all of the vessels agreed to be sold hereunder remaining undelivered at the time of the declaration of such emergency. In such event the buyer shall have no claim against the seller for failure to deliver the vessel or vessels not delivered.

The Boston Iron & Metal Co. promptly began the performance of this contract and at all times complied strictly with its requirements. On several occasions the Shipping Board notified the Boston Iron & Metal Co. that it desired to withdraw a ship or ships from scrapping, as it needed such vessels for operation, and, of course, substituted other vessels in place of the ones withdrawn, all under the authority of the contract. In all, 39 vessels were delivered to the Boston Iron & Metal Co.

In September 1933 payment, as provided for in the contract, was made by the Boston Iron & Metal Co., for four vessels, but they were not delivered to the Boston Co. Conferences immediately were had with the Department of Commerce, to which Department the activities of the Ship-

ping Board had been transferred, in an effort to determine the reason for the nondelivery. No reason was given; but on October 13, 1933, the Secretary of Commerce, Hon. Daniel C. Roper, wrote a letter to the Boston Iron & Metal Co., in which he advised that, "In accordance with article 3 of the contract," he "withdraws from sale and delivery all vessels covered by said contract that have not hitherto been delivered." A list of the vessels was attached to the said letter and numbered, in all, 86.

Discussions with the Secretary and his subordinates for the purpose of determining the necessity of this action were immediately instituted by the Boston Iron & Metal Co. In this situation my aid as United States Senator was solicited, as the Boston Iron & Metal Co. was a Maryland corporation, and was employing 300 men in my own State. The aid of the junior Senator from Pennsylvania [Mr. GUFFEY] was also enlisted, because, I understand, some Pennsylvania capital was invested in the enterprise. A considerable number of conferences were had with the Department, a number of letters were written by the parties interested to one another, and resolutions were introduced in the Senate by me, requesting information from the Secretary with reference to the withdrawal of these vessels.

The Secretary submitted the matter to the Attorney General's office for decision; and the Attorney General decided that the Shipping Board had authority to sell ships for scrapping which did not have a world market operating value greatly in excess of their scrap value. The Department of Commerce then took the position that these vessels had a world-market operating value greatly in excess of their scrap value, and that the ships were needed for operation and, furthermore, that some undisclosed national emergency existed which prevented the delivery of the vessels. The Boston Co., through all this, took the position that if the Secretary felt that an emergency in national affairs existed, they were willing to stand aside pending such emergency and, furthermore, that if the ships were actually needed for operation, or were actually sold for operation, then, of course, the Secretary had a right to withdraw them from sale and delivery under the contract, but only on condition that other ships were substituted therefor.

At this point let me bring out the fact that at one of these conferences, attended by one of the officers of the Boston Iron & Metal Co. and officials of the Commerce Department and myself, it was represented to us that a great national emergency existed which might lead to war. Immediately upon the information that the United States might become involved in a war, and might need these ships, I turned to the officer of the Boston Iron & Metal Co. and said to him, "You would not want these ships, would you, if the Government actually needed them for such an emergency as war?" He said, "Certainly not. I would waive my entire contract if the Government were faced with war. If the Government needed a single one of these ships for that purpose I would gladly give it to them." But we were told—this was several years ago—that such a probability was in the offing, and therefore that this officer of the Boston company would be patriotic if he would give up his right to have the ships for scrapping.

The Secretary of War never did issue any such declaration. But we were told again that that would not be good policy for the national Government, but that such an emergency did exist. Whereupon the officer of the Boston Iron & Metal Co. patriotically offered to revise the contract and let the Government have any ships which it felt it needed to face the prospect of war, although the Boston company, having won in the competitive bidding, and having a contract for the delivery of the ships would be the loser thereby.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Massachusetts?

Mr. TYDINGS. I yield.

Mr. WALSH. Will not the Senator state the approximate amount of the claim?

Mr. TYDINGS. I could not tell the Senator. I would not be surprised if it should run to a million dollars.

Mr. WALSH. Is it not a fact that this matter has been before the Congress heretofore?

Mr. TYDINGS. It never has been.

Mr. WALSH. I had the impression that it was here in the form of a claim.

Mr. TYDINGS. No; it never has been.

Mr. WALSH. It is now here in the form of a bill seeking to give the company the right to go to the Court of Claims?

Mr. TYDINGS. To go to the Court of Claims and prove damages. In other words, as we would say at the trial table if this were a civil case pending in any court in this land, the Boston Iron & Metal Co. was induced to relinquish its contractual rights by deceit. That is exactly what it amounts to. But let me continue.

Thereupon, and for the purpose of enabling the Secretary to ascertain how many of these ships came within the category referred to in the Attorney General's opinion as not having a world market value greatly in excess of their scrap value, the Secretary decided to appoint a survey committee consisting of representatives of the Navy Department, the Shipping Bureau of the Department of Commerce, and the American Bureau of Shipping to determine the value and usefulness of the laid-up fleet. This committee undertook to survey all the vessels in what was known as the laid-up fleet, consisting of a total of 277 vessels, including the 86 vessels undelivered under the contract with the Boston Co. This survey took considerable time.

In the meantime, the Boston Co. was pressing its claim before the Department of Commerce, resisting the right of the Secretary to withdraw these vessels when it did not appear that a national emergency existed, and, furthermore, that the ships had not been operated; that they had not been offered for sale for operation; and, therefore, the order of withdrawal was a nullity.

During the progress of the survey, the Secretary wrote to me that the survey committee had rendered a report showing that 14 of the vessels sold to the Boston Co. had been classed as not having a world market operating value greatly in excess of their scrap value, and the Secretary offered to turn these over to the Boston Co. in full settlement of the Boston Co.'s contract. In view of the fact that the survey had not been completed, the Boston Co. stated that it was willing to accept the 14 vessels without waiting for the completion of the survey, without prejudice to its right to proceed in the Court of Claims for damages for the failure of the United States to deliver the balance of the ships. The Boston Co., furthermore, offered to accept the 14 ships on condition that the Secretary would agree that in the event that the survey, finally completed, showed that there were additional vessels not having a world market operating value greatly in excess of their scrap value, these additional vessels would be turned over to the Boston Co., limited, of course, in all, to 86 ships. This the Secretary was unwilling to do. During these discussions the Boston Co. continued to express its willingness to stand aside in the face of a national emergency, if such emergency existed.

The Boston Co. continued to press its rights under its contract before the Department of Commerce. On June 14, 1935, following a conference between the Secretary and me, I received a letter from J. C. Peacock, Director of the United States Shipping Board, Bureau of the Department of Commerce, tendering, in settlement of the Boston Co.'s contract, the delivery of 40 vessels, which, Mr. Peacock stated in said letter, were "classified by our survey as not justifying further preservation," and submitting a list of such vessels.

The Boston Co., relying upon and accepting the representations made by the Department of Commerce as correctly setting forth the report of the survey committee, and relying further upon the correctness of such survey, and being led to believe thereby that the balance of the undelivered ships over and above those 40 were to be operated by the Shipping Bureau, or were to be sold by the Bureau for operation, or were to be used for national-defense purposes,

and that there were accordingly no ships which could be substituted for the 46 vessels which would still remain undelivered, agreed, on or about July 3, 1935, to the Department's proposal of settlement.

Thereupon the matter was referred to the Attorney General by the Department of Commerce, and on July 13, 1935, I received a letter from the Secretary, in which the Secretary stated that the Attorney General held:

> That the contract may be modified by the delivery to the company of the 40 vessels which our survey indicates are no longer fit for commercial or national-defense purposes.

Under these circumstances, the Boston Co. entered into a so-called "supplementary and amendatory agreement," dated July 29, 1935, in which it agreed to accept the 40 vessels above referred to as full delivery under the original contract. Following the execution of this supplementary agreement the Boston Co. paid for and took possession of the 40 vessels.

The "supplementary and amendatory agreement" of July 29, 1935, refers in recital to the fact that the United States had reserved the right to withdraw from sale for scrapping any vessel or vessels it desired for operation or for sale for operation, and that it might substitute other vessels in place thereof; that, "with the consent of the buyer," the United States had from time to time withdrawn certain vessels and substituted others in place thereof; that, after 39 of the original 124 vessels had been delivered to the buyer, the United States "withdrew the balance of the vessels, 86, from sale for scrapping, for operation or for sale for operation."

The agreement then contains the following additional significant recitals—and these are important:

> Whereas the buyer disputed the right of the seller under the terms of the aforesaid contract to withdraw the remaining 86 undelivered vessels for operation or for sale for operation; and
>
> Whereas by reason of said dispute the seller caused a survey to be made of said vessels to determine the condition of the said 86 vessels so withdrawn, which survey disclosed that 40 of the undelivered vessels are no longer fit for commercial or national-defense purposes.

On or about February 1, 1937, the Boston Co. learned through a press notice that the Maritime Commission was about to sell 27 vessels out of the laid-up fleet for scrapping.

Mind you, Mr. President, the Government had asked that the vessels be given back to it for operation; then, after it induced the company which held the contract to obtain those vessels, to give them up, it resold them for scrapping purposes to another person entirely, having misled the Boston Co., in its ultimate effect, into an abrogation or revision of the contract.

The Boston Co. immediately communicated with the Maritime Commission and, through the Senator from Pennsylvania [Mr. GUFFEY] and myself objected to the sale of the vessels for scrapping, on the ground that if these ships or any other ships in the laid-up fleet, not, however, in excess of a total of 46, are to be scrapped, such ships must be delivered to the Boston Co. under its original contract.

It is the contention of the Boston Iron & Metal Co. that, as the original contract of November 5, 1932, gave the United States the right to withdraw vessels from delivery under the contract only when they were to be used or sold for operation or in the event of a national emergency declared by the Secretary of War, and as the Boston Co. was induced to enter into the supplementary agreement of July 29, 1935, upon the representation by the Department of Commerce that only 40 of the 86 then undelivered vessels were not fit for operation or for use for national-defense purposes, and as it now appears that there are at least 27 more of these vessels which cannot be operated and are therefore to be scrapped, the supplementary agreement of July 29, 1935, is not binding upon the Boston Co., and that, in equity and in good conscience, as well as in law, these additional 27 vessels, and any others in the same category, not exceeding a total of 46, should and must be delivered to the Boston Co. under its original contract.

The Boston Co. at no time had any control over the survey made under the auspices of the Department of Commerce, nor did it at any time have access to the records of that survey. If that survey showed that there were only 40 vessels in the laid-up fleet which were not longer fit for commercial operation or national defense purposes, the Boston Co. is not responsible for that mistake. If the survey had not been fully completed when the supplementary agreement was made, the Boston Co. should have been apprised of that fact. In any event, it now appears that instead of 40 there were at least 67 vessels of this classification. Even though the representation that there were only 40 of such ships was made to the Boston Co. in the utmost good faith, that cannot alter the fact that the Boston Co. was induced to enter into the supplementary agreement upon the basis of this representation. Consequently, as the consideration and inducement for the making of this supplementary agreement by the Boston Co. has wholly failed, the supplementary agreement has become a nullity.

I should like to add that, so long as the Boston Co. was led to believe that all of the 46 undelivered ships might be required for national defense purposes, even though the existence of an emergency had not been declared by the Secretary of War, as required by the original contract, the Boston Co. was entirely willing, as a matter of patriotic duty, to forego its right to these ships, so that the national defense might not be impaired. However, as it is now obvious that at least the 27 ships now immediately in question cannot possibly be used for national defense purposes because they are fit for scrapping only, there is no reason why the Boston Co. should stand by any further, at least as to these 27 ships and such additional ships as may be in the same category, not exceeding 46.

Mr. President, I wish to conclude with a very brief observation. Here was a company that had won by competitive bidding a contract to scrap a number of ships. The company was told that because of one thing or another it would be its patriotic duty to allow the ships concerning which it had every right to enter into contract to be retained by the National Government for operation for national-defense purposes or for operation incident thereto. Subsequent to that, after the company had entered into the new contract, the Federal Government offered the same ships for scrapping, and they were sold in part to foreign countries and towed across the Atlantic to be scrapped in foreign shipyards, even though under the original contract the Boston Co. was entitled to those ships for scrapping in the United States.

During the last campaign in my State my political opponent, Mr. David J. Lewis, a former Member of Congress, in the primary was a candidate for the United States Senate. Mr. Lewis did not say directly that there was anything improper in this contract, nor did he say directly that my conduct was improper in connection with this matter, but by innuendo the contract was dragged into the campaign as if some fraud had been perpetrated on the Government, as if I had some unseen interest in the matter. And his press agent, Mr. Drew Pearson, likewise was very active in circulating the innuendo that there was something wrong with this contract.

I challenge each of those gentlemen to come before the appropriate committee of the Senate and to bring forth anything, direct or indirect, to substantiate the innuendoes of the last campaign. If they do not come they must stand forever indicted as scandalmongers, as dispensers of gossip who have no regard for their own reputation, because they would attack without having facts the reputation of another.

Further than that, pressure was brought upon Mr. Daniel Roper, the then Secretary of Commerce, to issue a statement that would conduce to the general atmosphere of fraud surrounding this transaction. Mr. Roper said, "Yes; Senator TYDINGS nearly worried me to death over that contract." That was true. I probably saw Mr. Roper 30 times, and I want Mr. Roper and anyone else in the Cabinet, or the President of the United States, or anyone else who knows of anything in the slightest way, directly or indirectly, improper in connection with this transaction to come before the appropriate Senate committee like men and bring it out in the open and not be parties to condoning this sort of malicious gossip.

For that reason I publicly present this bill. I have read a short memorandum of the facts so that all may be put on notice, and that we will have a showdown as to where the lying is being done and who is doing it. The above is indicative of the malicious propaganda which this crowd circulated in their last lamented campaign.

I did not dignify these malicious statements with notice then, and I only refer to them now because in introducing this measure I want to let all in and out of the Government know that they now, if they be men, have an opportunity to come forward before the committee and present any facts or information they may have.

Personally, I am well content with the outcome of the election contest in Maryland in 1938.

The PRESIDENT pro tempore. Without objection, the bill introduced by the Senator from Maryland will be received and appropriately referred.

The bill (S. 2207) for the relief of the Boston Iron & Metal Co., a Maryland corporation, conferring jurisdiction on the Court of Claims to hear and determine the claim of said company, was referred to the Committee on Claims, and appears elsewhere in today's RECORD under its appropriate heading.

CONSIDERATION OF UNOBJECTED-TO BILLS ON THE CALENDAR

Mr. BARKLEY. I ask unanimous consent that the Senate proceed to consider bills on the calendar to which there is no objection.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McNARY. Mr. President, I think we should have a greater attendance of Senators for the call of the calendar. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Hughes	Reed
Andrews	Davis	Johnson, Calif.	Reynolds
Ashurst	Donahey	Johnson, Colo.	Russell
Austin	Downey	La Follette	Schwartz
Bankhead	Ellender	Lee	Schwellenbach
Barbour	Frazier	Lodge	Sheppard
Barkley	George	Logan	Shipstead
Bilbo	Gerry	McCarran	Smathers
Bone	Gibson	McKellar	Stewart
Borah	Gillette	McNary	Taft
Bridges	Glass	Mead	Thomas, Okla.
Brown	Green	Miller	Thomas, Utah
Bulow	Guffey	Minton	Townsend
Burke	Gurney	Murray	Truman
Byrd	Harrison	Neely	Tydings
Capper	Hatch	Norris	Vandenberg
Caraway	Hayden	O'Mahoney	Wagner
Chavez	Herring	Overton	Walsh
Clark, Idaho	Hill	Pepper	Wheeler
Clark, Mo.	Holman	Pittman	Wiley
Connally	Holt	Radcliffe	

The PRESIDENT pro tempore. Eighty-three Senators have answered to their names. A quorum is present.

The Clerk will proceed to call the bills on the calendar.

BILLS AND RESOLUTIONS PASSED OVER

The bill (S. 326) for the payment of awards and appraisals heretofore made in favor of citizens of the United States on claims presented under the General Claims Convention of September 8, 1923, United States and Mexico, was announced as first in order.

Mr. VANDENBERG. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Res. 58) providing that a calendar day's notice shall suffice in connection with suspension of a rule, was announced as next in order.

Mr. McNARY. Let the resolution go over.

The PRESIDENT pro tempore. The resolution will be passed over.

The resolution (S. Res. 74) providing for a Committee on Civil Aviation was announced as next in order.

Mr. VANDENBERG. Over.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (S. 685) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposse, was announced as next in order.

Mr. VANDENBERG. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

INDIAN CLAIMS BILLS PASSED OVER

The joint resolution (S. J. Res. 45) to amend the act of July 3, 1926, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in claims which the Crow Tribe of Indians may have against the United States, and for other purposes" (44 Stat. L. 807), was announced as next in order.

Mr. VANDENBERG. Mr. President, this is one of that series of bills to which the Senator from Utah [Mr. KING] has objected. I wonder if the Senator from Utah has withdrawn his objection.

Mr. BARKLEY. Let those measures go over.

The PRESIDENT pro tempore. Senate Joint Resolution 45 will be passed over, and the bills immediately following Senate Joint Resolution 45 on the calendar, beginning with Senate bill 783, Calendar No. 100, down to and including Senate bill 498, Calendar No. 116, will, without objection, be passed over.

(In addition to Senate Joint Resolution 45, the bills passed over on request of Mr. BARKLEY are as follows):

S. 783. A bill to amend the act, as amended, entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States," approved February 7, 1925;

S. 784. A bill for the relief of certain Indians of the Winnebago Agency, Nebr.;

S. 790. A bill conferring jurisdiction upon the Court of Claims to hear and determine the claims of the Prairie Band or Tribe of Pottawatomie Indians of Kansas and Wisconsin against the United States;

S. 1222. A bill authorizing an appropriation for payment to the Osage Tribe of Indians on account of lands sold by the United States;

S. 767. A bill conferring jurisdiction on the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes;

S. 864. A bill authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims, and for other purposes;

S. 962. A bill to define the status of certain lands purchased for the Choctaw Indians, Mississippi; and

S. 498. A bill authorizing an appropriation to carry out the provisions of section 26 of the agreement with the Muskogee or Creek Tribe of Indians, approved March 1, 1901.

EXTENSION OF PUBLIC HEALTH FACILITIES TO FOREIGN SERVICE OFFICERS

The bill (S. 1464) to extend the facilities of the United States Public Health Service to active officers of the Foreign Service of the United States was announced as next in order.

Mr. McNARY. Mr. President, I have no personal objection to this bill, but I should like to have it explained, if action is to be taken on it.

The PRESIDENT pro tempore. The junior Senator from Rhode Island [Mr. GREEN] is asked to explain the bill. The bill is S. 1464, which is similar to House bill 3537.

Mr. GREEN. Mr. President, I have just sent to my office for some papers which contain a detailed explanation of the measure. I suggest that the bill be passed over temporarily until the papers for which I have sent arrive.

The PRESIDENT pro tempore. Without objection, Senate bill 1464 will be temporarily passed over.

BILL PASSED OVER

The bill (S. 902) to amend the act entitled "An act authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American

republics and the Philippines, and for other purposes," approved May 25, 1938, was announced as next in order.

Mr. DANAHER. Mr. President, I should like to hear an explanation of the bill.

The PRESIDENT pro tempore. The bill will be temporarily passed over for the same reason that the previous bill was passed over.

EXTENSION OF CIVIL SERVICE RETIREMENT ACT TO CERTAIN EMPLOYEES OF INDIAN SCHOOLS

The bill (S. 95) to amend the Civil Service Retirement Act of May 22, 1920, as amended, to extend retirement to certain employees of certain Indian schools was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provisions of the Civil Service Retirement Act of May 22, 1920, as amended, be extended to those employees of the Bloomfield Seminary, Euchee Boarding School, Eufaula Boarding School, Jones Male Academy, Mekusukey Male Academy, Tuskahoma Academy, and Wheelock Female Academy, Indian Service, who were, by reason of absence of duty through no fault of their own, not granted a classified status under the Executive order of June 2, 1926, and who subsequently served in their former positions until replaced by civil-service eligibles.

BILLS PASSED OVER

The bill (S. 1706) to provide for reorganizing agencies of the Government, and for other purposes, was announced as next in order.

Mr. BARKLEY. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1162) to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal, was announced as next in order.

The PRESIDENT pro tempore. The bill will be temporarily passed over.

INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA, INC.

The Senate proceeded to consider the joint resolution (S. J. Res. 86) for the relief of International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, which had been reported from the Committee on Claims with an amendment to strike out all after the resolving clause and to insert the following:

That jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding the lapse of time or any statute of limitations, or other limitations upon the jurisdiction of such court, to hear, consider, and render judgment in accordance to equity and justice upon the claims of the International Manufacturers' Sales Co. of America, A. S. Postnikoff, trustee, for actual losses suffered by reason of an order issued by the Federal Reserve Board on February 14, 1919, prohibiting the exportation or importation of Russian rubles or the transfer of funds for their purchase by persons and dealers in the United States: *Provided, however*, That from any decision or judgment rendered in any suit presented under the authority of this act a writ of certiorari to the Supreme Court of the United States may be applied for by either party thereto, as is provided by law in other cases.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDING OFFICER. The question is on agreeing to the preamble.

The preamble was rejected.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 1303) to amend the Agricultural Adjustment Act of 1938, as amended, with respect to cotton, was announced as next in order.

Mr. McNARY. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 2971) for the relief of certain Indians of the Winnebago Agency was announced as next in order.

SEVERAL SENATORS. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 3134) to amend the act entitled "An act authorizing the temporary detail of United States employees possessing special qualifications, to governments of American republics and the Philippines, and for other purposes," approved May 25, 1938, was announced as next in order.

Mr. McNARY. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 3367) to define the status of certain lands purchased for the Choctaw Indians, Mississippi, was announced as next in order.

SEVERAL SENATORS. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 11) directing the Comptroller General to readjust the accounts between the United States and the State of Vermont was announced as next in order.

Mr. AUSTIN. Mr. President, I know that the Senator from Nebraska [Mr. BURKE] has always objected to this measure being passed on the call of the calendar, and I do not want to take advantage of his absence. Although I want the joint resolution passed promptly, I prefer to have it taken up when he is present.

The PRESIDENT pro tempore. The joint resolution will be passed over.

GRADES AND RATINGS OF ENLISTED MEN OF THE ARMY

The bill (S. 841) to authorize the Secretary of War to prescribe the number of grades and ratings of enlisted men of the Army was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 4b of the National Defense Act, as amended, be, and is hereby, amended to read as follows:

"SEC. 4b. Enlisted men: Commencing July 1, 1939, the grades and ratings of enlisted men shall be such as the Secretary of War may from time to time direct, with monthly base pay in each grade and pay for each rating as prescribed by law. The numbers in grades and/or ratings of enlisted men shall be such as are authorized from time to time by the Secretary of War: *Provided*, That nothing in this section shall operate to reduce the pay which any enlisted man is now receiving, during his current enlistment and while he holds his present grade and rating, nor to change the present rate of pay of any enlisted man now on the retired list, nor to change existing provisions of law relating to flying cadets: *Provided further*, That the transportation privileges authorized by section 12 of the act of Congress approved May 18, 1920, shall apply only to enlisted men of the first three grades: *Provided further*, That nothing herein shall be construed to authorize any increase in the number of the enlisted personnel of the Regular Army."

BILLS PASSED OVER

The bill (S. 1462) to amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," was announced as next in order.

Mr. McNARY. Mr. President, I should like an explanation of the bill.

The PRESIDENT pro tempore. The Senator from Oregon requests an explanation of the bill.

Mr. BARKLEY. Mr. President, the Senator from Texas [Mr. SHEPPARD], the author of the bill, is temporarily absent. I suggest that the bill be temporarily passed over.

The PRESIDENT pro tempore. The bill will be temporarily passed over.

Mr. SCHWARTZ subsequently said: Mr. President, I should like to inquire what action was taken with respect to Calendar No. 215, Senate bill 1462?

The PRESIDENT pro tempore. It was temporarily passed over.

Mr. SCHWARTZ. I should like to say that an identical bill, House bill 4087, passed the House on April 3, 1939.

The PRESIDENT pro tempore. Does it appear on the calendar?

Mr. SCHWARTZ. It does not appear on the calendar. House bill 4087 is an identical bill, and passed the House on April 3. If there is no objection, I should like to have the House bill substituted for Senate bill 1462 and considered at this time.

The PRESIDENT pro tempore. The Chair is informed that the House bill is not on the calendar.

The bill (S. 795) to provide for the education of all types of physically handicapped children, to make an appropriation of

money therefor, and to regulate its expenditure was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

HOSPITALIZATION AND MEDICAL TREATMENT OF PERSONS IN ACTIVE MILITARY SERVICE

The Senate proceeded to consider the bill (S. 840) to amend and clarify the provisions of the act of June 15, 1936 (49 Stat. 1507), and for other purposes, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 2, after the word "status", to strike out "; and the Comptroller General is authorized and directed to adjust and allow all claims, if otherwise allowable, for hospitalization and medical treatment of the aforesaid persons heretofore disallowed by his office on the grounds that their hospitalization and medical treatment are authorized only when their injury or disease is incurred in line of duty, and all payments heretofore made in such cases are hereby ratified and validated", so as to make the bill read:

Be it enacted, etc., That neither of the provisions of the act of June 15, 1936 (49 Stat. 1507), nor any other law of the United States shall be construed as limiting the power and authority of the Secretary of War, under such regulations as he may prescribe, to require the hospitalization and medical treatment of persons in the active military service, and to incur obligations with respect thereto, without reference to their line-of-duty status: *Provided*, That this act shall not apply to officers and enlisted men who are treated in private hospitals or by civilian physicians while on furloughs or leaves of absence in excess of 24 hours.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1681) to amend section 107 of the Judicial Code to create a mountain district in the State of Tennessee, and for other purposes, was announced as next in order.

Mr. AUSTIN. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

SAM ALEXANDER

The bill (S. 505) authorizing the President of the United States to summon Sam Alexander before an Army retiring board, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to summon Sam Alexander, formerly a field clerk, Quartermaster Corps, United States Army, and major, Signal Corps, United States Army, before a retiring board for the purpose of hearing his case and inquiring whether at the time of his separation from the service he was incapacitated for active service, and whether such incapacity was a result of an incident of service and if, as a result of such hearing and inquiry, it is found that he was so incapacitated, the President is authorized to appoint the said Sam Alexander a warrant officer, Regular Army, and place him immediately thereafter upon the retired list of the Army, with the same privileges and retired pay as are now or may hereafter be provided by law or regulation for warrant officers of the Regular Army: *Provided*, That the said Sam Alexander shall not be entitled to any back pay or allowances by the passage of this act.

BILLS AND RESOLUTION PASSED OVER

The bill (S. 570) to regulate interstate and foreign commerce in agricultural products; to prevent unfair competition; to provide for the orderly marketing of such products; to promote the general welfare by assuring an abundant and permanent supply of such products by securing to the producers a minimum price of not less than cost of production, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Res. 107) opposing sales of American cotton during the present world crisis to foreign purchasers below the cost of production was announced as next in order.

Mr. BARKLEY. Let the resolution go over.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (S. 1305) to promote the general welfare through appropriation of funds to assist the States and Territories in providing more effective programs of public education was announced as next in order.

Mr. VANDENBERG (and other Senators). Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

PROCUREMENT OF CERTAIN AIRCRAFT WITHOUT ADVERTISING

The bill (S. 1018) to authorize the procurement, without advertising, of certain aircraft parts and instruments or aeronautical accessories, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That whenever proposals are invited for the furnishing of aircraft parts or instruments or aeronautical accessories for the War Department, the character of which or the ingredients thereof are of such a nature that the interests of the public service would be injured by publicly divulging them, the Chief of the Air Corps is authorized to purchase such aircraft parts or instruments or aeronautical accessories in such manner as he may deem most economical and efficient: *Provided*, That this act will not be construed as in any way amending the act of July 2, 1926 (44 Stat. 780), or as authorizing the open market purchase of airplanes for purposes other than as provided in that act. All laws and parts of laws which are inconsistent herewith or in conflict with the provisions hereof are hereby repealed.

BILL PASSED OVER

The bill (S. 2065) to provide for the regulation of the sale of certain securities in interstate and foreign commerce and through the mails, and the regulation of the trust indentures under which the same are issued, and for other purposes, was announced as next in order.

Mr. LODGE. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

COMPENSATION FOR DISABILITY OR DEATH OF EMPLOYEES ON PUBLIC BUILDINGS AND PUBLIC WORKS

The bill (S. 835) to provide compensation for disability or death resulting from injury to employees of contractors on public buildings and public works was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That this act may be cited as the Federal Building Workmen's Compensation Act.

SEC. 2. When used in this act—

(1) The term "person" means any individual, firm, copartnership, corporation, company, association, or joint-stock association; and includes any trustee, receiver, assignee, or personal representative thereof.

(2) The term "injury" means accidental injury or death arising out of and in the course of employment, and such occupational disease or infection as arises naturally out of such employment or as naturally or unavoidably results from such accidental injury, and includes an injury caused by the willful act of a third person directed against an employee because of his employment.

(3) The term "employer" means any person entering into a contract specified in section 3 of this act, or subcontractor or other person any of whose employees are employed on work covered by any such contract.

(4) The term "employee" means any person employed by an employer on work covered by any contract specified in section 3 of this act.

(5) The term "State" includes a Territory and the District of Columbia.

(6) The term "United States" when used in a geographical sense means the several States and Territories and the District of Columbia, including the Territorial waters thereof.

(7) The term "death" as a basis for a right to compensation means only death resulting from an injury.

SEC. 3. (a) Every contract entered into with the United States or any executive department, independent establishment, or agency thereof (including Government-owned and Government-controlled corporations) for the construction, alteration, or repair of any public building or public works, or to perform any work for any public purpose, in the United States, shall contain conditions requiring (1) that the contractor shall, before commencing performance of such contract, provide for securing the payment of compensation and the furnishing of other benefits to employees under the provisions of the Longshoremen's and Harbor Workers' Compensation Act, approved March 4, 1927 (U. S. C., 1934 edition, title 33, sec. 901, and the following), as amended, and as made applicable to such employees by this Act, and (2) that the contractor maintain in full force and effect during the term of the contract, and while employees are engaged in work performed under such contract, the security for the payment of such compensation and other benefits: *Provided*, That where the contract is to be performed within a State having a workmen's compensation law and the employees are eligible to receive the benefits provided by such law, the contractor

shall be deemed to have satisfied such conditions, if (A) before commencing the performance of such contract he provides for securing the payment of workmen's compensation benefits under such State workmen's compensation law, and (B) he maintains in full force and effect during the term of such contract, and while employees are engaged in work performed under such contract, the security for the payment of such benefits under such State workmen's compensation law. Any failure to comply with such conditions shall be deemed to be a breach of such contract and a violation of this act.

(b) Insofar as the employees of a subcontractor or other person whose employees are employed on work covered by any such contract are concerned, the contractor shall be deemed to have complied with such conditions if he requires such subcontractor or other person to provide and maintain protection for the employees of such subcontractor or other person to the extent provided for in subsection (a), but any failure on the part of any such subcontractor or other person to provide and maintain such protection shall be deemed a breach of contract, and a violation of this act, by the contractor.

SEC. 4. The provisions of the Longshoremen's and Harbor Workers' Compensation Act, approved March 4, 1927 (U. S. C., 1934 edition, title 33, sec. 901, and the following), as amended, insofar as such provisions are not inappropriate, shall apply in respect to the injury or death of any employee on work covered by a contract entered into pursuant to section 3 of this Act, if recovery for such injury or death through workmen's compensation proceedings is not provided by State laws; and in applying such provisions, the term "employer" shall be held to include any person who enters into a contract specified in section 3 of this act, or any subcontractor or other person any of whose employees are employed on work covered by any such contract, and the term "employee" shall be held to include any person employed by any such employer on work covered by any such contract.

SEC. 5. Any contractor who violates any of the provisions of this act or the rules and regulations issued thereunder shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than $1,000 or by imprisonment for not more than 1 year, or by both such fine and imprisonment. This section shall not affect any other liability of the employer under this act.

SEC. 6. Any insurer who has a claim for unpaid premiums for any policies of insurance required by this act to be written shall have the right of action and of intervention against the contractor and his sureties conferred upon persons furnishing labor and materials by the act of August 24, 1935 (U. S. C., 1934 ed., title 40, sec. 270).

SEC. 7. The United States Employees' Compensation Commission is authorized to make such rules and regulations as may be necessary to carry out the provisions of this act. The Commission shall prescribe the duties of contracting officers of the United States or of any executive department, independent establishment, or agency thereof, in securing compliance with the provisions of section 3 of this act and may authorize any such contracting officer to waive the conditions of such section, subject to the approval of the Commission, when in its opinion compliance therewith would seriously impede the conduct of the public business.

SEC. 8. If any provisions of this act, or the application of such provisions to any person or circumstance, shall be held invalid, the remainder of this act, or the application of such provisions to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 9. This act shall apply to all contracts entered into pursuant to invitations for bids issued after the expiration of 60 days after the date of enactment of this act.

IMPROVEMENT OF OUACHITA AND BLACK RIVERS, ARK. AND LA.

The bill (S. 856) to authorize a modification of the project for improvement of the Ouachita and Black Rivers, Ark. and La., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the project for improvement of Ouachita and Black Rivers, Ark. and La., as authorized by the River and Harbor Act of August 26, 1937, is hereby modified in accordance with the recommendation in House Document No. 104, Seventy-sixth Congress.

FLOOD-CONTROL WORKS ON WHITE RIVER, ARK.

The bill (S. 857) to authorize the construction of flood-control works on the White River between Augusta and Clarendon, and at De Valls Bluff, in the State of Arkansas, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the following works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers in accordance with the plans recommended in the report hereinafter designated and subject to the conditions set forth in such document:

Levee system on the east side of White River between Augusta and Clarendon, Ark., and protective works at the town of De Valls Bluff, Ark.; House Document No. 98, Seventy-sixth Congress.

ASSIGNMENT OF PUBLIC HEALTH SERVICE MEDICAL OFFICERS TO COAST AND GEODETIC SURVEY

The bill (H. R. 1776) to provide for the assignment of medical officers of the Public Health Service for duty on vessels of the Coast and Geodetic Survey, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

ST. LAWRENCE RIVER BRIDGE, OGDENSBURG, N. Y.

The bill (H. R. 2661) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y., was considered, ordered to a third reading, read the third time, and passed.

COMPENSATION OF CERTAIN MEMBERS OF NATIONAL ADVISORY HEALTH COUNCIL

The bill (S. 1540) to adjust the compensation of the members of the National Advisory Health Council not in the regular employment of the Government was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That hereafter the members of the National Advisory Health Council not in the regular employment of the Government, appointed in accordance with section 5 of the act approved July 1, 1902 (32 Stat. 713), and section 13 of the act approved April 9, 1930 (46 Stat. 152; U. S. C., title 42, sec. 21), shall, while serving in conference, each receive compensation at a rate to be fixed by the Secretary of the Treasury but not to exceed $25 per diem. The Surgeon General of the Public Health Service is hereby authorized to utilize the services of any such member or members, in connection with conference matters, for such periods in addition to the conference period as he may determine; and any such member or members shall receive for each day of such service compensation at a rate to be fixed by the Secretary of the Treasury but not to exceed $25 per diem, together with allowances for actual and necessary traveling expenses and hotel expenses while so employed. Nothing contained in this act shall be construed as affecting the allowances for travel and other expenses to which members of the National Advisory Health Council may be entitled by law.

MISSOURI RIVER BRIDGE, GARRISON, N. DAK.

The Senate proceeded to consider the bill (S. 542) to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak., which had been reported from the Committee on Commerce with an amendment, on page 1, line 8, after the numerals "1933", to strike out the word "and", so as to make the bill read:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River, at or near Garrison, N. Dak., authorized to be built by the State of North Dakota, by the act of Congress approved February 10, 1932, and heretofore extended by acts of Congress approved February 14, 1933, June 12, 1934, May 24, 1935, June 5, 1936, and June 16, 1938, are hereby further extended 2 and 4 years, respectively, from June 12, 1938.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HIGHWAY BRIDGE ACROSS OTTAWA RIVER, TOLEDO, OHIO

The bill (H. R. 3225) authorizing the Department of Highways of the State of Ohio to construct, maintain, and operate a free highway bridge across the Ottawa River at or near the city of Toledo, State of Ohio, was considered, ordered to a third reading, read the third time, and passed.

CUMBERLAND RIVER BRIDGE, DAVIDSON COUNTY, TENN.

The bill (H. R. 3418) granting the consent of Congress to the Highway Department of Davidson County, of the State of Tennessee, to construct a bridge across Cumberland River at a point approximately 1¾ miles below Clees Ferry, connecting a belt-line highway in Davidson County, State or Tennessee, known as the Old Hickory Boulevard, was considered, ordered to a third reading, read the third time, and passed.

FREE HIGHWAY BRIDGE ACROSS WACCAMAW RIVER, N. C.

The bill (H. R. 3589) granting the consent of Congress to the State Highway Commission of North Carolina to con-

struct, maintain, and operate a free highway bridge across Waccamaw River between Old Dock and Ash, N. C., was considered, ordered to a third reading, read the third time, and passed.

WABASH RIVER BRIDGE, PERU, IND.

The bill (H. R. 4243) granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near Peru, Ind., was considered, ordered to a third reading, read the third time, and passed.

MAHONING RIVER BRIDGE, WARREN, OHIO

The bill (H. R. 4432) granting the consent of Congress to the city of Warren, Ohio, to construct, maintain, and operate a free footbridge over Mahoning River, near Stiles Street NW., Warren, Ohio, was considered, ordered to a third reading, read the third time, and passed.

TOLL BRIDGE ACROSS STRAITS OF MACKINAC

The Senate proceeded to consider the bill (S. 1379) granting the consent of Congress to the Mackinac Straits Bridge Authority to construct, maintain, and operate a toll bridge or series of bridges, causeways, and approaches thereto, across the Straits of Mackinac at or near a point between St. Ignace, Mich., and the Lower Peninsula of Michigan, which had been reported from the Committee on Commerce with amendments.

The first amendment was, in section 1, page 1, line 4, after the word "Authority", to strike out "in accordance with" and insert "created by", so as to make the section read:

Be it enacted, etc., That the consent of Congress is hereby granted to the Mackinac Straits Bridge Authority, created by Public Act No. 35 of the 1934 extra session of the Michigan State Legislature, to construct, maintain, and operate a bridge or series of bridges, causeways, and approaches thereto, across the Straits of Mackinac, at a point suitable to the interests of navigation, at or near a point between St. Ignace, Mich., and the Lower Peninsula of Michigan, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 16, after the word "including", to strike out "reasonable" and insert "at a rate not to exceed 5 percent per annum"; in line 23, after the words "free of", to strike out "highway"; and in the same line, after the words "rates of", to strike out "highway", so as to make the section read:

SEC. 2. If tolls are charged for the use of such bridge or series of bridges, causeways, and approaches thereto, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge or series of bridges, causeways, and approaches thereto, under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge or series of bridges, causeways, and approaches thereto, including at a rate not to exceed 5 percent per annum interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 30 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge or series of bridges, causeways, and approaches thereto, shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge or series of bridges, causeways, and approaches thereto, under economical management. An accurate record of the costs of the bridge or series of bridges, causeways, and approaches thereto, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Mackinac Straits Bridge Authority, created by Public Act No. 35 of the 1934 extra session of the Michigan State Legislature, to construct, maintain, and operate a bridge or series of bridges, causeways, and approaches thereto, across the Straits of Mackinac, at a point suitable to the interests of navigation, at or near a point between St. Ignace, Mich., and the Lower Peninsula of Michigan, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge or series of bridges, causeways, and approaches thereto, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge or series of bridges, causeways, and approaches thereto, under economical management and to provide a sinking fund sufficient to amortize the cost of the bridge or series of bridges, causeways, and approaches thereto, including at a rate not to exceed 5 percent per annum interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 30 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge or series of bridges, causeways, and approaches thereto shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge or series of bridges, causeways, and approaches thereto, under economical management. An accurate record of the costs of the bridge or series of bridges, causeways, and approaches thereto, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

ST. LOUIS RIVER BRIDGE, DULUTH, MINN., AND SUPERIOR, WIS.

The bill (S. 965) to amend the act entitled "An act authorizing the Port Authority of Duluth, Minn., and the Harbor Commission of Superior, Wis., to construct a highway bridge across the St. Louis River from Rices Point in Duluth, Minn., to Superior in Wisconsin," approved June 30, 1938, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first section of the act entitled "An act authorizing the Port Authority of Duluth, Minn., and the Harbor Commission of Superior, Wis., to construct a highway bridge across the St. Louis River from Rices Point in Duluth, Minn., to Superior in Wisconsin," approved June 30, 1938, is amended by striking out "to the vicinity of the lower end of Banks Avenue extended to the shore line in Superior, Wis.," and inserting in lieu thereof "to such point in Superior, Wis., as the Harbor Commission of Superior shall designate."

MAHONING RIVER BRIDGES, YOUNGSTOWN, OHIO

The bill (H. R. 1661) granting the consent of Congress to the city of Youngstown, Ohio, to construct, maintain, and operate a free highway bridge across the Mahoning River at or near Marshall Street, Youngstown, Ohio, was considered, ordered to a third reading, read the third time, and passed.

The bill (H. R. 1962) granting the consent of Congress to the city of Youngstown, Ohio, to construct, maintain, and operate a free highway bridge across the Mahoning River at or near Cedar Street, Youngstown, Ohio, was considered, ordered to a third reading, read the third time, and passed.

ALLEGHENY RIVER BRIDGE, WESTMORELAND COUNTY, PA.

The bill (H. R. 2635) granting the consent of Congress to Westmoreland County in the State of Pennsylvania to construct, maintain, and operate a free highway intercounty bridge and approaches across the Allegheny River, connecting Valley Camp in Westmoreland County and East Deer Township in Allegheny County, to connect State Highway Routes Nos. 28 and 56 was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER BRIDGE, ROCK ISLAND, ILL., TO DAVENPORT, IOWA

The bill (H. R. 4527) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Rock Island, Ill., to a place at or near the city of Davenport, Iowa, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1265) to establish a Department of Public Works, to amend certain sections of the Social Security Act, and for other purposes, was announced as next in order.

Mr. McNARY. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

MARTHA AUSTIN

The Senate proceeded to consider the bill (S. 1778) authorizing the Secretary of the Interior to issue to Martha Austin a patent to certain land, which had been reported from the Committee on Public Lands and Surveys with an amendment

at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc. That the Secretary of the Interior is authorized and directed to issue to Martha Austin a patent in fee to the north half southwest quarter section 1, and north half southeast quarter section 2, township 34 north, range 31 east, Montana principal meridian: *Provided* That the patent shall contain a reservation to the United States of all the oil and gas in the lands so patented, together with the right to prospect for, mine, and remove the same in accordance with the provisions, reservations, conditions, and limitations of the act of July 17, 1914 (38 Stat. 509).

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONFEDERATE VETERANS' 1939 REUNION

The bill (S. 1243) to authorize the use of War Department equipment for the Confederate Veterans' 1939 Reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to lend, at his discretion, to the reunion committee of the United Confederate Veterans, for use at the National Confederate Veterans' Reunion, to be held at Trinidad, Colo., August 22, 23, 24, and 25, 1939, 2 hospital ward tents, with all pegs, poles, and equipment necessary for their erection; 1 storage tent complete with all equipment; 1 large wall tent complete with all equipment; 6 small wall tents complete with all equipment; 10 pyramidal tents complete with all equipment; 50 14-quart G. I. buckets; 2,000 blankets, olive drab, wool; 1,000 cots, iron; 1,000 comforters; 1,000 cotton-felted pillows complete with cotton pillowcases; 2,000 cotton bedsheets: *Provided*, That no expense shall be caused the United States Government by the delivery and return of said property; the same to be delivered from the nearest quartermaster depot at such time prior to the holding of said reunion as may be agreed upon by the Secretary of War and the Confederate Reunion Committee: *Provided further*, That the Secretary of War, before delivery of such property, shall take from said reunion committee of the United Confederate Veterans a good and sufficient bond for the safe return of said property in good order and condition, and the whole without expense to the United States.

RIGHT-OF-WAY TO STANOLIND PIPE LINE CO.

The bill (S. 504) to provide a right-of-way was announced as next in order.

Mr. VANDENBERG. Mr. President, to what does this bill refer—a right-of-way for what?

The PRESIDENT pro tempore. The clerk will read the bill.

The Chief Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and empowered, under such terms and conditions as are deemed advisable by him, to grant to the Stanolind Pipe Line Co., its successors and/or assigns, an easement for a right-of-way for an oil pipe line over, across, in, and upon the Ellington Field Military Reservation, in the State of Texas: *Provided*, That such right-of-way shall be granted only upon a finding by the Secretary of War that the same will be in the public interest and will not substantially injure the interest of the United States in the property affected thereby: *Provided further*, That all or any part of such right-of-way may be annulled and forfeited by the Secretary of War if the property is needed for governmental purposes or for failure to comply with the terms or conditions of any grant hereunder, or for nonuse or for abandonment of rights granted under authority hereof.

Mr. VANDENBERG. Very well. If it is a pipe line, it is all right.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed.

LONG ISLAND RAILROAD CO.

The bill (S. 1034) to authorize the Secretary of War to terminate certain leases of the Long Island Railroad Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to terminate the leases between the Long Island Railroad Co. and the Secretary of War dated May 7, 1926, and November 1, 1926, of property described therein as the United States Army Base, Bay Ridge, Brooklyn, N. Y., upon the railroad company placing the railroad tracks and facilities located on the premises covered by these leases in good and safe operating condition, giving all title to the railroad company's freight station, railroad tracks, and facilities to the United States now on the said premises, and paying in addition 6 months' rental, at the going rate, from the time of the termination of the leases as the consideration for the termination thereof.

COAST GUARD STATION, KEWEENAW PENINSULA, MICH.

The bill (H. R. 899) to provide for the establishment of a Coast Guard station on the east coast of the Keweenaw Peninsula, Mich., was considered, ordered to a third reading, read the third time, and passed.

MARKETING AGREEMENTS—HOPS

The bill (S. 1579) to extend the time during which orders and marketing agreements under the Agricultural Adjustment Act, as amended, may be applicable to hops, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to amend the Agricultural Adjustment Act, as amended, by including hops as a commodity to which orders under such act are applicable," approved April 13, 1938, is amended to read as follows:

"SEC. 3. No orders issued pursuant to section 8c of the Agricultural Adjustment Act, as amended, shall be applicable to hops after September 1, 1942."

AIR NAVIGATION FACILITIES, BALTIMORE, MD.

The bill (S. 2044) making inapplicable certain reversionary provisions in the act of March 4, 1923 (42 Stat. 1450), and a certain deed executed by the Secretary of War, in the matter of a lease to be entered into by the United States for the use of a part of the former Fort Armistead Military Reservation for air-navigation purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the reversionary provisions of the aforesaid act and deed shall not be applicable to the aforesaid property by virtue of the leasing of said part thereof (3¼ acres, more or less) by the mayor and City Council of the City of Baltimore to the United States for air-navigation purposes.

The preamble was agreed to.

STATUS OF OFFICERS IN JUDGE ADVOCATE GENERAL'S DEPARTMENT

The Senate proceeded to consider the bill (S. 1993) to amend section 8 of the National Defense Act, and for other purposes, which was read, as follows:

Be it enacted, etc., That section 8 of the National Defense Act is amended to read as follows:

"The Judge Advocate General's Department, in time of peace, shall consist of one Judge Advocate General, as now provided by law, and not to exceed 149 other officers in grades from captain to colonel."

SEC. 2. That officers holding commissions in the Judge Advocate General's Department upon the effective date of this act shall be removed from the promotion list, and such officers and other persons thereafter commissioned in said Department, either by appointment or transfer, shall thereafter be promoted as are officers in the Medical Corps, Veterinary Corps, Dental Corps, and Chaplain's Corps; that is to say, to major upon the completion of 12 years' active commissioned Federal service; to lieutenant colonel upon the completion of 20 years of such service; to colonel upon the completion of 26 years of such service; all promotions to be subject to such examinations as are now prescribed by law for officers of the Judge Advocate General's Department: *Provided*, That the provisions of this act shall not apply to officers initially commissioned in the Regular Army in the field grades: *Provided further*, That with respect to the officers now commissioned as majors and captains in the Judge Advocate General's Department, each shall be assumed to have, for promotion purposes, at least the same length of active commissioned Federal service as any officer junior to him, in his grade, in relative rank: *And provided further*, That no officer of said Department shall be promoted to colonel in advance of any officer senior to him in relative rank.

SEC. 3. Hereafter any officer transferred to the Judge Advocate General's Department shall take rank after the officers then in his grade and shall be assumed to have, then and thereafter, for promotional purposes, no more active commissioned Federal service than any officer senior to him in said Department at the time of and after his transfer.

SEC. 4. Hereafter any person appointed in the Judge Advocate General's Department, except by transfer, shall be assumed to have, for purposes of promotion and pay, one day's less active commissioned Federal service than the then junior captain of said Department.

SEC. 5. All laws and parts of laws in conflict with the provisions of this act are hereby repealed to the extent of such conflict: *Provided, however*, That the authorized strength of the Regular Army shall not be increased by the operation of this act.

Mr. VANDENBERG. Mr. President, may we have an explanation of the bill?

Mr. MINTON. Mr. President, the only purpose of the bill is to take the members of the Judge Advocate General's Office off the promotion list and place them on the nonpromotion list, along with doctors, dentists, and veterinarians.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 111) designating August 19 of each year as National Aviation Day was announced as next in order.

Mr. McNARY. Let the joint resolution go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

LOAD LINES FOR AMERICAN VESSELS

The bill (S. 1583) to amend the act of March 2, 1929 (45 Stat. 1492), entitled "An act to establish load lines for American vessels, and for other purposes," was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 of the act of March 2, 1929 (45 Stat. 1492; U. S. C., 1934 edition, title 46, sec. 85), entitled "An act to establish load lines for American vessels, and for other purposes," is amended to read as follows:

"Load lines are hereby established for the following vessels:

"(a) Merchant vessels of 150 gross tons or over, loading at or proceeding to sea from any port or place within the United States or its possessions for a foreign voyage by sea, the Great Lakes excepted.

"(b) Merchant vessels of the United States of 150 gross tons or over, loading at or proceeding to sea from any foreign port or place for a voyage by sea, the Great Lakes excepted."

SEC. 2. That section 8 (c) of the act of March 2, 1929 (45 Stat. 1494; U. S. C., 1934 edition, title 46, sec. 85g (c)), is amended to read as follows:

"If any person shall knowingly permit or cause or attempt to cause any vessel subject to this act and to the regulations established thereunder to depart, or if, being the owner, manager, agent, or master of such vessel, he shall fail to take reasonable care to prevent her from departing from her loading port or place when loading in violation of section 4, or if any person shall knowingly permit or cause or attempt to cause a foreign vessel exempted pursuant to section 5 to depart, or if, being the owner, manager, agent, or master of such vessel, he shall fail to take reasonable care to prevent her from departing from her loading port or place when loaded more deeply than permitted by the laws and regulations of the country to which she belongs, he shall, in respect of each offense, be liable to the United States in a penalty of $500. The Secretary of Commerce may, in his discretion, remit or mitigate any penalty imposed under this paragraph."

RETIREMENT OF ENLISTED PERSONNEL OF COAST GUARD

The bill (S. 595) to increase further the efficiency of the Coast Guard by authorizing the retirement under certain conditions of enlisted personnel thereof with 20 or more years of service was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Commandant of the Coast Guard (hereinafter referred to as the "Commandant") shall assemble annually a Coast Guard Enlisted Personnel Board (hereinafter referred to as the "Board"), to be composed of not less than three commissioned officers on the active list of the Coast Guard. It shall be the duty of the Board to recommend for retirement such enlisted men of the Coast Guard, who have 20 or more years of service, whom the Board determines, in its discretion, should be retired from active service. The recommendations of the Board shall be transmitted to the Commandant for final action. If the Commandant shall approve the recommendations of the Board, the enlisted man concerned shall be notified thereof in writing, and any enlisted man who, within 30 days after receipt of such notification, files with the Commandant a written protest of the action taken by the Board in his case shall not be retired involuntarily under this act unless a subsequent annual Board again determines, in its discretion, that such enlisted man should be retired and so recommends, in which case such enlisted man may, upon approval by the Commandant, be retired from active service with retired pay as prescribed by section 5 hereof. At the expiration of 30 days after receipt by an enlisted man of notice as aforesaid, in the event that no such protest is filed by him within the period prescribed, such enlisted man may, upon approval by the Commandant, be retired from service with retired pay as prescribed by section 5 hereof. If the Commandant shall disapprove any recommendation of the Board, the enlisted man concerned shall retain his status in the Coast Guard to the same extent as if his case had not been considered.

SEC. 2. An enlisted man of the Coast Guard who has 20 or more years of service may, upon suitable application to and approval by the Commandant, be retired from active service with retired pay as prescribed by section 5 hereof.

SEC. 3. The total number of enlisted men who may be retired in any one fiscal year under sections 1 and 2 of this act shall not exceed the whole number nearest to 1 percent of the total enlisted force of the Coast Guard on the active list as of January 1 of such year, to be divided in such proportion between retirements under sections 1 and 2 of this act as may be determined by the Commandant.

SEC. 4. The Secretary of the Treasury is authorized to call any enlisted man who has been retired pursuant to this act into active service for such duty as he may be able to perform. While so employed such enlisted man shall receive full pay, allowances, and benefits authorized by law, shall be eligible for promotion, and shall be entitled to the benefits of continuous service for such rank and for such length of time as he is or has been employed in active service, and when relieved of active service shall retain upon the retired list the rank and service held by him at the time of such relief, with pay and such increases as are prescribed in section 5 of this act.

SEC. 5. The annual rate of pay of any enlisted man retired under this act shall be 2½ percent of the sum of his base pay and all permanent additions thereto at the time of his retirement, multiplied by the number of years of his service: *Provided*, That any enlisted man retired under this act who has been cited for extraordinary heroism in line of duty, or whose average marks in conduct during his service in the Coast Guard shall be not less than 97½ percent of the maximum, shall be entitled to have his retired pay increased by an amount equal to 10 percent of the sum of his base pay and all permanent additions thereto at the time of his retirement: *Provided further*, That the retired pay of any enlisted man retired under this act shall not in any case exceed 75 percent of the sum of his base pay and all permanent additions thereto at the time of his retirement: *And provided further*, That the determination of the Secretary of the Treasury as to what constitutes extraordinary heroism for the purpose of this section shall be final and conclusive.

SEC. 6. (a) The provisions of this act shall be supplementary to, but shall not be construed to limit or supersede, existing laws relating to the retirement of enlisted personnel of the Coast Guard.

(b) The Commandant may prescribe such regulations, which shall be subject to approval by the Secretary of the Treasury, as may be necessary to carry out the purposes of this act.

FACILITIES FOR COAST GUARD

The bill (S. 1369) to authorize necessary facilities for the Coast Guard in the interest of national defense and the performance of its maritime police functions was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the interest of national defense, and to provide adequate facilities for the Coast Guard for the performance of maritime police functions, the Secretary of the Treasury is hereby authorized (1) to construct and equip three Coast Guard cutters, of approximately 2,000 tons displacement each and designed to have a speed of not less than 20 knots; (2) to establish, equip, and maintain a Coast Guard base and air station on the coast of Alaska in such locality as the Commandant of the Coast Guard may recommend; and (3) to purchase or construct, and to equip, 15 seaplanes having a cruising range of not less than 2,000 statute miles.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amount as may be necessary to carry out the purposes of this act.

READJUSTMENT OF COMMISSIONED PERSONNEL OF THE COAST GUARD

The bill (S. 1876) to readjust the commissioned personnel of the Coast Guard, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to readjust the commissioned personnel of the Coast Guard, and for other purposes," approved March 2, 1929 (45 Stat. 1533; U. S. C., title 14, sec. 10), is hereby amended by adding at the end thereof the following paragraph:

"The total number of commissioned officers in the Coast Guard is hereby increased by 154 line officers (exclusive of commissioned warrant officers) and two district commanders. Such additional line officers shall be distributed in grades in the same proportion as prescribed by the foregoing provisions of this section: *Provided*, That the total number of vacancies created hereby in each of the grades of captain, commander, lieutenant commander, and lieutenant shall be filled at a rate not exceeding, in any one year following the enactment hereof, 20 percent of such total number."

SEC. 2. Section 2 of the act entitled "An act to distribute the commissioned line and engineer officers of the Coast Guard in grades, and for other purposes," approved January 13, 1923 (42 Stat. 1130; U. S. C., title 14, sec. 12), is hereby amended by changing the second proviso thereof to read as follows: *"Provided further*, That the engineer in chief, while so serving, shall have the rank of a rear admiral and the pay and allowances of a rear admiral (lower half), and hereafter the engineer in chief shall be selected from the active list of engineer officers not below the grade of commander (engineering)."

SEC. 3. Section 1 of the act entitled "An act to increase the efficiency of the personnel of the Revenue Cutter Service," approved April 16, 1908 (35 Stat. 61, as amended; U. S. C., title 14, sec. 11), is hereby amended by adding at the end thereof the following paragraph:

"The President is authorized to appoint in the Coast Guard, by and with the advice and consent of the Senate, one Assistant Commandant who shall serve for a term of 4 years unless sooner relieved by the President. The Assistant Commandant shall be selected from the active list of line officers not below the grade of commander, and such appointment shall not create a vacancy; and the Commandant of the Coast Guard shall make recommendations for the appointment of the Assistant Commandant. The Assistant Commandant shall have the rank of a rear admiral and the pay and allowances of a rear admiral (lower half): *Provided*, That an officer whose terms of service as Assistant Commandant has expired shall take his place on the lineal list in the grade that he would have attained had he not served as Assistant Commandant."

REIMBURSEMENT OF CERTAIN COAST GUARD PERSONNEL

The bill (S. 2167) to provide for the reimbursement of certain members or former members of the United States Coast Guard for the value of personal effects lost in the hurricane of September 21, 1938, at several Coast Guard stations on the coasts of New York, Connecticut, and Rhode Island, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following-named personnel of the United States Coast Guard, in full settlement of their claims against the United States for loss or destruction of, or damage to, personal property and effects at the Coast Guard stations indicated as a result of the hurricane of September 21, 1938, as follows:

At the Coast Guard Academy, New London, Conn., James F. Bland, seaman, first-class, $16.70; Joe Daniels, chief boatswain's mate, $13.20; Walter S. Haas, fireman, second-class, $12.50; Joseph P. Iannantuono, seaman, first-class, $15.95; Thomas P. Kilarny, chief yeoman, $3.70; Joseph Olson, seaman, first-class, $8.09; Paul C. Smith, carpenter's mate, third-class, $3.70.

At the Block Island Coast Guard Station, Block Island, R. I., Harry E. Johnson, chief boatswain (lifesaving), $5.60.

At the Brenton Point Coast Guard Station, Newport, R. I., Charles Edwin Adamson, motor machinist's mate, second-class (lifesaving), $90.25; Willis Emil Bastareche, surfman, $64.45; Manuel Cabral, surfman, $54.50; George Ammette Choquette, surfman, $35.50; Orin Edward Edwards, surfman, $63.25; Joseph Anthony Flores, surfman, $82.50; George Gadbois, surfman, $52.50; Joseph Alphonse Gautreau, surfman, $52; George Philip Lewis, chief boatswain's mate (lifesaving), $93; Manuel Soares Macedo, surfman, $64.85; Leonard Anthony McCarthy, surfman, $81; Ralph Edgar Small, boatswain's mate, first-class, $54.50; Coulter L. Tillett, surfman, $26.08; George Atwood Williams, motor machinist's mate, first-class, $52.50.

At the Moriches Coast Guard Station, West Hampton, N. Y., John Rowland Avery, surfman, $262.97; William Thomas Beacham, boatswain's mate, first-class (lifesaving), $277; Leonard Haven Benjamin, motor machinist's mate, second-class (lifesaving), $240.42; Jerry George Berka, surfman, $254.55; William P. Cheek, surfman, $245.73; Linville Gates Farrow, surfman, $268.11; Guion James Garner, surfman, $292.09; William Alfred Hargis, surfman, $238.97; John Oliver Hull, surfman, $237.79; Roland Edward Jean, chief boatswain's mate (lifesaving), $273.59; James Henry Ketcham, chief boatswain's mate (lifesaving), $417.45; Ernest Louis Killian, surfman, $292.72; William Henry Knowles, surfman, $269.16; George John Loy, surfman, $27.91; Olen Miller, surfman, $252.21; Thomas King Morton, surfman, $44.62; Allan Tracy Ruggles, boatswain's mate, first-class (lifesaving), $343.36.

At the Shinnecock Coast Guard Station, Hampton Bays, N. Y., Ernest Bateman Barnette, surfman, $247.01; Harry Tunnell Carter, surfman, $117.80; Russel Helbert Creef, surfman, $224.74; Harvey Rodger Davis, boatswain's mate, first-class (lifesaving), $320.65; John Lemar Edwards, boatswain (lifesaving), retired, $360.60; Callie Fulcher, surfman, $240.31; Howard Dale Harris, boatswain's mate, first-class (lifesaving), $263.12; Carl Ross Jennett, surfman, $232.79; Archie Worth Jones, surfman, $251.75; Charles Mades, surfman, $244.95; Melvin Brown Midgette, surfman, $238.25; Burnis Morris, motor machinist's mate, second-class (lifesaving), $333.18; Clayton Murphy, surfman, $243.98; Lee Edward Parsons, boatswain's mate, first-class (lifesaving), $306.62; Lewis Purnell Rodgers, surfman, $285; and Charles Fearing Scott, surfman, $228.63.

At the Mecox Coast Guard Station, East Hampton, N. Y., Roy Alfred Guimont, radioman, first-class, $29.

PRESLY HOLLIDAY

The bill (S. 649) for the relief of Presly Holliday, quartermaster sergeant, Quartermaster Corps, on the retired list, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provisions of the act of Congress approved June 4, 1920, giving to soldiers placed on the retired list prior to or during the World War, who had had active service therein as commissioned officers, the pay and allowances of retired warrant officers of the Army, and the amendments thereto, be, and the same are hereby, extended to and to include Presly Holliday, who was commissioned a captain, Quartermaster Corps, in August 1917, and held such commission while on the retired list as an enlisted man in 1920: *Provided*, That no back pay, compensation, allowance, or other benefit shall be held to have accrued prior to the passage of this act.

BILLS PASSED OVER

On request of Mr. SHEPPARD, the following bills were passed over:

The bill (S. 1081) for the relief of John B. Jones.

The bill (S. 1082) to authorize the Secretary of War to provide for the sale of aviation supplies and services to aircraft operated by foreign military and air attachés accredited to the United States, and for other purposes.

The bill (S. 1083) to authorize the Secretary of War to exchange obsolete, unsuitable, and unserviceable machines and tools pertaining to the manufacture or repair of ordnance matériel for new machines and tools.

The bill (S. 2096) to amend section 4a of the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended.

The bill (S. 2202) to establish a public-works agency was announced as next in order.

Mr. McNARY. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2203) to amend certain sections of the Social Security Act was announced as next in order.

Mr. VANDENBERG and Mr. McNARY asked that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

That completes the calendar.

Mr. WALSH. Mr. President, I should like to address the Senate briefly.

EXTENSION OF PUBLIC HEALTH FACILITIES TO FOREIGN SERVICE OFFICERS

The PRESIDENT pro tempore. The Chair will state the parliamentary situation. During the consideration of the calendar two bills were temporarily passed over at the suggestion of the junior Senator from Rhode Island [Mr. GREEN]. They were Calendar No. 128 (S. 1464) and Calendar No. 133 (S. 902). On the calendar there is a House bill (H. R. 3537) which is identical with Senate bill 1464. Without objection, the House bill will be stated by title.

The CHIEF CLERK. A bill (H. R. 3537) to extend the facilities of the United States Public Health Service to active officers of the Foreign Service of the United States.

The PRESIDENT pro tempore. The Senator from Oregon, as the Chair is advised, asked for information about that bill.

Mr. McNARY. I asked for an explanation of the bill.

Mr. GREEN. I have not received the papers from my office but I can explain the bill from memory. It provides that dependent members of the families of Foreign Service officers serving abroad who incur illness due to the fact of the service shall be entitled to treatment and hospitalization when available from the Public Health Service. For instance, suppose because of the altitude of the place or the heat of the place or the dampness of the place or the prevalence of some disease, illness is incurred because of the service in such place of the head of the family. In such cases, under the bill, the members of his family suffering from disease could be looked after where there are Government facilities to care for other

employees of the United States Government and on the same terms accorded such other employees.

The bill provides further that the diplomatic representatives themselves when they are ill because of something connected with their service may be treated free at Government hospitals, because of the illness incurred in their service.

The bill provides for the cause of such illness being determined by the health officer representing the Health Department.

The PRESIDING OFFICER. Is there objection to the present consideration of the House bill?

Mr. McNARY. I have no objection to the consideration of the bill.

There being no objection, the Senate proceeded to consider the bill (H. R. 3537) to extend the facilities of the United States Public Health Service to active officers of the Foreign Service of the United States.

Mr. GREEN. I move to strike out all after the enacting clause of the House bill and to insert the provisions of Senate bill 1464, as reported to the Senate.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and to insert the following:

That, under such regulations as may be prescribed by the President, upon recommendation of the Secretary of the Treasury, any officer of the Foreign Service of the United States who has incurred illness or injury or who has become physically disabled, as a direct result of service on foreign assignment, and not by reason of vicious habits, intemperance, or misconduct on his part, or other circumstances not related to such service, the cause of such illness or injury to be determined by a duly qualified medical officer of the United States Public Health Service, which determination shall be final when approved by the Surgeon General, shall upon the request of the Secretary of State be entitled to medical and surgical treatment and hospitalization by the United States Public Health Service at any of its regularly established relief stations and hospitals.

SEC. 2. In order to ascertain at the time of assignment to any foreign station or at any other time the physical fitness of a Foreign Service officer for duty in a foreign station, the United States Public Health Service shall, upon the request of the Secretary of State, subject such Foreign Service officer to a physical examination at any of its established relief stations or hospitals.

SEC. 3. Any officer or American employee of the Foreign Service of the United States suffering from illness or disability not the direct result of foreign service and any dependent member of the family of any Foreign Service officer or American employee suffering from illness or disability which is found by the United States Public Health Service under the same procedure prescribed in section 1 of this act to have originated while on foreign station and if such illness or disability in any case covered by this section is not the result of vicious habits, intemperance, or misconduct on his part, or other circumstances not related to such Foreign Service, the cause of such illness for the purpose hereof to be determined by the United States Public Health Service, may be furnished medical and dental treatment and hospitalization (in the case of a dependent member of a family if suitable accommodations are available) by the United States Public Health Service at any of its regularly established relief stations and hospitals at a cost to the officer or employee concerned in accordance with rates established by regulations of the Surgeon General and applicable to pay patients from other branches of the Government service under similar circumstances. Collections by the United States Public Health Service on this account shall be credited to the appropriation applicable to the operation of marine hospitals and relief stations.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. GREEN].

The amendment was agreed to.

Mr. BILBO. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Mississipi desire to discuss this bill?

Mr. BILBO. I desire to offer an amendment, but my amendment has been drawn to apply to Senate bill 1464. I presume it can be adapted to the House bill as now framed.

The PRESIDENT pro tempore. It may be offered at the appropriate place in the House bill.

Mr. BILBO. Mr. President, the amendment I offer merely adds to officers of the Agricultural Department of the Bureau of Foreign and Domestic Commerce who may be serving abroad, and puts them in the same status officers of the State Department would have under the bill. In other words, it extends the scope of the bill and gives to officers of other departments who are serving abroad the same right accorded to Foreign Service officers. The other officers are as much entitled to it as are officers of the State Department.

I will state in this connection that the State Department has called me over the telephone and stated that they had read the amendment and heartily approve of the inclusion of these other employees of the Government who are entitled to the benefit of the Public Health Service, as much so as are State Department employees. So I move that the amendment be added to the bill.

Mr. GREEN. Mr. President, I concede that the amendment may be a wise one, but I have no authority to speak for the committee.

The PRESIDENT pro tempore. Will the Senator from Mississippi send the amendment to the desk so that it may be stated?

Mr. BILBO. I send the amendment to the desk. There are really several amendments, but, in effect, they constitute but one amendment.

The PRESIDENT pro tempore. The amendments to the amendment will be stated.

The LEGISLATIVE CLERK. In the amendment just adopted, on page 3, line 11 (lines and pages according to Senate bill 1464 as reported by committee) after the word "Treasury", it is proposed to strike out "any officer of the Foreign Service of the United States" and insert "any duly appointed officer regularly serving abroad as a representative or employee in the foreign service of any department or unit of the United States Government"; on the same page, line 20, after the words "of the", to strike out "Secretary of State", and insert "head of the department or unit under which the officer is serving"; on page 4, line 1, after the word "of" at the beginning of the line, to strike out "a Foreign Service officer" and insert "an officer"; on the same page, line 3, after the words "of the" at the beginning of the line, to strike out "Secretary of State, subject such Foreign Service officer" and insert "head of the department or unit under which the officer is serving subject such officer"; at the beginning of line 7, to strike out "Foreign Service of the United States" and insert "foreign service of any department or unit of the United States Government"; on line 9, after the word "any", to strike out "Foreign Service officer" and insert "such officer"; and on line 17, after the word "such", to strike out "Foreign Service", and insert "foreign service", so as to make the bill read:

That, under such regulations as may be prescribed by the President, upon recommendation of the Secretary of the Treasury, any duly appointed officer regularly serving abroad as a representative or employee in the foreign service of any department or unit of the United States Government who has incurred illness or injury or who has become physically disabled, as a direct result of service on foreign assignment, and not by reason of vicious habits, intemperance, or misconduct on his part, or other circumstances not related to such service, the cause of such illness or injury to be determined by a duly qualified medical officer of the United States Public Health Service, which determination shall be final when approved by the Surgeon General, shall upon the request of the head of the department or unit under which the officer is serving be entitled to medical and surgical treatment and hospitalization by the United States Public Health Service at any of its regularly established relief stations and hospitals.

SEC. 2. In order to ascertain at the time of assignment to any foreign station or at any other time the physical fitness of an officer for duty in a foreign station, the United States Public Health Service shall, upon the request of the head of the department or unit under which the officer is serving subject such officer to a physical examination at any of its established relief stations or hospitals.

SEC. 3. Any officer or American employee of the foreign service of any department or unit of the United States Government suffering from illness or disability not the direct result of foreign service and any dependent member of the family of any such officer or American employee suffering from illness or disability which is found by the United States Public Health Service under the same procedure prescribed in section 1 of this act to have originated while on foreign station and if such illness or disability in any case covered by this section is not the result of vicious habits, intemperance, or misconduct on his part, or other circumstances not related to such foreign service, the cause of such illness for the purpose hereof to be determined by the United States Public Health Service, may be furnished medical and dental treatment and hospitalization (in the case of a dependent member of a

family if suitable accommodations are available) by the United States Public Health Service at any of its regularly established relief stations and hospitals at a cost to the officer or employee concerned in accordance with rates established by regulations of the Surgeon General and applicable to pay patients from other branches of the Government service under similar circumstances. Collections by the United States Public Health Service on this account shall be credited to the appropriation applicable to the operation of marine hospitals and relief stations.

The PRESIDENT pro tempore. The question is on agreeing to the amendments offered by the Senator from Mississippi to the amendment.

The amendments to the amendment were agreed to.

The amendment as amended was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 1464, which is similar to the bill just passed, will be indefinitely postponed.

DETAIL OF FEDERAL EMPLOYEES TO SOUTH AMERICAN GOVERNMENTS

The PRESIDENT pro tempore. The Chair is under the impression that another bill, Calendar 133, Senate bill 902, was temporarily passed over at the request of the junior Senator from Rhode Island. Does the Senator from Rhode Island desire action taken on that bill now?

Mr. GREEN. I desire to have the bill considered now.

The PRESIDENT pro tempore. There is on the calendar an identical House bill, which is House bill 3134. Does the Senator from Rhode Island desire that the House bill be substituted for the Senate bill and be considered at this time?

Mr. GREEN. I do.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 3134) to amend the act entitled "An act authorizing the temporary detail of United States employees possessing special qualifications to governments of American republics and the Philippines, and for other purposes," approved May 25, 1938.

Mr. GREEN. I move to strike out all after the enacting clause of the House bill and to insert the provisions of Senate bill 902 as reported to the Senate.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and to insert the following:

That the act entitled "An act authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American Republics and the Philippines, and for other purposes," approved May 25, 1938, be, and the same is hereby, amended to read as follows:

"That the President of the United States be, and hereby is, authorized, whenever he finds that the public interest renders such a course advisable, upon agreement with the government of any other American Republic or the Government of the Commonwealth of the Philippine Islands, or the Government of Liberia, if such government is desirous of obtaining the services of a person having special scientific or other technical or professional qualifications, other than those persons covered by the act of May 19, 1926 (44 Stat. 565), as amended by the act of May 14, 1935 (49 Stat. 218), from time to time to detail for temporary service of not exceeding 1 year at a time, under such government, any such person in the employ of the Government of the United States: *Provided*, That the President may, in extraordinary circumstances, extend the period of such detail for one or more additional periods of not to exceed 6 months each: *Provided further*, That while so detailed, such person shall be considered, for the purpose of preserving his rights and privileges as such, an officer or employee of the Government of the United States and of the department or agency from which detailed and shall continue to receive therefrom compensation, and he may receive additional compensation from the department or agency from which detailed not to exceed 50 percent of the compensation he was receiving as an officer or employee of the United States at the time of detail, and shall receive from the United States reimbursement for travel expenses to and from the place of detail and monthly allowances determined by the President to be adequate for quarters and subsistence during the period of such detail. The additional compensation, travel expenses, and other allowances authorized by this act to be paid to any such officer or employee shall be paid from any appropriations available for the payment of compensation and travel expenses of the officers and employees of the department or agency from which he is detailed: *Provided, however*, That if any government to which a detail is authorized by this act shall express the desire to reimburse this Government in whole or in part for the expenses of such detail, the President is authorized, when he deems it in the public interest, to accept such reimbursement and the amount so received may be credited to (a) appropriations current at the time the expenses of such detail are to be or have been paid, (b) appropriations current at the time such amounts are received, or (c) in part as provided under (a) and in part as provided under (b) hereof; and such amount shall be available for the purposes of the appropriations to which credited: *And provided further*, That if any such government shall express the desire to provide advances of funds to be used by this Government, in whole or in part for the expenses of such detail, the President is authorized, when he deems it in the public interest, to accept such advances of funds, and the amounts so received may be established as a trust fund, to be available for the purpose and under the provisions of this act until the termination of the detail; any unexpended balance of the trust fund to be returned to the foreign government making the advance."

The amendment was agreed to.

The PRESIDENT pro tempore. As the Chair recalls, the Senator from Rhode Island was requested by some Senator to explain the purpose of the bill.

Mr. GREEN. Mr. President, the main reason for urging action now on this bill is because of the question of accounting. The Government has already been authorized to lend expert advisers to the various South American republics and to the Philippines, but it is provided that such countries may pay for such service. Some of the republics have already incurred such obligations, and desire to pay for the service, but, under the present law, if they pay for it, the money goes back into the general fund of the Treasury of the United States. Under the proposed changes in this bill, the money will be repaid to those departments that incurred the original expense.

It is very desirable that that should be done, because otherwise it confuses the bookkeeping. Where the services have been rendered by a department, and paid for out of their appropriations, when the South American Republics repay the United States the money goes back into a different fund. That is the main object of the bill.

Mr. DANAHER. Mr. President, I dare say I was the Senator who asked for an explanation of the bill. In the first place, I have a few questions I should like to ask the Senator from Rhode Island. Can the Senator tell me whether or not the technical advisers provided for in the bill are used by the South American Republics in compiling data for trade-agreement purposes?

Mr. GREEN. I cannot say what the ultimate purposes may be, but the different departments send technical advisers to South American Republics largely for the purpose of assisting the agricultural development of those countries. They are thus afforded technical advice of which they could not otherwise avail themselves. They pay for the service. It is entirely discretionary with this Government when it will lend such advisers, and they are employed in the development of products which are not competitive with those of this country. Does that answer the Senator's question?

Mr. DANAHER. That is a part of the point.

Mr. GREEN. That is the general policy.

Mr. DANAHER. Will the Senator tell me, please, whether or not there is a report available to the Senate as to the activities of these technical advisers?

Mr. GREEN. I do not think there is any separate report. I think it is merely included in the general report of the Department.

Mr. DANAHER. Is there any reason the Senator knows why we could not properly have reports from these technical advisers and cause them to be made public documents for our examination?

Mr. GREEN. I know of no reason. I have no doubt that the departments would be glad to furnish the information either to the Senate or to any individual Senator. There is nothing secret about it.

Mr. DANAHER. I do not presume there is. I was asking the questions simply in order to apprehend the full purpose of the effort.

Mr. GREEN. It is largely for the promotion of good will with our sister republics in South America.

Mr. DANAHER. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. DANAHER. Would I have the privilege, sir, of withdrawing my present objection to the passage of the bill, and

conferring presently with the Senator from Rhode Island, and if thereafter I am not completely satisfied renewing a possible objection to the bill?

The PRESIDENT pro tempore. The Senator could make a motion.

Mr. BARKLEY. The Senator could move to reconsider the vote by which the bill was passed.

Mr. DANAHER. I thank the Senator from Kentucky. Under the circumstances I will withdraw the present objection.

The PRESIDENT pro tempore. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 902, which is identical with the bill just passed, will be indefinitely postponed.

FRANKLIN D. ROOSEVELT LIBRARY

Mr. BARKLEY. From the Committee on the Library, I report back favorably, without amendment, Senate Joint Resolution 118, to provide for the establishment and maintenance of the Franklin D. Roosevelt Library, and for other purposes; and I ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky?

There being no objection, the joint resolution (S. J. Res. 118) to provide for the establishment and maintenance of the Franklin D. Roosevelt Library, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc.—

TITLE I—DEFINITIONS

SECTION 1. As used in this joint resolution—

(a) The term "donor" means Franklin D. Roosevelt.

(b) The term "historical material" includes books, correspondence, papers, pamphlets, works of art, models, pictures, photographs, plats, maps, and other similar material.

(c) The term "Board" means the Trustees of the Franklin D. Roosevelt Library.

TITLE II—FRANKLIN D. ROOSEVELT LIBRARY

SEC. 201. The Archivist of the United States is authorized to accept for and in the name of the United States from the donor, or from such person or persons as shall be empowered to act for the donor, title to a tract of land consisting of an area of 12 acres, more or less, of the Hyde Park estate of the donor and his family, located on the New York-Albany Post Road, in the town of Hyde Park, Dutchess County, State of New York; such area to be selected and carved out of the said estate by the donor and to be utilized as a site for the Franklin D. Roosevelt Library provided for in this title.

SEC. 202. The Archivist is authorized to permit the Franklin D. Roosevelt Library, Inc., a New York corporation organized for that purpose, to construct on the area referred to in section 201 of this title a building, or buildings, to be designated as the Franklin D. Roosevelt Library, and to landscape the grounds within the said area. Such project shall be carried out in accordance with plans and specifications approved by the Archivist. The Secretary of the Treasury is authorized to permit the facilities and personnel of the Procurement Division of the Treasury Department to be utilized in the preparation of plans for and in the construction and equipping of the project: *Provided*, That the Franklin D. Roosevelt Library, Inc., shall enter into an arrangement satisfactory to the Secretary of the Treasury to reimburse the said Procurement Division for the costs and expenses incurred for such purposes, as determined by the Secretary of the Treasury.

SEC. 203. Upon the completion of the project authorized in section 202 of this title, the Archivist shall accept for the Franklin D. Roosevelt Library, as a gift from the donor, such collection of historical material as shall be donated by the donor. The Archivist may also acquire for the said library from other sources, by gift, purchase, or loan, historical books related to and other historical material contemporary with and related to the historical material acquired from the donor. The historical material acquired under this section shall be permanently housed in the Franklin D. Roosevelt Library: *Provided*, That the Archivist may temporarily remove any of such material from the said library when he deems it to be necessary: *And provided further*, That the Archivist may dispose of any duplicate printed material in the said library by sale or exchange, and, with the approval of the National Archives Council, may dispose of by sale, exchange, or otherwise any material in the said library which appears to have no permanent value or historical interest. The proceeds of any sale made under this section shall be paid into the special account provided for in subsection (d) of section 205 of this title, to be held, administered, and expended in accordance with the provisions of that subsection.

SEC. 204. The faith of the United States is pledged that, upon the construction of the Franklin D. Roosevelt Library and the acquisition from the donor of the collection of historical material in accordance with the terms of this title, the United States will provide such funds as may be necessary for the upkeep of the said library and the administrative expenses and costs of operation thereof, including the preservation and care of historical material acquired under this title, so that the said library shall be at all times properly maintained.

SEC. 205. (a) A Board to be known as the Trustees of the Franklin D. Roosevelt Library is hereby established. The Archivist and the Secretary of the Treasury shall be ex officio members, and the Archivist shall be chairman of the Board. There shall also be five members of the Board appointed by the President for life, but the President may remove any such member for cause. Vacancies on the Board shall be filled by the President. Membership on the Board shall not be deemed to be an office within the meaning of the Constitution and statutes of the United States.

(b) No compensation shall be paid to the members of the Board for their services as such members, but they shall be allowed their necessary expenses incurred in the discharge of their duties under this title. The certificate of the chairman of the Board shall be sufficient evidence that the expenses are properly allowable.

(c) The Board is hereby authorized to accept and receive gifts and bequests of personal property and to hold and administer the same as trust funds for the benefit of the Franklin D. Roosevelt Library. The moneys or securities composing trust funds given or bequeathed to the Board shall be receipted for by the Secretary of the Treasury, who shall invest, reinvest, and retain investments as the Board may from time to time determine: *Provided, however*, That the Board is not authorized to engage in any business nor to exercise any voting privilege which may be incidental to securities in such trust funds, nor shall the Secretary of the Treasury make any investments for the account of the Board which could not lawfully be made by a trust company in the District of Columbia, except that he may make any investment directly authorized by the instrument or gift under which the funds to be invested are derived, and may retain any investments accepted by the Board.

(d) The income from any trust funds held by the Board, as and when collected, shall be deposited with the Treasurer of the United States, who shall enter it in a special account to the credit of the Franklin D. Roosevelt Library and subject to disbursement by the Archivist, except where otherwise restricted by the instrument of gift, in the purchase of equipment for the Franklin D. Roosevelt Library; in the preparation and publication of guides, inventories, calendars, and textual reproduction of material in the said library; and in the purchase, under section 203 of this title, of historical material for the said library. The Treasurer of the United States is hereby authorized to honor the requisitions of the Archivist made in such manner and in accordance with such regulations as the Treasurer may from time to time prescribe. The Archivist may make sales of any publications authorized by this section at a price which will cover their cost and 10 percent added, and all moneys received from such sales shall be paid into, administered, and expended as a part of the special account herein provided for.

(e) Unless otherwise restricted by the instrument of gift, the Board, by resolution duly adopted, may authorize the Archivist to use the principal of any gift or bequest made to it for any of the purposes mentioned in subsection (d) hereof.

(f) The Board shall have all the usual powers of a trustee in respect to all funds administered by it, but the members of the Board shall not be personally liable, except for misfeasance. In the administration of such trust funds the actions of the Board, including any payments made or authorized to be made by it from such funds, shall not be subject to review or attack except in an action brought in the United States District Court for the District of Columbia, which is hereby given jurisdiction of such suits, for the purpose of enforcing the provision of any trust accepted by the Board.

SEC. 206. The Director of the National Park Service shall be responsible for the care, maintenance, and protection of the buildings and grounds of the Franklin D. Roosevelt Library in the same manner and to the same extent as he is responsible for The National Archives Building in the District of Columbia. Except as provided in the preceding sentence, the immediate custody and control of the Franklin D. Roosevelt Library, and such other buildings, grounds, and equipment as may from time to time become a part thereof, and their contents, shall be vested in the Archivist of the United States, and he is authorized to appoint and prescribe the duties of such officers and employees, including clerical assistance for the Board, as may be necessary for the execution of the functions vested in him by this title.

SEC. 207. The Archivist shall prescribe regulations governing the arrangement, custody, protection, and use of the historical material acquired under this title; and, subject to such regulations, such material shall be available to the public free of charge: *Provided*, That the Archivist is authorized to charge and collect, under regulations prescribed by him, a fee not in excess of 25 cents per person for the privilege of visiting and viewing the exhibit rooms or museum portion of the said library; and any funds so derived shall be paid by the Archivist into the special account provided for in subsection (d) of section 205 of this title, to be held, administered, and expended under the provisions of that subsection.

SEC. 208. The Archivist shall make to the Congress, at the beginning of each regular session, a report for the preceding fiscal

year as to the Franklin D. Roosevelt Library. Such report shall include a detailed statement of all accessions, all dispositions of historical material, and all receipts and expenditures on account of the said library.

SEC. 209. The costs incurred by the Archivist in carrying out the duties placed upon him by this title, including the expenses of the members of the Board and the costs of the Board's necessary clerical assistance, shall be paid out of the appropriations for The National Archives Establishment as other costs and expenses of The National Archives Establishment are paid; and such sums as may be necessary for such purposes are hereby authorized to be appropriated.

TITLE III—FRANKLIN D. ROOSEVELT RESIDENCE

SEC. 301. The head of any executive department, pursuant to agreement between him and the donor, may accept for and in the name of the United States from the donor, or from such person or persons as shall be empowered to act for the donor, title to any part or parts of the said Hyde Park estate of the donor and his family which shall be donated to the United States for use in connection with any designated function of the Government administered in such department. The title to any such property may be accepted under this section notwithstanding that it may be subject to the life estate of the donor or of any other person or persons now living: *Provided*, That during the continuance of any life estate reserved therein no expense to the United States in connection with the ordinary maintenance of the property so acquired shall be incurred: *Provided further*, That the acceptance hereunder by the United States of the title to property in which any life estate is reserved shall not during the existence of such life estate exempt the property, except to the extent provided in section 304 of this title, from taxation by the town of Hyde Park, Dutchess County, or the State of New York as other real property in the said town, county, or State is taxed under the applicable laws relating to taxation of real property.

SEC. 302. Upon the expiration of all life estates reserved in any property acquired under this title for use in connection with a designated function of the Government, or, if no life estate is reserved, immediately upon the acceptance of title thereto, the head of the department administering the said function shall assume jurisdiction and control over the property so acquired and administer it for the purpose designated, subject to the applicable provisions of law.

SEC. 303. Notwithstanding any other provisions of law, the head of any department exercising jurisdiction and control over any property acquired under this title shall be authorized to charge and collect, under regulations prescribed by him, a fee not in excess of 25 cents per person for the privilege of visiting and viewing the said property, and any funds thus derived shall be deposited in the Treasury of the United States to the credit of a special fund, and shall be available, when appropriated by the Congress, for expenditure in the upkeep, maintenance, protection, and preservation of any property acquired under this title.

SEC. 304. The right is reserved in the Congress to take such action and to make such changes, modifications, alterations, and improvements in connection with and upon any property acquired under this title, during or after the expiration of any life estate reserved therein, as the Congress shall deem proper and necessary to protect and preserve the same; but neither the improvements so made nor any increase in the value of the property by reason thereof shall be subject to taxation during the existence of any life estate reserved in the property.

NAVY AND MARINE MEMORIAL

Mr. BARKLEY. From the Committee on the Library, I report back favorably, without amendment, House bill 3234, to provide for the completion of the Navy and Marine Memorial, and ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky?

There being no objection, the bill (H. R. 3234) to provide for the completion of the Navy and Marine Memorial was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000, said sum to be expended as follows: Not to exceed $5,000 for architectural fees and full satisfaction of all obligations in connection with the original contract between the Navy and Marine Memorial Association and the architect, and not more than $44,384 for the design, professional services, disbursements, materials, and in full satisfaction of all obligations in connection with the original contract between the Navy and Marine Memorial Association and the sculptor, and the remainder, or so much thereof as may be necessary, to be expended under the direction of the National Park Service for the completion of the Navy and Marine Memorial, in accordance with the official plans therefor as approved by the Fine Arts Commission, except that the contract proposal shall not exclude any suitable green granite or stone appropriate for that use. The National Park Service is authorized to modify the structural details if necessary, without deviating from the design.

SEC. 2. All contracts shall be on condition that the work shall be completed within 1 year from the passage of the act.

SEC. 3. The National Park Service is further authorized and directed to provide adequate drives, parking space, and landscaping to provide for the enjoyment of this memorial by its visitors.

THE EUROPEAN WAR SITUATION

Mr. WALSH. Mr. President, I have received a number of telegrams with reference to the European war situation and our relationship to it, and I assume that other Senators have been the recipients of similar messages. An overwhelming number of my correspondents have strongly urged and pleaded that we avoid any and every possibility of becoming involved in a European war. Many of these communications are touching, indicating a very keen and worried attitude on the part of millions of our people lest our Government pursue a policy that may involve us in war.

However, all the letters have not been on one side of this subject. Some that I have received express the sentiments contained in a telegram, characteristic of many others, that I desire to read to the Senate:

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.:

Hope you will change your foreign policy before too late. There can be no question sending expeditionary force abroad. Stop aggression by every resource short of war. Notify aggressors that democracies can have our munitions and supplies.

I will read my reply thereto:

Mr. ——— ———. Regret that my views are opposed to yours. To attempt to stop aggression "by every resource short of war" means war, unless our country is to be placed in the position of an international bluffer, lacking courage to contir ue to support by war those principles that our country advocates—and, of course, we should not advocate principles that did not relate to our general welfare and security—"by aggression short of war." In my opinion, we have no business to take sides between countries threatening war upon each other "by aggression short of war" unless we are ready to shrink cowardly from supporting those principles when war results.

DAVID I. WALSH.

THE OPENING AND SETTLEMENT OF OKLAHOMA

Mr. LEE. Mr. President, 50 years ago next Saturday the first Oklahoma lands were opened for settlement. The region included only about 2,000,000 acres and was divided into six counties, but it lay in the very heart of the Indian country.

The early history of Oklahoma is written in colors as flaming as an Oklahoma sunset, and the thing that made that history colorful was the indomitable spirit of the people themselves. The picturesque cavalcade of Coronado, with armor gleaming in the sunlight and plumes dancing in the breeze, opened the first chapter with a flash of glory.

Then came a chapter crowded with romance and adventure. The red man, the trader, the trapper, and the trooper, the most colorful characters that ever crossed the pages of history, played their last stand in Oklahoma.

The household words of those days tell the story. Buffalo hunters, bullwhackers, pioneers; the gambler, the cattle king, the squaw man; branding irons, cattle rustlers, six-shooters; camp fires, covered wagons, outlaws; the Jameses, the Jennings, the Daltons, the Doolins; free land, boomers, sooners; nesters, settlers, sod shanties, "gyp" water; the dugout, the mustang, the coyote; milo maize, kaffir corn, wheat, cotton, corn; coal, lead, zinc; oil, oil, oil; paved roads, flying fields, and skyscrapers tell the magic story of Oklahoma.

The Indian gives color to the history of Oklahoma. There is a long list of Indians whose names mean dignity and honor. Although I have not time here to call the roll of honor of that proud and haughty race, yet I shall mention such names as General Stanwaite, Senator Robert L. Owen, Chief Sequoyah, whose statue now stands in the rotunda of the Capitol, and Will Rogers, whose statue will likewise be placed in the rotunda by the side of Chief Sequoyah on June 6 of this year.

On the morning of the 22d of April 1889 every manner of man and vehicle were assembled on the Kansas line ready for the run. Swarming like bees, they struggled for position. At high noon the shrill notes of a bugle silenced the confusion. A United States Cavalry trooper raised a gun. A hundred thousand hearts leaped to a hundred thousand throats. A hundred thousand hopes hung on that signal. The gun flashed, and Oklahoma was opened with a pistol shot.

In a few hours a new Territory was populated, and cities and towns sprang up with the magic of an Arabian Nights story. That night a hundred thousand camp fires twinkled like new stars in the firmament, and the savory odor of frying bacon rose from every quarter section of the new empire.

What could be more fitting to climax this stirring episode of Oklahoma history than to have the dashing, rough-riding, two-fisted Teddy Roosevelt himself sign the bill for Statehood? Thus in 1907 Oklahoma became the forty-sixth star in the flag.

It seemed very appropriate that the young State of Oklahoma should be opened with a run. The very manner of opening the land to settlement appealed only to the daring, the active, the courageous, the swift, the strong, and the young. Thus did Oklahoma in a unique manner attract hand-picked settlers with the spirit to do or die. Like Gideon's band, those best fitted for the stern hardships of pioneer life were sifted out by the nature of the contest.

And even after the run, people still poured into the new Territory. In the old States it was a common thing for the people to sit on their porches and watch a covered wagon go rolling by, the husband and wife sitting on the spring seat, and half a dozen children peeping out from beneath the wagon sheet. This American ship of the desert was freighted with the hopes, dreams, and ambitions that made Oklahoma great.

Here they came to Oklahoma, the melting pot of America. The shrewd New England Yankee with his practical business methods, the courteous southerner with his statesmanship, the easterner with his culture, the hardy westerner with his courage, the northern farmer with his superior methods of agriculture, all joined in the common cause of building a commonwealth, each one bringing his pearls of wisdom, culture, and experience to lay as rich treasure at the feet of this young State. Neighbor helped neighbor in the feeling of common unity. The general attitude was one for all, and all for one.

The opening was gay and thrilling, but the real test came afterward. It came when the provisions that were brought along gave out. It came with the long stretch of homemaking, securing a water supply, providing a shelter. There were log cabins and dugouts and half dugouts, and there were tents, and there were sod shanties. Then again there were the hardships of the weather, the blasting wind and the blazing sun. There were sand storms, cyclones, and droughts.

When I think of the spirit of those rugged pioneer settlers, it stirs my soul. They were not daunted by the lack of church buildings or schoolhouses. The organization of many a church took place under a wagon sheet or a brush arbor. As to the schools, some pretty young "school marm" was induced to leave the old home town and come out to this new country to impart knowledge of the three R's to the future farmers, statesmen, and businessmen of the new Territory. What did it matter to this young schoolmistress that the children gathered around her in a sod house, with the flowers nodding gaily from the earthen roof? Those brave spirits never knew the tragedy of the unprepared.

It was this spirit—this pioneer spirit of achievement and progress—that made Oklahoma great.

RESOURCES

The same spirit of chance has developed our State. It opened our oil fields and built our skyscrapers. That is the old "sooner" spirit. That is the spirit of believing in one's self and in the future. That is the spirit of the pioneer who did not know how to quit.

This conquering spirit of the pioneer wrested from the land its treasure. When Coronado and his gold-seeking Spaniards came, Oklahoma opened not the doors to her wealth; but those doors yielded to the compelling hands of the homesteader.

First, there is the wealth of her natural beauty. She has streams, mountains, and plains, fascinating and beautiful. The northwest has the unique and colorful Red Hills. The skyline of the southwest is coxcombed by the rugged Wichitas. The south central is rock-ribbed by the Arbuckles. The north central has the romantic Osage Hills, while the untamed Kiamichi make southeastern Oklahoma a wild paradise.

Then, again, Oklahoma has every imaginable kind of stream, from Big Elk to Little River, from the peaceful Chikaskia to the turbulent Canadian, from the deep Verdigris to the shallow Cimarron, from the muddy Washita to the sparkling Spavinaw.

Oklahoma not only has mountains and rivers, but she has canyons and caves and prairies and plains.

Northwestern Oklahoma is a cattle country, and on farther west are the intriguing plains of the Panhandle.

Coronado came to Oklahoma seeking Quivira, the fabled land with seven cities of gold; but he returned empty-handed, for Quivira opened not her gates to this armed force. And then for 400 years afterward Oklahoma held the secret of her hidden wealth. It remained for the homesteader to find her riches, for they lay in hidden mines of zinc and coal, in secret pools of oil, and fertile fields of soil.

Today, Oklahoma has not merely Seven Cities of Cibola, but 77 cities in 77 counties, each one producing enough wealth in a single year to match Coronado's wildest Spanish dream.

Here, in this wonderland, oil volcanoes spout their black gold high over the derricks, and Oklahoma bids high for first place in the production of mineral petroleum. One-half of her 77 counties produce either gas or oil, and yet her western oil reserves have not been tapped.

There is enough unmined coal in Oklahoma to turn every factory wheel in the United States for a thousand years. At the present rate of production the Geological Survey estimates that there is enough unmined coal in Oklahoma to last 26,000 years.

With her coal and gas together, Oklahoma stands first in the production of fuel which is the very foundation of industrial life.

Oklahoma is first in the production of zinc, and second in the production of lead.

The building materials of Oklahoma are unlimited. She has enough glass sand to make a glass roof over the entire State and have glass sand left. She has great ledges of limestone, hills of gypsum, and mountains of granite. She has quarries of marble and sandstone. She has an inexhaustible supply of clay for the manufacture of brick, tile, and pottery.

Oklahoma has enough asphalt to pave every road in the State, while her salt beds contain the salt of the earth.

Although Oklahoma is considered a prairie State, she has a vast amount of uncut timber, and stands twenty-fourth among the States in the production of lumber. The mountainous Southeast has an abundant supply of short-leaf pine, and the State produces more different kinds of hardwood than all of Europe combined. So, you see, Oklahoma has enough building material to last forever.

Furthermore, there are the agricultural resources. Although Oklahoma ranks second among the States in mineral production and first in fuel, yet in her greatest year she produced more in agricultural wealth than she did in mineral products. Oklahoma is primarily an agricultural State, and her greatest treasure lies in the first 6 inches of the soil.

Oklahoma stands first in the production of broom corn, second in the production of pecans, second in the production of grain sorghum, second to fifth in the production of wheat, third to seventh in the production of cotton. In addition to these, her great production of corn, oats, barley, rye, peanuts, and fruits give her first place in diversified crops, which is the most important factor in the agricultural program.

Then, again, Oklahoma is a great livestock State. The Oklahoma City stockyards are seventh in the United States in the number of livestock handled each year.

The fabulous wealth of Quivira is a reality. Where once the buffalo grazed, today blooded livestock fatten on the succulent grasses of Oklahoma, and bring wealth to the State.

Go out there in June, and you will see silver clouds and copper sun, and miles on miles of ripening grain. Then you will hear the song of the combine as it goes rattling off, tallying bushel after bushel, bringing new wealth to Oklahoma.

There the tall corn shoots and tassels in the sun, and the cotton whitens beneath the stars. There you can see the farmer's big red barn and his modern home, his windmill and his silo; his spreading shade trees, and his orchard fragrant with blossoms or laden with fruit, cherry-cheeked as are the sons and daughters of the last frontier, Oklahoma, the forty-sixth star in the flag.

ADMISSION OF REFUGEE CHILDREN

Mr. REYNOLDS. Mr. President, due to the fact that at the present time a subcommittee of the Committee on Immigration of the Senate is giving consideration to a resolution introduced by our colleague from New York [Mr. WAGNER], which will provide for the admission of 20,000 refugee children from Germany into this country to compete with the millions of boys and girls born in the United States who are now out of work, I ask unanimous consent that there be published in the RECORD, as part of my remarks at this point, a clipping from the New York Times of Sunday, April 9, 1939, entitled: "Aliens Seen Adding to Job Problem. Those in United States Illegally Keep Citizens From Procuring Work, Somervell Hears. Proposed Ban Backed. Immigration Head Hopes Albany Will Pass Bill on the Foreign-Born."

Another very interesting clipping happens to be from the English section of an Italian newspaper printed in the city of New York, the name of the paper being the Grido Della Stirpe, of the issue of March 25, 1939, entitled "The Refugee Invasion," in which complaint is made by our Italian brothers in New York who are opposed to any other aliens from anywhere coming to this country and depriving Americans of their jobs.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

INAUGURATION

[From the New York Times of April 9, 1939]

ALIENS SEEN ADDING TO JOB PROBLEMS—THOSE IN UNITED STATES ILLEGALLY KEEP CITIZENS FROM PROCURING WORK, SOMERVELL HEARS—PROPOSED BAN BACKED—IMMIGRATION HEAD HOPES ALBANY WILL PASS BILL ON THE FOREIGN BORN

Many of the 10,975 W. P. A. workers dismissed in this city last week would be able to find jobs if the legislature passed a bill making it a misdemeanor to employ any persons who was in the United States illegally, Rudolph Reimer, commissioner of immigration and naturalization at Ellis Island, declared yesterday in a letter to Lt. Col. Brehon B. Somervell, local Works Progress administrator.

The letter was sent by Mr. Reimer in his personal capacity and not as a Federal official. It pointed out that a bill prohibiting the employment of aliens here illegally had been approved by the assembly and was now awaiting action in the senate at Albany.

"Since we require a native-born child to produce working papers before the employer is permitted to place the native-born child on the pay roll, it is not unreasonable to require the alien to show affirmatively that he is not in our country illegally," Mr. Reimer said. "I am convinced that the people of New York State want the jobs in our State for those who are legally here or who are its citizens."

The impossibility of patrolling adequately the Canadian and Mexican borders and the Atlantic and Pacific Oceans and the Gulf of Mexico was cited by Mr. Reimer in support of his contention that "many thousands" had come into the country illegally and now held jobs here.

"Judging from the inquiries made at Ellis Island for advice how to purge the alien of illegal entry, the statement that there are many thousands employed is not an exaggeration," Mr. Reimer told Colonel Somervell. "This is further evidenced by the fact that there are 12,664 visitors now in the United States whose departure our department at Ellis Island has been unable to verify. No one knows the exact number."

Certificates of arrival are issued on application at Ellis Island, Mr. Reimer observed, and these could be used by employers to establish the residence status of their employees and to insure against the employment of "bootleg aliens, stowaways, ship jumpers, students, and visitors who have overstayed their allotted time."

[From the English section of the Grido Della Stirpe of New York City, issue of March 25, 1939 (Italian)]

THE REFUGEE INVASION

While the daily press announces the cancelation of about 30,000 workers from the W. P. A. register, the Nation is going astray with a new attraction, "the refugee business."

Thirty thousand workers lose that last hope of working for their daily bread, even if it was a partial employment, and this is not all, but, they being aliens, face also the crucial fate of being deported as undesirable. At the same time, undesirable citizens of other nations are admitted in this country with hearty welcomes.

Among those workers who were dismissed, there might be people who gave the best years of their lives to the developing of this great Nation, people who worked very hard for years, people who gave their strength, their brains, all that they had for the progess of America, and now * * * depression * * * charity, and finally reminded that they are * * * aliens!

But citizenship is not acquired by filling out and signing an application, by raising a hand in swearing allegiance to the country, to the flag. What counts more, even if not legally, is the contribution given to the life of the Nation.

And while we deny to these loyal men—aliens?—the right to work, we permit other men, not wanted in their respective countries, if they ever had one, to come here to find work.

We denounce other nations as persecutors; we cry to discrimination of race and creed, but it seems that we hold a patent on such activities.

It is not difficult to remember that for every refugee employed, an American goes to the lines of the huge relief army. What a shame.

The people are being made refugee-minded through the usual high-pressure propaganda sponsored by the interested party—the Jew.

They are systematically building a Jewish empire in this country instead of in Palestine. The Palestine affair is just a make believe, for the consumption of the "good-natured people." After all, how could they live in Palestine among themselves with no Gentiles to "peel"?

Other nations in Europe, after the "triste" experience of years of Jewish yoke, finally got wise to themselves and so, only good U. S. A. is left.

Jews arrived here not even 2 or 3 months ago, and already they are in business for themselves, some of them travel as representatives of well-known firms, not to say anything of those employed internally by department stores, laboratories, factories, etc.

They figure as guests on radio programs, and lately a station started a weekly program, the Refugee Hour. Last week's program was announced by a well-known justice of the New York Supreme Court.

We believe that it will surprise no one if one day we shall hear that the White House has been given to a * * * refugee.

Special funds are being provided by show attractions, balls, conferences, concerts, and other activities prepared by the versatile Jewish mind.

Prominent names appear as cosponsors of the above activities. These gentlemen, who are always on the front pages for modesty, claim to be real patriots, their Americanism is measured by percentages, "100-percent American." Practically they are the ones who stab their fatherland in the back.

Why should we open this country to aliens who were not loyal to their respective countries of origin or adoption? If they were good citizens or if they had respected the laws, if they had not impoverished those lands, or if they had not conspired against their governments, today they would not have been refugees.

And now shall we absorb these troublemakers? Shall American fathers lose their jobs for these undesirable people? No!

It is time that we all wake up. It is time that we make our voice heard to those responsible for the government of our country. It is the duty of every citizen to protest this invasion, in a firm, lawful way.

The refugee boom might even invite some clever opportunists to pass as refugees; today it is the only means to soften the hardest political hearts.

In the streets we might also hear: "Buddy, give me a dime, I'm a refugee"—and if the passer-by shows some incredulity, the presumptive refugee, saturated with alcohol, might add, "the Mrs. chased me away from the house * * * I ain't going back or she'll beat me and have me closed in the concentration camp, down the cellar."

P. FIORETTI.

NEW YORK, *March 1939.*

CLAIMS OF UNITED STATES CITIZENS AGAINST MEXICO

Mr. SHEPPARD. Mr. President, there is on the calendar a bill which was reported favorably on January 19 last, a few days after the present session assembled. Some Senators have objected each time the bill has been called when the calendar was under consideration, and this is my first opportunity to move that the bill be taken up for consideration.

I move that the Senate proceed to the consideration of Order of Business No. 1, Senate bill 326.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). The clerk will read the bill by title.

The LEGISLATIVE CLERK. A bill (S. 326) for the payment of awards and appraisals heretofore made in favor of citizens of the United States on claims presented under the General Claims Convention of September 8, 1923, United States and Mexico.

Mr. ASHURST. Mr. President, many of my constituents are very much interested in this bill, and I know that to any

task to which the able Senator from Texas [Mr. SHEPPARD] applies himself he proceeds with great thoroughness. I shall be so bold as to ask the Senator from Texas to make a statement regarding the bill so that it may go into the RECORD.

Mr. SHEPPARD. I shall be glad to do so.

Mr. ADAMS. Mr. President, I am one of the Senators who objected from time to time to the consideration of the bill, a measure which involves a substantial amount, and a principle of considerably more importance. I am wondering whether the Senator would not like to have a little larger audience to which to present his views.

Mr. SHEPPARD. That will be satisfactory to me.

Mr. ADAMS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Hughes	Radcliffe
Andrews	Davis	Johnson, Calif.	Reed
Ashurst	Donahey	Johnson, Colo.	Reynolds
Austin	Downey	King	Russell
Bankhead	Ellender	La Follette	Schwartz
Barbour	Frazier	Lee	Schwellenbach
Barkley	George	Lodge	Sheppard
Bilbo	Gerry	Logan	Shipstead
Bone	Gibson	McCarran	Smathers
Borah	Gillette	McKellar	Stewart
Bridges	Glass	McNary	Taft
Brown	Green	Mead	Thomas, Okla.
Bulow	Guffey	Miller	Thomas, Utah
Burke	Gurney	Minton	Townsend
Byrd	Harrison	Murray	Truman
Capper	Hatch	Neely	Tydings
Caraway	Hayden	Norris	Vandenberg
Chavez	Herring	O'Mahoney	Wagner
Clark, Idaho	Hill	Overton	Walsh
Clark, Mo.	Holman	Pepper	Wheeler
Connally	Holt	Pittman	Wiley

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Mr. SHEPPARD. Mr. President, prior to 1923, and going back as far as 1868, hundreds of American citizens living or having business interests in Mexico suffered injuries, depredations, confiscations of property, losses from failure of the Mexican Government to pay for supplies and services.

One class of claims covers false imprisonment and mistreatment while in prison. One claim is for work performed for the Mexican Government by an American dredging company and for materials furnished by that company. Another type of claim arises from various forms of depredation on property of Americans and personal mistreatment of Americans living in Mexico.

All these claims to which I am referring, and to which my bill refers, were passed upon favorably by the commission established for the purpose of adjudicating them. Many of these claimants were actively pressing their claims before the Mexican Government when they were compelled by treaty between the United States and Mexico to drop the proceedings and to present their claims to a commission composed of American and Mexican members, under penalty of having their claims made uncollectible if they did not follow that procedure. Every other recourse, therefore, was closed to these, and all other claimants, and the commission became the sole tribunal before which they could appear.

The Commission assembled in 1924. It was required by the treaty to pass on all claims then in existence in 3 years. It was understood between the Governments that each would pay its own nationals in accordance with the findings of the Commission as to what was due them by the other Government; that a balance would be struck when all payments had been made, after the Commission had concluded its work, and the Government paying out more than the other Government, would be reimbursed by the other Government for the excess paid.

The Commission sat for 3 years, made a few decisions, some favorable, some unfavorable, and adjourned leaving unadjudicated almost the entire number of claims that had been presented to it.

Nothing was paid the claimants who had received favorable decisions, about 124 in all. The time was extended, and the Commission reassembled and sat for another 2 years, with about the same result. This operation was repeated for about 4 more years. After its final sitting of about 3 years, ending in 1937, the Commission permanently disbanded, with 850 claims unadjudicated; and the 124 claimants who had received favorable adjudication have to this day received no payment.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield.

Mr. CHAVEZ. As I understand the proposal of the Senator from Texas, the American claimants originally were pressing their claims individually against the Mexican Government.

Mr. SHEPPARD. Many of them; yes.

Mr. CHAVEZ. Then the United States entered into a treaty with the Mexican Government under which the American claimants had to submit their claims to a Commission created under the treaty, and had to be satisfied with whatever the Commission did. Certain claims were approved by that Commission.

Mr. SHEPPARD. The Senator is correct. No machinery now exists for the collection of the claims, and there is no authority to which the claimants can look for action. The bill provides that the American Government shall pay the claimants to whom the Commission gave favorable decisions, and reimburse itself from the Mexican Government if, of course, our Government has a balance due it. This it has, to a large degree.

Mr. CHAVEZ. As I understand the results of the Commission's work, some American claims and some Mexican claims were approved by the Commission. In other words, we owe Mexico so much, and Mexico owes us so much. As I understand, the bill provides that the United States shall advance the money to pay the American claimants and reimburse itself through collection from Mexico.

Mr. SHEPPARD. The Senator states the matter correctly.

Mr. GEORGE. Mr. President——

Mr. SHEPPARD. I yield.

Mr. GEORGE. Does the bill cover only those claims as to which the Commission made awards?

Mr. SHEPPARD. Only the claims on which the Commission made favorable awards.

Mr. GEORGE. It does not cover any claims on which the Commission did not pass?

Mr. SHEPPARD. It does not.

Mr. GEORGE. What is the approximate total of the bill?

Mr. SHEPPARD. About $3,000,000.

It is true that the Illinois Central Railroad has the largest claim, but its claim is a just one. Its claim is for about $1,800,000 for railway engines sold the Mexican Government. The Mexican Government was delaying the payment of this claim when the company was required by the treaty to transfer it to the Commission.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield.

Mr. BARKLEY. I do not know much about the merits of the other claims, but I am somewhat familiar with the claim of the Illinois Central Railroad Co. From the knowledge I have of it, it seems to me that that claim is just. It certainly is one which ought to be considered and paid under the bill.

Mr. CHAVEZ. Not only is it a just claim, but at the time the company was forced to submit itself to the Commission it had practically arranged for the payment of its claim by the Mexican Government.

Mr. BARKLEY. Yes; and if it had not been for that fact, the claim would have been paid long ago.

Mr. CHAVEZ. Several years ago.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield.

Mr. BILBO. Possibly the Senator can give us some light on the question of how and when it is expected the Mexican Government will be in a position to reimburse the United States if we advance the money to the claimants whose claims have been favorably passed upon.

Mr. SHEPPARD. I will state to the Senator that the Mexican Government is now making payments on another type of claims which were passed upon by what was called the Special Claims Commission.

Mr. BILBO. Let me ask another question. What, if anything, does the Senator contemplate doing to bring about an adjudication of the 800 claims which the Commission did not pass upon or consider before it was finally dissolved?

Mr. SHEPPARD. I propose to urge the State Department to make some kind of an arrangement with the Mexican Government to take up the unadjudicated claims.

Mr. BILBO. Then the unadjudicated claims are unfinished business of the two Governments under the treaty?

Mr. SHEPPARD. That is true so far as the unadjudicated claims are concerned.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield.

Mr. PITTMAN. I do not think the question as to when the United States Government can collect the money from Mexico is material, because under our law—at least the State Department so holds—a citizen of the United States may not treat with a foreign government. He may treat only through our own Government. By virtue of that law, which has been upheld by the Supreme Court, settlement between private parties and another government was prohibited. The Government assumed the responsibility of settlement. The Government, having assumed that responsibility, entered into an agreement with Mexico covering the claims, under which, when the claims were adjudicated, if there were a balance in favor of Mexico, the United States Government would pay Mexico. If there were a balance in favor of the United States, Mexico would pay the United States, each Government taking the sole responsibility for the distribution of the funds to its nationals.

If that be the case, the United States Government has voluntarily entered into a treaty with Mexico to pay Mexico any surplus of Mexico claims over ours and vice versa. So long as the Commission lasted—and its life was extended several times—it adjudicated claims. Only a few claims were adjudicated. Only a very few thousand dollars' worth of claims were adjudicated in favor of Mexico, but more than $2,000,000 of claims were adjudicated in favor of citizens of the United States. So I say it is not material whether or not the United States Government receives the money. It assumed the responsibility of settlement and prevented its citizens from acting.

Mr. BILBO. Mr. President, I thoroughly appreciate the fact that there is a moral obligation on the part of the United States Government to pay the claims which have been adjudicated, but my understanding of the treaty was that the United States Government was only undertaking to adjudicate the claims and act in the capacity of a collector from the Mexican Government.

Mr. PITTMAN. No.

Mr. BILBO. And that there would be a balancing of the accounts by the respective Governments.

Mr. PITTMAN. That was not the treaty.

Mr. BILBO. Does the Senator mean to say that the United States Government assumed the obligation to pay the claims?

Mr. PITTMAN. To pay its citizens.

Mr. BILBO. Regardless of whether or not the claims were collected from Mexico?

Mr. PITTMAN. Absolutely.

Mr. BILBO. That settles the question about the equity of the bill.

Mr. ADAMS. Mr. President, may I interrupt to make a statement? My interpretation of the treaty, after much study, is quite different from that stated by the Senator from Nevada [Mr. PITTMAN]. I hope the Senator from Mississippi [Mr. BILBO] will not make up his mind on the situation until the matter has been a little more fully explained, because I am unable to find any such obligation in the treaty. The treaty does not differ from other treaties which have been entered into, and with respect to which no such construction is claimed.

Mr. PITTMAN. I understand there is a difference in construction. From the facts I have stated, in my opinion, there can be but one moral construction of the treaty. That is the construction which I have stated.

Mr. SHEPPARD. I thank the Senator from Nevada.

Mr. President, the bill provides that the funds awarded the successful claimants shall carry no interest from the date of judgment. The amounts of the other 123 claims, aside from the Illinois Central claim, range from $50 to $140,000.

Many of the claimants are in keen financial distress and some of them are on the edge of bankruptcy. The treatment of the claimants by our Government has been little short of outrageous. It amounts practically to confiscation and expropriation. Our Government compelled the claimants to resort to a tribunal which is established, permitted that tribunal to trifle with the situation for 15 years, and finally dissolved it, without any payments to claimants who had gained favorable decisions, with 850 claims still unadjudicated, and with no machinery now in existence to act on the claims. Payment of the claimants who have received favorable decisions will not establish a precedent for payment by our Government of other governments' debts, because the facts are peculiar to this particular case, a case in which, by a treaty, the Government required the claimants to drop the efforts they were making before the Mexican Government and to make the United States the sole agent, not only in pressing the claims, but in deciding the manner in which they should be pressed. Thus, our Government made these claims also its own obligation, so far as the individual American claimants were concerned.

A certain moral obligation rests on our Government to pay claimants who have been kept out of their money through its negligence for 15 years.

This bill was carefully considered by the Foreign Relations Committee in the last Congress; it was favorably reported to the Senate; and, after discussion in the Senate, the Senate passed the bill. It reached the House of Representatives less than a month before the final adjournment of the last session and was favorably reported by the House Foreign Affairs Committee. It was placed on the House Calendar too late to be reached for action on the floor of the House. The bill comes to us again at this session with the favorable recommendation of the Foreign Relations Committee, and I trust it may be passed.

Mr. ADAMS. Mr. President, since the bill was before the Senate at the last session, I have taken occasion to give considerable study to the situation. The matter did reach the State Department, in a way, and Secretary Hull advised the committee that "this legislation would not be in accord with the program of the President"—I quote from the Secretary's letter—but if the Congress saw fit as a legislative matter to make the appropriation, that was no concern of the State Department.

Mr. SHEPPARD. Mr. President, will the Senator permit me to say that this bill is only an authorization?

Mr. ADAMS. I understand, but Secretary Hull stated—and I quote his words:

> This legislation would not be in accord with the program of the President.

Mr. SHEPPARD. Yes; but clearly that is a mere academic expression.

Mr. ADAMS. I am quoting the academic expression for whatever virtue it may have.

The bill involves this very simple question, Is the United States Government going to pay the obligations of the Mexican Government? The Mexican Government owes certain obligations to American citizens. This bill provides that the United States Government shall underwrite, guarantee, and pay the obligations of the Mexican Government to American citizens.

Mr. CHAVEZ. Mr. President, why should not the Government of the United States pay the claims of American citizens, when the United States forced its citizens to proceed under a treaty instead of being permitted to press their

own claims against the Mexican Government? Under those circumstances why should not the United States pay the claims?

Mr. ADAMS. I know of no reason, I will say to the Senator, which should require, legally or morally, the United States Government to pay the obligations of the Mexican Government.

To illustrate, the largest item in this claim is, as was mentioned by the senior Senator from Texas [Mr. SHEPPARD], that of the Illinois Central Railroad. The railroad sold some $2,000,000 worth of locomotives to the Mexican Government and the transaction was entered into with the expectation, of course, that the Mexican Government would pay its bill. The Mexican Government has not paid its bill. Therefore, the Illinois Central Railroad now comes before the Congress and asks that the United States Government pay to it the amount it was not able to collect from the Mexican Government.

Mr. CHAVEZ. Mr. President, if the circumstances were as stated by the Senator, well and good; but the fact of the matter is that the Illinois Central Railroad was pressing its claim successfully against the Mexican Government when the United States Government entered the picture and said, "No; we will handle it for you; you forego whatever claim you have against the Mexican Government individually and we will then handle it for you." The Government of the United States forced the Illinois Central Railroad Co. to act under the treaty signed by the Government. So why should not, at least morally, the United States Government pay the Illinois Central's claim, which has been adjudicated and proved, inasmuch as the Government forced the Illinois Central Railroad Co. to forego the right to press any claims it may have had as an individual or corporation?

Mr. ADAMS. Just a moment. There is a statement of fact which the Senator from New Mexico makes which I am unable to verify. The Mexican Government, had it seen fit, could have paid the Illinois Central Railroad Co. The United States Government has not prevented the Mexican Government from paying the Illinois Central Railroad. The Illinois Central Railroad may have been progressing in the collection of its claim, but it had not succeeded in making the collection. Now, the United States Government made a demand upon Mexico. Following a period of turbulent years, American citizens had claims against the Republic of Mexico which the Republic of Mexico refused to recognize. Diplomatic relations had been severed. The United States Government made it a condition to the resumption of diplomatic relations that the Mexican Government consent to the appointment of a claims commission. The appointment of such a claims commission to adjudicate the claims was a condition upon which this Government agreed to resume diplomatic relations. Two claims conventions were established. In Mexico a period of revolutionary activities occurred, in one of which, for example, the invasion of New Mexico at Columbus took place. The claims thus arising were taken care of by a special claims commission. The claims involved in this proposed legislation go back to 1864, and from then on, and are covered by a general claims convention, excepting the damages caused by revolution.

The Special Claims Commission made its awards, but it was never suggested that the United States Government should underwrite or guarantee the awards of the Special Claims Commission. Those claims are merely being paid in installments. But the general claims convention's awards, for some reason or other, are singled out, and the United States Government is sought to be made a guarantor and underwriter of that group of claims stringing back for a period of 65 years.

Mr. President, if this proposed legislation should be passed, it would mean the establishment of a precedent which would be tremendously expensive. The Government of the United States has expended $3,425,000 in the prosecution of these claims in behalf of its citizens. In other words, the Federal Government undertook on behalf of its citizens the prosecution of the claims, and 18 different appropriations were made by Congress to carry on the prosecution of these claims on behalf of American citizens. If, as a result of the Government of the United States endeavoring to help its citizens to collect their claims, the Government becomes obligated to pay the claims, I do not know where the end will be.

Against the Republic of Mexico today are claims aggregating between $300,000,000 and $400,000,000. Within the past few months the Mexican Government has taken over oil wells and lands, for which large sums are claimed. If the American citizens involved are unable to get recourse by their own efforts and ask the Government to help them and the Government seeks to help them, under the principle of this proposed legislation our Government then must put up the three or four hundred million dollars to pay its citizens because it has undertaken to help them.

We have throughout this country hundreds of millions of German marks and billions of dollars of South American bonds. If we write this principle into the law, then whenever our Government seeks to help its citizens, whenever it says to another government, "Let us have a convention to adjudicate these matters," the Federal Government assumes and guarantees the obligations of the foreign government. So it is not a mere matter of two or three million dollars that is involved in this proposed legislation but a far-reaching principle and a great liability.

My interest in this matter arose because, as a member of the Appropriations Committee, if the authorization bill passes, the appropriation must come through that committee, and it seemed to me that I ought, having taken occasion to study it, to give to the Senate some of the views which I have entertained.

Prior to entering into this convention there certainly was no obligation on the part of the United States Government as to these claims. No one can maintain that the United States is primarily liable. What, then, is in the terms of the convention to impose a liability? I say to the Senator there is nothing in the terms of the convention to impose this liability.

It is said in the report of the committee that there is a precedent for this bill. I say to the Senate there is no precedent for it in all the claims conventions of this country, and I have gone through most of them.

The committee refers particularly, I think, to the Mexican Claims Convention of 1839. It seems that beginning back in 1828 claims arose against the Mexican Government. The citizen could not get any recourse. He appealed to the Government, and the Government at that time insisted upon the establishment of a claims convention and a commission, just such as was established here, for the purpose of adjudicating the claims. The United States Government did not assume the claims. The Mexican Government delayed any adjudication, and continually postponed the matter. The Mexican War came on. After the Mexican War, as a condition of the cession of the great areas of land in the western part of this country, including the land upon which my own house stands, that land was ceded to the United States, and two conditions were exacted: One, the payment of a cash sum of $15,000,000; the other, the assumption by the United States of the adjudicated claims. That is, the payment of the claims at that time was a consideration for the Mexican cession and was not in any way involved in the convention articles.

The other articles of convention do not differ in substance from the one I have just described.

The claims convention of 1864 was similar. Never was it contended then that the United States had obligated itself by its efforts on behalf of the citizens.

As I say, the claims before this special claims convention are merely in process of settlement. I think something like $500,000 a year is being paid. The adjudications have been made under the general claims convention. The Mexican Government has not paid; but the Secretary of State and those speaking for him have said that we are continually

seeking to arrive at some understanding with the Mexican Government by which we can reach an adjudication and a payment in some form of the claims.

Mr. CHAVEZ. Mr. President——

Mr. ADAMS. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I fully understand the technicalities about which the Senator from Colorado is talking; but, as a practical matter, every one of the claimants under this bill, with the exception of the Illinois Central Railroad, is a small claimant. An American citizen having a claim of a mere $50 can be protected by the American Government. There is not a single claim here which amounts to as much as a thousand dollars, with the exception of the claim of the Illinois Central Railroad or those connected with it. But here are a few American citizens whose claims have been adjudicated by the Commission, and have been determined to be valid claims; certain valid claims by the Mexican Government against us have also been adjudicated; and it is contended that we cannot advance $50 to the poor citizen who has that amount coming to him from the Mexican Government, on account of the technicality that it was not included in the convention.

I do not think that is quite correct. I believe we still have a moral obligation to take care of the $50 man, so that he may not have to wait 50 or 60 years until Uncle Sam and the Mexican Government get ready to pay all the claims.

Mr. ADAMS. Mr. President, I do not regard it a technicality to suggest that the United States Government is not obligated to pay the claims of the Mexican Government. To me, that is basic and fundamental. It is not a technicality. The technicality, if there be one, is an effort to deduce from an instrument an obligation which is not there; to say that because the United States Government undertook to help its citizens, because it entered into a treaty stipulation, and because the matter was not expedited, therefore the United States Government is under a moral obligation. If there is technicality it is in that argument, not in the argument that the Federal Government should not assume the obligations of foreign governments.

If the United States Government is to pay all the claims of private citizens, it is not necessary to have it take care of claims due from the Mexican Government. If we are going to pay everybody's debts, we had better begin to pay the debts of people at home, rather than to go off and pay the debts of the Mexican Government.

Mr. CHAVEZ. Mr. President, will the Senator further yield?

Mr. ADAMS. Certainly.

Mr. CHAVEZ. Under the provisions of the bill, it is not contemplated that the American Government shall pay the obligations of the Mexican Government. All that the American Government would do would be to advance this money, and set it off against the claims the Mexican Government has against the United States.

Mr. ADAMS. I am unable to grasp that conception of the situation. Here is an adjudication by a commission to the effect that some two or three million dollars are due from the Mexican Government, and that a certain amount, say, three or four hundred thousand dollars, is due from citizens of the United States to citizens of Mexico. The treaty naturally contains the common clause—not an unusual clause—that as the Government is representing its citizens in the matter, there shall be the offset that exists in every adjudication, and that the Mexican Government shall be required to pay only the balance due to our citizens after deducting the amount due to its citizens. The treaty imposes upon our Government a difficult task in making collections and taking care of the amount that is deducted; but the balance that is due from Mexico certainly should be paid by the Mexican Government.

Mr. WILEY. Mr. President——

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Colorado yield to the Senator from Wisconsin?

Mr. ADAMS. I yield.

Mr. WILEY. I am not acquainted with the facts of this matter except as I have heard them related on the floor of the Senate; but, as I understand the Senator from Colorado, the situation is subtsantially this: Our Government got into this picture by taking the part of its citizens to see that their claims were adjudicated, and our Government went further and paid the cost of the adjudication. Is that true?

Mr. ADAMS. Yes; and the cost was over three and a half million dollars.

Mr. WILEY. And nothing was said or done which would indicate that our Government intended to take over those claims and pay its citizens for them?

Mr. ADAMS. Nothing whatever, with all due respect to the distinguished Senator from Texas.

Mr. HATCH and Mr. SHEPPARD addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Colorado yield; and if so, to whom?

Mr. ADAMS. I yield first to the Senator from New Mexico.

Mr. HATCH. Mr. President, I desire to ask the Senator from Colorado a question suggested by the question propounded by my colleague [Mr. CHAVEZ] a moment ago. I think I can clarify the situation somewhat.

My colleague said it is not contemplated that our Government shall pay the claims of the Mexican Government. I think he is entirely correct, in that the bill proposes, as I understand, that our Government shall pay to our own citizens money equal to the amount of their claims, and shall take over those claims from the citizens. Our Government purchases from me, in other words, the claim which I have against the Mexican Government, and our Government then collects that claim and reimburses itself, and no loss is sustained anywhere. Is that correct or not?

Mr. ADAMS. No; I think not. I do not understand the term that we "purchase" the claim. Because of the difficulty, the United States Government acted as an intermediary. Here are some 850 claims. The Government undertook to create a commission, to pay its expenses, and to provide it with attorneys, in order that the claims might be presented. The Federal Government footed the cost of presenting the claims of its citizens to the joint commission; but the Federal Government owns none of the claims, bought none of the claims, is entitled as a government to none of the proceeds, and made no effort to deduct the cost of the proceedings from any amount that might come from the collection.

Mr. HATCH. Mr. President, will the Senator further yield?

Mr. ADAMS. Certainly.

Mr. HATCH. I understand the position of the Senator from Colorado; but the point I desire to make is this: It is constantly said that in this bill we are paying the claims of the Mexican Government. That means that if we pay a claim, it is extinguished; it is gone forever.

Mr. ADAMS. Correct.

Mr. HATCH. Does this bill have that effect?

Mr. ADAMS. Yes. When a claimant submits a claim to the Commission and agrees to abide by the adjudication, in other words, this is an international matter If a citizen of the United States filed a claim with the Commission, being his claim against a Mexican citizen or against the Mexican Government, and the Commission awarded him $9,000, as a matter of international law he was obligated, he was bound by that adjudication. His claim was submitted to the tribunal set up to adjudicate the claim.

Mr. HATCH. Very well. Under this bill that claim of $9,000 has been allowed, but is not paid. It is an obligation of the Mexican Government to the American citizen in the amount of $9,000. Under this bill, if it passes, the Federal Government pays our citizen $9,000. The American citizen has his $9,000. Where is the claim after that?

Mr. ADAMS. The claim is paid.

Mr. HATCH. The Mexican Government would not owe it?

Mr. ADAMS. The claim is paid. If our Government steps in and pays the claim, it pays it as a volunteer. It has no

assignment of the claim. It is not subrogated in any way to the claimant. As a matter of law, it simply has stepped in as a volunteer and paid the claim, and the claim is ended.

Mr. HATCH. I should like to have that question cleared up in my own mind. Will the Senator from Colorado permit me to ask the Senator from Texas if that is his understanding of the situation? Would the claim be extinguished, and would our Government have no claim on the Mexican Government for it?

Mr. SHEPPARD. Mr. President, I do not understand that to be the case at all.

Mr. HATCH. Is it the thought of the Senator from Texas that our Government would take over the claim as an individual, and would reimburse itself from collections from the Mexican Government?

Mr. SHEPPARD. Yes; the treaty itself requires each government to pay its own nationals the sums awarded them by the commission against the other government.

Mr. ADAMS. Wait a minute. The Senator is inaccurate in his wording. He said the convention involves the Government's obligation to pay the amounts awarded. Will he point that out in the convention?

Mr. SHEPPARD. Let me read what the committee says.

Mr. ADAMS. No; in the convention. I should like to have the Senator point it out in the convention, the instrument.

Mr. SHEPPARD. I have not the convention at hand, but I will get it and read it in a few minutes.

Mr. HATCH. I should like to ask one more question. Does the Senator from Colorado say that the principle of subrogation would not apply?

Mr. ADAMS. I should think not. We are not dealing with private individuals. If the Senator owed some money to the Senator from Texas, and I went to the Senator from Texas and said, "I want to work this thing out, and I am going to pay the debts of the Senator from New Mexico," the debt would be paid, but I would not be in any way subrogated.

Mr. HATCH. I quite understand the theory of law, and the Senator is correct that a mere volunteer would not be entitled to reimbursement. But I do not look on the pending proposal as that kind of a case, and I am merely trying to clear it up in my own mind whether or not our Government could reimburse itself from the Mexican Government.

Mr. ADAMS. I doubt it very much. But assuming it can make the collection, it does not in any way vary the principle that this Government ought not in the first instance to pay the debts of the Mexican Government and trust to its opportunity to collect.

Mr. HATCH. I will not interrupt the Senator further.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. WILEY. Assuming that there was an actual subrogation, I am greatly interested in ascertaining whether or not, if we should do what is contemplated, we would not establish a precedent which might involve us in paying the so-called obligations of the Mexican Government to the oil companies, amounting to two or three hundred million dollars.

Mr. ADAMS. I think that would be a logical conclusion from the principle we would be laying down.

Mr. CHAVEZ. Have any of those claims been adjudicated?

Mr. ADAMS. No; but we would have another claims convention. We have had claims conventions with the Republic of Mexico since 1839. The 1839 claims convention continued in existence until 1864, and then another runs on from there. Prior to the introduction of the pending legislation no one ever contended that any of those claims conventions imposed an obligation upon the United States to pay the debts of the other foreign government. We have had claims conventions with 20 or 25 other nations, and such a contention has not been made in a single instance.

As I have said, there was a somewhat similar claims commission in 1839, operating under similar provisions, and no such contention was made. Two Presidents denounced the Mexican Government for its refusal to live up to the awards and pay American citizens, and one of the grounds alleged by President Polk for a declaration of war against the Republic of Mexico was that the Mexican Government had not met its obligations as established under the claims convention of 1839, similar to the one now in question. Never was it contended that an obligation fell upon this Government to pay the awards and look for collection to the Government of Mexico.

Mr. President, I give an illustration of these items. I wonder if Senators realize in what percentage of the claims filed there was agreement with this Government as to the amount to be paid. Formerly there was settlement with the Mexican Government for 2.65 percentage of the claims filed. We are asking that a hundred percent be paid in this case. In the special claims convention dealing with claims originating between 1910 and 1920, during the insurrectionary period, claims were filed on behalf of citizens, many of whom were living within the borders of the United States, and their losses were due to an invasion from the other side. The claims were scaled down in the aggregate until the amount paid by Mexico was 2.65 percent. That is a larger percentage than was paid upon the claims under the claims convention of 1864, and is a larger percentage than was paid under the claims convention of 1839.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. ADAMS. Before I yield, I wish to make it clear that I am speaking of the claims filed, not of the claims allowed. In the special Mexican claims convention entered into within a day of the time this one was entered into, this Government and the Mexican Government agreed finally upon a fixed sum of money, and the United States undertook to settle all of the claims adjudicated, but to do so with the sum of money that was given; and the statute passed by the Congress provided that if the sum of money received from Mexico would not pay the claims in full, they should be scaled down pro rata. So that those claims were not paid in full. The Federal Government did not assume in that instance to guarantee the claims, but merely to divide the money to be received from the Mexican Government, an agreement in the sum of $5,000,000, and some $500,000 is being paid every year. So it will be a number of years before the claims are paid in full.

I now yield to the Senator from New Mexico.

Mr. HATCH. I think the Senator has covered the point I had in mind.

Mr. ADAMS. As a sample of these claims, under the convention of July 4, 1868, the claims filed by United States citizens aggregated $470,000,000, which merely illustrates the extent to which claims exist. The awards amounted to $4,125,000, and Mexico paid $3,865,000.

I shall not detain the Senate longer. There are many things in connection with this matter, such as the details of the various claims conventions, which I might outline, but I wish merely to say that there is no precedent in American history for such an assumption of liability. Other claims conventions were identical with this one, with a slight verbal difference, and the contention was not made in those cases, and it would not have been justified in those cases.

Mr. President, it seems to me that the Senate and the Congress would do a most unwise and a most expensive thing if they assumed either a moral or a legal obligation to pay claims merely because the Government undertook, as the representative of its citizens, to seek to collect for them that which they could not collect for themselves.

Mr. AUSTIN. Mr. President, I am interested in having the great Government of the United States deal justly. I would rather have my Government just than beneficent.

I have observed here on numerous occasions a willingness to pass over lightly, sometimes almost frivolously, legal obligations of the Government and to find great fault because finally interest has to be paid by the Government in large amounts when the Government, which ought to have paid long before, is ultimately forced in one way or another to meet its legal, just obligations.

I have no interest in the Mexican claims because they are claims of one country or another country originally, and my attention was called to this matter most accidentally. I

happened to be acting as floor leader for the minority when the pending bill came up at the last session, on May 11, 1938, and I objected to its consideration because I held views respecting it similar to those of the Senator from Colorado [Mr. ADAMS]. Those views were very superficial. They were gained only from an inspection of the bill and the report of the committee. The bill went over on my objection.

From a sense of justice to those who called on me to point out that I had caused something wrong and unjust to occur, I undertook a thorough study of the circumstances, and came to the conclusion that a legal obligation rests on the United States Government for the payment of the claims which have been passed upon and allowed by the Commission.

Mr. President, it makes no difference whether the obligation of the United States is created by an express promise or whether it is created by an implied promise. One obligation is exactly as binding as the other. It may not have effect morally, although it ought always to have effect morally, but, so far as the status of my Government is concerned, as one which pays its obligations, it is, of course, an axiom that an obligation created by an implied promise is exactly as binding as one created by an express promise.

Consider the situation of these claims. The claimants had a right to pursue their own private remedy. The laws of Mexico gave such a right. The laws of the United States gave that right. International law recognized it, and the comity between nations enabled the citizens to pursue private remedies to such success as they might be able to obtain by their own efforts. This was the situation that surrounded these claims. There was trouble on the border. We were losing customs receipts. The United States Government was interested to quell those disturbances on the border and to regain the income from customs receipts. We were maintaining armed forces on the border, and that cost our Government money, and the Government of the United States therefore had a consideration in negotiating a treaty with Mexico.

More than that, there was unrest, and there was danger to the people who lived near the border, and the citizens of the United States had a vital interest involved in the treaty, which ultimately was made in 1923, and which provided for the settlement of these claims on both sides of the line.

Now, consider the kind of promise, the character of promise that was contained in the treaty itself. It was a promise to take over for the citizen the business of proving his claim. In order for the citizen to get this benefit from the Federal Government, and to enable the Federal Government to have the right to compose the differences between the nationals of the two countries and the two countries themselves, there had to be something yielded on the part of the citizen. He had to give up his private power. He had to give up his human right of collecting his debts, of preserving his property, of saving that which belongs to him, and had to turn it over to his Government, and his Government had to give up something on its part, and that was immunity from liability. His Government did give that up, and said to the citizen, "We will look after your claims within 3 years. You can trust this great Government. Turn over to us all your private rights, and we will enforce them for you. We will create a commission by which these debts shall be proved or disallowed." The citizen had to give up his privilege, and the Government had to give up its immunity, and the Government thereby impliedly said to the citizen, "We will look after the establishment of your claims within 3 years."

With respect to the promise as to the manner in which the claims should be considered and allowed and paid, I call the Senate's attention to a portion of article IX of the treaty, reading as follows:

> The total amount awarded in all the cases decided in favor of the citizens of one country shall be deducted from the total amount awarded to the citizens of the other country and the balance shall be paid at Washington or at the city of Mexico, in gold coin or its equivalent to the government of the country in favor of whose citizens the greater amount may have been awarded.

Further on in article IX appeared a provision with respect to the election between the methods of payment to the citizen, the claimant, of the amount awarded. It is as follows:

> In any case the Commission may decide that international law, justice, and equity require that a property or right be restored to the claimant in addition to the amount awarded in any such case for all loss or damage sustained prior to the restitution. In any case where the Commission so decides the restitution of the property or right shall be made by the Government affected after such decision has been made, as hereinbelow provided.

Those are rather peremptory words contained in this contract between these high contracting parties for the benefit of these claimants. And this is what is "hereinbelow provided":

> The Commission, however, shall at the same time determine the value of the property or right decreed to be restored and the Government affected may elect to pay the amount so fixed after the decision is made rather than to restore the property or right to the claimant.

Notice the election was there, that is, the election by the Government as between restoring the property itself, that is, payment in kind, or paying the cash to the citizens. Did the United States contemplate paying these claimants, or did it not?

> In the event the government affected should elect to pay the amount fixed as the value of the property or right decreed to be restored, it is agreed that notice thereof will be filed with the Commission within 30 days after the decision, and that the amount fixed as the value of the property or right shall be paid immediately.

Is not that the language of an obligation? To be sure it says "this condition and that condition may change the manner of payment," but if the Government elects as between payment in kind and payment in cash, and elects to pay in cash, it shall pay immediately after the expiration of this 30-day notice. And, of course, the 30 days have long since elapsed.

I have not before me the original treaty. The matter came up very suddenly today, and with such notice as I had I was able only to pick up the record and some other things which were near at hand. I tried to obtain the treaty itself so that other terms of the treaty might be referred to. I see a copy of the treaty in the hands of the chairman of the Committee on Military Affairs, and he can doubtless refer to that point. Certainly the treaty by its general terms creates a novation of parties, for it says that in consideration of the promise by Mexico to pay its nationals the debts owed by the United States to the nationals of Mexico, the United States undertakes to pay the debts which Mexico owes to the nationals of the United States, and if that promise is accepted by the claimant, and the claimant gives up all his private and other rights of collection, thereupon a novation of parties occurs.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. ADAMS. I will say to the Senator that I have the treaty before me. I shall be glad to submit it to the Senator. I do not believe there is such a provision in the treaty as the Senator seems to recall.

Mr. AUSTIN. I thank the Senator. I shall be glad to see the treaty. I cannot read it and talk at the same time.

Mr. ADAMS. I think it would be a very good thing for the Senator to read the treaty.

Mr. AUSTIN. If it is the design of the Senator from Colorado to make me read it rather than talk, I shall ask to be excused from reading it just now.

Mr. HATCH. Does the Senator desire to glance at the treaty for a moment?

Mr. AUSTIN. I think I will first finish what I have to say.

I started on the theory, and I intend to finish on the theory, that it does not require an express promise in the treaty to create the obligation. All that I have already referred to, the circumstances of surrender of right by the citizen, the obligation to consider and decide the claims within 3 years, the obligation to pay immediately after the 30-day notice if the Government elects to pay in cash, and the failure to pay, the entire and complete injury to the complainant if the Government does not pay—all these

circumstances, when considered in the light of the fact that the United States of America has had the benefits resulting from obtaining a treaty with Mexico which composed the trouble on the border, and enabled this Government to relieve itself of the cost of maintaining armed forces there and to resume the collection of customs duties, imply irresistibly an obligation on the Government to pay these claims.

It is not a matter of benevolence; it is not a matter of relief. It is a matter of common honesty. If the Congress now authorizes the appropriation of the funds to pay these debts, the United States is not made a volunteer to pay the debts of another. It is but performing an obligation which is legal and binding, and is just as effective as though the Government had said, in so many words, "I promise to pay the amount on demand."

Mr. WILEY. Mr. President——

Mr. AUSTIN. Three years having elapsed, the Government having concluded its hearings, and the 30 days having gone by since the Commission decided the claims, I say that under all the circumstances it is but justice for us to pay the debt. It is that payment for which I stand, and not the payment of an obligation newly incurred. There would not be any consideration today for a promise to pay such a debt. The consideration for the promise existed when the trouble was occurring on the border, and when the promiser was to obtain from the creditors something of value which it wanted and which it obtained.

I yield to the Senator from Wisconsin.

Mr. WILEY. Mr. President, I have listened with much interest to the able argument of the Senator. As I stated to the Senator from Colorado [Mr. ADAMS], I am interested in trying to ascertain whether or not it is the Senator's opinion that the enactment of the bill would establish a precedent. Does the Senator think that the obligation arises solely from the circumstances and from the convention itself?

The Senator from Colorado said there was no distinction between this convention or treaty and previous treaties in our history, and that no precedent grew out of those treaties from which it could be inferred that there was a Government obligation to take over, by subrogation or otherwise, the rights of the citizen.

Do I make myself clear?

Mr. AUSTIN. Certainly; quite clear.

Mr. President, we shall create a precedent. Perhaps such a precedent exists; but if it does not, we shall now create one by paying our legal debts, although they rest upon an implied promise rather than an express one. I think the United States of America cannot afford to repudiate its debts.

Mr. WILEY. I think perhaps I have not made myself clear. I agree with the able Senator that we should, of course, pay any obligation which the Government owes. The precedent I had in mind is that if at this time we set a precedent by taking over, by subrogation or otherwise, the debts of the individual citizen, we shall thus open the gates so that the next thing we know the oil companies of this country will claim that we should do likewise with respect to them.

In these days we are told that we should keep our nose out of international affairs. If we acquire, by subrogation or by any other method under this treaty, rights against the Republic of Mexico, we shall be again meddling with international affairs.

Mr. AUSTIN. Mr. President——

Mr. WILEY. Let me make myself clear. Does the Senator think that under the treaty or convention an obligation arises for us to take over such debts? If it does, then the precedent is already made by the treaty. But if there is no precedent, then we make a precedent which may open up the gates, and we know not where we shall go.

Mr. AUSTIN. Mr. President, I fear my statement has been confusing rather than enlightening, because the question just asked implies the opposite of what I have been asserting.

I have asserted time and again that we are not taking over the debts of another country; that we are dealing with the authorization of money to pay our own debt. I tried to explain how it became our debt. I say it became our debt upon full consideration being given up or forborne by the creditor. That consideration is just as good as if he had paid it in cash. He obtained the obligation of this Government to pay him by surrendering all the rights he had to collect his own debt and submitting himself to the justice of his Government. It is no longer the debt of Mexico so far as the citizen claimant is concerned. The claimant cannot now look to Mexico. The claimant looks only to the United States; and he looks to the United States because of the treaty, because of the commission which established his debt, and also because of the important consideration which the Government received, in general, through the withdrawal of armed forces, the opportunity to resume collection of customs, and all the other things.

If that situation creates a precedent, very well. It is a good precedent. I am for good precedents.

As for our nose, I am not worried about our nose. I think there is too much of a bugbear in Congress at the present time about the United States having its nose in other people's affairs. That is a lovely simile; but the United States has pretty well taken care of itself, and will continue to do so. If the United States remains, as it always has been, honorable and just with its neighbors, and fair as between belligerents, it will not get into war over anybody else's controversy. I expect it permanently to maintain that position. However, the United States of America must always be honest, fair, and just with its own nationals, its own citizens. That is the principle for which I am fighting.

I know none of these claimants. I know nothing about the merits of the claims. I look at this legislation as calling upon Congress to do only what it is obliged to do in law.

Mr. HATCH. Mr. President, I desire to speak for only a moment on one point. During the discussion the point was brought up, not so much by anything that has been directly said but by the implications, that the bill involves the payment by this country of the debts of another country. I desire to speak for just a moment on that point.

When we talk about our Government paying the debts of some other government, even to our own citizens, naturally a feeling of prejudice and opposition is aroused. None of us feel that this Government should pay the debts of another government; for payment of a debt means the extinguishment of the obligation. Those words are now being used.

I asked the Senator from Colorado [Mr. ADAMS] and also the Senator from Texas [Mr. SHEPPARD] what would be the effect if, under the pending bill, our Government should pay these claims. Would the Mexican Government be relieved from responsibility? If so, of course, it would be payment of the debt of another country. However, from an examination of the bill itself, I find there is no doubt on the question. The bill itself is plain and complete on that subject.

The concluding part of the bill says:

> and the payment of any award or appraisal under this act shall not be construed as the satisfaction, in whole or in part, of any such award or appraisal, or as extinguishing or diminishing the liability of the United Mexican States for the satisfaction in full of such awards and appraisals, but shall be considered only as an advance by the United States until all of said awards and appraisals have been paid off and satisfied in full to the United States by the United Mexican States.

Mr. President, it would be impossible to write language in any simpler terms, or to make the meaning any more clear. It is just as definite and certain as language can be made that the passage of the bill does not pay the debts of the Mexican Republic in any sense whatever. The bill involves only an advance by our Government to our own citizens, and our Government elects to claim from the Mexican Government.

In short, Mr. President, that is the sum and substance of the whole matter.

Mr. SHEPPARD. Mr. President, the Senator from New Mexico has correctly quoted from the language of the bill to the effect that the bill itself does not provide that payment to American claimants by our Government shall extinguish the debt so far as Mexico is concerned. Our Government has the right under the bill to collect the amounts of the awards from the Mexican Government.

I have before me now the treaty itself. Article 9 thereof, first paragraph, reads as follows:

The total amount awarded in all the cases decided in favor of the citizens of one country shall be deducted from the total amount awarded to the citizens of the other country and the balance shall be paid at Washington or at the city of Mexico, in gold coin or its equivalent to the government of the country in favor of whose citizens the greater amount may have been awarded.

Mr. President, this language can mean nothing less than that each government pays its own nationals the amount awarded by the Commission.

I desire to read from a letter from the Undersecretary of State to me on November 7, 1929, quoting that language and saying—

It will be noted from the foregoing that it is contemplated that each government shall settle with its own citizens, in respect of awards made by the commission.

Let me read from the report of the Foreign Relations Committee as follows:

The effect of these provisions of the convention was to compel the citizen to turn his claim over to the Government for presentation to the Commission to keep the claim from becoming barred or noncollectible; and such turning of the claim over to the Government involved, as held by the Commission in the case of William Parker, Commission Docket 127, the surrender by the citizen of all right of control over the claim and vesting in the Government the absolute and exclusive right to control it, and to "exercise an untrammeled discretion in determining when and how the claim shall be presented and pressed, or withdrawn or compromised, and the private owner would be bound by the action taken."

If any precedent is created—responding now to the question of the Senator from Wisconsin [Mr. WILEY]—it is created by the provisions of the treaty itself, and relates only to the special circumstances covered by that treaty.

Mr. ADAMS. Mr. President, I wish to read a little more carefully, to the Senator from Texas and to the Senate, section 9 of the treaty which he quoted. It says:

The total amount awarded in all the cases decided in favor of the citizens of one country shall be deducted from the total amount awarded to the citizens of the other country and the balance shall be paid at Washington or at the city of Mexico, in gold coin or its equivalent to the government—

"To the government"—

of the country in favor of whose citizens the greater amount shall have been awarded.

In other words, the greater amount having been awarded to citizens of the United States under this provision, the obligation rests upon the Republic of Mexico to pay the money in Washington, not that payment shall be made by the Government at Washington of the awards but it is specifically provided that the Mexican Government shall pay the awards.

A sentence was read from the Undersecretary of State which fits in entirely with the idea that the obligation rests upon the United States Government to distribute the money among the citizens which the Mexican Government pays to it at the city of Washington in gold coin in accordance with article 9 of the treaty.

Mr. SHEPPARD. Then, why does the treaty use the word "balance"? How could there be "a balance" unless payments had been made by both Governments to their own nationals and then the two amounts compared?

Mr. ADAMS. I do not believe that is a very intricate question. This is merely an ordinary set-off situation. Using merely assumed figures, here are $500,000 awarded to citizens of Mexico as against citizens of the United States and $3,000,000 awarded to citizens of the United States against citizens of Mexico. The difference or balance is $2,500,000. So, instead of going through the process of one country paying $500,000 and the other country paying $2,500,000, the transaction is made as private individuals would make it. If, for instance, the Senator from Texas and I have counterclaims and it is found that he owes me $500 and I owe him a thousand dollars, we do not go through the process of my paying him a thousand dollars and then he paying me $500. The ordinary, simple, normal, legal, and practical method is that I pay him the difference. That is all that is meant, and that is a common thing in treaty after treaty with the other governments of the world. In these matters they are representing their nationals; they deal with each other as the representative of their nationals, and they use the set-off principle with which we are all familiar, at least, those of us who are lawyers.

Mr. SHEPPARD. That is as between the Governments after each Government has paid its own citizens. There could not be any balance struck and paid unless the Governments had paid something to their citizens.

Mr. ADAMS. I do not think the Senator can justify that. Let me read the language again:

The total amount awarded in all the cases decided in favor of the citizens of one country shall be deducted—

From what?—

from the total amount awarded to the citizens of the other country.

Not the amount paid but "the total amount awarded."

And the balance—

That is, the balance after the deduction of any amount awarded and not the amount paid—

shall be paid at Washington or at the City of Mexico, in gold coin or its equivalent to the Government of the country in favor of whose citizens the greater amount may have been awarded.

Mr. SHEPPARD. If only balance between aggregates were paid, what would become of the citizens whose claims formed the aggregates that made the balance possible?

Mr. CHAVEZ. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from New Mexico?

Mr. ADAMS. I yield.

Mr. CHAVEZ. I have a different idea altogether about this particular bill, and I believe the Senator from Colorado does not quite comprehend the provisions of the measure. We understand everything about the treaty. The convention made the adjudications.

It seems to be the consensus of opinion of Senators that we should protect American citizens. This bill has only one purpose, and that is the protection of American citizens and the payment of their claims before they die, not leaving them for their grandchildren to collect. If we are going to depend upon the Mexican Government and the American Government to settle their difficulties, then the great grandchildren of the present claimants will be collecting all these claims.

The claims have been approved by the Mexican Government and the claims have been approved by the American Government. These are American citizens whom we want paid, not Mexican citizens; these are American citizens whose claims have been approved by the Commission composed of Mexicans and Americans; and all we ask by the provisions of this bill is not to forego any rights that we may have ever had but to tell these poor people who have for 27, and, perhaps, 30 years, been waiting for $50 that the great Government of the United States will protect its citizens; and so it says, "We are going to give you your $50, and, then, we are going to get it back from the Mexican Government." That is all the bill proposes to do.

Mr. ADAMS. We can reduce it to something besides the $50 man. The Illinois Central Railroad Co. holds a claim for more than two-thirds of the total amount. At its own instance voluntarily it sold rolling stock to the Mexican Government and took its own chances, and now says, the Mexican Government not having paid, the United States Government should pay.

We are told that the railroad could have collected the amount. They did not collect it after many years, and they could not have collected it, but they made use of the tribunal. I do not think the statement can be substantiated that they were compelled to submit their claim to the tribunal. As a matter of fact, the only claims that were barred by the action were those which were submitted, and had the Illinois Central Railroad seen fit to hold out its claim and look to its private efforts there was nothing to prevent the Illinois Central Rail-

road from doing that. But, having made the sale, and not having been paid, we are asked that the Federal Government pay the Illinois Central Railroad for its locomotives.

Mr. AUSTIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Vermont?

Mr. ADAMS. I yield.

Mr. AUSTIN. Mr. President, the argument just made by the Senator from Colorado——

Mr. ADAMS. I was merely laying a foundation.

Mr. AUSTIN. I thank the Senator from Colorado for laying a foundation, and for calling attention to a portion of the treaty which I did not have before me when addressing the Senate earlier. I think the Senator's remarks about the size of the claim of one claimant are very impressive with respect to the consideration that all the claimants surrendered to the Government for the obligation of the Government to pay the debt.

Examine the words of the treaty with respect to what this very large creditor gave up. I say that, by the terms of this treaty, whether he presented his claim or did not present his claim, he was barred. Let me read this clause from article 8 on page 7.

> The high contracting parties agree to consider the decision of the Commission as final and conclusive upon each claim decided, and to give full effect to such decisions.

What is meant by the words "to give full effect to such decisions"?

> They further agree to consider the result of the proceedings of the Commission as a full, perfect, and final settlement of every such claim upon either government, for loss or damage sustained prior to the exchange of the ratifications of the present convention (except as to claims arising from revolutionary disturbances and referred to in the preamble hereof).

Mr. President, note that the words I am about to read show how completely deprived of its private rights that great claimant was after this convention was entered into. Of course, the larger the claim the more clear the logic is.

I continue the reading:

> And they further agree that every such claim, whether or not filed and presented to the notice of, made, preferred, or submitted to such Commission shall from and after the conclusion of the proceedings of the Commission be considered and treated as fully settled, barred, and thenceforth inadmissible, provided the claim filed has been heard and decided.

After the claims to which this bill refers have been heard and decided, their rights are ended unless the Federal Government carries through to the logical conclusion, and, as I say, to the just conclusion, this treaty.

Mr. ADAMS. Mr. President, some emphasis ought to be put on the last line of the quotation, which deals with the barring of claims, which says they are barred "provided the claim filed has been heard and decided." In other words, the treaty does not bar claims unless they were heard and decided—a perfectly sound conclusion.

Now just a word or two as to the attitude of the Government in reference to this matter.

The Secretary of State on January 12, 1939, wrote to the President—and he was referring to these general claims—and said:

> Final adjustment of these claims has not yet been effected, but this matter continues to receive this Department's attention.

In other words, the Department of State is still making efforts to collect the claims.

In the act of August 25, 1937, dealing particularly with the special claims, but also touching the others, it is recited that "the two Governments have undertaken * * * to conclude a convention"—that is, an additional convention—"for the final disposition of the claim pending before the said Commission." In other words, the Congress and the Department of State have both recognized that these matters have not been settled, and they were suggesting that a protocol was about to be entered into in order to provide for a lump sum to settle them, as was done in the case of the special claims.

Mr. CHAVEZ. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from New Mexico?

Mr. ADAMS. I do.

Mr. CHAVEZ. So far as the 24 claims contained in this particular bill are concerned, they have been heard and decided. The Secretary of State, in the statement just quoted by the Senator from Colorado, was referring to the ones that have not been heard and decided; but these particular ones are through. The only question is whether or not they shall be paid. No future convention, no future agreement, no future hearings will have anything to do with the particular claims that have been heard and decided. Those are the only ones involved in this particular legislation.

Mr. ADAMS. Mr. President, in the lump-sum agreement in reference to the special claims, which was to be followed in this instance, that was not the procedure. The United States took all the claims that had been adjudicated and then discussed the balance, and entered into an agreement with Mexico that Mexico should pay a lump sum to the United States, and that from that sum the United States should take care of, as it saw proper, both the claims that had been adjudicated and those that had not been adjudicated; and the Secretary of State says they have under consideration reaching a similar agreement as to claims which have been before the General Claims Convention.

So I say this is a matter which has not been settled. In the length of time it has run, this convention does not differ from other Mexican claims conventions. The Mexican Government has always delayed in paying claims against it. These awards are against the Mexican Government. The Mexican Government has not seen fit to pay them. Because the Mexican Government is delaying in paying its debts—it is much more prompt in reaching out and taking the property of citizens of other countries than it is in paying for it—it is proposed that we should step in, assume responsibility for whatever the Mexican Government may have done, and rely upon the United States Government to make collections for its own generosity to its citizens.

Mr. President, there is no obligation legally. There is no obligation morally. If the Senate of the United States wants to vote to give to private claimants against the Mexican Government three or four million dollars, the Senate may take the responsibility for it; but, in my judgment, it is impossible to deduce from the terms of the convention or the operations of the Commission an obligation, legal or moral.

Mr. WILEY. Mr. President——

Mr. ADAMS. I yield to the Senator from Wisconsin.

Mr. WILEY. As I understand the position of the distinguished Senator from Colorado, it is, substantially, that the treaty or convention which we are discussing here does not differ in substance from prior treaties or conventions that had to do with arbitrating other claims between citizens of this country and other countries. Is that correct?

Mr. ADAMS. That is correct.

Mr. WILEY. And the Senator takes the position, does he, that this treaty or convention does not establish by its terms a precedent that would create a legal obligation upon the part of the Government to take over these claims?

Mr. ADAMS. I am perfectly clear about that. Of course, I say that with all due humility when I approach gentlemen of greater understanding and experience; but I have no doubt about it.

Mr. WILEY. The reason why I ask that question again is that I think the amount involved here is serious enough, but I think this action may lay the basis for future action that may be very expensive to the Government. I should like to see language in this convention or treaty—and I have not heard it read—which satisfies me that it does not establish such a precedent. If it contains such language, I should feel very happy about it. Otherwise, by our act here we are establishing a precedent that may be very serious in its potentialities to the Government.

Mr. ADAMS. I will say to the Senator that I have read and reread the treaty, and I cannot find in it words of the kind indicated by the Senator. I ask unanimous consent

that the English text of the treaty itself may be incorporated in the RECORD at this point as part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The English text of the treaty is as follows:

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Whereas a Convention between the United States of America and the United Mexican States providing for the amicable settlement and adjustment of claims by the citizens of each country against the other, was concluded and signed by their respective Plenipotentiaries at Washington on the eighth day of September, one thousand nine hundred and twenty-three, the original of which Convention, being in the English and Spanish languages is word for word as follows:

The United States of America and the United Mexican States, desiring to settle and adjust amicably claims by the citizens of each country against the other since the signing on July 4, 1868, of the Claims Convention entered into between the two countries (without including the claims for losses or damages growing out of the revolutionary disturbances in Mexico which form the basis of another and separate Convention), have decided to enter into a Convention with this object, and to this end have nominated as their Plenipotentiaries:

The President of the United States of America:

The Honorables Charles Evans Hughes, Secretary of State of the United States of America, Charles Beecher Warren and John Barton Payne, and

The President of the United Mexican States:

Señor Don Manuel C. Téllez, Chargé d'Affaires ad interim of the United Mexican States at Washington;

Who, after having communicated to each other their respective full powers found to be in due and proper form, have agreed upon the following Articles:

ARTICLE I

All claims (except those arising from acts incident to the recent revolutions) against Mexico of citizens of the United States, whether corporations, companies, associations, partnerships or individuals, for losses or damages suffered by persons or by their properties, and all claims against the United States of America by citizens of Mexico, whether corporations, companies, associations, partnerships or individuals, for losses or damages suffered by persons or by their properties; all claims for losses or damages suffered by citizens of either country by reason of losses or damages suffered by any corporation, company, association or partnership in which such citizens have or have had a substantial and bona fide interest, provided an allotment to the claimant by the corporation, company, association or partnership of his proportion of the loss or damage suffered is presented by the claimant to the Commission hereinafter referred to; and all claims for losses or damages originating from acts of officials or others acting for either Government and resulting in injustice, and which claims may have been presented to either Government for its interposition with the other since the signing of the Claims Convention concluded between the two countries July 4, 1868, and which have remained unsettled, as well as any other such claims which may be filed by either Government within the time hereinafter specified, shall be submitted to a Commission consisting of three members for decision in accordance with the principles of international law, justice and equity.

Such Commission shall be constituted as follows: one member shall be appointed by the President of the United States; one by the President of the United Mexican States; and the third, who shall preside over the Commission, shall be selected by mutual agreement between the two Governments. If the two Governments shall not agree within two months from the exchange of ratifications of this Convention in naming such third member, then he shall be designated by the President of the Permanent Administrative Council of the Permanent Court of Arbitration at The Hague described in Article XLIX of the Convention for the pacific settlement of international disputes concluded at The Hague on October 18, 1907. In case of the death, absence or incapacity of any member of the Commission, or in the event of a member omitting or ceasing to act as such, the same procedure shall be followed for filling the vacancy as was followed in appointing him.

ARTICLE II

The Commissioners so named shall meet at Washington for organization within six months after the exchange of the ratifications of this Convention, and each member of the Commission, before entering upon his duties, shall make and subscribe a solemn declaration stating that he will carefully and impartially examine and decide, according to the best of his judgment and in accordance with the principles of international law, justice and equity, all claims presented for decision, and such declaration shall be entered upon the record of the proceedings of the Commission.

The Commission may fix the time and place of its subsequent meetings, either in the United States or in Mexico as may be convenient, subject always to the special instructions of the two Governments.

ARTICLE III

In general, the Commission shall adopt as the standard for its proceedings the rules of procedure established by the Mixed Claims Commission created under the Claims Convention between the two Governments signed July 4, 1868, in so far as such rules are not in conflict with any provision of this Convention. The Commission, however, shall have authority by the decision of the majority of its members to establish such other rules for its proceedings as may be deemed expedient and necessary, not in conflict with any of the provisions of this Convention.

Each Government may nominate and appoint agents and counsel who will be authorized to present to the Commission, orally or in writing, all the arguments deemed expedient in favor of or against any claim. The agents or counsel of either Government may offer to the Commission any documents, affidavits, interrogatories or other evidence desired in favor of or against any claim and shall have the right to examine witnesses under oath or affirmation before the Commission, in accordance with such rules of procedure as the Commission shall adopt.

The decision of the majority of the members of the Commission shall be the decision of the Commission.

The language in which the proceedings shall be conducted and recorded shall be English or Spanish.

ARTICLE IV

The Commission shall keep an accurate record of the claims and cases submitted, and minutes of its proceedings with the dates thereof. To this end, each Government may appoint a Secretary; these Secretaries shall act as joint Secretaries of the Commission and shall be subject to its instructions. Each Government may also appoint and employ any necessary assistant secretaries and such other assistance as deemed necessary. The Commission may also appoint and employ any persons necessary to assist in the performance of its duties.

ARTICLE V

The High Contracting Parties being desirous of effecting an equitable settlement of the claims of their respective citizens thereby affording them just and adequate compensation for their losses or damages, agree that no claim shall be disallowed or rejected by the Commission by the application of the general principle of international law that the legal remedies must be exhausted as a condition precedent to the validity or allowance of any claim.

ARTICLE VI

Every such claim for loss or damage accruing prior to the signing of this Convention, shall be filed with the Commission within one year from the date of its first meeting, unless in any case reasons for the delay, satisfactory to the majority of the Commissioners, shall be established, and in any such case the period for filing the claim may be extended not to exceed six additional months.

The Commission shall be bound to hear, examine and decide, within three years from the date of its first meeting, all the claims filed, except as hereinafter provided in Article VII.

Four months after the date of the first meeting of the Commissioners, and every four months thereafter, the Commission shall submit to each Government a report setting forth in detail its work to date, including a statement of the claims filed, claims heard and claims decided. The Commission shall be bound to decide any claim heard and examined within six months after the conclusion of the hearing of such claim and to record its decision.

ARTICLE VII

The High Contracting Parties agree that any claim for loss or damage accruing after the signing of this Convention, may be filed by either Government with the Commission at any time during the period fixed in Article VI for the duration of the Commission; and it is agreed between the two Governments that should any such claim or claims be filed with the Commission prior to the termination of said Commission, and not be decided as specified in Article VI, the two Governments will by agreement extend the time within which the Commission may hear, examine and decide such claim or claims so filed for such a period as may be required for the Commission to hear, examine and decide such claim or claims.

ARTICLE VIII

The High Contracting Parties agree to consider the decision of the Commission as final and conclusive upon each claim decided, and to give full effect to such decisions. They further agree to consider the result of the proceedings of the Commission as a full, perfect and final settlement of every such claim upon either Government, for loss or damage sustained prior to the exchange of the ratifications of the present Convention (except as to claims arising from revolutionary disturbances and referred to in the preamble hereof). And they further agree that every such claim, whether or not filed and presented to the notice of, made, preferred or submitted to such Commission shall from and after the conclusion of the proceedings of the Commission be considered and treated as fully settled, barred and thenceforth inadmissible, provided the claim filed has been heard and decided.

ARTICLE IX

The total amount awarded in all the cases decided in favor of the citizens of one country shall be deducted from the total amount awarded to the citizens of the other country and the balance shall be paid at Washington or at the city of Mexico, in gold

coin or its equivalent to the Government of the country in favor of whose citizens the greater amount may have been awarded.

In any case the Commission may decide that international law, justice and equity require that a property or right be restored to the claimant in addition to the amount awarded in any such case for all loss or damage sustained prior to the restitution. In any case where the Commission so decides the restitution of the property or right shall be made by the Government affected after such decision has been made, as hereinbelow provided. The Commission, however, shall at the same time determine the value of the property or right decreed to be restored and the Government affected may elect to pay the amount so fixed after the decision is made rather than to restore the property or right to the claimant.

In the event the Government affected should elect to pay the amount fixed as the value of the property or right decreed to be restored, it is agreed that notice thereof will be filed with the Commission within thirty days after the decision and that the amount fixed as the value of the property or right shall be paid immediately. Upon failure so to pay the amount the property or right shall be restored immediately.

ARTICLE X

Each Government shall pay its own Commissioner and bear its own expenses. The expenses of the Commission including the salary of the third Commissioner shall be defrayed in equal proportions by the two Governments.

ARTICLE XI

The present Convention shall be ratified by the High Contracting Parties in accordance with their respective Constitutions. Ratifications of this Convention shall be exchanged in Washington as soon as practicable and the Convention shall take effect on the date of the exchange of ratifications.

In witness whereof, the respective Plenipotentiaries have signed and affixed their seals to this Convention.

Done in duplicate at Washington this eighth day of September, 1923.

CHARLES EVANS HUGHES	[SEAL.]
CHARLES BEECHER WARREN	[SEAL.]
JOHN BARTON PAYNE	[SEAL.]
MANUEL C. TÉLLEZ	[SEAL.]

AND WHEREAS the said Convention, has been duly ratified on both parts, and the ratifications of the two Governments were exchanged in the City of Washington, on the first day of March, one thousand nine hundred and twenty-four;

NOW, THEREFORE, be it known that I, Calvin Coolidge, President of the United States of America, have caused the said Convention to be made public to the end that the same and every article and clause thereof, may be observed and fulfilled with good faith by the United States and the citizens thereof.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the seal of the United States to be affixed.

DONE at the city of Washington, this third day of March, in the year of our Lord one thousand nine hundred and twenty-
[SEAL.] four, and of the independence of the United States of America the one hundred and forty-eighth.

CALVIN COOLIDGE

By the President:
CHARLES E. HUGHES
Secretary of State.

Mr. ADAMS. Mr. President, I do not know whether or not it can be worked out; but I should like to submit, if it is possible to work it out in the RECORD in some form of parallel columns, certain text which I have drawn from the Mexican General Claims Convention of September 8, 1923, the one we are dealing with, and from the Mexican Special Claims Convention of September 10, 1923, and from the Mexican Claims Convention of July 4, 1868. I may say that I have noted on the margin, if the official reporter will be good enough to add it, that the provisions of article VII of the General Claims Convention are almost identical with those of article VII of the Panama Convention of July 28, 1926, and very similar to the provisions of the claims conventions with Great Britain of 1910 and 1853.

The PRESIDING OFFICER. Without objection, and subject to the ingenuity of the Government Printing Office, the matter referred to by the Senator from Colorado will be printed in the RECORD in parallel columns.

MEXICAN GENERAL CLAIMS CONVENTION, SEPTEMBER 8, 1923	MEXICAN SPECIAL CLAIMS CONVENTION, SEPTEMBER 10, 1923	MEXICAN CLAIMS CONVENTION, JULY 4, 1868
Article V	*Article VI*	
The high contracting parties, being desirous of effecting an equitable settlement of the claims of their respective citizens, thereby affording them just and adequate compensation for their losses or damages, agree that no claims shall be disallowed or rejected by the Commission by the application of the general principle of international law; that the legal remedies must be exhausted as a condition precedent to the validity or allowance of any claim.	Since the Mexican Government desires to arrive at an equitable settlement of the claims of the citizens of the United States and to grant them a just and adequate compensation for their losses or damages, the Mexican Government agrees that the Commission shall not disallow or reject any claim by the application of the general principle of international law that the legal remedies must be exhausted as a condition precedent to the validity or allowance of any claim.	
Article VI	*Article VII*	
Every such claim for loss or damage accruing prior to the signing of this Convention shall be filed with the Commission within 1 year from the date of its first meeting, unless in any case reasons for the delay, satisfactory to the majority of the Commissioners, shall be established, and in any such case the period for filing the claim may be extended not to exceed 6 additional months. The Commission shall be bound to hear, examine, and decide within 3 years from the date of its first meeting all the claims filed, except as hereinafter provided in article VII. Four months after the date of the first meeting of the Commissioners, and every 4 months thereafter, the Commission shall submit to each Government a report setting forth in detail its work to date, including a statement of the claims filed, claims heard, and claims decided. The Commission shall be bound to decide any claim heard and examined within 6 months after the conclusion of the hearing of such claim and to record its decision.	Every claim shall be filed with the Commission within 2 years from the date of its first meeting, unless in any case reasons for the delay satisfactory to the majority of the Commissioners shall be established, and in any such case the period for filing the claim may be extended not to exceed 6 additional months. The Commission shall be bound to hear, examine, and decide within 5 years from the date of its first meeting all the claims filed. Four months after the date of the first meeting of the Commissioners, and every 4 month thereafter, the Commission shall submit to each Government a report setting forth in detail its work to date, including a statement of the claims filed, claims heard, and claims decided. The Commission shall be bound to decide any claim heard and examined within 6 months after the conclusion of the hearing of such claim and to record its decision.	
Article VIII[1]	*Article VIII*[1]	*Article V*[1]
The high contracting parties agree to consider the decision of the Commission as final and conclusive upon each claim decided, and to give full effect to such decisions. They further agree to consider the result of the proceedings of the Commission as a full, per-	The high contracting parties agree to consider the decision of the Commission as final and conclusive upon each claim decided, and to give full effect to such decisions. They further agree to consider the result of the proceedings of the Commission as a full, per-	The high contracting parties agree to consider the result of the proceedings of this Commission as a full, perfect, and final settlement of every claim upon either Government arising out of any transaction of a date prior to the exchange of the ratifications
[1] MARGINAL NOTE.—Same as article VII of Panama Convention of July 28, 1926. Similar to provisions of Claims Conventions with Great Britain of 1910 and 1853.	[1] MARGINAL NOTE.—Same as article VII of Panama Convention of July 28, 1926. Similar to provisions of Claims Conventions with Great Britain of 1910 and 1853.	[1] MARGINAL NOTE.—Same as article VII of Panama Convention of July 28, 1926. Similar to provisions of Claims Conventions with Great Britain of 1910 and 1853.

MEXICAN GENERAL CLAIMS CONVENTION, SEPTEMBER 8, 1923—continued

fect, and final settlement of every such claim upon either Government for loss or damage sustained prior to the exchange of the ratifications of the present Convention (except as to claims arising from revolutionary disturbances and referred to in the preamble hereof). And they further agree that every such claim, whether or not filed and presented to the notice of, made, preferred, or submitted to such Commission, shall from and after the conclusion of the proceedings of the Commission be considered and treated as fully settled, barred, and thenceforth inadmissible, provided the claim filed has been heard and decided.

Article IX[1]

The total amount awarded in all the cases decided in favor of the citizens of one country shall be deducted from the total amount awarded to the citizens of the other country and the balance shall be paid at Washington or at the city of Mexico, in gold coin or its equivalent, to the Government of the country in favor of whose citizens the greater amount may have been awarded.

[1] MARGINAL NOTE.—Same as article VII of Panama Convention of July 28, 1926. Similar to provisions of Claims Conventions with Great Britain of 1910 and 1853.

MEXICAN SPECIAL CLAIMS CONVENTION, SEPTEMBER 10, 1923—continued

fect, and final settlement of every such claim upon the Mexican Government arising from any of the causes set forth in article III of this Convention. And they further agree that every such claim, whether or not filed and presented to the notice of, made, preferred, or submitted to such Commission, shall from and after the conclusion of the proceedings of the Commission be considered and treated as fully settled, barred, and thenceforth inadmissible, provided the claim filed has been heard and decided.

MEXICAN CLAIMS CONVENTION, JULY 4, 1868—continued

of the present Convention; and further engage that every such claim, whether or not the same may have been presented to the notice of, made, preferred, or laid before the said Commission, shall from and after the conclusion of the proceedings of the said Commission be considered and treated as finally settled, barred, and thenceforth inadmissible.

Article IV[1]

When decisions shall have been made by the Commissioners and the arbiter in every case which shall have been laid before them, the total amount awarded in all the cases decided in favor of the citizens of the one party shall be deducted from the total amount awarded to the citizens of the other party, and the balance, to the amount of $300,000, shall be paid at the city of Mexico or at the city of Washington, in gold or its equivalent, within 12 months from the close of the Commission, to the Government in favor of whose citizens the greater amount may have been awarded, without interest or any other deduction than that specified in article VI of this convention. The residue of the said balance shall be paid in annual installments to an amount not exceeding $300,000, in gold or its equivalent, in any one year until the whole shall have been paid.

[1] MARGINAL NOTE.—Same as article VII of Panama Convention of July 28, 1926. Similar to provisions of Claims Conventions with Great Britain of 1910 and 1853.

Mr. SHEPPARD. Mr. President, I wish only to say that our Government, by its own negligence, has defeated the payment of awards to American citizens growing out of claims which have been favorably passed upon by one of its own agencies; and that therefore, in all justice, it ought to make good those claims, especially when it can in turn collect from the Mexican Government.

Mr. KING. Mr. President, does the Senator from Texas expect final action upon the bill today?

Mr. SHEPPARD. We are ready for a vote.

Mr. KING. I shall have to call for a quorum. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk call the roll, and the following Senators answered to their names:

Adams	Chavez	McCarran	Stewart
Andrews	Clark, Idaho	McKellar	Thomas, Okla.
Austin	Danaher	McNary	Thomas, Utah
Barbour	Gurney	Mead	Vandenberg
Barkley	Hatch	Minton	Wiley
Bilbo	Johnson, Colo.	Overton	
Bulow	King	Pepper	
Caraway	La Follette	Sheppard	

The PRESIDING OFFICER. Twenty-nine Senators have responded to their names. There is not a quorum present. The clerk will call the names of the absent Senators.

Mr. KING. Mr. President, I move that the Senate adjourn.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah that the Senate adjourn.

The motion was rejected.

The PRESIDING OFFICER. The clerk will proceed to call the names of the absent Senators.

The legislative clerk called the names of absent Senators, and Mr. BANKHEAD, Mr. CLARK of Missouri, Mr. CONNALLY, Mr. DAVIS, Mr. FRAZIER, Mr. GEORGE, Mr. GERRY, Mr. GIBSON, Mr. GILLETTE, Mr. GREEN, Mr. HAYDEN, Mr. LODGE, Mr. MILLER, Mr. NORRIS, Mr. O'MAHONEY, Mr. PITTMAN, Mr. RUSSELL, Mr. SCHWARTZ, Mr. SCHWELLENBACH, Mr. TOWNSEND, and Mr. TRUMAN answered to their names when called.

The PRESIDING OFFICER. Fifty Senators having answered to their names, a quorum is present.

The question is on agreeing to the motion of the Senator from Texas to proceed to the consideration of Senate bill 326.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 326) for the payment of awards and appraisals heretofore made in favor of citizens of the United States on claims presented under the General Claims Convention of September 8, 1923, United States and Mexico.

The PRESIDING OFFICER. The bill was amended when it was considered on February 2, 1939.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass?

Mr. ADAMS. I ask for a division.

On a division, the bill was passed, as follows:

Be it enacted, etc., That the principal amounts of all awards in favor of citizens of the United States against the United Mexican States heretofore made by the commissions established by the General Claims Convention of September 8, 1923, United States and Mexico, and extensions thereof, on claims presented under said convention, plus interest stipulated in any such award and accruing up to the date of such award, and the principal amounts of all appraisals of such claims in favor of citizens of the United States heretofore made by the commissioners appointed by the United States and Mexico for said purpose pursuant to the protocol of April 24, 1934, and agreed upon in their report, plus interest stipulated in any such appraisal and accruing up to the date of said report, shall be paid immediately by the Government of the United States to the person or persons entitled to the same, and that appropriations for such payment of all such awards and agreed appraisals, out of any money in the Treasury not otherwise appropriated, be, and hereby are, authorized: *Provided*, That the Secretary of State shall certify to the Secretary of the Treasury all such awards and appraisals, whereupon the Secretary of the Treasury shall determine the amounts to be paid on each in conformity with this act, and shall designate the person or persons entitled to receive such payments: *Provided further*, That, when the person or persons entitled to receive any such payments have received same on any such award or appraisal, such person or persons will be deemed to have consented to all of the provisions of this act, and all of the rights and interests of such person or persons in and to such award or appraisal, and the respective claim to which it pertains, will be deemed to have been fully satisfied and paid, and said award or appraisal, and the claim to which same pertains, and all of the rights and interests of such

person or persons in respect thereto, shall be held to have been assigned to the United States to be enforced by and on behalf of the United States against the United Mexican States: *And provided further*, That awards and appraisals authorized to be paid by this act shall be included in the final settlement between the Governments of the United States of America and the United Mexican States under the said convention of September 8, 1923; and the payment of any award or appraisal under this act shall not be construed as the satisfaction, in whole or in part, of any such award or appraisal, or as extinguishing or diminishing the liability of the United Mexican States for the satisfaction in full of such awards and appraisals, but shall be considered only as an advance by the United States until all of said awards and appraisals have been paid off and satisfied in full to the United States by the United Mexican States.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair) laid before the Senate messages from the President of the United States submitting a nomination and a convention, which were referred to the appropriate committees.

(For nomination this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, reported favorably sundry nominations for promotion in the Marine Corps.

Mr. WHEELER, from the Committee on Interstate Commerce, reported favorably the following nominations:

William E. Lee, of Idaho, to be an interstate Commerce Commissioner for a term expiring December 31, 1945 (reappointment); and

J. Haden Alldredge, of Alabama, to be an Interstate Commerce Commissioner for a term expiring December 31, 1944, vice Frank McManamy.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That concludes the calendar.

AUTHORIZATION FOR REPORTING AND SIGNING BILLS, ETC.

The Senate resumed legislative session.

Mr. BARKLEY. I ask unanimous consent that during the adjournment of the Senate following today's session the Vice President may be authorized to sign bills and resolutions ready for his signature; that the committees of the Senate may be authorized to report bills, resolutions, and nominations, and that the Secretary of the Senate may be authorized to receive messages from the House of Representatives.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO MONDAY

Mr. BARKLEY. I move that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 3 o'clock and 38 minutes p. m.) the Senate adjourned until Monday, April 24, 1939, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 20 (legislative day of April 19), 1939

COAST GUARD OF THE UNITED STATES

Pay Clerk James Black to be a chief pay clerk in the Coast Guard of the United States, to rank as such from March 1, 1939.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 20 (legislative day of April 19), 1939

POSTMASTERS

ARKANSAS

Buren Flannigan, Leachville.
Inez C. Crain, Wilson.

KANSAS

Ada Mildred Whistler, Havana.

INDIANA

Walter J. Ritterskamp, Freelandville.

MASSACHUSETTS

Ieleen C. Galvin, Byfield.
Frank W. Dix, Prides Crossing.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 20, 1939

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We praise Thee, our Father, for all Thy mercies which Thou hast vouchsafed unto us. We thank Thee for the sublime principles enunciated by the Master and fulfilled in His incomparable life. We pray, we entreat Thee to inspire the peoples of the earth with the invincible desire for peace. Almighty God, we look for the star that preludes the morning and it is not there; we lift our eyes to the horizon and see it not. Arise, O Morning Star, arise and never set. Oh, forgive our blindness and lack of faith. O God of might and mercy, may men everywhere feel those strong affections which spring from a common hope and a common suffering. We thank Thee for those strong, heroic souls which have caught Thy inspiration, feeling its warmth and power, are giving it to the world. Continue with us and bring forth that kingdom which Thou didst come to establish. In the holy and eternal name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

AMENDMENT OF SECTION 503 (B) OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT

The SPEAKER. The Chair desires to announce that the unfinished business which must have priority this morning over all requests is the reading of the engrossed copy of the bill (H. R. 5379) to amend the act entitled "An act to prohibit the movement in interstate commerce of adulterated and misbranded food, drugs, devices, and cosmetics, and for other purposes," approved June 25, 1938, under consideration at the adjournment yesterday evening.

The Clerk will read the engrossed copy of the bill.

The Clerk read the engrossed copy of the bill.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 40, noes 37.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 118, nays 234, answered "present" 2, not voting 76, as follows:

[Roll No. 55]

YEAS—118

Alexander	Brown, Ohio	Crawford	Eberharter
Andersen, H. Carl	Bryson	Crosser	Elston
Anderson, Calif.	Buck	Cullen	Fernandez
Andresen, A. H.	Bulwinkle	Curtis	Fitzpatrick
Arends	Burdick	Delaney	Flannagan
Barden	Caldwell	Dempsey	Flannery
Bender	Celler	Disney	Folger
Boehne	Chandler	Doughton	Ford, Miss.
Boland	Clark	Doxey	Gamble
Bradley, Mich.	Clason	Duncan	Gibbs
Brewster	Claypool	Durham	Gossett
Brown, Ga.	Costello	Eaton, N. J.	Grant, Ala.

Grant, Ind.	Kilday	Peterson, Ga.	South
Hall	Kunkel	Pierce, N. Y.	Spence
Halleck	Lea	Pittenger	Steagall
Hare	Lewis, Ohio	Polk	Sumner, Ill.
Harness	Ludlow	Rayburn	Tarver
Hendricks	McCormack	Reece, Tenn.	Tolan
Hobbs	McLaughlin	Reed, Ill.	Treadway
Holmes	Mapes	Rees, Kans.	Vinson, Ga.
Hull	Marshall	Robinson, Utah	Vorys, Ohio
Hunter	Martin, Colo.	Sandager	Warren
Jarman	Mills, Ark.	Satterfield	Weaver
Jenkins, Ohio	Mundt	Schiffler	Wheat
Jenks, N. H.	Murdock, Utah	Seccombe	Whelchel
Johnson, Ill.	O'Brien	Secrest	White, Idaho
Johnson, Ind.	Oliver	Smith, Maine	White, Ohio
Jones, Ohio	Pace	Smith, Ohio	Winter
Keefe	Parsons	Smith, W. Va.	
Kerr	Patrick	Snyder	

NAYS—234

Allen, La.	Fenton	Lanham	Robertson
Allen, Pa.	Ferguson	Larrabee	Robsion, Ky.
Anderson, Mo.	Flaherty	Leavy	Rockefeller
Andrews	Ford, Leland M.	LeCompte	Rodgers, Pa.
Angell	Fulmer	Lemke	Rogers, Mass.
Arnold	Garrett	Lesinski	Rogers, Okla.
Austin	Gartner	Lewis, Colo.	Romjue
Ball	Gathings	Lord	Routzohn
Barnes	Gehrmann	Luce	Rutherford
Barry	Gerlach	McAndrews	Ryan
Barton	Gilchrist	McArdle	Schaefer, Ill.
Bates, Ky.	Gillie	McDowell	Schafer, Wis.
Bates, Mass.	Gore	McGranery	Schulte
Beam	Graham	McKeough	Schwert
Beckworth	Green	McLean	Scrugham
Bloom	Gregory	McLeod	Seger
Boren	Griffith	McMillan, John L.	Shafer, Mich.
Boykin	Griswold	McMillan, Thos. S.	Shanley
Bradley, Pa.	Gross	Maciejewski	Shannon
Brooks	Guyer, Kans.	Magnuson	Simpson
Burgin	Gwynne	Mahon	Smith, Conn.
Byrns, Tenn.	Hancock	Maloney	Smith, Va.
Cannon, Fla.	Harrington	Marcantonio	Smith, Wash.
Cannon, Mo.	Harter, N. Y.	Martin, Ill.	Somers, N. Y.
Carlson	Harter, Ohio	Martin, Iowa	Sparkman
Carter	Havenner	Martin, Mass.	Springer
Case, S. Dak.	Hawks	Massingale	Stefan
Chapman	Healey	Merritt	Sumners, Tex.
Chiperfield	Heinke	Michener	Sutphin
Church	Hess	Miller	Taber
Clevenger	Hill	Mills, La.	Talle
Cochran	Hinshaw	Monkiewicz	Taylor, Tenn.
Coffee, Nebr.	Hook	Monroney	Tenerowicz
Coffee, Wash.	Hope	Moser	Terry
Cole, N. Y.	Horton	Mott	Thill
Collins	Houston	Mouton	Thomas, N. J.
Colmer	Izac	Murray	Thomas, Tex.
Connery	Jarrett	Myers	Thomason
Cooley	Jeffries	Nelson	Thorkelson
Cooper	Jensen	Nichols	Tibbott
Corbett	Johns	Norrell	Van Zandt
Cox	Johnson, Luther A.	O'Connor	Vincent, Ky.
Creal	Johnson, Lyndon	O'Day	Voorhis, Calif.
Crowe	Johnson, Okla.	O'Leary	Vreeland
Culkin	Johnson, W. Va.	O'Neal	Wadsworth
Cummings	Jones, Tex.	Patman	Wallgren
D'Alesandro	Kean	Patton	Walter
Darden	Kee	Pearson	West
Darrow	Keller	Peterson, Fla.	Whittington
DeRouen	Kelly	Pierce, Oreg.	Wigglesworth
Dingell	Kennedy, Martin	Plumley	Williams, Del.
Dirksen	Kennedy, Md.	Poage	Williams, Mo.
Ditter	Keogh	Rabaut	Wolfenden, Pa.
Dondero	Kinzer	Randolph	Wolverton, N. J.
Douglas	Kirwan	Rankin	Woodrum, Va.
Dowell	Kitchens	Reed, N. Y.	Youngdahl
Dworshak	Kocialkowski	Rich	Zimmerman
Eaton, Calif.	Lambertson	Richards	
Ellis	Landis	Risk	

ANSWERED "PRESENT"—2

Dunn	Knutson

NOT VOTING—76

Allen, Ill.	Dies	Hoffman	Ramspeck
Ashbrook	Drewry	Jacobsen	Sabath
Bell	Edmiston	Kennedy, Michael	Sacks
Blackney	Elliott	Kleberg	Sasscer
Bland	Engel	Kramer	Schuetz
Bolles	Englebright	McGehee	Sheppard
Bolton	Evans	McReynolds	Short
Buckler, Minn.	Faddis	Maas	Sirovich
Buckley, N. Y.	Fay	Mansfield	Smith, Ill.
Burch	Fish	Mason	Starnes, Ala.
Byrne, N. Y.	Ford, Thomas F.	May	Stearns, N. H.
Byron	Fries	Mitchell	Sullivan
Cartwright	Gavagan	Murdock, Ariz.	Sweeney
Casey, Mass.	Gearhart	Norton	Taylor, Colo.
Cluett	Geyer, Calif.	Osmers	Tinkham
Cole, Md.	Gifford	O'Toole	Welch
Crowther	Hart	Owen	Wolcott
Curley	Hartley	Pfeifer	Wood
Dickstein	Hennings	Powers	Woodruff, Mich.

So the bill was rejected.

The Clerk announced the following pairs:

On the vote:

Mr. Sheppard (for) with Mr. Pfeifer (against).

General pairs:

Mr. May with Mr. Short.
Mr. Sullivan with Mr. Gifford.
Mr. Mansfield with Mr. Crowther.
Mr. Starnes of Alabama with Mr. Fish.
Mr. Bland with Mr. Knutson.
Mr. Kleberg with Mr. Bolton.
Mr. Burch with Mr. Hartley.
Mr. Drewry with Mr. Wolcott.
Mr. McReynolds with Mr. Mason.
Mr. Dies with Mr. Woodruff of Michigan.
Mr. Ramspeck with Mr. Bolles.
Mr. Taylor of Colorado with Mr. Hoffman.
Mr. Gavagan with Mr. Allen of Illinois.
Mr. Hennings with Mr. Cluett.
Mr. O'Toole with Mr. Tinkham.
Mr. Hart with Mr. Osmers.
Mr. Schuetz with Mr. Engel.
Mrs. Norton with Mr. Blackney.
Mr. McGehee with Mr. Englebright.
Mr. Kramer with Mr. Gearhart.
Mr. Sweeney with Mr. Maas.
Mr. Bell with Mr. Powers.
Mr. Owen with Mr. Stearns of New Hampshire.
Mr. Cartwright with Mr. Welch.
Mr. Dickstein with Mr. Buckler of Minnesota.
Mr. Wood with Mr. Sirovich.
Mr. Edmiston with Mr. Fay.
Mr. Casey of Massachusetts with Mr. Sacks.
Mr. Ashbrook with Mr. Fries.
Mr. Murdock of Arizona with Mr. Sasscer.
Mr. Curley with Mr. Cole of Maryland.
Mr. Byron with Mr. Buckley of New York.
Mr. Faddis with Mr. Evans.
Mr. Michael J. Kennedy with Mr. Geyer of California.
Mr. Byrne of New York with Mr. Thomas F. Ford.

Mr. CANNON of Florida, Mr. MALONEY, Mr. RANKIN, Mr. WALLGREN, Mr. CREAL, and Mr. JOHN L. MCMILLAN changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4278, an act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed joint resolutions and a bill of the House of the following titles:

On April 13, 1939:

H. J. Res. 225. Joint resolution amending the joint resolution entitled "Joint resolution providing for the construction and maintenance of a National Gallery of Art", approved March 24, 1937.

H. J. Res. 246. Joint resolution making a further additional appropriation for work relief and relief for the fiscal year ending June 30, 1939.

On April 19, 1939:

H. R. 5482. An act to increase the authorization for appropriations for the administration of State unemployment compensation laws.

AUXILIARY VESSELS FOR THE NAVY

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 14.

The Clerk read the resolution as follows:

Senate Concurrent Resolution 14

Resolved, etc., That the President of the United States be, and he is hereby, requested to return to the Senate the enrolled bill (S. 828) to permit the President to acquire and convert, as well as to construct, certain auxiliary vessels for the Navy; that if and when the said bill is returned by the President, the action of the Speaker of the House of Representatives and of the Vice President in signing the said bill be deemed to be rescinded; and that the Secretary of the Senate be, and he is hereby, authorized and directed, in the reenrollment of the said bill, to make the

following correction, viz: On page 2, line 25, of the engrossed bill, strike out the figures "769" and insert in lieu thereof "768."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ASSIGNMENT OF SPACE IN GALLERY OF HOUSE OF REPRESENTATIVES TO RADIO REPORTERS

Mr. DEMPSEY. Mr. Speaker, by direction of the Committee on Rules, I present a privileged resolution and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 169

Resolved, That rule XXXV of the Rules of the House of Representatives is amended by the addition of the following, which shall become paragraph 3:

"3. Such portion of the gallery of the House of Representatives as may be necessary to accommodate reporters of news to be disseminated by radio, wireless, and similar means of transmission, wishing to report debates and proceedings, shall be set aside for their use, and reputable reporters thus engaged shall be admitted thereto under such regulations as the Speaker may from time to time prescribe; and the supervision of such gallery, including the designation of its employees, shall be vested in the standing Committee of Radio Reporters, subject to the direction and control of the Speaker."

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The resolution was agreed to, and a motion to reconsider was laid on the table.

MILITARY ESTABLISHMENT APPROPRIATION BILL, 1940

Mr. SNYDER submitted a conference report and statement on the bill (H. R. 4630) making appropriations for the Military Establishment for the fiscal year ending June 30, 1940, and for other purposes.

EXTENSION OF REMARKS

Mr. REED of New York and Mr. LEAVY asked and were given permission to extend their own remarks in the RECORD.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by having printed a brief editorial from the Toronto Globe and Empire.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a resolution received from the Legislature of Puerto Rico, together with several letters from departments of the Government and a petition to the President of the United States.

The SPEAKER. Is there objection to the request of the Commissioner from Puerto Rico?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the disposition of business on the Speaker's table and following the legislative program of the day, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two different subjects, and in connection with the first subject to include an address by Marriner S. Eccles, Chairman of the Federal Reserve Board, and in the other extension to include an exchange of correspondence between former Representative Tom Amlie and the President of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I merely want to make an appeal to the House. In the Appendix of the RECORD, page 1491, there begins a rather complete exposition of a monetary-control bill, H. R. 4931, introduced by myself. This speech is an effort not only to analyze our present situation but to give the background and the reasons for the bill and an analysis of its provisions.

My appeal is that Members take the trouble to read my own remarks on this all-important subject; and that they at least turn to the Appendix of the RECORD, page 1500 and read there the program for monetary reform developed and set forth by some of the most eminent economists in America. That program accords almost exactly with the provisions of my bill.

EXTENSION OF REMARKS

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an article appearing in the Saturday Evening Post by Mr. George N. Peek, on agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GEHRMANN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including therein a radio address I made a few days ago.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, "the most important consideration to a civilized nation," said Mr. F. Horner in the debate in the House of Commons in 1811 on the question of restoring specie payment, "is the standard value of coin. All civilized nations have at all times considered a measure of value as essential to the interest of the state."

NOTHING IN THE CONSTITUTION GAVE CONGRESS AUTHORITY TO ALTER THE STANDARD UNIT OF VALUE—IT SPECIFICALLY FORBADE CONGRESS TO ISSUE LEGAL TENDER

There is nothing in the Constitution itself; in the debates of the Constitutional Convention as reported by Madison; in the writings of Alexander Hamilton, and especially in his report On the Establishment of a Mint to the House of Representatives, January 28, 1791; in the report of Secretary of State Jefferson to the House of Representatives for a "plan or plans for establishing uniformity in the currency, weights, and measures"; in the debates in Congress relating to the first Coinage Act; or in the first Coinage Act passed April 2, 1792, "establishing a mint and regulating the coins of the United States," that even suggests the writers of the Constitution had the least thought of granting to Congress authority to alter the standard unit of value. On the contrary, both reports of Hamilton and Jefferson to Congress, and the first Coinage Act passed, are replete with proof that they intended Congress should not have this authority.

At the time the Constitution was written there was no uniform standard unit of value. Foreign coins were chiefly in use previous to the adoption of the Constitution. The Spanish milled dollar was the money of commerce and the practical monetary unit. English, French, Spanish, and Portuguese coins were in circulation. These coins varied in fineness and weight. This naturally caused confusion and inconvenience, as well as unfair trading. To overcome this it was necessary for Congress to establish a uniform standard unit of value.

It is of importance to note that no thought was entertained by anyone of establishing a new standard unit of value. Alexander Hamilton, to whom was given the task of solving this problem, clearly indicated this. In the opening remarks in his report to Congress, above referred to, he said:

A prerequisite to determining with propriety what ought to be the money unit of the United States, is to endeavor to form as accurate an idea as the nature of the case will admit, of what it actually is.

He clearly understood the importance of so delicate a problem, the solution of which as he said—

involves a great variety of considerations—intricate, nice, and important. The general state of debtor and creditor; all the relations and consequences of price; the essential interests of trade and industry; the value of all property; the whole income, both of the State and individuals, are liable to be sensibly influenced, beneficially or otherwise, by the judicious or injudicious regulations of this interesting object.

After completing his researches he recommended to Congress that the Spanish milled dollar, containing 371.25 grains of pure silver—the same as it still contains—which he stated was the monetary unit in practical use, be adopted as the unit of value. Congress followed this recommendation and in the act of April 2, 1792, establishing—

a mint and regulating the coins of the United States. * * *
SEC. 9. * * * That there shall be from time to time struck and coined * * * dollars or units—each to be of the value of a Spanish milled dollar as the same is now current, and to contain 371 grains and four-sixteenth parts of a grain of pure * * * silver.

Hamilton did not recommend that either gold or silver should be the standard. He did, however, recommend the ratio of the two metals should be 1 to 15.

Just what was the intended meaning of the word "regulate" in the phrase "regulate the value thereof" in the Constitution? Certainly there can be no question of what Hamilton and Congress thought it meant. In his report to Congress Hamilton used the word "regulate" in one of its forms about 22 times. In the first Coinage Act the words appear in the heading, "Establishing of a mint and regulating coins of the United States." It appears again in the marginal index in relation to section 12 as "standard for gold coin and alloy, how to be regulated," and again in section 13, "standard for silver coins; alloy, how to be regulated."

In each and every instance the term clearly referred to determining the amount and kind of alloy to be used in the coins, or the fineness of the gold coins and the silver coins, or the different weights and denominations of the coins to be struck, or the ratio at which gold and silver should pass current, and so forth.

In only one instance have I been able to find the term used in connection with the word "alteration," which is in a letter to Thomas Jefferson by Hamilton. This letter apparently refers to a recommendation by Jefferson that the dollar should contain 371.262 grains of fine silver, whereas the Spanish milled dollar which Hamilton was recommending contained 371.25 grains. This was a difference of only twelve thousandths of a grain. When it is considered that numerous foreign coins of different weights and values were in circulation throughout the Colonies and the other parts, that a uniform standard unit was sought to be recognized, this shows how exceedingly important the founders of our Nation thought it to be to find what the standard unit of value actually was and leave it undisturbed.

Thomas Jefferson in his "Notes on the establishment of a money mint and of a coinage for the United States" said:

Let the money unit or dollar contain eleven-twelfths of an ounce of pure silver. * * * This, with the twelfth of alloy already established, will make the dollar or unit, of the weight of an ounce, or a cubic inch of rainwater, exactly. * * *
Measures, weights, and coins, thus referred to standards unchangeable in their nature * * * will themselves be unchangeable.

With reference to Alexander Hamilton's report Jefferson said further:

Should it be thought, however, that Congress may reduce the value of the dollar, I should be for adopting for our unit, instead of the dollar, either 1 ounce of pure silver, or 1 ounce of standard silver, so as to keep the unit of money a part of the system of measures, weights, and coins.

Could anything possibly be clearer than this?

Nowhere can be found even a hint of any thought in the minds of those connected with the writing of the Constitution and the first Coinage Act that Congress should have authority to alter the standard unit of value. Assuredly, if there was one thing more than any other the framers of the Constitution meant to make clear, it was that Congress should not have authority to fix the prices of commodities, for that is the antithesis of democracy. The Revolutionary War was fought to make the American people free from government, not to enslave them to it.

To argue that Congress has the authority to alter the standard unit of value, is to argue that there should be no standard unit of value. How could there be a standard unit of value if it could be altered at each and every session of Congress? There could be none, of course.

The contention of those who claim "regulate the value thereof" means that Congress may change the content of the gold dollar finally amounts to nothing less than that they believe all prices of all commodities should be fixed by Congress.

Recardo, in the House of Commons in 1819, in the debate on the resumption of specie payment, said:

One principle was clear, it was of the utmost importance in the consideration of this subject, it was this, that those who had the power of regulating the quantity of the circulating medium of the country had the power of regulating the rate of the exchanges and the price of every commodity.

The Constitution also authorized Congress to "fix the standard of weights and measures." Why have not the advocates of Government price fixing jumped onto the word "fix" and interpreted it to mean that Congress has authority at every session to change the number of pounds in a bushel of wheat or the number of inches in a yard? They would not consciously think of advocating this. Nevertheless, this is precisely what they do advocate in their contention that Congress has the right to reduce the amount of gold in the dollar at every session of Congress. The effect upon the price of wheat would be precisely the same whether 30 pounds were made a bushel or the purchasing power of the dollar cut in two.

Furthermore, Congress is explicitly forbidden by the Constitution to issue legal tender. Though the courts have ruled otherwise, the fact remains.

The Constitution contains the following specific injunction:

No State shall * * * emit bills of credit, make anything but gold and silver coin a tender in payment of debts.

This has been corrupted by the advocates of legal tender to mean that the prohibition is placed only upon the States, not upon the Federal Government; that therefore the latter has the right to issue legal tender. But the Constitution leaves it to the States to write their own contract laws. Being forbidden to make anything but gold and silver coin a tender, State governments were forced to make all their contract laws so as to give full effect to this specific prohibition. How possibly could the Federal Government enjoin the States from making anything but gold and silver coin a tender in payment of debts, and at the same time be permitted to issue legal-tender currency which the States would be forced to use?

If further proof should be needed, the debates of the Convention as recorded by Madison in his Journal of Constitutional Convention should supply that.

The writers of the Constitution intended to forestall or prevent any possible interpretation that anything else but gold and silver coin should ever be recognized by any of our governmental divisions as legal tender.

One of the drafts contained a provision giving authority to Congress to "emit bills of credit." Gouverneur Morris moved to strike those words out. Mr. Butler seconded the motion. The vote stood—ayes 9, nays 2. Nor is there any

question that they knew exactly what they were doing, as the debate clearly shows. Quoting from Madison's journal:

Mr. Langdon had rather reject the whole plan than retain the three words "and emit bills."

Mr. Read thought the words—

if not struck out, would be as alarming as the mark of the beast in Revelations.

What possibly could be more certain than the framers of the Constitution intended to place an unqualified prohibition upon Congress to issue legal tender?

It is a plain violation of the Constitution for Congress to debase the gold dollar by reducing its weight.

Certainly the Constitution did not mean that Congress should have authority to make gold illegal tender, and to make it a crime for a citizen to use it.

The foremost problem of the United States now is to reestablish the standard unit of value—gold.

LAY-OFF OF RELIEF WORKERS

Mr. JOHNSON of Indiana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. JOHNSON of Indiana. Mr. Speaker, I want to discuss the recent wholesale lay-off of relief workers by the Works Progress Administration.

This lay-off was unnecessary and uncalled for. It was one of the most cruel things the administration could do, bringing misery, suffering, and grief uselessly upon thousands of our citizens. W. P. A. had on hand sufficient money to continue employment without these lay-offs. Colonel Harrington on March 15, 1939, testified before the Appropriations Committee:

There will be on April 1 sufficient funds to provide employment for 6,600,000 persons for 1 month; that is, 6,600,000 man-months of employment at our present cost.

This was sufficient to employ 3,000,000 on W. P. A. through the first week of June. Since that time Congress has appropriated $100,000,000 for W. P. A. More money has been appropriated for the fiscal year for W. P. A. than in any previous year, the amounts being as follows: $1,357,689,880 for the fiscal year of 1935; $1,817,231,835 for 1936; $1,476,734,036 for 1937; and $2,163,868,406 for 1938.

It seems that those in control must have picked out persons with large families and those with only one member of a family employed when selecting those to dismiss. I will refer to only a few of the many letters I have received in the last few days. One writes me as follows—I will eliminate names:

"It is as great a graft as Phillip Musica—a Mr. ——— was sent a card on the 15th of February and told to report on a road the following Monday—he owns and operates a 25-acre farm—just he and his wife—he has a good team, cows, hogs, and the finest flock of Barred Rock chicks in Indiana; out of debt and money in bank. He claims he is ashamed to take the work, but ———, ———, ———, and many other good Democrat farmers have been on for some time, and why not me. I said, "I don't blame you; if they are handing it out that easily, go to it." I don't know how many have been put on; we hear of new ones every day, and we hear of several Republicans being turned down. A Republican lost all of both wheat and corn last year but he was refused work. The flood sniped him clean; these Republican flood victims, very few of them seemed to of got on. Mr. ———, I've been told, was up to the ——— and told Mr. ——— he must have work. Mr. ——— told him there wasn't any place for him, as, of course, he would want office work; but he talked it over with his assistant, so he said we'll just create a job; so he is moping around the office drawing $125 per month. This was told us by a good Democrat, and he had plenty to say against Mr. ——— relative to the graft that's taking place; he said we should storm Washington with appeals asking that W. P. A. should be investigated and protest against those who are carrying on a successful business being on relief.

There is a man in ——— by the name of ——— whose wife works in ——— office drawing a good salary; he operates the grocery, paying a woman $1 per day to look after it, and he works on W. P. A.

Another man writes me as follows:

Should it have been necessary to have laid off a portion of those employed this could have been done without hitting those who have no other means of income, in other words, those who have other members of their families working—some with $200 per month income, others $15 per week, wife working in private industry and husband on W. P. A., son and daughter working and father on W. P. A. Son in C. C. C. camp, daughter in private industry, father as timekeeper and holding a paid political position, owner or part owner of grocery store and holding a timekeeping job on W. P. A. Here on ——— Street project they have two superintendents, three foremen and three timekeepers (of course one of the timekeepers acts as nursemaid part of the time), with approximately 132 men. Father and son working in mine, another son in C. C. C., another son on W. P. A., living in one house and eating at same table.

Another letter says:

I have tried to get on W. P. A. but there seems to be no room. Yet men without families and with income from other sources, too, are working on W. P. A. Two men here have and operate a tavern, and pay a girl $5 a week to run it for them during the day, while they are working on W. P. A. relief.

Another letter reads:

On March 30 I was dismissed from the W. P. A. which leaves my mother, my wife, my young brother, and myself destitute. I personaly can name you numerous persons who were retained on the W. P. A. who have large farms and others who are well off financially. These persons were retained on the pay roll. Several of the persons have no dependents. I have a friend whose wife is treasurer of a large meat-packing plant here, who is retained at a nice salary. Of course I realize this is political graft and corruption. Now, Nobe, don't you think that conditions like this are a damned outrage to the principles of American democracy? Let's do something for the forgotten man. I served in the World War and I and my three brothers will fight in the coming war, so please do all you can to give us a break in our present family emergency.

Another letter says:

I am a W. P. A. worker, 59 years, and got laid off. Sixty percent in my township. They are keeping farmers and single men and they even have farmers on that have plenty and men with boys in C. C. C. camps.

Another letter reads:

I am writing to you concerning the recent W. P. A. lay-off. I was laid off with a family while single men are kept working. The single men that have no dependents, that drink and gamble up every penney they make, are never laid off. Some men are getting $75 to $85 a month to teach boys wood art. I would like to know what the school boards pay the manual-training teachers for. They pay big wages to recreation supervisors, publicity agents, foremen, and timekeepers. If all the men and women are on the W. P. A. why not give them all the same wages? There have been others laid off with families the same as I. Would you tell me why they pick on the poor man?

Another letter says:

I would like to see a congressional investigation as to conditions on the W. P. A. in Vigo County. I would like to see this investigation carried out as it should be; not interview the county W. P. A. officials, but call on the worker, timekeepers, and foremen, certified and uncertified. The custom is to lay off the certified and not the uncertified. Also, why is it that the jobs that pay anything over $75 a month are held by noncertified men? Is there not any relief men able to hold or fill these jobs? I would like to see an investigation as to why it is that a Democrat is given preference over a Republican. If it can be arranged to have a real investigation in Vigo County, there will be no lack of witnesses to go before the committee. I hope you will turn this letter over to any congressional committee where it will be considered and acted upon.

Another writes:

Up until last Friday I was a P. W. A. worker working under a Mr. ——— on the city streets project in ——— city. This Mr. ———, who is continuously drunk and borrowing money from the men on the job to buy whisky, is the cause of my dismissal. I say borrow money; I really mean he gets it and never pays it back, and for favors to certain men on the job and through the fear of the men losing their jobs. This man has had five men sawing trees along ——— Road to cord the wood and sell and to split up for fence posts and mine props; collecting the money for favors to private property holders for such work as graveling their private drives, filling up their back yard, etc., and all the men drunk on the job; those who won't furnish the dimes, quarters, halves, and dollars to keep him drunk are sent home for drinking, and others are allowed to sleep their time out in cars and trucks. Last Friday I refused to loan him money. He said, "Tomorrow is your last day." I thereby asked him if a person had to buy this relief work, and so I laid off and went up to headquarters to see Mr. Byrnes, who is county supervisor. He was not in, so I wrote him a letter which remains unanswered; and Saturday morning I received through the mail a 403 dismissal slip. Such a condition existing here and perhaps elsewhere is a disgrace and insult to men who want to work to provide for a home.

Another man writes:

I have a family, and my wife is pregnant, and I need work real soon, as my babies are now underfed. Just because I am a Republican the office in Lafayette, Ind., has refused to re-place me back on relief rolls of the W. P. A. I am an ex-service man.

Another man says:

I am a married man with a family to support, and I cannot find a job nowhere, and the loan company is going to take everything I have unless I can get help from somewhere very soon, and my other debts are pushing me also. There are single men working on W. P. A. who have no one to support but themselves.

Another letter states:

This lay-off was 31 married men and 2 single men.

Another man writes:

I am a married man; there are six in our family, with rent to pay and all our food to buy. Our four children are in school. I was laid off April 3, along with some other men with large families and there were some single men, and men with only two, and some no children to keep at all were left on the job.

Another says:

I am now laid off on account of short funds. I need the work very, very bad as we had to give our home up on account we had no money to pay rent. I know there are some working who own their farms and are working on W. P. A.

Another writes:

They are laying off men with families and keeping farmers on that have their living.

Another says:

I am one of many laid off. I have a family of four. Next to me is Mr. ——— single owns own home has a son working, stays at home with him, bought a new car yesterday. Since he has been on relief has bought new electric washer, had house wired, moved other son's house on other half of his acre, and bought a new car yesterday. There is Mr. ——— and ——— and ——— works extra, gets three and four sometimes five shifts at the paper mill, holds their jobs on W. P. A. I used to be boss at ——— factory until it went down; there is my boss, Mr. ———, has a farm, hires another to do farm work, he is boss on my project. Also Mr. ——— owns farm, and Mr. ——— is boss on another job has a modern home, got a new 1939 car. Same thing at the sewing room. I have a friend works up there. There is Mr. ———, single, stays at home has a truck, he does work on his father's farm, Mr. ———'s farm, besides his own farm; he brags about the easy money he makes, and Mr. ——— farms his father's farm, is timekeeper on this work, has several girls working, one at the ——— factory, in the office.

I could go on indefinitely citing similar letters. The fact seems to be that the noncertified, high-salaried employees were not laid off.

I wrote the Works Progress Administration officials protesting this unwarranted and unreasonable lay-off of these deserving men, and much to my surprise received a reply advising, "the relative need basis that you referred to was not considered in these reductions * * * the selection of the people for these reductions was made in the district office by the employment staff composed mostly of young ladies who did not know whether a man was white or black, married or single, or any other circumstances about him * * *." Just think, people laid off of W. P. A. without the question of need even being considered, when, as a matter of fact, relief work was started and has been maintained for the sole purpose of providing for those who are in need. It is very queer that the young ladies in the district office, when selecting those to be laid off managed to avoid laying off any of the nonrelief workers.

I also want to call attention to section 19 of Administrative Order No. 65 of the Works Progress Administration:

SEC. 19. Preference in employment on projects shall be given in the following order:

(a) Veterans of the World War and the Spanish War and veterans of any campaign or expedition in which the United States has engaged who are in need and are American citizens.

It will be noted that in making this wholesale lay-off and according to the statement of W. P. A. officials, no consideration whatever was given to the preference provided for by the Works Progress Administration Executive Order No. 65, but the lay-off was made in violation of that order and without being based upon the question of need, which is the sole basis of the very existence of W. P. A.

It makes a sorrowful picture when the W. P. A. will lay off thousands of needy workmen with large families and at the same time expend about $300,000 for a world's fair exhibit, which will probably cost a million dollars before the fair is over, and when the fair is over they are going to make a gift of the building to the city of New York, and the city of New York has not contributed one penny toward this project.

They maintain traveling exhibits: The theater project with 670 nonsecurity workers employed, 25 of whom receive in excess of $250 a month; the Federal art project, which cost $19,000,000 to operate for a period of 6 months; the historical records project; the W. P. A. press section, employing 11 persons, with salaries running from $1,440 per year for a messenger to $5,600 per year, costing total of $43,240 per month; the information division, costing about $13,000 per month. The writers project, providing some volumes in foreign languages, the head of which has advocated that prisoners should organize and form a union for the defense of their rights, and to quote him exactly, "I look forward to the time when every convict inside or outside of jail will have his union card." This man went on this writers project in March 1934 at a salary of $3,600 per year, salary was raised to $4,000 in 1935, and again to $5,000 in the same year. In 1936 to $6,000 and again in 1936 to $7,200.

W. P. A. carried a total of about 34,500 general administrative and general project supervisory employees, of which about 32,600 are in the field offices and 1,900 in the Washington, D. C., offices.

It has been shown that W. P. A. has 27,479 general administrative employees—that 1,308 of these employees receive salaries in excess of $3,000 per year; that 397 receive salaries over $4,000 per year; that 104 receive salaries of over $5,000; 79 receive salaries of over $6,000 a year; 10 receive salaries of over $7,000 per year; 7 receive salaries of over $8,000 per year; 5 receive salaries of over $9,000 a year; the highest salary being that of the Administrator at $12,000 a year.

The Works Progress Administration has a total of 8,646 general administrative project supervisory employees, 316 of whom receive more than $3,600 per year, 22 more than $4,000 per year, 6 more than $5,000 per year, and 1 received more than $6,000 per year.

On the Federal Theater Project there are 24 receiving salaries of more than $3,200, the top salary is $7,200 per year.

Total number W. P. A. general administrative employees, by Executive-order salary grades, central office, was 2,169 with an annual average salary grade of $2,242, these annual salaries running from $1,063 to $9,917, with a total of 27,479 employees.

The Works Progress Administration general administrative employees, by Executive order salary grades, State and local offices, show 25,310 persons employed, with average salaries running from $784 per year to 1,247 employees, to as high as an average of $7,591 for 11 employees.

It is plain and apparent that politics has been very much in W. P. A. Just previous to the 1936 election the relief rolls in Indiana were loaded and the number on relief work was greatly increased. Right after the election they began laying off until they reached a low of 40,000 in 1937. By April 2, 1938, this number had increased to 84,931 and it was increased gradually until on October 29, 1938, just before the election, a total of 101,374 were employed on W. P. A. By December 17, 1938, following the election, this number had been reduced to 91,811, and by December 31, 1938, it had been reduced to 84,704; by January 14, 1939, to 83,159; and January 28, 1939, to 82,545.

Many of those laid off immediately following the election were told that it was because they voted wrong.

The administrative expense for W. P. A. and N. Y. A. for July 1938 was $4,450,384.31; for August 1938, $6,657,578.01; September 1938, $6,168,562.58; October 1938, $5,941,677.34; November 1938, $6,161,144.32; December 1938, $6,748,509.96.

W. P. A. has been spending on the average of $150,000 each month for communication service and about $500,000 per month for travel expenses.

Some people have fared very well through W. P. A. as is shown by the case of a young man who went direct from

college into W. P. A. employment at $2,000 per year, and has had his salary raised gradually until now he is drawing $7,500 a year, and on April 6 the Washington Star printed a picture of the fine house he has recently purchased.

I hope this session of Congress will enact legislation which will take politics completely out of W. P. A. and will cause all money appropriated for relief to be expended only for relief. We should have a complete and thorough investigation of this entire relief set-up. Not an investigation such as is made by W. P. A., where the investigation seems to consist of interviewing the bosses, but one where the men working on the projects and those who have been released from work are interviewed and given an opportunity to tell the real facts concerning W. P. A. administration without fear of being discharged on account of having told the truth.

Any person working on relief should not be paid exorbitant salaries. There is too much money vested on "white collar" projects and too many people employed who do not need relief. Timekeepers, bosses, supervisors, and so forth, should be taken from the relief rolls and not from the political rolls. There are thousands of highly educated men who are well qualified to fill any position in the entire relief set-up, who need relief work, and they should be employed to fill those positions.

I am in favor of continuing relief work as long as it is needed, but I shall insist that this waste and useless expenditure, the payment of exorbitant salaries, and employment of nonrelief persons on relief projects be stopped; that Congress listen to reason, stop this political bickering, study the problems confronting the country, and enact legislation which will prevent such abuses in regard to relief; and that Congress will enact legislation which will give the American market to the American producer, restore confidence, and bring about a condition where those working on relief and those who are unemployed will be able to secure regular employment at regular American wages, thus making relief work unnecessary.

Col. F. C. Harrington, Administrator of the Works Progress Administration, before the Appropriations Committee, said on March 15, 1939:

From January 1938 to date unemployment has been greater than in any period since W. P. A. started.

This shows that we have more unemployment today than at any time since relief work started. However well intended has been the administration's policies, they have failed to produce good results. Each day its failures increase and the administration becomes more confused as to the proper solution of our problems. We cannot continue to go on forever as we have been going during the past 6 years, during which time our national debt has doubled, agricultural problems have not been solved, business and industry are in a bad condition, and relief funds being diverted from their rightful use.

Congress should cease granting its powers to the President and to bureaus and commissions, should repeal the laws granting these powers to the President and various bureaus and commissions, and assume its full responsibilities of legislating in the interest of the American people and solve the problems confronting the Nation so that we may again have a prosperous and happy people.

EXTENSION OF REMARKS

Mr. SCHIFFLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the West Virginian.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial appearing in the Muncie Evening Press, of Muncie, Ind., of April 18, 1939, on the T. V. A.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GAMBLE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a short editorial appearing in this morning's New York Times.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BENDER asked and was given permission to revise and extend his own remarks in the RECORD.

DOLLAR DEVALUATION

Mr. THILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. THILL. Mr. Speaker, the proclaimed purpose of the monetary-control policy of the President was to raise prices to the 1926 level and thereafter attain price stabilization. Booms and depressions were to be eliminated. During the past 5 years while the New Deal monetary policy has been in operation, commodity and security prices have not followed the promised pattern. The program was a failure. In January 1934 the gold content of the dollar was reduced to 59.06 percent of its former value. It was asserted that a corresponding rise in commodity and security prices would be brought about by establishing the dollar price of gold at $35 an ounce. And yet, at the peak point during the past 5 years, prices increased to only approximately 20 percent of the goal set by this administration. And this increase, small in comparison with the glorious and bombastic promises of the New Deal, was brought about by such normal recovery forces as were permitted to operate, plus crop failures and other factors.

When the dollar was devalued the mint price of gold was raised from $20.67 to $35 an ounce. By a decree the Government compelled American citizens to give up privately owned gold holdings at the rate of $20.67 an ounce. The Government, of course, made a substantial paper profit on this transaction. Since that time we have been buying gold from foreign citizens at $35 an ounce. From January 1934 to the present day our gold supply has risen tremendously, from $6,800,000,000 to over $15,000,000,000.

This gold, which at the present time amounts to approximately 60 percent of the world's supply, lies buried in Fort Knox, Ky. How much longer will we continue our present monetary policy, which subsidizes foreign interests?

The power of the President to change the gold content of the dollar has a disturbing effect upon business. Long-term purchase, investment and loan contracts will not be made if it is realized that the value of the dollar may be changed without notice at the whim and caprice of the President. Stable recovery can never be attained until business feels free to make long-term contracts with a certainty of the value in which these agreements will be paid in the future. Business will never have this assurance so long as the President at his will has the power to change the gold content of the dollar.

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a brief editorial from the Indiana Hoosier Farmer.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CONSTRUCTION OF PUBLIC WORKS BY THE NAVY

Mr. VINSON of Georgia. Mr. Speaker, I am directed by the Committee on Naval Affairs to ask unanimous consent to call up the bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, with Senate amendments and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 1, after "$5,850,000;", insert "Jacksonville, Fla., and Banana River, Fla., $17,000,000."

Page 2, line 4, after "Act:", insert "Quonset Point, R. I., $1,000,000 for acquiring privately owned land."
Page 2, line 6, strike out "$47,000,000" and insert "$65,000,000."
Page 2, line 12, strike out "$47,000,000" and insert "$65,000,000."
Page 2, line 23, after "station", insert ", and title in fee simple to land or other realty from the State of Rhode Island at or in the vicinity of Quonset Point, R. I., to be used as a naval air base."
Page 3, line 4, after "defense," insert "and providing that in the opinion of the Secretary of the Navy the existing facilities of the Naval Establishment are inadequate."
Page 3, line 9, after "project", insert "or the construction of any naval vessel, aircraft, or part thereof."

Mr. MARTIN of Massachusetts. I understand the amendments have all been approved by the naval high command and also by the gentleman's committee.

Mr. VINSON of Georgia. The gentleman is correct. Each one of these amendments has been discussed in the Naval Affairs Committee at various times, and by a majority vote Jacksonville, Fla., was agreed to as the southeastern base. There was no objection to the agreement as to Quonset Point. There was no objection, so far as the committee is concerned, to any one of these amendments. They are all a part of the Hepburn Board report.

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed to, and a motion to reconsider was laid on the table.

FLOOD CONTROL IN NEW ENGLAND

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute to make an announcement.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, I rise to announce a revival of righteousness in the Legislature of Vermont. Some time ago the legislature of that State, under the pressure of the Governor and the power interests and other opponents of the present national administration, passed a bill authorizing the Governor to spend $67,000 opposing the national administration's flood-control program in New England. The other day the appropriation bill to provide this money came before the House of Representatives of Vermont, which very wisely and promptly voted it down.

I sincerely trust that that proceeding will be followed by the Senate of Vermont. There is no State in the world in which I would rather see such a movement take place than in Vermont, and I say that without political preference.

The SPEAKER. The time of the gentleman from Mississippi has expired.

THE STABILIZATION FUND AND ALTERATION OF THE WEIGHT OF THE DOLLAR

Mr. SOMERS of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 3325) to extend the time within which the powers relating to the stabilization fund and the alteration of the weight of the dollar may be exercised.

The SPEAKER. The question is on the motion of the gentleman from New York that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 3325.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the stabilization-fund bill, with Mr. MCCORMACK in the chair.

The Clerk reported the title of the bill.

Mr. SOMERS of New York. Mr. Chairman, I yield 20 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Chairman, in his speech in the House Tuesday on the pending bill, the gentleman from New York [Mr. SOMERS], chairman of the Committee on Coinage, Weights, and Measures, made the best presentation, in my judgment, of the monetary legislation of this administration that I have heard in the last 6 years. It ought to be a matter of pride to the Members of Congress, whether they agree with a Member's views or not, that they have as chairmen of their important committees men who can so ably expound, explain, and defend the important legislation committed to their care. [Applause.] Nor was his performance detracted from by the fact that he frankly admitted that he does not know all that there is to be known about the money question.

Will Rogers once said there were two classes of crazy people in the world—those who are locked up in insane asylums and those who think they know all about the money question. The monetary powers in the gold and silver laws now on the statutes are vested in the President of the United States. It is proposed in the pending bill to extend these powers until June 15, 1941, the expiration date of the present administration. If every Member who does not clearly understand these laws and does not clearly know the use that has been made of the powers therein granted, and is not clear in his own mind as to the effect of terminating these laws, will vote for the pending bill to continue these laws, the bill will have votes to burn. That will include me.

This statement is no reflection on the intelligence of Congress. These laws creating the stabilization fund and establishing the gold and silver purchase policies are in the hands of a department created for the special purpose of administering the monetary laws of the Nation. These laws are in the hands of experts, career men, whose whole lives have been devoted to the study and administration of monetary laws. That is their sole business. Over against that we set a few score Members of the House of Representatives, who are harried and harassed by a hundred other questions, and a few hours debate, largely partisan, to determine whether these laws shall lapse when the responsible administrative authorities are asking for their continuance.

That is the exact situation. We should know clearly what we are doing, or we should do nothing.

The main trouble about the money question is that it has become overlaid, submerged, and practically shoved out of the picture in Congress by the multitude of things demanding immediate consideration. It has become an almost academic question. I believe that if the ablest man on the money question in the country were to get up in the House and make a speech on it, while the Members might listen attentatively and consider it very informative, they would immediately rush out on a multitude of immediate little things which are constantly driving them in a circle, like squirrels in a cage, and forget it. The "horse and buggy" days of money is past. It has become a vast and complex question, ramifying the world.

To begin with, let us see what monetary laws we are dealing with and what specific things will be affected by the pending bill.

This bill extends certain Presidential monetary powers until June 15, 1941. These powers are in section 10 and section 12 of the Gold Reserve Act of 1934. The Gold Reserve Act is permanent legislation, but section 10, creating the stabilization fund, and section 12, giving the President power to change the content of the gold dollar and to fix the price of domestically minded silver, are temporary legislation, deriving from the Thomas amendment to the Agricultural Act of 1933. The time limit on these three powers is June 30, 1939.

The Silver Purchase Act of 1934—June 19—under which foreign silver is purchased, and fixing of the ratio of gold and silver in the Treasury, and the issuance of silver certificates against the silver, is not involved in the pending bill. This is noted in the minority report. So do not vote against the bill thinking you are knocking out foreign silver. You are knocking out domestic silver.

To make that perfectly clear I quote from the Secretary of the Treasury his exact words before the Senate Silver Committee recently as follows. Secretary Morgenthau said:

> Under the Silver Purchase Act of 1934 we are buying foreign silver, and, on the other hand, the President's proclamation in regard to domestic silver is under what we call the Thomas amendment to the Agricultural Act of 1933. The President's power, as it affects the revaluation of gold is under what we call the Thomas amendment, but, on the other hand, our purchases of foreign silver are under the act of 1934.

And the act of 1934 is not affected by this legislation. Only the stabilization fund and the devaluation of the dollar and the domestic silver policy is here included. I shall not deal with the stabilization fund. That has been done by the gentleman from New York [Mr. SOMERS], to borrow an old phrase, far above my poor powers to add or detract.

The fund is there, $2,000,000,000 in gold. It is performing the function of stabilizing the exchange value of the dollar. The chief complaint is regarding secrecy in the administration of the fund, or rather of the $200,000,000 which is kept active. The complainants feel that it ought to operate on the town-hall or open-forum plan, with an international hook-up, so that speculators in foreign exchange and our friends abroad will be kept advised to the minute, as in the case of our other international affairs. The Treasury does not agree with this view, and neither do I.

It is said that no man understands money; but there are some facts established that may enable the layman—and I am a layman—to make up his mind whether he wants to kill this legislation and restore the monetary conditions which prevailed prior to it or leave it in the hands of the responsible authorities to continue under these laws for 2 years more. That is the situation. I shall note each fact separately and as simply as possible.

Under his powers in the Thomas amendment, as amended by the Gold Reserve Act, the President reduced the content of the dollar about 41 percent. This is where we get the alleged 59-cent dollar, concerning which we have heard so many fulminations on this floor, well summed up on the floor last week by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN]. If I seem to especially honor our genial and likable friend, Mr. AUGUST H. ANDRESEN, with a place in my remarks, it will be because he is next ranking minority member of the Committee on Coinage, handling the bill, and has frequently discussed these monetary policies on the floor, and particularly as they affect agriculture, voicing, as he understands it, the interest of the farmers, and voicing the opinions of his party.

In his discussion of the pending bill last week, the gentleman from Minnesota said that "instead of increasing exports and raising prices on farm products in this country, exports declined, imports increased, and prices today are the lowest in history when you consider the purchasing power of a 59-cent dollar."

The first thing I want to note about the 59-cent dollar is that the Republican Party in its national platform of 1936 tacitly endorsed it. The platform declaration reads:

> We oppose further devaluation of the dollar.

They did not denounce the 41-percent reduction in the dollar, and did not promise to restore it to a 100-cent dollar. They contented themselves with a mere declaration against a further reduction, and when they did that they impliedly approved the reduction already made. There was no condemnation of the 59-cent dollar in the Republican national platform, just as there was no condemnation of the repeal of the gold-payment clause, so often denounced on the floor as an act of national dishonor and perfidy. The minority report on $35 gold is very interesting. It reads:

> The minority members of the committee believe that the present price of gold should remain at $35 per ounce until and unless Congress should, at some time, by appropriate legislation, decree otherwise.

The minority report further says:

> There should be no devaluations in the future.

That ought to make it unanimous as to what has been done down to now. So why all this fuss in Congress about $35 gold and cutting the gold dollar 41 percent? We may take it as an established fact in this controversy that the Republican Party approves the action of the administration in fixing the gold price at $35 and in reducing the content of the dollar, measured in gold, 41 percent.

But the argument for these policies does not end here. The record is further that when Roosevelt came in the dollar in purchasing power was worth $1.75. The commodity price index in 1926 shows that the dollar was worth $1.75 in all other values. The dollar was the only thing that was worth anything. And the record is that the lowest value the dollar has reached since 1933 was $1.14 in 1937, the only year in which we have approached either prosperity or parity prices since 1929. And today the American dollar is worth $1.30 on the 1926 commodity price index. This means that the dollar is still worth more than anything else, and as long as a dollar is worth a cent more than the things it buys it is a dear dollar.

During the debate last week about the 59-cent dollar I made the statement that it was my understanding we have a $2 dollar measured in farm products. Since then I have secured from the Bureau of Labor Statistics some figures giving the market prices on wheat, cotton, corn, and hogs in March 1926 and March 1939 showing the average prices on those commodities to be just about double in 1926 over 1939, and I shall insert this brief table at this point. It ought to dispose of the 59-cent dollar as a reason for defeating the pending bill.

Comparison of commodity prices for 1926 and 1939

Commodity and market	Grade or variety	Price averages		Unit
		March 1939	Average 1926	
Wheat:				
Minneapolis	No. 2, Dark Northern Spring.	$0.773	$1.555	Bushels.
Portland	Hard White	.69	1.436	Do.
St. Louis	No. 2 Red Winter, Soft	.736	1.555	Do.
Cotton:				
Galveston	Upland, Midland, Spot	.086	.17	Pounds.
New York	do	.09	.175	Do.
Corn:				
Chicago	No. 2, Yellow	.485	.773	Bushels.
Do	No. 3, Yellow	.477	.748	Do.
Hogs: Chicago	Heavy Butchers', Good to Choice.	7.30	12.336	Hundredweight.

The fact is the American dollar is the dearest dollar in the world today, and the safest dollar, a condition which sheds a lot of light on the phenomenon of the gold of the world continuing to flow into the United States. The world, in effect, says that the United States is the safest place in the world to have money. To what country on earth would you want our gold shipped for safekeeping?

The value of the dollar in purchasing power in 1933, $1.75, based on gold at $20.67 an ounce, ties into and is a part of the fixing of the gold price by the President at $35 an ounce. The gentleman from Minnesota stated in his remarks, and repeated, that the difference between the mint price of $20.67 per ounce and the price of $35 an ounce, fixed by the President was a pure gift, a straight subsidy to the gold producers of the world. In his exact words:

> The United States Treasury subsidized foreign gold speculators and foreign governments $14.33 an ounce on all gold shipped into this country.

In another place he stated:

> That amount of subsidy, as I call it, is paid to foreign gold vendors and for newly mined gold in this country.

He proposed that this $14.33 subsidy be impounded in the Treasury to be expended by the seller of the gold in the purchase of American commodities.

Now, what are the facts? The facts are that before Roosevelt fixed the price of gold at $35 an ounce it was ranging between $33 and $34 an ounce in the markets of the world.

It has at times since then exceeded $35 an ounce. Not long since gold went above $35 in Belgium, which claims the distinction, I believe, of being the only gold-standard country in the world, but is now about to fall off. That disposes completely of the subsidy. There is no such thing as a subsidy of $14.33 on gold to be applied to the purchase of American commodities, or anything else.

And for good measure, may I recall your attention to the fact that in January 1934, which was prior to the passage of the Gold Reserve Act, which became law on January 30, 1934, the Reconstruction Finance Corporation, from January 2 to January 15, paid $34.06 per ounce for gold,

and that from January 16 to January 31 the Federal Reserve Board paid $34.45 per ounce. This was necessary to stop the outflow of our gold into the higher gold market of the world.

The record is further that more than a year and a half before Roosevelt cut the gold content 41 percent, England had gone off gold, had taken the pound sterling off gold, and the pound sterling had already declined from its historic place around $4.85 to around $3.35 in gold. This means that before Roosevelt cut the dollar 41 percent England had cut the pound 41 percent. Roosevelt only put the dollar down in this country to where it had been down in England for a year and a half. France had devalued the franc 80 percent, and the money in Italy, Germany, and Russia was worth less than that. Now, what did this mean? It meant that the United States stood on a peak of high-dollar valuation against the cheap moneys of the world. The United States could not compete in the world markets or even in its own markets against those cheap moneys. It had to reduce the dollar to where it could compete with the cheap moneys of the world, or go out of business at home and abroad.

And today, in spite, if you will, of the devaluation of the dollar, of the repeal of the gold-payment clause in $100,000,000,000 of debts, public and private, and of the Silver Purchase Act, the American dollar is still the soundest and dearest dollar in the world. Even if there had been no legislation by Congress the United States would have had to pay practically the same price for gold it is now paying, or lose all of its gold. The United States simply recognized a world condition and trend and met it.

Some gentlemen on the other side asked yesterday about this, and they said, "You have got the stabilization fund. Is that not enough to stabilize your foreign exchange?" No. That is just half of the program. The other half is to be able to change the value of the dollar.

In that connection I shall ask leave to extend as a part of my remarks a letter that I received this morning from the American Farm Bureau Federation. I believe I will read a paragraph or two of it at this point. The man who wrote this letter can beat me all to pieces when it comes to stating explicitly why the Executive power to devaluate the dollar should be continued and why we should not return to the gold standard. This is what the American Farm Bureau Federation letter of April 19 says.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. SOMERS of New York. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MARTIN of Colorado. I want to read part of this letter. Just two paragraphs right here:

> Practically every important nation of the world has abandoned the fixed gold standard. The executive branch of practically every nation of the world has been given the power to depreciate its currency if it so wishes and to do so without public discussion and debate. In the world today when currencies of competitor nations are in a state of constant flux it would be suicidal to tie the hands of our Government and prevent it from adjusting our currency in such a way as to protect our export markets and prevent foreign produce from being dumped into our domestic market.
>
> If the existing power to revalue the dollar within the specified limits is not continued, it really means putting the United States back on the fixed gold standard. It means tying our dollar to a fixed gold content. We would be virtually the only country in the world that would be doing so. By tying our currency to the gold dollar while the other countries are permitted to depreciate their currencies at will, we are deliberately sacrificing the one weapon which prevents foreign countries from actually carrying out the depreciation of their currencies. We would be giving up the one weapon which would restrain these competing nations from getting a competitive advantage in the agricultural and industrial markets of the world.

I presume no gentleman will claim there is any politics in this letter. I hope before you vote on this bill every one of you will read it.

It is the voice not only of one farm organization but of all farm organizations. It is the voice of the farmers of this Nation. It is almost incredible to my mind that a man representing a great western farm State would sign his name to the minority report on this bill, which declares, in these words, "we should return to the gold standard." He is the only man west of the Ohio on the Committee on Coinage. I know his State would vote against returning to the gold standard and would vote for the remonetization of silver overwhelmingly. I know every other western farm State would do the same thing. I do not believe the monetary doctrine set up on the minority report would carry a farm district in the United States. It is contrary to the farm philosophy of money from the beginning. The head and front of the opposition to the gold standard and for the remonetization of silver has been the American farmer.

How they have been victimized and robbed by the fixed gold standard and the fixed gold dollar is set out in cold facts and figures in the letter of the Farm Bureau. I challenge the Republican representatives of farm States and districts to refute these statements. The opposition of these representatives to this bill ought to be the paramount issue in every one of their districts. Either they would be retired from public life or the farmers of the Nation have reneged on their own faith and the faith of their fathers. Since when have the farmers of America become addicts to the Wall Street gold standard? A gold standard antisilver farm voice is a new note, and, in my judgment, a false note in American politics.

The gentleman from Minnesota also attacked the gold-and-silver-purchase legislation under these laws from another angle, from the angle of exports and imports, in which he showed a heavy balance against this country, during, and as the result of, the operation of these laws. It is interesting to note where he got his unfavorable balance. He got it wholly from gold and silver. He showed total imports during the period of $21,174,000,000 and total exports of $13,740,000,000, leaving a total trade balance against the United States of $7,434,000,000. But in this total he got in a gold import balance against the United States of $8,663,000,000, which is $1,229,000,000 more than his total balance against the United States, however he got this arithmetic. Then he got in a silver import balance against the United States of $929,000,000, which, added to the $1,229,000,000 of gold excess, makes a total of $2,158,000,000 more against the United States than his total balance of trade against the United States during the period.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I will, since I have mentioned the gentleman, but my time is very limited.

Mr. AUGUST H. ANDRESEN. The figures which I had in my table were figures from the Department of Commerce which showed imports and exports from January 1, 1934, up to February 28 of this year, and I assume that they are accurate figures from the Department. The additions are correct. It shows that the United States is a debtor Nation to foreigners to the tune of over $7,000,000,000.

Mr. MARTIN of Colorado. I am accepting the figures as to gold and silver imports as correct, and I hope the House will at least give me additional time to finish my comment on those figures as used by the gentleman from Minnesota.

He lists gold bought by this country at the world-market price, and silver at nearly the world-market price, as making up not merely all of the balance of trade against us, but $2,158,000,000 more than all. The gentleman attaches no value to the imports. In a table he sets out a gold import of $8,663,000,000-odd, and a silver import of $929,000,000, and charges them off as a total loss, notwithstanding both metals are worth practically the world market price paid for them, and we now have these stores of metal in our national wealth.

When we subtract this fictitious loss of $9,592,000,000 from the total imports of $21,174,681,825 for the period, it leaves a balance in our favor of $2,157,750,233, instead of a loss of $7,434,308,544, as shown in his table. In this way he is able to obliterate more than $1,000,000,000 trade balance in favor of the United States in 1938, and all other trade balances in our favor during the period. The analysis of the gentleman's figures fairly raises a question as to the validity of some of his other export-import figures.

On the whole I think we may well accept the suggestion in the minority report that gold should stay "as is" until Congress at some future time in its wisdom may change it.

I want to pass now to domestic silver. Since the passage of the Thomas amendment, the Treasury has acquired 253,000,000 ounces of domestically mined silver. It purchased this silver at an average of 69½ cents an ounce, which would bring the total cost to about $175,000,000. At the present world-market price, about 44 cents, although it has at times gone much higher, the world-market value of this silver would be $111,000,000, making the total cost to the Treasury above the world market $64,000,000, an average of $13,000,000 a year.

Domestic-silver production runs about 60,000,000 ounces a year. With the world price of 44 cents, and the Treasury paying 64.64 cents, this would amount to a so-called subsidy of a fraction over 20 cents an ounce. That is less than $13,000,000 a year to help sustain an industry which we would be fools to let languish any more than it is now.

But this silver is not costing the Treasury anything. The Treasury pays for the silver in the first place in Federal Reserve notes, then issues silver certificates against the silver and replaces the Federal Reserve notes with these silver certificates. I quote from the minority report:

> The Treasury has issued sufficient silver coins and certificates to pay for the cost of the silver acquired.

Therefore the payment is only a bookkeeping transaction. There is enough silver in the Treasury to redeem all outstanding silver certificates, including those issued against foreign silver. I quote from the Secretary of the Treasury, page 15 of the hearings before the Senate Silver Committee, on February 7:

> We now have more than adequate silver to back all the silver certificates outstanding. There is a dollar's worth of silver for each dollar certificate. These certificates have the same value as if issued against gold.

The Treasury takes half of this silver as seigniorage, and issues certficates up to the cost of the silver at $1.29 an ounce, just double the purchase price. This silver coinage and currency is the only nonretireable money in existence, except $346,000,000 in greenbacks. It cannot be withdrawn or diminished. It is non-interest-bearing money. It is the only form of money we have that is not based on national bonds or other interest-bearing debts. It is the principal circulating medium of the people. Look at the money in your pocket.

What has been said about domestic silver can largely be said of foreign silver. Under the Silver Purchase Act the Treasury has acquired 1,385,000,000 ounces of foreign silver, at an average cost of 53½ cents an ounce, which is 9½ cents above the world market price, making the total cost, above the world market price about $210,000,000, but paid for in silver certificates. Between foreign and domestic silver we have outstanding about $1,500,000,000 in silver certificates issued at the monetary price of $1.29 an ounce. The interest saving on this volume of silver currency—$1,500,000,000 at 3 percent—is $45,000,000 a year. It seems to me that this feature of the silver policy is underemphasized. In 5 years the interest saving on this volume of silver certificates would liquidate the entire subsidy on both foreign and domestic silver. That would mean that the subsidy has already been largely liquidated by interest saving.

I can well understand why this form of money does not look good to the Wall Street bankers. They like money with the choke string of a mortgage on it. When it gets too plentiful all they have to do is to pull the string. They pulled it in 1920, enforcing an immediate tremendous liquidation and bringing on the depression of 1921. They retired $2,000,000,000 in Federal Reserve notes, which took with it $8,000,000,000 more of credit. They can do the same thing today, and will do it at the first signs of what they call "inflation," and they will continue to do it as long as they are permitted to control the monetary and credit systems of the country.

Of course, it is the theory of the opponents of the silver-purchase policy that silver is in the same category with printing-press money. It is considered as basicly valueless. In this connection, in contradistinction to this view, it is of interest to recall a singular thing happening after the World War, when India went from the silver rupee to the paper rupee. England, seeing the imperative need of stabilizing the rupee, went into the world market for silver, and the only place she could find silver was in the United States, and a representative of the British Government came to Washington and bought 200,000,000 silver dollars from the Treasury and shipped them to England, where they were melted down and coined into Indian rupees. In that period silver went to $1.32 an ounce. Think of that, a demonetized metal going to $1.32 an ounce. Since the silver purchase policy began, silver in the world market reached 87 cents an ounce. What has happened twice may happen again, especially when it relates to the needs of the world for real money.

I confess that I have indulged in speculation as to the ultimate status, not only of silver, but of gold—of the money metals. Is the world going to discard gold and silver, which have been the money of all civilizations? Is it going on a permanent managed-money basis, divorced from the metals? If I had to make one blind answer, it would be that you will eventually see a world demand for a share of this gold and silver. Another answer is that I would not sell this gold and silver at its present market price for the dollars of any ccuntry on earth.

It is my common-sense conviction, based on history, that gold and silver are still the moneys of the world. These great metal reserves are the backlogs of our monetary system. These metals, by a stroke of the pen, could be put under every dollar in existence in this country, and every dollar would have more than $2 of gold and silver behind it at the world market price. I cannot escape the conviction that if some other country had all this gold and silver we would have a real 59-cent dollar, no matter what its face value. As the account now stands, I shall vote to let the law stand. [Applause.]

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., April 19, 1939.

To all Members of the House of Representatives:

I am writing to convey to you the support of the American Farm Bureau Federation for the extension of the President's power to change the gold content of our dollar provided for in the Somers bill, H. R. 3325, which is now under consideration by the House of Representatives. We respectfully urge your support of the continuance of the power to revalue our dollar in order to protect our currency and to safeguard our exports and our domestic markets. This is a matter of vital importance to 30,000,000 farm people.

At the last annual meeting of the federation held at New Orleans, La., December 11, 12, and 13, the voting delegates from 39 member State organizations representing through their membership approximately 1,500,000 farm people asked for the continuation of this power, pending an investigation and report on the whole monetary problem by a joint committee of Congress. A copy of the resolution is appended. Senator BANKHEAD and Representative STEAGALL have already introduced resolutions in the Senate and House which embody our recommendation for such a study; the Somers bill continuing the power to revalue the dollar embodies our other recommendation.

The power to revalue our dollar expires on June 30, 1939, unless action is taken by Congress to renew this authority. Failure to act now would be calamitous. Perhaps at no time since the close of the World War has the international situation been more unstable. It is imperative, particularly under such conditions of international insecurity, that we maintain these powers to protect our markets from the disastrous consequences of monetary manipulation and exchange fluctuations by foreign countries. Now that we are a creditor Nation with huge surpluses, especially of wheat and cotton, it is vital that we protect our export trade from adverse currency manipulation by competing nations.

Practically every important nation of the world has abandoned the fixed gold standard. The executive branch of practically every nation of the world has been given the power to depreciate its currency if it so wishes and to do so without public discussion and debate. In the world today when currencies of competitor nations are in a state of constant flux it would be suicidal to tie the hands of our Government and prevent it from adjusting our currency in such a way as to protect our export markets and prevent foreign produce from being dumped into our domestic market.

If the existing power to revalue the dollar within the specified limits is not continued it really means putting the United States back on the fixed gold standard. It means tying our dollar to a fixed gold content. We would be virtually the only country in the

world that would be doing so. By tying our currency to the gold dollar while the other countries are permitted to depreciate their currencies at will, we are deliberately sacrificing the one weapon which prevents foreign countries from actually carrying out the depreciation of their currencies. We would be giving up the one weapon which would restrain these competing nations from getting a competitive advantage in the agricultural and industrial markets of the world.

The attempt to maintain a fixed value for our gold dollar regardless of changes in our economic and monetary conditions was an important factor in bringing about the most disastrous and far-reaching depression in our history in 1929–32. Because our dollar was rigidly bound to a fixed quantity of gold and because other countries depreciated their currencies, basic commodity prices dropped almost one-half. That means we had to produce twice as much to obtain the same dollar income as in 1929. Our dollar became so dear that it could no longer serve as a fair medium of exchange for goods and services and the payment of debts. Our whole economic structure was brought to the brink of ruin.

Farmers who must exchange their commodities for dollars suffer the most from a fixed gold dollar. For example, in 1929 a farmer could exchange less than 1 bushel of wheat for a dollar, but in 1932 the farmer had to exchange 3 bushels of wheat for our gold dollar with its fixed value. Likewise, the cotton farmer who borrowed $100 in 1929, borrowed the equivalent of one and one-sixth bales of cotton, but if he had to pay back this debt in 1932, he had to pay back the equivalent of four bales of cotton.

The abandonment of the fixed gold standard in 1933 followed by the revaluation of our dollar stopped the ruinous process of deflation and proved a major factor in starting our Nation back on the road to recovery. To abandon now the power to revalue our dollar means once more subjecting the millions of our farm people to the merciless consequences of a fixed and rigid gold standard at a time when our competitor nations can, at will, change the value of their currencies.

We have made much progress toward a managed currency which can serve as a fair medium of exchange and as a protection to the farmers of our Nation. We should go forward and not backward. We, therefore, respectfully urge the continuance of the power to revalue our dollar.

Sincerely yours,

EDWARD A. O'NEAL, *President.*

Resolution adopted by the annual meeting of the American Farm Bureau Federation, New Orleans, La., December 11, 12, 13, 1938

MONEY AND PRICE LEVEL

The American Farm Bureau Federation has repeatedly urged Congress to exercise its constitutional obligation to regulate the value of money by establishing and maintaining a managed currency, regulated on an index of basic commodity prices which will maintain a dollar with a constant purchasing and debt-paying power.

The American Farm Bureau Federation urges Congress to create a special congressional committee to study the problem of fluctuating basic commodity price levels and the effect of such fluctuations on farmers, producers of other basic commodities, and the economic life of the country. We urge also that such a congressional committee study the monetary systems of this and other countries in an attempt to ascertain the effect of monetary policy on basic commodity price levels and based on these studies to propose effective methods of achieving a greater stability in basic commodity prices and that Congress enact such legislation as will achieve this objective.

Pending the completion of this report to Congress, we urge the continuation by Congress of the President's authority to change the gold content of the dollar.

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

Mr. MARTIN of Colorado. Mr. Chairman, I ask unanimous consent to extend my remarks and to include the letter from the American Farm Bureau Federation.

The CHAIRMAN. The gentleman must secure that permission in the House.

Mr. HINSHAW. Mr. Chairman, I suggest the absence of a quorum, and I make the point of order there is no quorum present.

The CHAIRMAN (Mr. COOPER). The Chair will count. [After counting.] One hundred and thirty-two Members are present, a quorum.

Mr. REED of Illinois. Mr. Chairman, I yield 12 minutes to the gentleman from Maine [Mr. BREWSTER].

Mr. BREWSTER. Mr. Chairman, in considering the continuation of the powers of the President as proposed in the pending measure, it seems to me of extreme importance that we contemplate their effect in our international relationships. It is to that I wish to address myself in the time allotted.

THE GOLD RACKET

Ten billion dollars of worthless European paper now lines our Nation's vaults. Those loans represented the labor of millions of Americans, given by our bankers to Europe.

The present administration has repeatedly denounced that action in unmeasured terms.

Yet in the last 6 years the labor of millions of Americans to the amount of $10,000,000,000 has been given to Europe by our gold policy.

Whether our $15,000,000,000 store of gold, supposed to be buried by Secretary Morgenthau in the hills of Kentucky, will be worth any more than the repudiated European paper we have stored here in Washington depends on the policies of our European friends.

Certainly Uncle Sam has been maneuvered into a rather precarious position when recovery for our vast investments in Europe must depend upon the fiscal policies of nations that have already repudiated their solemn obligations.

The debt situation necessitated outright repudiation. The gold imbroglio only requires a little skillful manipulation in order to reduce our gold stores to the status of the now worthless promissory notes.

Secretary Morgenthau ridicules the suggestion that foreign countries would adopt any policies that would make our gold stores worthless.

The decision now hangs by the slender thread of the British financial stake in gold production in Canada and South Africa. That alone gives us any semblance of hope that gold values will be sustained. The British gold reserves are being depleted at a rate that threatens disaster to the system upon which the value of our gold supplies entirely depends. The British lost more than $1,000,000,000 worth of gold last year and are rapidly approaching the end of their gold reserves.

Curiously enough Soviet Russia has been the principal beneficiary of our gold policy outside Great Britain. The best estimates indicate that America in 5 years has sustained the Soviet economy to the extent of $1,000,000,000 by our gold policy.

Although the figures are rarely, if ever, published in America the best information available would seem to show that America with 10,000,000 unemployed is giving over $200,000,000 a year out of our bankrupt Treasury to finance the Soviet system in its attempt to communize the world.

Perhaps a modern Bryan is needed to inquire how long America will be crucified on a double-cross of British and Russian gold.

The world is simply playing upon Uncle Sam another grim and gigantic joke. They get our goods and we get their increasingly useless gold.

We labor and perspire and ship $10,000,000,000 worth of goods overseas while Americans are in dire need. They give us gold that we bury in the ground while our own people starve.

This solemn farce is all carried out under the pretext of international trade and good will. But where and when do we get off?

The flood of gold is rapidly becoming an avalanche. Russia is holding in check its production for fear Uncle Sam will choke but is shipping indirectly all the international bankers believe America will swallow without awakening to the story of King Midas.

Many nations and individuals are approaching the conclusion that gold may not indefinitely symbolize power. The United States may too late discover that the loan racket of the twenties has been succeeded by the gold racket of the thirties. Uncle Sam is paying a high price for his education in European chicanery.

Let America in the next decade feed and clothe America—rather than Russia. Uncle Sam has ample ability and capacity to produce but seems regularly to lose his shirt in international trade.

The attempt to make the world prosperous and peaceful by reciprocal-trade agreements has obviously failed. Now America must try an all-American plan.

During the past few years this Government has been acquiring constantly increasing amounts of gold. When this administration started we had what was termed $5,000,000,000 worth. In the last 6 years we have acquired what we call $15,000,000,000 worth. That is $10,000,000,000 worth additional. Most of that has come from overseas.

During January and February of this year $350,000,000 worth of gold came into this country. What is the significance of this increasing gold hoard, supposed to be stored by the Secretary of the Treasury, Mr. Morgenthau, down in the hills of Kentucky? It has meant, in substance, that $10,000,000,000 worth, or approximately that, of the labor and sacrifice of Americans has been given to foreign lands. In 1920 to 1930 $12,000,000,000 was loaned to our European friends, and the administration, and I think perhaps very properly, has been very critical of the action of our bankers in giving to Europe $12,000,000,000 worth of American goods for notes that have now been repudiated and are down here lining our vaults—worthless European paper.

Yet in the last 6 years exactly the same process has been repeated, by which nearly $10,000,000,000 worth of the labor of Americans and their goods has been transferred to Europe, while Americans were on the point of starvation. While we were struggling with internal domestic problems with more than 12,000,000 people still out of work, and with 25,000,000 women and children dependent upon them for their daily bread, we have continued to pour those goods and services overseas and take back for them not the repudiated notes of the 1920's but gold that may be equally worthless, unless this gold is going to continue as a medium of exchange for which sometime we can get back value received. What are the possibilities?

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield right there?

Mr. BREWSTER. I yield.

Mr. WHITE of Idaho. Does not the gentleman think the people of Germany would like to have some of our gold right now in exchange for our goods? Are they not clamoring for our goods?

Mr. BREWSTER. Not if they can make the deal with Great Britain which was nearly consummated just before the recent crisis, under which those countries subscribing to to the sterling standard—the 32 nations that assemble themselves about Great Britain in international trade—decide they will not continue any longer to play with gold. In that event, in the event of that agreement with Germany that Great Britain was on the point of consummating, gold may become increasingly a thing of unimportance in the machinations of international finance.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. I yield.

Mr. AUGUST H. ANDRESEN. It is predicted that inside of the next 18 months we shall have 90 percent of the world's supply of gold; it will be owned by the United States. This means that the other countries in the world will no longer recognize gold as a medium of international exchange. Secretary Morgenthau now points out that we have too much gold. If the gentleman would permit, I would like to quote a brief summary as to what he says in this regard.

Mr. BREWSTER. If it will not take too much of my time. I yield briefly.

Mr. AUGUST H. ANDRESEN. I quote from the statement of Secretary Morgenthau:

> We are confronted with the fact that though we should like to receive less gold and even to get rid of substantial amounts of the gold we already have, there is, under the existing circumstances, no acceptable alternative to the policy we have been pursuing. In the case of all the proposals we have examined, the remedy has always been worse than the disease. The best way to reduce our gold inflow on commodity and service account is for us to have full recovery so that our imports will rise more rapidly than our exports.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. My time is too limited. The gentleman will have to get time from his own side.

I may say to the gentleman from Idaho that he had better read the recommendations of the American Mining Congress at their last session when they indicated that a continuation of the present gold policies of the United States would result in ruining the gold miners of this country.

Mr. WHITE of Idaho. I wish the gentleman would yield. I will yield the gentleman a moment from our side if he will answer a question.

Mr. BREWSTER. Very well; if the gentleman provides the time.

Mr. WHITE of Idaho. Does the gentleman know the amount of United States currency exported for this worthless gold that is flowing in from Europe? I would like to give the gentleman some idea. Reading from the United States News of April 17, we find the net shipment of United States currency to Europe during March totaled $23,000,000, or nearly $10,000,000 above the previous high record established last September. The shipments reflect the demand of Europeans for currency which they can hoard. That is what is happening to our currency, our paper money while this huge reserve of gold is idle and we are told the banks are bursting with money that nobody wants.

Mr. BREWSTER. Yes; but they are going to return that to us whenever they see fit, when it suits their interest, and we will find ourselves once again the prize "sucker" of the world as we did when we lent them $12,000,000,000 on their repudiated notes.

Are we going to continue to take this gold that can be rendered worthless at any time by a change of the financial policies of Great Britain and the nations that cluster about the sterling standard? I say the time has come to call a halt. When Mr. Morgenthau begins to ponder the implications of accumulating $15,000,000,000 in gold that we now have buried down in the hills of Kentucky, it is time for the rest of the people in America to begin to think about the implications of that program.

Mr. McGRANERY. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. I yield.

Mr. McGRANERY. I am interested in the gentleman's statement. I wish he would explain how Great Britain could ruin our currency.

Mr. BREWSTER. I shall be very happy to answer the gentleman as well as I can. I am an amateur in international finance. It is time, however, that somebody in America began to think about it. Let me point out this example: We recently made a reciprocal-trade agreement with Great Britain. I do not know whether the gentleman subscribes to that agreement or not, but the members of his party are responsible for that program. I do know, however, that within 2 weeks after that agreement was made, Great Britain depreciated sterling by 20 cents a pound, or 5 percent. This meant that instantly every atom of protection we had was depreciated by 5 percent; in other words, Great Britain practically repudiated that agreement before the ink was dry. This is the sort of thing which I say threatens disaster. If they permit sterling to drop, they can wipe out our own economy as they did 10 years ago.

Mr. McGRANERY. I do not understand about Great Britain's being in a position to determine our currency, for our policy has been such as to stabilize, or give to the world whatever stability there is in currency.

Mr. BREWSTER. How does the gentleman explain that they took 20 cents off the pound sterling within 2 weeks after the reciprocal-trade agreement with Great Britain was entered into? Our stabilization fund did not seem to be equal to that.

Mr. McGRANERY. Our stabilization fund is equal to it.

Mr. BREWSTER. Notwithstanding that, we permitted the pound to drop from $5.07 down to $4.67, and it has been as low as $4.60 within 6 months.

Mr. McGRANERY. The gentleman understands that has always fluctuated and always will.

Mr. BREWSTER. It has never fluctuated like that until in recent years.

Mr. McGRANERY. I know of my own knowledge it has gone down to $3.14, which is well below what the gentleman has in mind.

Mr. BREWSTER. When we had the last war.

Mr. McGRANERY. Since 1933.

Mr. BREWSTER. I think the gentleman is incorrect.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. BREWSTER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman is making a very valuable contribution to this monetary discussion. I want to ask him an important question. Last week a story appeared in the newspapers that the United States Secret Service had seized 12 American citizens who were engaging in a plot to sell gold to the United States Treasury at the increased price and there was involved, I think, $50,000,000 worth of gold. They are being picked up and will be prosecuted by the Federal Government.

Mr. BREWSTER. Yes.

Mr. AUGUST H. ANDRESEN. May I ask the gentleman, will the United States Treasury buy the $80,000,000 of gold that Hitler seized from Czechoslovakia?

Mr. BREWSTER. At the pleasure of Mr. Hitler.

Mr. EBERHARTER. Will the gentleman yield?

Mr. BREWSTER. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. The gentleman made the observation that England had devalued the sterling.

Mr. BREWSTER. Yes.

Mr. EBERHARTER. Does not the gentleman think that is the best argument in the world why the United States should also have the power to devalue the gold content of the currency of the United States? If England has that power and the Treasury of England still has that power and they can do it anyway, therefore it is absolutely necessary that the Treasury of the United States have that power.

Mr. BREWSTER. I will try to answer the question. Do I understand the gentlemen on that side will yield me some time?

Mr. SOMERS of New York. I will yield the gentleman 3 additional minutes if he will yield to me for a brief question.

Mr. BREWSTER. Yes. We have for 4 years placed in the President the power of devaluation and the $2,000,000,000 stabilization fund. I have pointed out how he has failed to use that in defending the dollar against the pound. Within the past 6 months Great Britain, not satisfied with the advantage secured by the reciprocal-trade agreement, deliberately devalued the pound. Instead of any longer entrusting this enormous power to a single individual, which he has admittedly failed to exercise, it has demonstrated, to my mind, that the sound alternative is to restore a government of law and not of men, and that Congress should lay down the principle under which the dollar will be defended by protecting American industry against depreciated foreign currencies. In that way the Congress will carry out its constitutional power to regulate the currency and will not be dependent upon the chicanery of international high finance.

Mr. SOMERS of New York. The gentleman a few moments ago gave us the impression that at some recent conference between Great Britain and Germany it was indicated there was a possibility that the sterling bloc might lose interest in gold.

Mr. BREWSTER. Yes.

Mr. SOMERS of New York. South Africa is a British possession?

Mr. BREWSTER. Right.

Mr. SOMERS of New York. Canada is a British possession.

Mr. BREWSTER. Yes.

Mr. SOMERS of New York. Does the gentleman think Great Britain will ever lose interest in gold?

Mr. BREWSTER. I think that question will be determined entirely by what Great Britain may think is to its best interest. Will the gentleman tell me what nation is next to Great Britain in the production of gold?

Mr. SOMERS of New York. Mexico.

Mr. BREWSTER. I have here a report issued by the Department of Commerce covering imports of gold for January and February. I read there that we have imported $350,000,000, giving the countries of origin, but I do not read there, nor have I read in any report in the last 3 years that $200,000,000 a year of these gold imports are coming from Soviet Russia. It ranks second only to Great Britain in the production of gold. In other words, a billion dollars of hard-earned American money, when we are facing disaster, has been given to sustain the Soviet system in its attempt to communize the world; yet no one can discover in the report of the Department of Commerce a trace of that. I have been on the trail of Soviet gold now for some years. I think it is time the American people awakened to the extent to which this administration under its policy in connivance with Great Britain is sustaining communism in the world.

Mr. SOMERS of New York. I know Russia produces some gold. May I impress upon the gentleman, however, that Great Britain produces more gold than any other nation in the world, and it therefore is never going to lose interest in that commodity.

[Here the gavel fell.]

Mr. SOMERS of New York. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BREWSTER. Mr. Chairman, we invited one of the members of one of the great gold firms of the world down here awhile ago, and we asked him why we were buying all of this foreign gold which has been offered. He said if we had not done this and purchased it at $35 an ounce the British Empire would have collapsed. By our fixed gold price we have given Great Britain in the last 2 years a present of $2,000,000,000.

I said, "Is it necessary for us to do that?" He said, "That is the basis of it." I said, "Is it not right that Great Britain should share the responsibility?" He said, "Yes. Great Britain is supposed to buy one-half of the new gold produced, but is not doing it."

In this last year the United States has bought all the gold produced in the world—in Russia, Great Britain, and every other gold-producing country—and in addition has taken more than $500,000,000 from Great Britain to maintain the international balances.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. Does not the gentleman believe this is an appreciating asset rather than a depreciating asset?

Mr. BREWSTER. When we are the only country that buys gold it seems to me we are just deluding ourselves by thinking that we can indefinitely maintain the price. How long does the gentleman believe we can go on buying gold, and when would he stop—when we have 100 percent of all the gold in the world?

Mr. COFFEE of Nebraska. Following out this thought, in the event that all the nations go off the gold standard, does the gentleman believe the people of the individual countries would not be interested in purchasing gold if they had the opportunity? Would gold not be an appreciating asset regardless of what all the countries do with respect to going off the gold standard?

Mr. BREWSTER. I believe the gentleman will recognize the American Gold Mining Congress as a pretty good authority on that subject, and they said that unless we let the people of this country get back to the use of gold the people of all the world will lose their interest in gold. They begged us in their last Congress to change this indefensible policy. [Applause.]

[Here the gavel fell.]

Mr. REED of Illinois. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, ladies, and gentlemen, because President Roosevelt claimed a great emergency existed, a subservient Congress passed the original act giving to the President extraordinary powers relating to the stabilization fund and the alteration of the gold content of

the dollar in 1934. The act was limited to 2 years except the President could at the end of 2 years extend this power for another year if he found the emergency still existed. The President, in 1936, extended these powers to himself for 1 more year, and in 1937 the administration forced through Congress a bill to extend the time for 2 years more. This power to the President will expire June 30, 1939. The purpose of this bill is to grant another extension of 2 years, to June 30, 1941.

THE "GREAT EMERGENCY" ADMINISTRATION

No administration has ever approached the present administration in great and extraordinary "emergencies." They dig up a new "emergency" every week. Beginning with March 4, 1933, the President, with his big majority in the House and Senate, has forced through Congress scores of measures, all of them based on "emergencies." These measures granted extraordinary powers to the President for periods of 1 or 2 years.

When the time of these emergency acts expired the President forced through Congress extensions from time to time. It will be observed that the extensions of time granted for these emergency acts reaches beyond January 1941, when Mr. Roosevelt goes out of office. The American people will then have had 8 years of "emergencies," with 8 years of increased taxes, increased deficits, increased debts, increased dictatorial powers, with increased unemployment and increased relief rolls, but with a decrease in farm income, farm prices, and a decrease in private business and private employment.

TOO MUCH POWER FOR ONE MAN

Under the original act a $2,000,000,000 so-called stabilization fund was turned over to the President to stabilize our currencies. This Nation had existed for 140 years and no stabilization fund was ever required to protect the honest American dollar. During that 140 years there have been fluctuations of the value of the currencies of the world. Such fluctuations have always existed—for instance, following the World War the Russian ruble was so devalued that it took 100,000 rubles to equal 5 cents in American money. The German mark was devalued to the point where it was worthless, as 100,000 German marks would not buy a 10-cent lunch. The French franc was devalued from time to time, and this was true of other countries. But until this act of the New Deal the American dollar was worth 100 cents throughout the world. While other nations were tinkering with and debasing their currencies and coins, ours remained fixed, and the very fact that we had a dollar that was good in every part of the world caused this Nation to make the greatest progress and to be the most prosperous in the world. [Applause.]

Two billion dollars is a large sum of money. It could be used to do much harm to this country. It has been strongly intimated by an Assistant Secretary of the Treasury that part of this huge sum of money has been loaned to various governments.

The greatest blow that was struck to the American dollar and to American business was the action of the President in reducing the gold content of the American dollar from 100 cents down to 59.06 cents in 1934. As another evidence of the lack of need of this huge stabilization fund we have not changed the value of the American dollar since 1934, while the currencies of France, Germany, Russia, and other nations have been devalued from time to time.

CONGRESS SURRENDERS ITS POWERS

Section 8, article I of the Constitution expressly provides that "Congress shall have the power to coin money, regulate the value thereof, and of foreign coins, and fix the standard of weights and measures," but in the very teeth of this constitutional provision Congress abdicated its powers and gave to the President these extraordinary powers. If it were necessary to reduce the gold content of the dollar or change its value, the Congress under its plain constitutional duties should have done this itself and not delegated these powers to the President. I am one Member of Congress who is unwilling to admit my legislative incapacity. It is our duty to legislate and not abdicate. I am willing to assume the responsibility and carry out the powers given to Congress under the Constitution. The people of the United States sent you and me here to uphold and carry out the provisions of the Constitution and not surrender these powers to one man simply because he declares an emergency exists. I shall vote against this bill and thereby uphold the Constitution and protect the rights of the American people.

59.06-CENT DOLLARS

What did the President do with these extraordinary powers? Our money was based on the gold dollar. The gold dollar contained 25.8 grains of gold, nine-tenths fine. The President reduced the gold content of the dollar to 15.521 grains, which meant a reduction of 40.94 percent of the gold content of our dollar, and that reduced the dollar from 100 cents to 59.06 cents. The American people owned approximately $7,000,000,000 in gold and gold certificates issued by the Government, giving the citizens the right to call for the amount of their gold certificates in gold. The President under this law forced all American citizens that held any gold coins or gold certificates to bring in their coins and certificates and turn them over to the Government, and for each 100 cents in gold coin and gold certificates they were given a paper dollar worth 59.06 cents. In other words, the Government took away from the citizens over 40 cents out of each dollar. Now, 40 cents out of every dollar of $7,000,000,000 amounts to $2,800,000,000. The administration then boasted that it made a profit of $2,800,000,000 out of this transaction. If the Government made that much profit, the American people lost $2,800,000,000. This administration simply took that amount of money away from its own citizens. The Government made a profit on that just like it could and would make a profit by taking from its citizens a hundred head of good milk cows, worth $100 apiece, and force the owners of the $100 cows to exchange them for cows worth only $59.06 apiece. Of course, the Government could boast, as this administration has, that it made over $40 on each cow, but it would violate every principle of honesty, justice, and decency to do it.

The President, under this devaluation law, has the power to further devalue the American dollar. He can force the American people to bring in their 59.06-cent dollars and exchange them for 50-cent dollars, and the Government will make some more profit in this devious manner. This policy is not only unjust; it is dishonest.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield for a question.

Mr. REED of New York. The gentleman has mentioned devaluation of the Russian ruble. The officials in power at that time used devaluation to deprive the farmers of Russia of their wealth. The farmers were unfamiliar with the effect of devaluation. The officials bought up all the wheat of the farmers, and the Russian farmers then found that the purchasing power of the ruble had disappeared. This policy meant ruin to the Russian farmers. Has not devaluation of the currencies for 2,000 years been the instrument of oppression used by every unscrupulous and dishonest ruler?

Mr. ROBSION of Kentucky. Yes. It was used by the dictators and tyrants who ruled nations 2,000 years ago, and it has been used from time to time by oppressive and dishonest rulers and dictators throughout the last 2,000 years. Wherever it has been used, dishonor and disaster have followed. A number of dictators and tyrants required the people to bring in their gold, just as we were, and had it reminted and then made new identical coins, but they put in alloys of tin, copper, lead, or silver, and cut the gold content of the coin. The Government got the gold that was taken from the people's gold coins, and, of course, the Government made a so-called profit. This process was followed time and again, so that in many instances the so-called gold coins of the country were almost destitute of gold and almost worthless.

So far as I have been able to read history, no nation has at any one time made a 40-percent devaluation, as was done by

President Roosevelt. Many of us complained in this country about Hitler putting a penalty of 20 percent on the property of the Jews in Germany, according to press reports, and required these Jews to pay that sum to satisfy large damage assessments made against the Jewish people of Germany. That amounted to a 20-percent tax or penalty against the prosperous or well-to-do Jews. Mr. Roosevelt, in debasing or devaluing the gold dollar, in effect, assessed the holders of every gold dollar and gold certificate in this Nation 40.94 percent, and that amounted to a tax or a taking of 40.94 cents out of every gold dollar and every gold certificate, and on the $7,000,000,000 it amounted to $2,800,000,000. Mr. Roosevelt put a greater penalty or a greater tax on each and every American citizen holding gold or gold certificates than Hitler placed on the Jewish people.

We are told that it is not the purpose of the President to further devalue the American dollar. If this be true, why should we pass this bill extending this power to June 30, 1941?

The uncertainty of the value of our dollar has created distrust and lack of confidence and has prevented recovery in industry, agriculture, and employment.

NEW DEAL'S GREATEST AND COSTLIEST FOLLY

The President was given the power under this act not only to fix the value of gold and silver but to buy it in unlimited quantities. As we have pointed out, he forced the American people to surrender their $7,000,000,000 of gold and paid to them $20.67 an ounce. In a short time he fixed the price of newly mined gold at $35 an ounce and pledged this Government to buy and pay $35 an ounce for all the gold that might be offered to us. With this unusually attractive price, gold mines throughout the world increased their production and many new gold mines were opened, and in 5 years we have bought at $35 an ounce approximately $9,000,000,000 of gold, 90 percent of it from Russia, Mexico, Central and South American countries, Canada, Australia, and other foreign nations. The actual value of the gold is approximately $20.67 per ounce. We have bought this enormous amount of gold from foreign countries at $35 an ounce. The difference between $20.67 and $35 an ounce is really a subsidy. Of course, American producers of gold have received this subsidy, but American producers have furnished only about 10 percent of this $9,000,000,000 of gold. We have paid to foreign gold producers a subsidy of approximately $3,500,000,000.

Under this act the President fixed the price of silver, and the average price fixed by our Government was 59 cents per ounce. The real value of silver is 24 cents an ounce, but the high price fixed by this Government has created a world price of around 43 cents an ounce. This Nation is paying about 16 cents more per ounce for foreign silver than the inflated world market price. This Nation has bought nearly 2,000,000,000 ounces of silver. About 90 percent of this enormous quantity of silver has come from Mexico, China, and other foreign countries.

President Roosevelt proposes to continue to buy all the gold, as well as all the silver, that may be offered to this country at those prices. It can be seen at once that these tremendous subsidies being paid by us have greatly increased the production of gold and silver throughout the world, and it is little wonder that about the only persons who urge the extension of this act are the New Dealers, headed by the President, the gold- and silver-mine owners, the international bankers, and the brokers dealing in gold and silver. Our Uncle Sam has been a wonderful Santa Claus, but his spirit to give reaches its highest peak in giving these enormous subsidies amounting to billions of dollars to foreign producers of gold and silver.

Why was this policy inaugurated? Two New Deal professors insisted that it would bring about business recovery and increase our foreign commerce to buy all the gold offered in the world, and about the same argument was made for silver. This Nation now has between 60 and 70 percent of the money gold of the world. We pay $35 an ounce to countries that take it out of the ground for about $8 or $10 an ounce, and then we bury it in the ground down in Kentucky. We have great quantities of silver likewise buried in vaults up in New York and other places.

If we extend this act to June 30, 1941, the President will continue to buy all the gold and silver in the world and continue to act as super Santa Claus to the foreign producers of gold and silver throughout the world. An effort will be made by the Republicans to limit these subsidies to the producers of gold and silver by American citizens and cut out these subsidies to foreign producers of gold and silver [applause], but the President will force our New Deal friends to vote down these amendments and continue this greatest and costliest of all the New Deal follies.

The question arises, What are we going to do about it? We cannot continue to buy all the gold and silver in the world at these inflated prices. We cannot continue to pay out billions in subsidies to the foreign producers of gold and silver. But what will happen when we stop taking the gold and silver of the world? Will not the price flop? And what will this gold and silver be worth then? It could not possibly be worth more than $20.67 an ounce. Do you not think that the American holders of gold and gold certificates got a dirty deal when they were forced to take $20.67 an ounce for their holdings and the Government proceeded forthwith to pay the producers of foreign gold $35 an ounce, or an increase of $14 an ounce?

Did it help business or commerce? We have bought larger quantities of gold and silver in the last 2 years than at any other time, yet we have more people out of work and more people needing relief than at any time in the history of this Nation. Farm prices have dropped more than 50 percent in the last 2 years. During the last few months, with the greatest inflow of foreign gold, our foreign commerce dropped 40 percent. Our exports were $150,000,000 less for the first quarter of 1939 than for the first quarter of 1938. Wheat delivered in Chicago in March 1937 was $1.52 a bushel; today it is about 67 cents a bushel. Corn delivered in Chicago in March 1937 was $1.25 a bushel; today it is about 47 cents a bushel. One-third of our railroads are in the bankruptcy courts and the other one-third are on the brink. The Government has nearly 12,000,000 bales of cotton on its hands that it does not know what to do with, and this is true as to about 270,000,000 bushels of wheat and millions of bushels of corn.

No one but a New Dealer could figure out how we could bring back prosperity by paying a subsidy of 69 percent to the producers of foreign gold and bury it in the ground down in Kentucky, or by paying a subsidy of 25 percent or more on foreign silver and hide it away.

When the final chapter is written on this law, and the books are opened, the American people will find this to be the most expensive and the greatest of all the follies of the New Deal.

We have around $15,600,000,000 in gold and billions in silver. By these subsidies we have induced the people of the world to send their gold and silver to this country. Now they do not have the money to buy our surplus cotton, corn, wheat, meat, and other products. We have the money and we have the products. Both are piling up and idle.

Much is being said these days about the nations going back to centuries ago and engaging in barter. We are planning now to swap corn, cotton, wheat, and so forth, to other countries, not for money but for some of their products. The New Deal has finally brought us down to the old deal of "barter" of centuries ago.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. After our citizens had to turn in their gold for $20.67 an ounce or else go to jail or pay a fine, or both, there was brought into this country over $8,000,000,000, brought in here by foreigners, not only the producers but the speculators and racketeers.

Mr. ROBSION of Kentucky. Yes. Our Government took the American citizens' gold away from them at $20.67 an

ounce and then gave the foreign producers of gold in Russia, Australia, and other gold-producing countries of the world $35 an ounce and made it unlawful for an American citizen to have gold coins or gold certificates.

I was talking to a dentist recently and he pointed out the effect that this high price paid for gold by our Government had upon the users of gold in this country. He stated that a small bar of gold that cost $5.30 before this act was passed in 1934, and which is necessary to carry on his business as a dentist, now costs $9.80, and, of course, this additional cost must be passed on to the consumers of gold in this country. The American Mining Congress is right. It states that if we persist in this policy we shall destroy the benefits to American producers of gold and silver. If we are going to pay a subsidy to anybody, let us pay it to the American producers of gold and silver and not pay out these large subsidies to the foreign producers. [Applause.]

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. Yes; I yield.

Mr. REED of New York. I think it is conceded by everybody that the greatest unemployment is in the heavy industries, and one reason there is unemployment is because of the uncertainty as to value of the coin of the realm, because they cannot and dare not enter into long-term contracts.

Mr. ROBSION of Kentucky. When this country was the most prosperous through the years we had the American dollar—not two kinds of a dollar, one dollar for foreign commerce and the domestic dollar.

I am opposed to this act and its extension. Let us restore confidence by returning to constitutional government. Let us return to the good old American dollar worth 100 cents around the world and to American policies. [Applause.]

Mr. COCHRAN. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, there is one fact that I wish the Members of the Congress would keep in mind in the debate on this subject, and that is the fact that in international trade the American dollar is the most stable dollar in the world. The American dollar is the most sought after dollar by every businessman, not only in America, but by every businessman and every exporter in any country of the world, and this to me is the best evidence that the policies of the administration and of this country in trying to maintain the value of the dollar are the right policies; and the policies that are in the best interests of the American businessman, the American worker, and the American exporter. If it were not for the stabilization fund that we have established and its operations, I say that the American exporter and the American businessman would be at the mercy of every other country; would be at the mercy of the speculators not only of this country but at the mercy of the speculators of the other countries of the world, such as England, France, Russia, Belgium, the Netherlands, and even the South American countries, because every country today is putting on an intensive drive for foreign trade. Not only the United States is driving and striving to export its goods but every other country in the world is doing it. And every country, in order to protect its own interests, its own manufacturers, its own businessmen, and its own exporters, is doing what it can to depress the currencies, if possible, of other countries. So you will see that it is absolutely necessary to have a stabilization fund.

We were at the mercy for a time of certain other countries, before we established our stabilization fund. Other countries for a time kept it a secret that they had a stabilization fund.

They did not let us know what they were doing, or why our American exporters were trading at a disadvantage so far as the value of the American dollar was concerned. As soon as we found out what was the matter we established a stabilization fund, and what do you find in the world today? That eight or ten other countries that are interested in expanding their foreign trade have a stabilization fund; not only England, not only France, but Belgium has it, Switzerland has it, the Netherlands has it, Colombia and Argentina, in South America have it, Italy has it, and even the small country of Latvia has a stabilization fund. And so has Rumania. If these nations find it wise, you see how it is absolutely necessary for us to continue our policy of a stabilization fund. There was not a single witness who appeared before the Committee on Coinage, Weights, and Measures who did not concede the fact that it was necessary for this Government to take steps to protect the value of the American dollar. There was only one witness, as I recall, who advocated the abolition of the stabilization fund, and while conceding that it is necessary for measures and steps to be taken to protect the American dollar, his idea was that we did not need the stabilization fund, but that the Board of Governors of the Federal Reserve Board could handle the situation.

I think there is a considerable body of public opinion in this country, and a considerable number of men in this House, who believe that the Federal Reserve Board already has too much power and too much control over money without having Congress delegate to the Federal Reserve Board this particular stabilization fund power. If we are going to surrender any rights or delegate any power, why not give them to the President of the United States or to the Secretary of the Treasury?

No one can say that this fund has not been operated for the benefit of the American businessman and the exporter, and, incidentally, for the benefit of the farmer, the workingman, and the small-business man, who is only interested in domestic trade. They get the benefit when the American exporter, the American manufacturer of machinery, and so forth, export their goods, and when they know that their dollar is a good dollar all over the world.

The whole fight on this stabilization fund and on this power of the President to devalue the dollar, in my opinion, is nothing but a fight on the part of the bankers of the country, and, perhaps, on the part of the Federal Reserve Board itself, in order to take power away from the administration, and place it in the hands of the bankers, or to place it in the hands of the Federal Reserve Board.

We do not want to have to surrender to the Federal Reserve Board, or to the banking system of this country, power over the stabilization fund.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I want first to finish my statement, and I will be glad to yield later if I have the time. Insofar as devaluation of the gold content of the dollar is concerned, a good many misstatements have been made on the floor of the House. The gold value of the dollar was fixed 5 years ago, and it was fixed at 59 percent of what it had been up to that time. It was found absolutely necessary to devalue the gold content of the dollar, or American industry would not have been able to export a dollar's worth of goods. Every other country was striving to get our gold through the use of our currency. What would have happened if we had not devalued the dollar? Every country, and every citizen from every other country as well as citizens from this country, would have continued to buy gold at the then price, and the result would have been that all of the gold in this country would have flowed out or would have been in the hands of individual citizens or banks, who would have hoarded it. Gold has always been the recognized means of exchange, and all countries and all people were wild to get their hands on it, and so the Federal Treasury would have found itself in a short time without a pound of gold. What would have happened to the economic system of this country if it had become known that the United States Treasury had no gold? People were lined up for blocks and blocks waiting to exchange their currency for gold while they could get it, so that if devaluation had not taken place at that time and all gold impounded, our economic system would have gone smash.

In the economic field, it is just as necessary now for the President of the United States to have this power to devalue gold, in order to protect us against the raids of foreign governments and against the raids of foreign businessmen, who want to depress our currency, and against the raids

even of domestic speculators in gold, as it is for this country in our scheme of national defense to have a standing army to protect itself. That is how necessary it is in our economic life. It is just as the Secretary of the Treasury said; it is as necessary as it is to have adequate sea power. I repeat, if the President does not have that power we will be at the mercy of foreign countries.

In the last 5 years over 50 countries have changed the value of their currency, but we hear men in this Congress standing up and saying that this power should not be continued. How in the world are we going to protect ourselves?

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I would like first to finish my statement. Somebody said something about When is an emergency not an emergency or when does it cease to exist? If anybody gives any thought to the subject, he will know that in the economic field of world trade we are as much in an emergency today as we were 5 years ago. The future of our economic system, not only in this country but in other countries, and social, and political, and economic conditions are more uncertain than they were 5 years ago, especially when you consider this drive, as I said before, for international trade, and consider that some nations are even willing to go on a barter-and-trade basis. Absolutely, if any consideration is given to a study of the matter, we must conclude that this Nation, in order to protect itself, must have these measures. The United States is practically the only country in the world that has a fixed gold content for its dollar. Most of the other countries have a floating currency, they have exchange agreements, their currency has no real value, but in the United States we know that the currency of this country contains 15 5/21 grains of gold, nine-tenths fine. So this is one of the few countries in the world that is on a stabilized basis. If you shut out the American exporter, the businessman, from selling his goods to foreign countries, what are we going to do? Or if he has to sell his goods at a depreciated value, it will stop exports, and everybody knows what effect that will have on the internal conditions of this country.

You talk about unemployment. If you adopt measures so that the American manufacturer of machinery, or the exporter of goods to foreign countries is not protected in the foreign market, I fail to see how that is not going to increase unemployment in this country, because unemployment is caused, not only by conditions here, but by world conditions, and if we cannot export our goods, unemployment will increase. You may take the hearings before the committee, and you will not find where a single exporter appeared before our committee and said that this stabilization fund should be abolished, nor will you be able to find a single manufacturer or businessman who advocated abolition of this fund; nor will you find a representative of any farm organization or labor organization or of any organization whatsoever who said that the stabilization fund should not be continued. We have no such testimony, and hearings were held for weeks. Conditions are very different today from what they were 5 years ago or 10 years ago when there was a free exchange of gold all over the world. We are not living today under the same conditions as we were 6 or 7 years ago, and there are any number of reasons it is necessary for the President and the Secretary of the Treasury to continue to have the power given by the bill now before us. They say $15,000,000,000 in gold is too much for the Treasury of the United States to have. We all know from history that gold was always the main basis of wealth. It was used as a medium of exchange even before civilization began. If you want to say that gold will not be used in the future, that gold as a medium will go contrary to all history and all experience in the past, still you cannot say that gold will not be valuable. The fact that we have so much is the very thing that puts the United States in the commanding position in the world which it has today insofar as economic relationships with other nations are concerned. That is why we can continue to export our goods and commodities.

They say we are paying a subsidy of $14.33, or something like that, for every ounce of gold. That is a fallacy. It is not true. It is not the fact. The price of gold in 1933 will be shown from the record, as adduced from statistics that were gathered, which are reliable. Just listen to how the price of gold went up. This is a factor you should take into consideration. In 1933, in the month of January, the price of gold was $20.58 an ounce. In February it was $20.65. In March it was $20.71. In April it was $21.71. In May it was $24.29. In June it was $25.36. In July it was $28.85. In August it was $28.34. In September it went up to $30.68. In October it was $30.71. In November it went up to $33.10. In December it was $32.32. In January 1934 it was 32.87. In February 1934 it went up to $34.48. In March 1934 it was $34.77, and in April 1934 it went up to $34.85.

That was the price of gold in the world market and in the United States of America. When the President fixed the value of gold at $35 an ounce and impounded the gold of this country, what were the indications? The price of gold was going up from day to day. It was almost impossible to obtain. People were lining up trying to exchange currency for good old gold. What would have happened? The result would have been, as I said before, that the United States Treasury would not have had an ounce of gold, and the economic system of this country would have gone smash. When you see that in 14 months the price of gold raised over $14 an ounce and was going up day by day, day by day, how can you say that the United States Treasury is paying a subsidy today? England is buying all the gold it can get right now at $35 an ounce, the same as the United States. France is buying all the gold right now at the same price.

Mr. BREWSTER. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. Not now. If I have time after I finish my statement I will yield.

And that is the price, according to the tripartite agreement entered into with those countries, that will be recognized as the value of gold for the present.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. PARSONS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. EBERHARTER. Mr. Chairman, there have been other misstatements made on the floor of this House insofar as the right of foreigners to come and demand gold from this country is concerned. The laws, and the regulations of the Treasury Department, are to the effect that no foreign citizen can buy gold from this country any more than a citizen of this country can buy gold. The only parties authorized to buy gold from the United States Treasury at $35 an ounce are the nations with which we have agreements, or the fiscal agents of those countries. In England it is the Bank of England. In France the only party who can buy gold is the Bank of France. This gold in the United States that was sent here, those people and those nations who have sent it here sell it at $35 an ounce, and they get a credit. That credit is used to settle international balances. So when those people and those nations send their gold here they receive a credit. What does that do? That helps the United States to sell the goods we have produced in this country, because the gold is held here to settle those balances. When those people have deposits of gold here, naturally it is a stimulus to our trade and a stimulus to those having a credit balance to buy from the exporters of this country, and our producers and manufacturers.

I believe it is absolutely necessary for us to continue the operation of this stabilization fund and it is just as necessary to continue the power in the Treasury and in the President to devalue the gold content of the dollar, because if we do not do that we know that these other countries, in order to advance the interests of their own businessmen, their own workingmen, their own laborers, will do something that will further plunge this country into more unemployment and more business distress.

The automobile companies of this country are shipping thousands and thousands of dollars worth of machinery and automobiles and other manufactured articles to foreign

countries. Not one of them appeared before this committee and said he did not have confidence in the American dollar. They are all glad to sell their goods. If they did not have confidence in the future of the American dollar and that that confidence would continue, they would not make these contracts with foreign countries to sell them their goods, because the contracts call for payment in the American dollar. I believe that for the protection of the American businessman, for the protection of the American exporter, the American manufacturer and, incidentally, for the protection of the American worker and farmer, it is best to pass this bill, continue the stabilization fund and continue the power of devaluation in the President. The power of devaluation is a weapon in reserve which is needed for the protection of American interests. It is the wise thing to do. It is the patriotic thing to do, and the thing to do for the best interests of the entire country, businessmen, workingmen, and farmers.

Mr. BREWSTER. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. BREWSTER. Did I understand the gentleman to say that Great Britain was buying gold?

Mr. EBERHARTER. Great Britain is buying gold, according to——

Mr. BREWSTER. How does the gentleman explain the fact that Great Britain has lost $1,300,000,000 worth of gold to us last year, not only every dollar produced in the British Empire, but $500,000,000 additional?

Mr. EBERHARTER. It is very easy for Great Britain to have on deposit here gold earmarked for other persons; and if they want to send it over to this country or if other nations want to send gold over to this country because of unsettled conditions in Europe, they can send it here, sell it to us, and they get a credit balance on our books.

Mr. BREWSTER. The gentleman's statement is correct. They very much prefer the credit to the gold. We get the gold but they get the credit.

Mr. EBERHARTER. But we have an agreement with England that they value this gold at $35 an ounce; and they will take from us in settlement of international balances $35 worth of goods; or gold valued at $35 an ounce.

Mr. BREWSTER. And none of those balances have existed for some years. The gentleman said that we could not sell gold to anyone. Has the gentleman in mind the provision of the law immediately preceding this one under which the Secretary of the Treasury is given power to sell gold in any amount at home or abroad, in such manner and at such rates and upon such terms and conditions as he may deem most advantageous? Secretary Morgenthau could sell the $15,000,000,000 of gold tomorrow for 10 cents.

Mr. EBERHARTER. What I meant by my statement was that no person has the right to come to the Federal Treasury and demand gold—no foreigner, no citizen of any foreign country. To get gold from the United States Treasury, a license must be had from the Secretary of the Treasury, and at the present time only certain foreign nations or their fiscal agent have licenses. [Applause.]

[Here the gavel fell.]

Mr. REED of Illinois. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

THE DEVALUATION AND GOLD STABILIZATION ACT

Mr. ALEXANDER. Mr. Chairman and Members of the Committee, to a man on a horse the debate on this bill indicates that all we are doing in this country, including this gold stabilization and devaluation bill now under debate, is useless in terms of the solution of our great problem of poverty and unemployment or of bettering our agricultural, industrial, and commercial welfare.

Measured in terms of the gold and silver we have acquired in the United States during the past 6 years we have perhaps accomplished something, but in terms of human welfare and economic advancement there seems to an ordinary observer to be great deficiency of accomplishment.

This bill may be needed by the international bankers to save themselves or their particular clique from loss or destruction by some other group of international gamblers, but I can see no reason why the shrinking resources of this Nation should be pledged and depleted by Congress to save these predatory, profit-seeking interests.

If anyone can show how either our national or our international economy has been aided or improved by this act in terms of the welfare of the masses in America, I shall be glad to hear it. We know unemployment has continually grown; we know the farmers' prices have gone down and down; we have been getting closer to international chaos and probably war. Surely if the program conceived by the inventors and sponsors of this bill is helpful and worth while we should have had some tangible results ere this after 5 years of promises and hope.

What then is the answer to all this? Shall we continue to be misled and misguided by these self-seeking interests, or shall we call a halt right here and build our own program, based on the welfare of our people and of democracy?

To my mind there is one question we all must answer, not only in connection with this bill, but all the other money-spending, money-appropriating, money-wasting, fallacious laws and activities which this Nation has engaged in during the past several years. That question is being asked on every hand by all classes of people. It is this: What is the objective being sought with all this Government planning, control, and spending? What do you planners and spenders intend to accomplish? Do you expect in another 2 years of extension of this act as asked for in this bill to rejuvenate America or rehabilitate business and workers' jobs? Or do you expect to continue these artificial, fantastic schemes until you have completely broken the Nation, its businessmen, its farmers, and its financial structure, until dictatorship is the only answer, and democracy lies vanquished upon the altar of greed or incompetence or both.

Some of our people even suspect that the whole present program is one to destroy orderly government purposely and premeditatedly so as to force the country into dictatorship. A very able and fair exposition of this problem was presented to the House in the course of this debate only last Tuesday by one of the most capable and distinguished Members of this session, Congress DIES, of Texas. He then pointed out—and I hope every patriotic citizen in America will read his masterful address—that it is high time to call a halt to the further extension of emergency powers, such as was originally granted in this bill, because dictatorships feed on emergencies and on the perpetuation of emergencies.

By some peculiar coincidence a letter has just come to me from a party way down in Arkansas which would indicate, if true, that we have indeed something to fear and worry about in this Nation. I was never in Arkansas in my life and never heard of this individual before, but I insert the letter at this point in the RECORD, so that you may judge for yourselves as to the need to take a checkrein from here on every piece of legislation coming before us. The letter is as follows:

I quote:

I have read with much interest, and, may I say, with a sense of prayer, your speech on the floor March 2 upon your introduction of your resolution for an investigation of Secretary Wallace and his entire Department on this Triple A.

Although I read the RECORD rather carefully, I have not seen just what disposition the House has made of this matter. I trust that it has gone through, and that the House has placed ample funds in the committee's hands for such investigation, for conditions here in the South are horrible because of the mismanagement of the Triple A. There has been absolute fraud in all of its actions, and even the very fundamental laws of the land have been grossly violated. Hundreds upon hundreds of formerly well-to-do, thrifty farmers have been rendered homeless, helpless, and desperate because of the functioning of this law.

The situation here, and all over the South, can best be gleaned in the enclosed article that I have prepared for publication, together with the accompanying affidavit. These facts I actually know to be a fact, as I have sat by the hour and seen these things take place. In fact, I at one time was requested to "forge" men's names myself,

and because I refused to do so, was told "that my services were no longer needed."

I did not realize the seriousness of the situation until I was in Washington last spring and was asked by certain parties who claim to be near the administration to come south and organize the farmers for them. At that time the entire plan of taking over America—"revolution through legislation"—was clearly outlined to me. I was given names in order that I might apply for literature, etc. I was told that the entire plan of the Triple A, its motives, etc., was a step in the Government's taking over agriculture, and T. V. A. for the taking over of utilities. That the next steps would be the taking over the railroads, aviation, radios, in the order given, and so on down the line. The fact that startled me most was the statement that Washington was only to be the subcapital, with the real capital to be abroad in one of the foreign countries. That there was already a building completed to answer for the "international capital of the world."

You see, with all of this information on top of what I already had, I set to work trying to bring the situation before the people, the seriousness of the plight that we were being gradually enticed into.

My article has not yet been published but I have great hopes that it will before very long but I wanted you to know the conditions here in the South with the hope that you will have the conditions here in Arkansas investigated along with that of other States. Robinson's close connections might have had some bearing on the "rank" way the Triple A forces ran amuck. They knew that he, Robinson, could and would ward off all investigations as he in fact did. And, too, it would not do to let any unfavorable publicity attach itself to the name of the majority leader of the Senate, friend and adviser of the President, oh, no! So the investigation was killed about midway or a little further along.

We Americans thank our holy stars that we have a few noble, strong, true Americans still in the Senate and House and know that we are standing entirely back of you in all of these investigations and the righting of all of these wrongs with whatever powers and services that it is within our power to render you. For conquer we must and save our country from a condition far worse than Germany—Soviet Russia—for it is to her that all efforts are bent.

Very sincerely yours,

S. J.

I have not had opportunity as yet to obtain permission to publish the article referred to in the above letter, but I assure you it is enlightening and highly illuminatory, and later with the writer's permission I may insert it in the RECORD where the public can see and know the charges sworn to under affidavit therein.

This is only one of over 500 letters and petitions which I have recently received on the subject of governmental reform of various types which the people feel is needed in this country. All of these letters ask for monetary reform and demand that our Government abandon the issuing of tax-exempt interest-bearing, nonnegotiable Government bonds, which are drawing billions of dollars out of production. They ask that we restore to Congress its sole right under the Constitution to coin and regulate the value of money and credit.

From the volume and earnestness of these letters it may rightly be assumed that the people are demanding an end to this monetary control by the international money changers and that we vote down the extension of further emergency powers to the President, or anyone else, for that matter.

Mr. REED of Illinois. Mr. Chairman, I yield 7 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I have been trying to examine this problem in the last few weeks as a matter of policy for the country we live in and not from a partisan or political angle, and the few remarks I shall make today are made in that spirit.

Mr. Chairman, the gentleman who preceded me spoke about the movement of gold throughout the world. There are several good reasons why gold should move from one country to another. The principal reason, the one that we like to think of first, is its use in the settlement of international trade balances. Gold has been used for this purpose since time immemorial. There is another very important reason why gold will move in the world, and that reason is fear—fear of what may happen to the people who have it, wherever they may be. It is my humble opinion that a great deal of the movement of gold to this country in recent months has been due to fear of conditions abroad. There is, however, another very important reason why gold will move, and particularly in the situation we have here under the present law, and that is the price which we are willing to pay for it. We are paying $35 an ounce for gold. This is a very high price for this metal. The present cost of mining gold is more nearly the $20 an ounce that it used to be, as I understand it, than it is the $35 an ounce we are now paying for it. The difference between cost and selling price is the subsidy we are paying to gold producers throughout the world.

The gentleman spoke of conditions in 1933 when the price of gold was rising. I call the gentleman's attention to the fact that the price of gold on the 4th of March in 1933 was very close to $20.70 an ounce, or $20.67. From that point on it began to rise. I do not say that that rise in the price of gold was on account of fear of the New Deal administration in the hearts of American people, but I know that the people attempted to gain gold and hide it in every corner of the world, and that they were willing to pay for that gold whatever they could afford.

Consequently the domestic price of gold rose quite rapidly to something in the neighborhood of $34.87. Then the price was stabilized at $35, which was in excess of the price bid at the time. Under those circumstances, the price having been bid up in this country and having been stabilized at $35 an ounce we are paying a considerably greater price for the gold than it is worth as a commodity. The cost of mining gold is not any greater today as I see it than it was in 1933.

I have here a very significant article which I have been studying which comes from the Foreign Affairs Quarterly of April 1939, an article entitled "Has Gold a Future?" by Frank D. Graham and Charles R. Whittlesey, both connected with the economics department of Princeton University. The first sentence reads as follows:

In 1923 certain British economists, in characteristic half-serious, half-humorous vein, proposed that, in the process of paying reparations and interallied debts, Europe should first send her monetary gold to the United States and then turn her back on the gold standard once and for all, leaving this country, quite literally, holding the bag.

I think that is what is now occurring throughout the world because at the present time no other nation than ours is on the gold standard, and I have some doubt as to how much of a gold standard we have here.

On page 584 of this magazine the statement is made:

We are importing gold not on our own volition but in accordance with the will of foreign sellers.

Rates of exchange have no longer any decisive influence on gold movements even though gold movements still have a marked influence on rates of exchange. The significant point is that discretion as to whether gold will be imported or exported, not only in their own country but here also, rests entirely with foreign monetary authorities who can also dominate exchange rates when they so elect. So long as they possess, will take, or will export, gold, they can put exchange rates practically where they want them; even without gold, they could do this in some degree through the purchase and sale of dollar claims provided we remained ready to buy and sell gold at a fixed price in dollars.

On page 591—and I wish you could all read this entire article for it is important—the statement is made:

The trouble arises from the fact that we are on gold and the rest of the world is not, and that we have a standing offer to buy gold in unlimited amounts, at a high fixed price in dollars, while the monetary authorities in other countries can take it or leave it at their discretion.

It is somewhat ironical that the "friends" of the gold standard, repeating the history of silver, are proving to be the greatest enemies of the standard they favor. It is they who are largely responsible for an untenable position from which, so long as foreign countries refuse to alter a status in which they are at a marked advantage, we can perhaps best extricate ourselves by the definitive demonetization of gold.

In other words, the people of the United States, through the action of their Government in Washington, are suckers. They have actually purchased tons of bricks of gold from sellers throughout the world at far more than the cost of production. And these writers advise us that the best way out of our trouble is to demonetize gold altogether.

I say to you this administration has in truth driven the money changers from the toll temples in Wall Street and invited them right into the United States Treasury, where they fatten at the expense of the people much easier than before.

Then these writers go on to tell us some other things about the gold question. Mr. Chairman, this is a most important subject, because it involves the savings of the people of the United States. I call your attention to the fact that we have buried in a hole in the ground over here in Kentucky some $15,000,000,000 in gold which the world does not want for monetary purposes. If it were allowed to go out on the open market today at a free price it would no doubt drop in price to not only $20.67 an ounce but probably to a far less amount than that, even to $15 an ounce. Every dollar that it dropped in price would mean a loss to the American people of $430,000,000, based on the stock we now have on hand.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Does the gentleman recall what it was that Mr. Hitler seized when he took Czechoslovakia?

Mr. HINSHAW. It seems to me it was $80,000,000 in gold.

Mr. CASE of South Dakota. Does the gentleman think that the demand or desire for gold is at all responsible for some of the unrest in Europe?

Mr. HINSHAW. I feel quite certain that the lack of any monetary standard in Europe at the present time is responsible for a great deal of that unrest.

Mr. Chairman, we have bought tons of gold for which we have no use unless we coin it and distribute it among the people. I say we have no other use for it; I do not mean that exactly, because we can use it for filling teeth and making wedding rings, watches, and doorknobs, and so forth. But $15,000,000,000 worth of gold will fill a lot of teeth.

Besides that, Mr. Chairman, it takes several thousand soldiers to guard that place in Kentucky where the gold is buried. It is an expense, a liability, an invitation to war, a net loss to the people of the United States in almost every way you look at it.

[Here the gavel fell.]

Mr. SOMERS of New York. Mr. Chairman, I yield 7 minutes to the gentleman from Iowa [Mr. HARRINGTON].

Mr. HARRINGTON. Mr. Chairman, I rise to call the attention particularly of my colleagues from the agricultural districts to a statement that has been placed in the hands of every Member of this body by the president of the American Farm Bureau Federation. Mr. O'Neal, in writing to the Members of Congress, has the following to say:

I am writing to convey to you the support of the American Farm Bureau Federation for the extension of the President's power to change the gold content of our dollar provided for in the Somers bill, H. R. 3325, which is now under consideration by the House of Representatives. We respectfully urge your support of the continuance of the power to revalue our dollar in order to protect our currency and to safeguard our exports and our domestic markets. This is a matter of vital importance to 30,000,000 farm people.

At the last annual meeting of the Federation held at New Orleans, La., December 11, 12, and 13, the voting delegates from 39 member State organizations representing through their membership approximately one and a half million farm people asked for the continuation of this power, pending an investigation and report on the whole monetary problem by a joint committee of Congress. A copy of the resolution is appended. Senator BANKHEAD and Representative STEAGALL have already introduced resolutions in the Senate and House which embody our recommendation for such a study; the Somers bill continuing the power to revalue the dollar embodies our other recommendation.

The power to revalue our dollar expires on June 30, 1939, unless action is taken by Congress to renew this authority. Failure to act now would be calamitous. Perhaps at no time since the close of the World War has the international situation been more unstable. It is imperative, particularly under such conditions of international insecurity, that we maintain these powers to protect our markets from the disastrous consequences of monetary manipulation and exchange fluctuations by foreign countries. Now that we are a creditor nation with huge surpluses, especially of wheat and cotton, it is vital that we protect our export trade from adverse currency manipulation by competing nations.

Practically every important nation of the world has abandoned the fixed gold standard. The executive branch of practically every nation of the world has been given the power to depreciate its currency if it so wishes and to do so without public discussion and debate. In the world today when currencies of competitor nations are in a state of constant flux it would be suicidal to tie the hands of our Government and prevent it from adjusting our currency in such a way as to protect our export markets and prevent foreign produce from being dumped into our domestic market.

If the existing power to revalue the dollar within the specified limits is not continued it really means putting the United States back on the fixed gold standard. It means tying our dollar to a fixed gold content. We would be virtually the only country in the world that would be doing so. By tying our currency to the gold dollar while the other countries are permitted to depreciate their currencies at will, we are deliberately sacrificing the one weapon which prevents foreign countries from actually carrying out the depreciation of their currencies. We would be giving up the one weapon which would restrain these competing nations from getting a competitive advantage in the agricultural and industrial markets of the world.

The attempt to maintain a fixed value for our gold dollar regardless of changes in our economic and monetary conditions was an important factor in bringing about the most disastrous and far-reaching depression in our history in 1929–32. Because our dollar was rigidly bound to a fixed quantity of gold and because other countries depreciated their currencies, basic commodity prices dropped almost one-half. That meant we had to produce twice as much to obtain the same dollar income as in 1929. Our dollar became so dear that it could no longer serve as a fair medium of exchange for goods and services and the payment of debts. Our whole economic structure was brought to the brink of ruin.

Farmers who must exchange their commodities for dollars suffer the most from a fixed gold dollar. For example, in 1929 a farmer could exchange less than 1 bushel of wheat for a dollar, but in 1932 the farmer had to exchange 3 bushels of wheat for our gold dollar with its fixed value. Likewise, the cotton farmer who borrowed $100 in 1929, borrowed the equivalent of 1⅛ bales of cotton, but if he had to pay back this debt in 1932, he had to pay back the equivalent of 4 bales of cotton.

The abandonment of the fixed gold standard in 1933 followed by the revaluation of our dollar stopped the ruinous process of deflation and proved a major factor in starting our Nation back on the road to recovery. To abandon now the power to revalue our dollar means once more subjecting the millions of our farm people to the merciless consequences of a fixed and rigid gold standard at a time when our competitor nations can, at will, change the value of their currencies.

We have made much progress toward a managed currency which can serve as a fair medium of exchange and as a protection to the farmers of our Nation. We should go forward and not backward. We, therefore, respectfully urge the continuance of the power to revalue our dollar.

Sincerely yours,

EDWARD A. O'NEAL, *President.*

Resolution adopted by the annual meeting of the American Farm Bureau Federation, New Orleans, La., December 11, 12, 13, 1938

MONEY AND PRICE LEVEL

The American Farm Bureau Federation has repeatedly urged Congress to exercise its constitutional obligation to regulate the value of money by establishing and maintaining a managed currency, regulated on an index of basic commodity prices which will maintain a dollar with a constant purchasing and debt-paying power.

The American Farm Bureau Federation urges Congress to create a special congressional committee to study the problem of fluctuating basic commodity price levels and the effect of such fluctuations on farmers, producers, or other basic commodities and the economic life of the country. We urge also that such a congressional committee study the monetary systems of this and other countries in an attempt to ascertain the effect of monetary policy on basic commodity price levels and based on these studies to propose effective methods of achieving a greater stability in basic commodity prices and that Congress enact such legislation as will achieve this objective.

Pending the completion of this report to Congress, we urge the continuation by Congress of the President's authority to change the gold content of the dollar.

Mr. REED of Illinois. Mr. Chairman, I yield 6 minutes to the gentleman from Montana [Mr. THORKELSON].

Mr. THORKELSON. Mr. Chairman, there seems to be a great deal of confusion in regard to terms. I have here a statement from the Treasury Department that I am going to insert in the RECORD, and I ask all Members to read it.

There is no relationship between our currency at home and the currency that is used abroad for the simple reason that the international dollar is secured with 15.521 grains of gold and the domestic dollar is not secured with gold. The international dollar is stabilized, therefore, upon its gold content and needs no stabilization fund in order to keep it stable.

Here is another fact we must bear in mind; that is, that $35 buys 533⅓ grains of gold and $20.67 bought 533⅓ grains of gold before 1933. So you are not buying any more gold with $35 than you bought with $20.67.

The stabilization fund was set aside to be used by the President and the Secretary of the Treasury. It was not to stabilize the international dollar. The reason the fund was set aside was because it must be used in order to stabilize

our securities that may be dumped on the foreign market. The Congress should realize that no securities or bonds are secured by gold. When such securities leave the United States to be liquidated in a foreign market, they are then paid in gold and the stabilization fund is to take care of and liquidate such securities in the foreign market.

Mr. PATMAN. Will the gentleman yield?

Mr. THORKELSON. I yield to the gentleman from Texas.

Mr. PATMAN. Is not the gentleman talking about the open-market operations of the Federal Reserve bank rather than the stabilization fund?

Mr. THORKELSON. There is really no difference.

Mr. PATMAN. No difference?

Mr. THORKELSON. No difference; and I make that statement for the reason that when our securities or bonds are dumped on a foreign market they are payable in gold.

Mr. WHITE of Idaho. What class of security does the gentleman refer to?

Mr. THORKELSON. I mean our bonds or credit. Even commodity dollar is paid for in gold outside of the United States, in spite of the fact that it is not paid in gold within the United States.

Mr. PATMAN. Is not the gentleman mistaken about $12,000,000,000 of gold certificates outstanding?

Mr. THORKELSON. No. It is in this statement.

Mr. PATMAN. Show it to me.

Mr. THORKELSON. This comes from the Treasury Department.

Mr. PATMAN. Read it to the Committee.

Mr. THORKELSON. I will be glad to do that.

Title to all gold held by the Treasury, now amounting to 15.5 billion, is vested in the United States. A large part of this gold (12.9 billion on April 17, 1939) is held as security for gold certificates (or credits payable in gold certificates)——

Mr. PATMAN. "Or credits." There is only $2,000,000,000 plus in gold certificates, with $10,000,000,000 plus in credit; just a pencil-mark transaction.

Mr. THORKELSON. Let me continue:

issued to and held by the Federal Reserve banks pursuant to the Gold Reserve Act. Such gold certificates may be redeemed in such amounts of gold bullion as, in the judgment of the Secretary of the Treasury, are necessary to settle international balances.

In order to reply to some of the questions which have been asked on the floor of the House, I present the following illustrations for explanation.

An ounce of gold will only exchange another ounce of gold, so it follows therefore that the price does not fluctuate except in its exchange rate.

In 1932 the dollar contained 25.8 grains of gold. Today the dollar contains 15.521 grains of gold, and as we carry this on, we find that in 1932 it required 25,800 grains of gold to buy $1,000 of credit. Today, it only requires 15,521 grains of gold to buy $1,000 worth of credit. This is the reason for gold coming to the United States.

Now, let us carry this transaction through: The English merchant, in order to buy an automobile worth $1,000 in the United States, customarily would take 25,800 grains of gold, or approximately 200 pounds in English money, to his bank and establish a credit for $1,000 in the United States. Today the same English merchant takes 15,521 grains of gold, or approximately 200 new pounds, to his bank in England, and establishes a $1,000 credit in the United States, to buy the same automobile that he bought in 1932.

In 1932 the American manufacturer would present a draft on the exchange bank in New York and would receive for his automobile 25,800 grains of gold, or $1,000. Today he takes the same draft to the bank and receives 15,521 grains of gold, or $1,000. The difference is not in the dollar, but it is in the amount of gold the dollar represents. This picture is not entirely true, because the manufacturer in the United States receives $1,000 in commodity or unsecured money and no gold, for domestic money is not payable in gold to us. The bank, however, receives $1,000 in credit from England, or 15,521 grains of gold, instead of 25,800 grains of gold which it received in the same transaction before 1933.

This loss is taken by the United States manufacturer, who is actually selling his automobile for $600 in gold as compared to $1,000 in gold before our dollar was depreciated. This is also the reason why foreigners buy United States bonds and securities. The ounce of gold today buys $35 of securities, whereas the same ounce bought $20.67 worth of securities and bonds before 1933. This is a good investment for foreign nations, particularly in view of the present trouble now raging in Europe. English capital is safer in the United States than it is in England, especially if England should lose a war or if her currency should collapse. So these same people buy United States securities because the interest is payable to them in gold, and the bonds and securities themselves are also redeemable in gold when they ask for such redemption.

The United States, therefore, becomes a depositary for foreign nations, because their money is reasonably safe in the United States; and on top of that we pay them an interest payable in gold. This is the reason for the flow of gold into the United States. This is also the reason why business is upset and turmoil exists in every country in the world.

We cannot go back to the old gold standard and liquidate American securities in dollars based upon the old gold standard, because in such event we would pay 40 percent more gold for the liquidation of them than we received in the sale of such stocks and securities. This would deplete the United States Treasury and leave us hopelessly bankrupt.

TREASURY DEPARTMENT,
Washington, April 20, 1939.

Hon. J. THORKELSON,
House of Representatives.

MY DEAR MR. THORKELSON: This will acknowledge receipt of your letter of April 18, 1939, addressed to Mr. Harry D. White, Director of Monetary Research, requesting information regarding money in circulation, etc.

1. The total money in circulation and the demand and time deposits of all member banks as of December 31, 1938, were as follows:

Total money in circulation outside Treasury and Federal Reserve banks	$6,856,000,000
Cash in vaults of member banks	746,000,000
Demand deposits (all member banks) (adjusted)	22,293,000,000
Time deposits (all member banks)	11,369,000,000

Demand and time deposits of nonmember banks amounted to $17,525,000,000 on September 28, 1938.

2. Our laws require that a 40-percent reserve in gold certificates be held against Federal Reserve notes in circulation and a 35-percent reserve in gold certificates or lawful money against deposits of Federal Reserve banks.

3. The total deposits of national banks and their reserves on deposit with Federal Reserve banks for the dates requested are shown in the following table:

June 30—	Total deposits	Reserve with Federal Reserve banks	Percent
1926	17,092	1,381	8.1
1932	15,206	1,151	7.6
1936	20,986	3,521	16.8
1938	21,866	4,618	21.1

4. Two billion dollars of gold was set aside for the exchange stabilization fund. Of this amout $1,800,000,000 has remained on deposit in the Treasury in the form of gold, and $200,000,000 has been transferred to a special account with the Federal Reserve Bank of New York, to carry on the operations of the fund. A complete audit of the fund as of December 31, 1938, is enclosed.

5. Title to all gold held by the Treasury, now amounting to about $15,500,000,000, is vested in the United States. A large part of this gold ($12,900,000,000 on April 17, 1939) is held as security for gold certificates (or credits payable in gold certificates) issued to and held by the Federal Reserve banks pursuant to the Gold Reserve Act. Such gold certificates may be redeemed in such amounts of gold bullion as, in the judgment of the Secretary of the Treasury, are necessary to settle international balances or to maintain the equal purchasing power of every kind of United States currency.

The remainder of the gold held by the Treasury is accounted for as follows:

Gold reserve—held pursuant to law as a reserve against United States notes and Treasury notes of 1890	$156,000,000
Allocated to the stabilization fund	1,800,000,000
Gold in general fund (against which gold certificates or credits have not as yet been issued)—	
(a) Balance of increment resulting from reduction in the weight of the gold dollar	142,000,000
(b) In working balance	525,000,000

Very truly yours,

HERBERT E. GASTON,
Assistant to the Secretary.

Mr. Chairman, today we are considering whether or not we should extend the power to control our gold until 1941 to the President of the United States. Congress had no right to give the President the power in the first place and there is certainly no excuse for its continuation today.

On April 17, 1939, the chairman of the Rules Committee, the distinguished gentleman from Illinois, very pompously tried to find some excuse for the extension of this power, but, true to form, he spoke on his pet topic, the Hoover administration. I dislike to refer to the past, but, in order to keep the record straight, I cannot refrain from replying to the gentleman's erroneous remarks.

In 1920 the national debt was approximately $28,000,000 and the purchasing power of the dollar was 64 cents, which is equal to a 36-percent inflation of currency. On Inauguration Day, March 4, 1921, there was $6,207,000,000 in circulation. On September 1, 1922, this had been reduced to $4,393,000,000, which was equal to the amount of gold in the United States Treasury. This established a balance, for there was no more currency in circulation than there was gold in the Treasury, and the dollar value was restored to 100 cents in gold. This brought the commodity prices down, so that in 1926 the dollar had a gold and purchasing value of 100 cents. It is for this reason that 1926 has been designated by this administration as a normal year.

During this period from 1921 to 1929 the Government lived within its income, and in addition to that, saved enough from its income to reduce the national debt about $8,000,000,000. From 1928 to 1933 the national debt remained about $20,000,000,000, but the value of the dollar was equal to $1.67, which, of course, meant that prices on commodities had dropped in the same proportion. This was not serious, for it was brought about by the withdrawal of money from circulation.

The depression of 1931 and 1932 was premeditated by the same power largely instrumental in the repudiation of gold securities. The point to bear in mind, however, is this: All securities including money were backed by gold in the United States Treasury. We were on a gold standard and business was essentially sound in spite of the fact that there were ten or eleven million people unemployed.

In March 1933 the bankers and the President went into a huddle which terminated later in repudiation of all gold-bearing securities and the use of gold-secured currency in the United States. In 1934 Congress enacted the Gold Reserve Act for reasons best known to itself but certainly unnecessary and destructive to industry. It was supposed to be an act "to protect the currency system of the United States, to provide for better use of monetary gold stock of the United States, and other purposes." This act is not, as the title infers, "to protect our commodity or managed currency," because our domestic dollar is not secured or redeemable in gold in the United States. The dollar we are using here is spurious because it lacks standard value. It is for that reason bound to collapse, as sure as we are sitting here today, unless it is secured by gold, which alone is recognized as a standard of value.

The act further provides for better use of the monetary gold stock which is a misnomer. I believe the people in the United States realize today that the monetary power given to the President by Congress is the most contemptible capitulation of the New Deal to the international money power. The President's emergency power and control of money has destroyed business and sent idle people walking the streets. In justice to those we are supposed to represent, let us restore the people's rights by placing an embargo on the gold, so that it may be used for security of the money we are using here at home. If anyone is entitled to be secured, it is our own people, so let us give them a break. If you do so, you will correct an injustice, and the people are entitled to that much consideration.

I am sure the people back home expect us to protect them and we can do so by resuming our constitutional power to "coin and regulate the value of money." After having done so, and upon returning home, we will at least not be ashamed to meet our constituents face to face.

It has been said, "Whoever controls the money of a nation controls that nation." This power has been recognized for a long time. Meyer Amschel, the father and founder of the Jewish house of Rothschild, said:

> Permit me to issue and control the money of a nation and I care not who makes its laws.

This is the power the President asked for, and which Congress bestowed upon him in 1934, when the Gold Reserve Act was passed.

The question now is, Do you want to continue the control of money to the President, to the Secretary of the Treasury, and the gang that was in the huddle in 1933? Before you decide let us size up the situation as it is today.

> We have a national debt of over $40,000,000,000. We have unsecured currency, and a dollar with no stable purchasing value which is unredeemable in gold in the United States.

In other words, our people are consigned to the use of a commodity or managed dollar until it finally collapses, or until the majority in Congress changes its attitude and denies the President the control of money.

Congress alone has the constitutional power to control money, and that is as it should be, because it represents the people and the money belongs to the people. In spite of this the Seventy-third Congress set aside $2,000,000,000 in gold for the President and the Secretary of the Treasury, without even allowing an officer of the United States to ask for an accounting of it. This, of course, is a violation of the power as defined in the Constitution. The purpose of the stabilization fund is not to stabilize the value of the international dollar for that is stabilized upon its gold content of 15.521 grains. It is not to stabilize our commodity or managed money for that has no relation whatsoever to gold. Our commodity money is no more than scrip or stage money, only worth what it can buy. The stabilization fund is, however, for one purpose, and that is to maintain a fixed value on United States bonds in foreign countries; otherwise they would not be acceptable, because they carry no gold value. Foreigners refuse to deal in worthless securities. In other words, Congress, at the public expense, has provided the President and the Secretary of the Treasury with $2,000,000,000 in gold, which they may use for call money on the stock market to protect the international money ring when they are called upon to liquidate United States bonds and other investments, which are unsecured at home but payable in gold to foreign countries.

With $2,000,000,000 in gold fabulous wealth may be accumulated by gambling alone. I wonder if Congress intends to continue this folly until 1941. But whether it does or not depends upon the vote of the majority of this House. It depends upon those who have gone along with the President for 7 years, because I do not believe that there is even one Republican who will subscribe to this so-called emergency. I do not believe that my colleagues feel in their own hearts that they were fair and just to our people when they passed the Gold Reserve Act, which deprived them of equal rights with foreigners. I shall vote against extending further monetary power to the President and the Secretary of the Treasury, because I prefer instead to give the Nation's gold back to our people so that they may be secured by gold, a property which rightfully belongs to them. We have worked for it and it is ours and the people's right and privilege to enjoy the benefit of it.

Are we better off than we were yesterday or the day before? The answer is "no," for we have made a complete failure of everything. We have as many unemployed people today as we had 6 or 7 years ago. If we include those who are now employed unnecessarily on the Federal pay roll, we have more unemployed people today than we have had at any time in the past. The Members of the House very well know that we have about 120,000 on the Federal pay roll in Washington alone. Many industries have been closed and many more will close, because no sane and sensible businessman will put up sound securities to borrow unsound and spurious money. No one in his right senses will even begin or attempt to engage in business today, not knowing what this "fly-by-night" administration is going to do tomorrow.

I do not believe there is even one Government-owned corporation which is earning enough to pay its own expenses. As a matter of fact, to judge by appropriations made by Congress for the various Federal business ventures, it appears that all of them are operating at a deficit, no different from that of the Federal Government. It is, indeed, a discouraging condition for which there is no necessity, and which Congress can correct today by resuming its rightful power to control and regulate money.

The first requisite for operation of industries is a sound and stable monetary system. If Congress fails to provide this, there will be no recovery or decrease in our unemployed. Do not deceive yourselves, gentlemen, business is not on a strike, as the administration insinuates, but business is instead discouraged and disgusted with an unreliable majority in Congress. Even the columnists in our daily papers recognize this. One of them said last night that the Supreme Court is encouraging Congress to neglect the Constitution. Inasmuch as it is recognized in the newspapers, it is well for Congress not to neglect it.

There will be no recovery until business can operate free and unmolested from Federal snoopers, or until the various Federal bureaus cease to demand complicated reports. Such things are unnecessary and expensive, and add to the cost of production.

I actually believe that labor itself is beginning to realize that we cannot borrow money and hand it out in order to bring about consuming or purchasing power. It just does not happen that way. Purchasing power can only remain in the community in which industry is operating steadily, so as to provide a regular weekly pay roll. Under such conditions money always remains in circulation in the particular community where such business or industry is operating, but this is not the case when the Federal Government is spending money, because it is neither creative nor remunerative. The Federal Government cannot bring about purchasing power by spending money on various projects, for this reason: Money always returns to the source from which it came. When the Federal Government borrows money it is from the Federal Reserve banks, and all money spent in different localities throughout the United States returns to the Federal Reserve banks or remains there until the Government borrows again. Money cannot remain in circulation unless it is used in private industry. Such money must realize sufficient profit not only to meet the overhead of such industry but, in addition to that, pay reasonable taxes. If this can be done, prosperity will prevail in such community. If destroyed, poverty takes its place.

Gentlemen, this is the condition the country faces today: Federal destruction and usurpation of private business and industry.

Disraeli, the Jewish Prime Minister of Great Britain, said:

> The world is governed by very different personages from what is imagined by those who are not behind the scenes.

It occurs to me that this invisible government is present in all countries, but it is my opinion that its influence is particularly pernicious in the United States today, and it is no doubt the power that the majority in Congress has followed innocently; for I do not believe there is one Member in this House who would willfully and maliciously deprive the people of their rights.

Mr. REED of Illinois. Mr. Chairman, I yield 12 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, I confess that this is a bill which has bothered me in determining fully what it means, and apparently there is confusion in the minds of other persons, too. That is due, I think, to the peculiar way the original act has been amended—a careless use of the words "this paragraph"—and to the fact that the present bill does not correct that vagueness.

But it is clear that the bill provides for an extension of the stabilization fund and makes the requirement that reports hereafter shall be submitted to the Congress, and that the final section proposes to extend devaluation powers under the Gold Reserve Act of January 30, 1934.

NOT ESSENTIAL TO SILVER PURCHASE

The question has been asked many times whether or not this bill involves the silver-purchase program. I am convinced that the passage of this proposed legislation is not necessary to a continuation of the silver-purchase program. I call to your attention that the Silver Purchase Act, which is Public, No. 438, of the Seventy-third Congress, was approved June 19, 1934, and is not amended or touched by the pending bill. Section 3 of the Silver Act of June 19, 1934, states:

> Whenever and so long as the proportion of silver in the stocks of gold and silver of the United States is less than one-fourth of the monetary value of such stocks, the Secretary of the Treasury is authorized and directed to purchase silver at home or abroad for present or future delivery with any direct obligations, coins, or currency of the United States authorized by law, or with any funds in the Treasury not otherwise appropriated, at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest.

Under that paragraph in the Silver Purchase Act not only does the power of the Secretary of the Treasury exist to continue the purchase of silver at home and abroad, but it is in fact mandatory upon the Secretary of the Treasury that he shall continue such purchase until the described condition is reached. Of course, we do not have any such condition at the present time. Our silver stocks in the country at the present time are not one-fourth of our gold. We could buy over a billion ounces of silver before we would reach that condition. And that Silver Act is not touched in any manner, shape, or form by the measure now before us. Consequently, it seems to me it should be clearly understood that the Silver Purchase Act is independent of, is not amended by, and is not concerned or affected by the passage or nonpassage of the particular bill now before us.

It may be true that at the present time, as the gentleman from Colorado [Mr. MARTIN] has remarked, the Secretary is acting under the silver proclamation made under the Gold Reserve Act or the Thomas amendment, but in no sense is his action limited to working under that proclamation.

Moreover, a careful reading of the silver sentences in the Gold Reserve Act amendment will reveal that they are not structurally in the same paragraph that carries the date we here propose to amend. They have no time limitation. They would go on even if the gold powers expired.

HOARDING—NOT PRICE—PILES UP GOLD

A second confusion arises, it seems to me, out of our failure to keep in mind the world situation with respect to gold and our failure to identify the gold-hoarding policy apart from our price policy.

The purpose of using gold in international trade is to have a medium of exchange that will help international trade to flow. Today the United States has nearly 60 percent of the world's gold, and we will not let loose of it. We will not barter and we demand that countries pay us in gold. That policy, and not price, piles up the gold in this country.

I am not afraid that gold is going to lose its value—the world will never come to the position where it will not want or demand gold—indeed, the ultimate danger is that the world demand for gold will bring on wars. The immediate danger is that we may have arrived at the position where we have cornered the world's gold and disrupted international trade. Gold on the open market in London before we offered $35, and since, brings as much as we pay for it, but in other countries private ownership of gold is not a crime. People want it. Nations want it.

Indeed, there is much reason to ask if our gold policy—not the price, but the hoarding policy—is not in fact one of the basic causes for the unrest and the conflict in the world today.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. What the gentleman has stated is quite apparently in the mind of the Secretary of the Treasury, who states he fears we now have too much gold and must get rid of some of it. Does the gentleman have

any ideas with regard to how we may reduce our stock of gold in this country?

Mr. CASE of South Dakota. Yes; I have two suggestions, and I propose to give them in just a minute.

Mr. AUGUST H. ANDRESEN. I should like to hear them.

Mr. CASE of South Dakota. It is important, if gold is to fulfill its function, that it be permitted to flow. The very fact that when Hitler seized Czechoslovakia one of his first acts was to seize the gold there, and the fact that today we ourselves say we will sell war supplies to France if she can pay for them in gold, are ample proof that the world still wants and still demands gold. If any nation gets into the predicament where it must get something, the problem is simple if it has gold with which to pay.

Some concern has been expressed here this afternoon over the fact that we were taking good United States currency and buying gold with it. Does anyone for a minute suspect that we could not regain that currency any time we wanted it if we would offer to return the gold for the currency?

These facts, it seems to me, demonstrate the inescapable conclusion that gold does have a definite and practical purpose and value in the world, and, at the same time, point to the solution of the problem.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. If the gentleman will permit, I should like to answer the gentleman's question.

Mr. AUGUST H. ANDRESEN. Let me ask the gentleman this further question. What would the countries do that are now buying war supplies and other merchandise from the United States when they run out of gold?

Mr. CASE of South Dakota. They will do exactly what some are doing today. They will cease to buy from us and they will attempt to carry on international trade by the barter system, and that is exactly what is happening in many instances today. When barter breaks down, they fight for gold or for the raw materials they have not the gold to buy.

It seems to me there are two steps that might be taken that would help to restore gold to a position where it would contribute to the solution of world problems. Indeed, steps that would remove one of the basic causes of current problems.

USE GOLD TO PAY FOR GOLD

In the first place, I would suggest for your consideration an amendment, and I trust the gentleman from Minnesota will give this consideration:

An amendment to provide that in purchasing gold the Secretary of the Treasury shall hereafter pay for the same with gold certificates that shall be legal tender in all respects and redeemable in gold bullion of equal value at the time of redemption as provided in section 6 of the Gold Reserve Act of 1934.

In other words, this suggestion would mean that hereafter instead of piling up an accumulation of gold to be buried, a purchase would wash itself by the issuance of a gold certificate redeemable for the equivalent value of gold at any time it might be presented for redemtpion.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield further?

Mr. CASE of South Dakota. I yield.

Mr. AUGUST H. ANDRESEN. That is the recommendation of the American Mining Congress. They propose that gold shall be minted when it is purchased and paid out in gold dollars, ten- or twenty-dollar gold pieces.

Mr. CASE of South Dakota. Of course, this particular suggestion does not call for the minting of the gold.

Mr. AUGUST H. ANDRESEN. It would call for a redemption.

Mr. CASE of South Dakota. For redemption; yes.

Mr. AUGUST H. ANDRESEN. The gentleman contemplates, then, a return to specie payment as recommended by the minority?

Mr. CASE of South Dakota. Yes; I do.

Mr. AUGUST H. ANDRESEN. And that is one of the solutions for our difficult problem and will be of material aid in this country in stabilizing our affairs.

Mr. CASE of South Dakota. And contributing to the stabilization of international trade in the world.

It seems to me there could be no objection to that. If we are alarmed, and the Secretary of the Treasury is alarmed, by the increasing percentage of the world's gold we are acquiring, what possible harm could there be in simply issuing a certificate that would be redeemable in gold? Purchases would not increase our hoard. An equivalent amount would be subject to demand. Gold could flow again and trade would follow.

USE OLD GOLD TO FREE OUR MARKETS

The second suggestion would be to authorize the issuance of gold certificates against present nonearmarked gold, to be used for the purchase of domestic securities held by foreigners. This not only would achieve a better distribution of the gold stocks now on hand but would tend to free our security markets from the demoralizing effects of liquidation when war scares frighten Europe.

The first suggestion, the gentleman will recognize, seeks to avoid increasing the problem.

The second suggestion is directed at solving the problem of present maladjustment.

I would be pleased to have the gentleman's suggestion on that if he cares to make any comment.

Mr. AUGUST H. ANDRESEN. I was hoping the gentleman would go into detail on that second suggestion, and let me ask the gentleman this question. Does he have in mind that when foreign investors dispose of their American securities that they should then be forced to take gold in order to get it distributed throughout the world?

Mr. CASE of South Dakota. Not necessarily, although I see more sense in that than I do in proposals to make foreign loans with this gold. That means giving it away. My idea is to get something for it that will be a good thing for the United States and Americans to have, which will be not only the actual securities purchased but the independence of our markets.

I readily admit that that suggestion will require considerable study, but it does not seem more difficult that the operation of a stabilization fund for foreign exchange. Indeed, you might think of this in terms of domestic stabilization. That would not be more speculative than the attempt to stabilize the English pound and the French franc, and it would not be different in principle than the making of commodity loans.

Indeed, I would include the purchase of foreign-held domestic commodities if they were stored in this country and likely to be dumped here whenever the foreign speculator got jittery. We could thereby protect our Government commodity loans and domestic prices. I am not enthusiastic about rigging markets by governmental machinery of any kind, but we are in a situation and must work our way out, and I am thoroughly disgusted with seeing our markets depressed by every war scare. Grains, livestock, and commodities share the jitters when foreign speculators liquidate.

It is difficult to find any foreign commodity we need that we cannot get by an exchange of goods which means work and wealth for our people. It is absurd to give the gold away or to make loans that will never be repaid. If we can use it to recapture the control of our own markets, it seems to me that will be a constructive thing to do for its own sake, while at the same time we make it possible to restore a more normal distribution of gold in the world and that will contribute mightily to solving the very problems that disrupt and disturb the world.

So I suggest using gold certificates to pay for new gold and using old gold not earmarked to free our domestic markets from foreign influence. And, of course, both of these suggestions involve legalizing the private ownership of gold, and the individual American citizen could have the option of purchasing and carrying a gold certificate or of purchasing foreign-held domestic securities. [Applause.]

[Here the gavel fell.]

Mr. SOMERS of New York. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. MASSINGALE].

Mr. MASSINGALE. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MASSINGALE. Mr. Chairman, I do not know a great deal about the merits of the bill under consideration, but I think I know a little something about another important measure that should be receiving the consideration of this House in a most serious way, and that measure is what is known as the cost-of-production bill for farmers whose produce is consumed within the continental United States. This bill is H. R. 2371.

You know the importance we ordinarily attach to legislation depends very largely upon the section of the country that we hail from. I come from a wholly agricultural community.

It ought to be borne in mind when you go to deal with the agricultural problem of America that there are approximately 40,000,000 such people in this country.

Roughly speaking, one-third of the population of the United States is dependent for subsistence upon agriculture and nothing else. I am assuming all of you are just as familiar as I am with the agricultural break-down, and I use the term "break-down," I do not mean a break-down in figures, but I mean a collapse. The Secretary of Agriculture himself testified before the Senate Committee on Agriculture and the House Committee on Agriculture that under this program of farm benefits he has gone the limit; that the farmers could no longer expect any benefits from the lowering of the acreage or reducing the production on the farms in the way of price restoration or in raising prices for farm products, and he was frank enough to admit that the only method by which this could be done would be something like the cost-of-production bill or a price-fixing bill guaranteeing to the farmers of the United States what it costs them to produce the food and fiber to feed and clothe America. He says that under his program he will have to dip down into the Treasury of the United States every year and take out from $500,000,000 to a billion dollars before we can even pay the farmers parity for their farm products. The cost-of-production bill promises the farmer more than that. Congress is not keeping its contract with the farming class of people in the United States, because last year we all know that every farmer who put in a crop did so with the full confidence that the Government of the United States, through Congress, would pay him parity money, which would make up the difference between the world market price of the farm produce and the parity price of that commodity. Congress has not done that.

In fact Congress turned down a proposition to authorize an appropriation of money to make these parity payments, and we have the farmer now just bogged down along with the Secretary of Agriculture, who has thrown up his hands, and what is this House going to do about it? If we don't do something about it, some other House will one of these days. We cannot stand what we have now. You cannot take 40,000,000 people and just toy with them, promise them, and not fulfill your promises. Lest I forget, I shall give you an example of what the difference is between the price under the Agricultural Adjustment Act and under the cost of production bill as it applies to cotton people only in the United States. I come from a country where the major crop is cotton. I think every man in this Congress ought to familiarize himself with a bill so important as this bill is to 40,000,000 people. You will be astounded when I tell you, if you have not looked it up, that there are 2,700,000 cotton farmers in the United States, and that 2,400,000 of those cotton farmers produce less than two bales of cotton each annually. Just cogitate on that a few moments, and then can you wonder why it is that such poverty prevails throughout the agricultural portion of the United States, the richest country in the world? And I am speaking now of the 2,400,000 two-bale cotton farmers. I did not know that that condition of poverty existed among the cotton farmers of America until I began to look into the matter. The present law yields to the two-bale farmer $61.77 for his two-bale crop. What do you think of that? An American citizen working from 5 o'clock in the morning until 6 or 7 o'clock at night for a whole year, so far as cotton is concerned, and he gets $61.77 for all of that. Under the cost-of-production program, which is the bill which we have up for consideration now before the Committee on Agriculture of the House, the same producer would get $164 for his two bales. The increased income for each such two-bale cotton farmer would be $102.23 per annum. The entire class of 2,400,000 two-bale cotton farmers would have their income increased by $245,352,000 if we were operating under a bill like the cost-of-production bill. In addition to these 2,400,000 two-bale cotton farmers in America, there are 300,000 other cotton farmers. They produce above two bales per farm. This is a comparison that I have had to work out myself, but I know it is correct. Those 300,000 farmers, making above two-bales average on each farm, work and control two-thirds of the cotton acreage of America.

Therefore, they ought to produce twice as much cotton as the 2,400,000 farmers produce, and if they do then their increased income, not their total income, under the cost-of-production bill, would amount to $470,704,000. The increased total cotton income of the two-bale farmer and the farmer producing on an average above two bales amounts to $736,050,000 annually. That is the economic aspect of what a change from the Wallace plan might offer to the cotton farmer of America. Is it worth consideration? Let us see if it is. The economists estimate that the farm income under this program will be increased to $15,000,000,000. If that is true, and according to the formula by which they go in estimating the value of a national income, a small or a large one, the constant is 7.55, and you multiply the increased farm income by this constant of 7.55, and you will have an increased national income amounting to approximately $100,000,000,000.

At this time we have about $60,000,000,000 national income. Now, what will that do? I will tell you what it will do. It will put every business institution in America to work. It has been demonstrated that we have no surplus of cotton. We do not have any surplus of wheat. We do not have any surplus of any kind of farm commodity. We simply have a lack of money with which to buy those things that we need in our homes—things that we need to eat; things that we need to wear; things that we need to live comfortably and decently on. We cannot get it because we do not have the money with which to get it. We cannot get enough money out of our farm products to buy those things. What are you going to do as Members of Congress? Are we going to do as we did here yesterday? You know, it is almost pathetic to think that this House on yesterday spent a full half day in an effort to make it possible for some doctor out in Ohio to sell his asthma cure through the mails without revealing its medical contents. We spent that time; we grew eloquent, and we waxed warm. You would have thought that Congress had some important piece of legislation before it for consideration; yet over here the Committee on Agriculture, those good men, were dealing with the happiness and welfare of 40,000,000 people in distress, and we were sitting here on the floor of this House fiddling away our time that ought to be worth something, when we ought to be giving consideration to those 40,000,000 people who have never had any consideration from the Congress of the United States.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MASSINGALE. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman from Oklahoma, as usual, makes valuable contributions to the discussions in the House. The gentleman is a real student of our economic problems in a practical way. The statement he has just made with reference to the condition of agriculture is an honest expression on his part of the effect of the present policies for agriculture in this country. One of the purposes of the bill we have before us, when it was originally passed in 1934, was to raise farm price levels; that it would in-

crease our exports of farm products; in fact, that the farmers would get restoration of the 1926 price levels. The gentleman is honest, I know, and he admits in his statement that that has not been accomplished.

[Here the gavel fell.]

Mr. REED of Illinois. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. AUGUST H. ANDRESEN. The gentleman has pointed out that it is the duty of Congress to get down to business and to pass constructive legislation that will aid agriculture. Is it not equally our duty also to repeal undesirable legislation which has been a detriment to agriculture after years of experience?

Mr. MASSINGALE. Oh, I wholly agree with the gentleman.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MASSINGALE. I yield.

Mr. SCHAFER of Wisconsin. I signed the petition to discharge the committee on the cost-of-production bill, but I am very much alarmed about the effect. If you raise the price of cotton to the producers of America will you not have to put on a good embargo tariff to keep the cheaply produced cotton goods of South America from coming in?

Mr. MASSINGALE. That is provided for in this bill.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. MASSINGALE. I yield.

Mr. HOUSTON. I am very much interested in the able remarks of the distinguished gentleman from Oklahoma at this time. There are approximately 400 Members of Congress here in the Hall at this time and I do not want to take up the valuable time of the gentleman from Oklahoma, but did not the Secretary of Agriculture testify that parity price payments would eventually give us the same results and benefits as the cost-of-production bill? I say, eventually. If that is true, why can we not have the cost-of-production bill at this time? I have filed three or four petitions from farmers in my district asking the repeal of the present farm bill. They are not satisfied with it and they want the cost-of-production bill. I am for the bill which the gentleman is sponsoring.

Mr. MASSINGALE. I thank the gentleman.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. MASSINGALE. I yield.

Mr. MARCANTONIO. May I make an observation along the line which the gentleman has just made, and add to it the fact that yesterday we had two quorum calls on the quack medicine proposition? Today we had a roll call on it. Three roll calls on that quack medicine proposition, and we could not get a roll call on the proposition of $150,000,000 for W. P. A. workers who are now being discharged all over the country.

Mr. MASSINGALE. I thank the gentleman.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. MASSINGALE. I yield.

Mr. HILL. Seeing that we are neglecting our duty with reference to this cost-of-production legislation, does the gentleman not realize that until the Committee on Agriculture reports that bill to the House we cannot act on it or discuss it? The gentleman praised the Committee on Agriculture; why does he not call that to their attention?

Mr. MASSINGALE. There has been a petition on the Clerk's desk for 2 or 3 weeks. Anyone has the right to go up there and sign it.

Mr. HILL. But the gentleman praised that committee for considering the bill. Why do they not bring it before the House?

Mr. MASSINGALE. I think they are doing good work on it.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MASSINGALE. I yield.

Mr. CRAWFORD. Will the gentleman please give me the benefit of his opinion on this question which has come up in my study of the cost-of-production bill and the correspondence I have had with farmers in my district relative thereto: Can we, as Members of Congress, endorse and support the reciprocal trade agreement program as it has been put into operation and as it is now operated, and at the same time carry on our shoulders and support and work for the cost-of-production bill?

Mr. MASSINGALE. Answering the gentleman from Michigan, I can only give him my own idea.

Mr. CRAWFORD. That is what I want.

Mr. MASSINGALE. I am a Democrat all right; but if I had my way about it, I would put a complete embargo on every single agricultural product unless it was raised in the United States of America. [Applause.]

Mr. CRAWFORD. I think the gentleman from Oklahoma can enlighten us still further and I would ask him: Is it or is it not true that we cannot carry the reciprocal trade agreement program as now operated simultaneously with the cost-of-production program as set forth in the gentleman's bill?

[Here the gavel fell.]

Mr. EBERHARTER. Mr. Chairman, I yield 1 additional minute to the gentleman from Oklahoma.

Mr. MASSINGALE. Not unless it is revised. I may state to the gentleman that I think the farmer is in the worst economic position today in which he could be placed. There is in front of him the tariff that forbids him or denies him the right to trade anywhere except to buy his stuff here at tariff-protected prices from the manufacturing classes of the country. On the other hand, you have behind him the trade agreements which open a hole in the tariff wall for certain classes of people in America but not for the farmer. Now unless you give him something like the cost of production I do not believe there is any hope for him, any escape for him; and that is why so far as I am concerned I ask the passage of this bill, and I do not care how big a hole you have to make in the tariff wall or how many of the trade agreements you have to set aside in order to treat him right.

Mr. CRAWFORD. And the gentleman's bill is so designed that if we were to put it in operation the reciprocal trade agreement program would have to be altered.

Mr. MASSINGALE. Yes. [Applause.]

[Here the gavel fell.]

Mr. MASSINGALE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MASSINGALE. Mr. Chairman, on March 23 last, I addressed the House on the mechanics of H. R. 2371, which is the cost-of-production bill. On account of the time limitation, I did not have an opportunity to complete the discussion, and with the consent of the House, I shall at this time make a further discussion of the bill, particularly the mechanics of it.

I made mention of the fact that there are 2,400,000 cotton farmers in America that grow on an average of a little short of two bales of cotton each per year. The correct manner of figuring the money that one of these two-bale-per-year farmers gets for his two bales of cotton is to take 60 percent of his total production of 936 pounds of cotton, which is 561.6 pounds, at 8 cents per pound, which yields him $44.93 for his entire cotton crop, plus his parity payment. On that, if he could collect 3 cents per pound parity that he was led to believe he could get on his 1938 crop, he would receive for his full production of cotton in 1938, 8 cents per pound for 561.6 pounds, plus $16.85, parity, which would amount to a total of $61.77. That is what he would get under the present Agricultural Adjustment Act, provided, as I stated, the promised parity payments are going to be made.

However, on March 28, the House of Representatives eliminated parity payments; that is, the House refused to appropriate $250,000,000 for the purpose of meeting its promise of last year to the cotton farmers to appropriate money for parity purposes. Under the cost-of-production plan, as

provided in H. R. 2371, the farmer will sell one bale of his cotton and receive for it 27 cents per pound for the 468 pounds, assuming, of course, that 27 cents is the correct amount of the cost of producing cotton on an average. This will yield the farmer $126.56 in cash.

We will have to assume again that for the remaining bale of cotton that is to be sold in the export trade, the farmer will receive 8 cents per pound, or $37.44. Thus, the 2,400,000 farmers that produce on an average two bales of cotton or a little less, receive $126.56 for the first bale and $37.44 for the second bale, or a total of $164, less what amount is necessary to pay for warehousing and for transportation on that part of the cotton that is held for reserve or sold on the world market. If we deduct the $61.77—the total amount the farmer would receive under the present Agricultural Adjustment Act for the two bales of cotton at the average 8-cents-per-pound price—we find that he will receive under the cost-of-production plan $102.23 more than he would receive for his two bales of cotton under the present program. Therefore, it will be seen that the 2,400,000 farmers who produce on an average two bales of cotton each, and who will receive $102.23 more for their two bales of cotton under the cost-of-production plan than they will receive under the Agricultural Adjustment Act as it is now operating even with the parity payments, will have an increased income of $245,352,000. Thus, the 2,400,000 cotton farmers who raise two bales of cotton each on an average will have an increased purchasing power per year of $245,352,000, and in addition to this, the other 300,000 cotton farmers will have their purchasing power increased to the extent of more than twice the amount that the 2,400,000 farmers have their purchasing power increased, because the statistics show that the 300,000 additional cotton farmers control about two-thirds of the cotton acreage, and therefore ought to produce at least twice as much cotton as the 2,400,000 farmers produce.

Assuming that it is correct to say that we are going to produce 12,000,000 bales of cotton per year and that the smaller farmer produces 2 bales of cotton each, which would be 4,800,000 bales of cotton, the larger cotton growers, numbering 300,000 would grow the balance of the estimated 12,000,000 bales, or 7,200,000 bales of cotton, and it is fair to assume that the income of the remaining 300,000 cotton farmers would be at least twice what the income of the 2,400,000 farmers would be. Adding this amount, which equals $490,704,000 to the $245,352,000 that the smaller class of farmers receives, the income of all classes of cotton farmers would be increased under the cost-of-production plan by $736,050,000, which will be a tremendous increase in the purchasing power that will be given to the cotton farmers of America alone, if the cost-of-production bill is enacted into law.

Of course, all growers of the 50 agricultural products included in the cost-of-production bill will have their incomes correspondingly increased somewhat in the same proportion that the income of the cotton grower is increased, and there will be added to the purchasing power of the farmers of the United States a huge amount of money. It is estimated by economists and statisticians that the cash income of the farmer will be more than doubled and that his annual income will be approximately $15,000,000,000, if the cost-of-production bill is enacted into law.

A great deal of latitude is given the Secretary of Agriculture under this bill to operate it in a common sense and practical manner. He does not have to have aerial pictures made of the farms and of the various plots of cotton, wheat, corn, and other things growing on them. Nor will it be a complicated thing for him to estimate the average cost of producing any article mentioned in the bill.

He has the information available in the yearbooks and the census reports to do this work and to give the information to the farmers who are interested in growing the various kinds of crops. Congress need not worry about the average cost of any one of the products because, if the Secretary of Agriculture uses the information available, he will select a standard grade of each of the products and fix the price of all the variations in that grade by establishing one uniform price based upon the grade and standard of that particular product; the under grades and superior grades will take their prices accordingly; they will follow the regular discounts and premiums of the market.

Some have offered the criticism that the Secretary of Agriculture, under this bill, may be given too much authority. I do not think so. Somebody has to be entrusted with the handling of legislation of this sort, and with such matters as the disposition of surplus products on the world market. Experience teaches that an orderly, systematic method of selling and distribution is important if the farmer is going to get the best price available in the world markets, and one man alone having the right to find the markets and make contracts of sale for these commodities will come about as near approaching uniformity, and will so systematize the method of disposition of the excess, or exportable crops, that the farmer will get the benefit of that orderly method of marketing.

I have personally criticized the philosophy of Secretary Wallace. I have never for a moment doubted his integrity or honesty in trying to find a way out for the farmer. I simply believe that his philosophy is false and that the American farmer is gradually being impoverished under its operation. As I have stated several times on the floor of this House, I believe that his philosophy, instead of inuring to the benefit of the farmer has been ruinous to him, and unless we depart from it there is very little hope for the farm home to be maintained in America. As far back as 1936 the Secretary of Agriculture testified before the Agricultural Committee of the House that from even then on there was no use of talking about raising the price of cotton by further curtailing the production, and it was his conviction that nothing could be done in the future for the American cotton grower by reducing acreage; and, of course, the same logic will apply to other crops than cotton.

Notwithstanding the statement Secretary Wallace made in 1936 about the futility of future attempts to increase farm prices by reducing acreage and production, the program of reduction is still in operation, and probably it will continue to be the practice as long as Secretary Wallace directs the Department of Agriculture, for it seems that he is unwilling to depart from the course admittedly incapable of producing a better price for farm products. It is up to Congress to direct the Secretary of Agriculture what to do, and if Congress has the courage to do it, I do not believe there will be any trouble with Secretary Wallace in carrying out the will of Congress.

Of course, the operation of the law during the past several years has embarrassed the cotton producer of the United States above the embarrassment that it has caused other farmers because of the huge surplus of cotton that we have not been able to sell in the world market. The failure to sell this cotton in the world market is due in part at least to the fact that the Government has loaned an amount of money higher than the world price on 100 percent of the cotton produced by the farmer, notwithstanding that a part of this same cotton was due to be sold in the world market at a lower price than the loan. The Secretary did not feel that he should try to dispose of this cotton so that the Government of the United States would take a loss on it. But that surplus is with us, and I am of the opinion that the surplus is there largely for the reason that the Government of the United States would not sell on the world market with a loss to the Government.

Other countries where cotton can be grown, such as Brazil, were economically bound to adopt cotton growing as a part of the program of that country. Other countries have followed or preceded Brazil in growing cotton because of the high price that America would have to ask for its cotton under the operation of the present law, and I am firmly convinced in my own mind that Brazil would not have displaced other crops and would not have stepped so boldly into the cotton-production business had it not been for the fact that our cotton program had so hampered our export-cotton business that other nations of the world began to look to countries other than the United States for their cotton supplies, and I understand the fact to be that Brazil has in-

creased its cotton production, in order to meet the world demand for cotton, better than eightfold, within a very few years.

I have made the statement that in my judgment the long continuance of the philosophy back of the Agricultural Adjustment Act would finally result in eliminating the American farmer from the cotton markets of the world. If we should eliminate America from the cotton markets of the world, it would mean a staggering loss to the farming population of the United States. If the result of the further continuance of the Agricultural Adjustment Act should go no further than to deprive the American cotton grower of any export cotton trade, it would mean a direct loss in lint cotton alone of anywhere from $500,000,000 to $800,000,000 a year. That is a huge amount of money to take away from the cotton farmer of the country when he has been used to it for generations. We ought not to suffer this probable disastrous thing to happen to the cotton-farming industry of America.

The cost-of-production bill further provides that the minimum price for any farm product coming within the terms of the proposed act shall be the minimum price at which such product can be lawfully sold—that is within the requirement for domestic uses. The estimated surplus percentages of products may be sold in export trade or warehoused and shipped to concentration points for distribution to other countries of the world at the world price. The farmer that raises this export surplus bears the entire expense for handling these export surpluses. When the Secretary sells these surpluses and pays warehousing, freight, and other charges for getting the products into the world markets, the balance is distributed by him through the Post Office Department and paid pro rata to the farmers that raise the export surplus products. This is accomplished by the Secretary of Agriculture's turning over to the Postmaster General the net proceeds of these foreign or export sales and the Postmaster General's paying to the farmer through the local post office his percentage of the net receipts of the sale of such articles in the world markets.

There is a penalty provided in the bill subjecting any dealer to both fine and imprisonment if he does not comply with the provisions of this cost-of-production program.

Another provision of the proposed Cost of Production Act takes all present and future Government-owned cotton as exportable surpluses, and the Secretary of Agriculture is directed to control the sale and distribution of such exportable surpluses. At this point, I may state that the general information that may be gleaned from cotton journals is that the factories of the world prefer to spin cotton grown in the United States. It seems to be preferred to cotton grown in any other country, due in part probably to climatic conditions and the chemistry of the soils where it is grown.

In order that the farmer may receive better economic treatment than he has heretofore received under any law that has been attempted to relieve his condition, this cost-of-production bill provides that the Secretary of Agriculture is directed that when he finds the world price, computed in United States money, of any foreign agricultural product or substitute shipped into this country to be below the cost-of-production price of any competing domestic agricultural product in its manufactured or unmanufactured state, the Secretary of the Treasury shall be notified thereof and thereupon it is his duty to levy and collect upon such foreign competing agricultural product or substitute, a duty equal to the difference between the world price and the cost-of-production price of such product, plus 10 percent of such cost-of-production price. The practical operation would be as follows, assuming, as we have in this discussion, that the cost-of-production price of cotton is 27 cents per pound, and that the world price of cotton is 8 cents per pound:

	Cents
Cost-of-production price	27.0
World price	8.0
New tariff	19.0
Plus 10 percent, cost of production	2.7
Total new tariff	21.7

This would mean that a person growing cotton in Brazil would have to pay a tariff duty of 21.7 cents for each pound in the bale of cotton that he ships into this country from Brazil. It means giving the American farmer the exclusive right to the American market for that portion of his cotton that is consumed in the United States.

This cost-of-production bill is not a radical bill. The group that sponsored it were very careful to avoid any very sudden or shocking consequences that might result from a departure from the Agricultural Adjustment Act to which the farmer has grown somewhat accustomed in the last few years. There are retained in the bill such matters as soil-conservation payments, the Federal Surplus Commodity Corporation, encouraging new uses and new markets for farm products, crop insurance, and loans on agricultural commodities. As to how long these provisions should be carried in the bill no one can tell yet, but according to the views of the authors of this bill it will not be necessary to carry them after the cost-of-production bill is put into operation, as we regard that no subsidy payments of any sort will be necessary to be provided for the farmer, as cost of production is worth more to him by far than the payment of any subsidy, more especially than the promise of a payment of a subsidy that cannot be fulfilled. There will be no necessity for any Government employees to attempt to regulate the management of individual farmers because each farmer will be his own boss. There is no provision in the bill for the destruction of the products of the soil because any farmer with the information that the Secretary of Agriculture will give him can use his intelligence to advantage and be advised as to what kind of crops and about what quantity it will pay him best to produce. The bill further has the provision in it to the effect that farmers may freely exchange their livestock with other farmers for the purpose of feeding and making ready for the market without coming under the terms of the bill regarding sale in interstate commerce.

Fundamentally the prosperity for agriculture in the United States means the prosperity of labor and every other kind of business. If the farmer is a prosperous member of society and is given a reasonable purchasing power, there will be no question about the increased consumption of all products produced on the farm and in the factories of this country, and, of course, that means that there will be increased distribution. More people will have money with which to buy the products of the soil and the factories. It is said that the farmer, when he is able to get the money, is the best customer of the heavy-goods manufactories in the United States and that he consumes better than 40 percent in reasonably prosperous years of the output of all the textile mills in America and of the shoe factories and hat and clothing factories of America. I do not believe there are many Members of Congress, if, indeed, there is anyone in Congress, who does not know that there can never be a return to prosperity unless the great agriculture-producing class of the country can get at least what it costs him to produce the food and clothing for the people of the United States. The farmer should have more than the actual cost of production, and he will get it. The main point is to take from his back the heavy load that he has borne for years and give him enough income to enable him to raise to a higher level the national income, which higher national income is essential for a prosperous nation.

It was demonstrated on the floor of the House of Representatives no further back than the 28th day of March 1939 that the temper of Congress is such that it is not going to longer supplement the farmer's income by direct appropriation from the Treasury, and, as Secretary Wallace frankly stated, that is the only way that the operation of the Agricultural Adjustment Act would give the farmer near parity prices on but 5 of the 70 agricultural products produced in America. Congress refused on the 28th of March to appropriate money for paying so-called parity prices that were promised on these 5 products in 1939 if the farmer complied with the 1939 program.

True, parity on the five commodities included in the Agricultural Adjustment Act of 1938 would require at least

$1,600,000,000 from the Treasury of the United States to represent the difference between the price level in the year 1938 and parity prices as computed by the Department of Agriculture for the same year. The farmer made compliance all right with the 1938 program, and he is starting to comply with the 1939 program. But he has not got his money, and he will not get that money for compliance unless there is a change in the attitude of Congress. It may be possible that when the bill which was considered here in the House on the 28th of March reaches the Senate the Senate will endeavor to keep faith with the farmer and see to it that he does get at least a part of the promised parity that Congress gave him to understand he was going to get if he complied with the many technical and not understandable provisions of the Agricultural Adjustment Act of 1938. What the farmer needs, what he is entitled to, and what common sense and equity demand that the Congress do for him is not so much to make grants on condition that he follow Secretary Wallace's philosophy, but give him a sensible, understandable, workable program that will give him for the first time in his life an opportunity to get the cost of production for his farm products. I hate to feel when I sit down to a meal that I am eating food that was produced by the sweat and brawn of some fellow American that the Congress of the United States prohibits from getting what it cost him to raise it. Under this bill the farmer will have an American market for the 50 products covered by the bill, to the extent that the products are consumed domestically. Why should he not have it? He is the only one in our economic set-up to whom this right has been denied and is now being denied.

Some talk that if the cost-of-production bill should pass, the cost of living would be too high. I have read several surveys and articles dealing with this question, and I am one of those who believe that there would be no appreciable rise in living costs in this country. But who would be so selfish and so foolish as to object to the other fellow's getting what is fair and right, even though it may cost a few cents more to live per month.

If you stimulate the income of the farmer to where it should be by giving him cost of production for the domestically consumed goods that he produces, the effect of this stimulant would increase employment throughout the United States, increase wages, increase the volume of sales, and would inaugurate an era of good feeling that we have not heretofore experienced. Secretary Wallace himself has made the statement that the only way to equalize the income of the farmer up to that of the average worker would require taking approximately $6,000,000,000 a year from the incomes of the city dweller and adding it to the income of the farmer.

I disagree. The bill adds $7,000,000,000 to the farmers' income, but takes that $7,000,000,000, not from the urban dweller, not from a fixed paltry national income of the America of today—the source of the new $7,000,000,000-farm income is from the new increased national income that this bill itself will create.

If this bill passes, we will have a farm income of approximately $15,000,000,000. That will mean a national income in excess of $80,000,000,000 and to near one hundred billion. Today the income of the Nation is only sixty billion—the new national income will be in excess of eighty billion. If the increase is fixed at only $20,000,000,000, the farmer will receive approximately seven billion and the city dweller approximately fourteen billion. So this is a bill for urban prosperity as it is a bill for farm prosperity.

Secretary Wallace, before the Senate Committee on Agriculture and Forestry, testified that it was his judgment that the bill would increase the cost of living by a billion dollars. Let us accept the figure. That increased cost of living will fall one-third on the farmer of the Nation and two-thirds on the city dweller, for one-third of the population consists of farmers and farm workers. The farmer's increasing his income by $7,000,000,000 will be compelled to spend $330,000,000 in increased cost of living. The city dweller's increasing his income by thirteen billion will be compelled to spend an additional $666,000,000. That is why I think that the bill is good for the farmer and good for the city dweller.

There is an additional consideration—that is, the Government of the United States. Instead of reaching into the Treasury for hundreds of millions for farm aid, if this bill raises the national income, say, to a minimum of $20,000,000,000, and without assuming that it places an additional farmer under the provisions of the income tax or an additional workingman under the provisions of the income tax, it is calculated that one-half of the increase of national income, or $10,000,000,000, will flow into the channels of trade in a manner to increase corporate and personal income, taxable to at least the 4 percent of normal income tax, and thus yield to the Treasury an additional income of $400,000,000.

Mr. REED of Illinois. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I invite the Members to come down and takes seats on the mourners' bench, because I have some bad news for you. So come right down front here close to me; let us have an old-fashioned vesper prayer meeting, because we need some stimulation and reaffirmation of faith. There is only one vacant seat down here. The gentleman from Kansas just remarked that there were 400 smiling countenances in this Chamber. I can see by the intensity of these countenances that they reflect the deep interest in the bill under consideration. I have a surprise for you. I shall depart from my usual custom and talk about the bill that is up for discussion today. [Laughter.] First of all I want to say very categorically that this bill ought to be defeated.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. MASSINGALE. Which bill?

Mr. DIRKSEN. The stabilization bill, the devaluation bill.

Mr. MASSINGALE. I thought the gentleman was talking about the cost-of-production bill.

Mr. DIRKSEN. One should not use superlative adjectives except in an advised manner. When I say that to me this bill is dangerous, disturbing, that it is potentially inflationary, I am using measured words and mean exactly what I say. I think, however, for a full understanding of this bill we ought to review briefly what has gone before since the market crash of 1929.

When the crash came on in all its intensity, as you remember, there was money stringency, banks began to pop like corks, there was monetary stringency in the country because of lack of liquidity on the part of banks. They could not take care of these heavy demand liabilities, and so the crash came in its full impact. There was a steady decline of prices.

This brings to mind a number of things we did in 1932. This Congress passed the Glass-Steagall banking bill. This bill did not give the Congress or the administration either, full control over the banking system, of course, but it did undertake to develop a kind of liquidity in the banks by extending the type of security that could be used for Federal Reserve banking. They put a moratorium upon reparations payments in the hope that that disturbing factor would not come into the picture. There was a moderate expenditure of public funds in the hope that it would do some good. More money was placed into circulation, but I am free to admit as a Republican that the measures of President Hoover and that Congress did not prove efficacious, because the price declines continued. Probably we did not go far enough, I do not know, but the country itself got the jitters from too many monetary manipulations, and so the decline continued. The general fear which persisted in the country and the Michigan bank holiday only aggravated the economic jitters of the people and the deflation continued in all its fury.

Then came the present administration, and I want to say to you that the wizards of wampum, as I call them, dished up the most curious admixture of amazing monetary manipulations that the world has ever seen. We started in with a banking bill and suspended the redemption of Federal Reserve notes. We passed the Gold Reserve Act of

1934. Then followed the terrible Thomas amendment on the Agricultural Act of 1933 which empowered the President to issue $3,000,000,000 of greenbacks. Then came this hideous monstrosity known as the Silver Purchase Act of 1934. Then there were some control measures, the N. R. A., for instance, and the A. A. A. I think one of the mistakes these experts down at the other end of the Avenue make is that they do not even attempt to dissociate the effect of those control measures and the effect of the monetary measures. After all is said and done what is the result? There has not been any sharp or sustained increase in the price level; as a matter of fact, it has been going down right along. When it comes to evaluating the effect of all these monetary measures in terms of prosperity, after all that is the only thing we are interested in.

I am not one of these money experts. I am very much like our good old friend, Finley Gray, from the Wabash, who was a Member of this House. He stood down here in the Well of this House and said, "There are only 13 men in the United States who understand money and I am not one of them." Well, I am not either, but I can interpret this in terms of prosperity, if you please, and everybody else does the same thing. If the melodious tinkle of the dinner pail is the yardstick of prosperity, I will say that all of these manipulations have been a strident discord up to this time. If farm prices are a measure of prosperity, it has been a dismal failure. If contentment and the well-being of the country is a measure of prosperity, then all I can say is these monetary measures seem to have enlarged our wretchedness and our misery. So blithely now the administration comes along in the face of all of that and says, "Please extend these powers until June 1941."

What are the reasons? I read the testimony of the Secretary of the Treasury and I want to say that it was pretty meager testimony. He stated, "Let me continue with the stabilization fund because of the uncertain international picture." He said, "Let me continue with this devaluation business because of the floating content of gold in foreign currency." He stated, "Give us this silver power for a little while longer," for no reason at all.

I am against it. I believe this bill ought to be defeated and I think it is the patriotic duty of this Congress to defeat the bill. There is a very good reason for that. There are, in fact, many reasons.

The first reason is this: It should be called both a stabilization and an unstabilization bill. How are you going to devalue, for instance, our currency or our gold by another 10 percent without creating a disturbing factor in our own market, which has a repercussion on foreign currencies? It is no wonder he said to us, "I have to have the stabilization fund, because if we make use of the available power for further devaluing it, that will be unstabilizing, then I will need the stabilization fund to stabilize."

What a beautiful paradox, if you please. You cannot escape the irresistible logic of that position. The Nation seeks stability, not instability. It seeks sanity. It seeks steadfastness. Yet here we are asked to continue a power of devaluation, which, if used, can only add to the instability we have experienced these many years. So why grant it?

Secondly, I think the bill ought to be defeated because we have gotten to the point where we should not make a grand and generous gift of dollar exchange to foreign countries. There were some figures adduced by a man who knows more about foreign trade than anybody else, in my opinion, because he was special adviser on foreign trade to the President. I refer to George Peek, who was the first Administrator of the Agricultural Adjustment Act. Go dig out his figures. They show, for instance, in the years from 1928 to 1933 that about 70,000,000 ounces of gold went over to France at $20.67 an ounce. Then he shows that in 1934 and 1935 about 35,000,000 ounces of gold came back at $35 an ounce. So we are even with the board in dollars and cents. The point is, however, that 35,000,000 ounces of our gold are still in France, having a value of one and one-quarter billion dollars. That is an outright gift of exchange. We might just as well have sent them a billion and a half of cotton, wheat, or some other tangible commodity as to hand over this dollar exchange.

Mr. Chairman, that is unfair to the American people, in my judgment, and I am not going to be a party to handing any more millions or billions to people in foreign countries, without value received.

With respect to this silver purchase, I have heard the argument—and it is a specious argument that you gentlemen make—that these silver purchases cost us nothing because we grab half of it and put it into the Treasury in the form of seigniorage. In dollars and cents it costs nothing. But do you not see the cost is deeper than that? We already have nine hundred million in silver certificates in circulation, and the cost lies in the effect of an artificial inflation of the price level. Why, it is just as plain as the nose on your face. How are you going to put this into circulation without giving an artificial stimulus to the price level? Who pays? Why, the American people. What difference does it make whether you dip into the Treasury and pay it or you pay for it through the instrumentality of the great American pocketbook?

That is not all. Let us look at the danger of this thing. The 1934 Silver Act is not involved here, except to the extent that silver generally is involved. That act provides that silver certificates have to be issued at least to the extent of the cost of the silver. Nobody will quarrel with that because that is the law and that is the interpretation. But what about the seigniorage? It is in the Treasury. There is not a thing in that law to prohibit the Secretary of the Treasury from issuing silver certificates against the seigniorage. If he does, do you not see what can be done? The Secretary of the Treasury can very quietly inflate under the Silver Purchase Act in a manner he would not dare to under the Thomas amendment, which provides direct inflation to the extent of $3,000,000,000. Very curious, is it not? If a bill to grant authority to the Treasury to inflate the currency directly by issuing $1,400,000,000 of silver certificates against the seigniorage were before us, most everyone in this House would oppose it. Yet the Treasury has that power today, and it is now proposed to confer additional uncertain monetary powers.

When I see all this monetary manipulation, it reminds me of a story of a chap who had an old mule. The mule got obstinate and balky one day and laid down on the pavement.

He could not do a thing with him. Sam built a fire under him, but the mule would not move. Finally a veterinarian came along and Sam says, "Doctor, can you make this mule move?" He said, "Sure," and reached into his veterinary kit and gave the mule a couple of squirts in the hind quarters and he started down the street lickety split. Sam asked the doctor, "How much was that?" The veterinarian said, "Oh, about 10 cents." Sam says, "Here is 30 cents. Give me a couple of shots. I want to catch that mule."

That is what we have been doing by inflating and deflating up and down so far as our monetary system is concerned. The result measured in realistic prosperity is what? Eleven million four hundred and seventy thousand men out of work, according to the American Federation of Labor's figures for February of this year; corn selling for 39 cents track price, way out in the good and mellow Corn Belt of this country. Oh, you will not say that is prosperity. Then why continue these powers of stabilization and devaluation that have proven so abortive?

To get to the crux of this thing on stabilization, how funny it is that in February, to be exact, February 16 of this year, we did not pay much attention to the broadcast of Fulton Lewis, the commentator. That was the afternoon that Wayne Chatfield Taylor, of Illinois, Assistant Secretary of the Treasury, resigned. I have here a transcription I managed to get of the speech of Fulton Lewis on the afternoon of February 16. This is what Mr. Lewis had to say:

> Now we've had one development here today that's excited a good deal of curiosity * * * because it's a new flare-up in an old trouble spot. * * *

Quite abruptly, the Assistant Secretary of the Treasury, Mr. Wayne Taylor, announced this afternoon that he has sent his resignation to the White House, effective February 28.

I say that's a "new flare-up in an old trouble spot," because on four previous occasions, since the New Deal came into power, very high officials of the Treasury Department have resigned, because of disagreement with the financial policies of the Treasury. * * *

First, there was Mr. Dean Acheson, the Under Secretary. * * * Then came Professor Sprague, who was an Assistant Secretary, if I remember correctly * * * he had formerly been a financial adviser to the Bank of England. * * *

Then came another Under Secretary, Mr. Thomas Jefferson Coolidge. * * *

No. 4 was Mr. Morrison Shafruth, the general counsel for the Bureau of Internal Revenue. * * * He resigned in protest to the Treasury's policy of using taxation as a whip to accomplish social purposes. * * *

And finally today came the resignation of Assistant Secretary Taylor * * * and as it turned out, late this afternoon, he also resigned, because he could not continue to go along with the financial policies of President Roosevelt's administration.

He admitted that to newspapermen this afternoon * * * he was rather reluctant about it, but he said he cannot agree with present policies. * * *

And when he was pressed for a few specific details, he made the remark that excited the particular curiosity. * * *

Mr. Taylor happens to be the gentleman in the Treasury Department who has charge of the so-called gold stabilization fund of $2,000,000,000 * * * that's the fund that was given to the Treasury Department for operations in the world money markets to keep those markets on an even keel * * * and in the last 10 days it has figured very prominently in the controversy over the President's foreign policy.

Senator LODGE of Massachusetts charged that it was being improperly used * * * he intimated that the Treasury is using that fund to lend money to France to buy fighting planes here in the United States. * * *

Secretary Morgenthau promptly denied that. * * *

But this afternoon the resigning Mr. Taylor, who has charge of that fund, said one of his strongest disagreements with the Treasury Department has to do with "loans to foreign countries."

He was immediately asked:

"Are you talking about loans to South American or Central American countries?"

Mr. Taylor replied, "I am not."

Then he was asked, "Are they loans to European countries?"

And Mr. Taylor answered:

"That's all I have to say."

But he did say a little more than that privately. * * *

He was shown an official statement, issued by the publicity office of the Treasury Department, * * * a statement which said that the gold-stabilization fund has been used only for buying and selling purposes; * * * that it has not been used for any loans. * * *

And he said:

"I don't care where that statement came from. * * * It is not true."

And the question now seems to be:

"What is the next move of Senator LODGE?"

The inference is what? That this stabilization fund has been used to make loans to European countries. What for? The Congress has a right to know. We should not continue this fund or any other monetary power until we do know. Were loans made in violation of the provisions of section 10 of the Gold Reserve Act to France to buy munitions? Were loans made to Great Britain for that purpose? Are they using this fund, as the gentleman from Texas said the other day, to suck us into the European caldron? I am afraid so. This is Mr. Wayne Chatfield Taylor speaking, who administered this fund, and who resigned on the 16th day of February 1939, and he leaves no other inference except that this fund has been used in violation of law to make loans to foreign countries. Are you going to confer that power until 1941 on the President? I do not know what course you will take, but as for me, if I am the only Member of the House to do so, I shall vote against it. [Applause.]

Note several things in this statement: First, there is the statement that Mr. Taylor had charge of the stabilization-fund operations. Then note that Mr. Taylor said that "one of his strongest disagreements with the Treasury Department had to do with loans to foreign countries." When pressed for an answer as to whether he meant South or Central American countries, he said: "I am not." Obviously he meant European countries. Then, when shown the statement from the publicity department of the Treasury that the stabilization fund had not been used for loans, he said: "I don't care where that statement came from * * * it is not true."

There's the story. The stabilization fund has been used for making loans to foreign countries, according to Mr. Taylor.

And if loans have been made to France, Britain, and other countries who are still indebted to us for the last war, what about the Johnson Act, passed and approved on April 13, 1934, which forbids any person in the United States, under a penalty of imprisonment and a $10,000 fine, from making any loan to a foreign country which is in default on its obligations to the United States?

Is our own Government now making loans out of this secret fund to defaulting nations when it specifically forbids its own citizens to make such loans?

And for what purpose are these loans being made, if they are being made?

Is the money being used to purchase munitions and war supplies?

Is this stabilization fund the means whereby we shall be sucked into the European mess?

Are we having a repetition of 1914 to 1917, when we extended credits to the warring nations of Europe, then made private loans, and then found the Government itself making loans in the billions because private credit could not handle the load?

Section 10 of the Gold Reserve Act of 1934 states that for the purpose of stabilizing the exchange value of the dollar, the Secretary of the Treasury is authorized with the approval of the President to deal in foreign exchange and gold and such other instruments of credit and securities as he may deem necessary to carry out the purpose of this section. Where, under this language, is the authority to make loans?

If the Treasury has been making loans to foreign countries, has it not been doing so in clear violation of the law? Should not the Congress have a complete accounting of this whole matter before this authority is continued?

All this goes back to the flare-up in February, when there was some intimation that funds were being loaned to France to purchase fighting planes.

Must we believe, in view of Mr. Taylor's statement in connection with his resignation, that such was actually the case?

This fund may yet be the instrument whereby the United States may be dragged into European conflict, and since the people of this Nation are determined to remain free from foreign controversies, the patriotic thing to do with respect to this dangerous bill is to defeat it by an overwhelming majority.

Mr. REED of Illinois. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I am not sure that I shall need the full 10 minutes, because I do not want to go into the technical ramifications of the creation of money, control of exchanges, and all that goes with it. I simply wish to make a few remarks with reference to the trade angle of this program, which, in my opinion, operates very closely in conjunction with the reciprocal-trade agreements that have been put in operation in recent years.

On April 17, this week, I took from the Journal of Commerce, of New York, this startling full-page statement which I here hold in my hands, the text of which reads:

When you purchase Japanese goods you enable Japan to buy more from the United States.

Japan is a major purchaser of American goods. She is eager to buy larger quantities of cotton and other products from the United States. To do this she must sell to America to obtain the foreign exchange with which to pay for her purchases. By buying Japanese goods you create a market for more American products in Japan.

This statement is signed by the Japan Foreign Trade Federation, and there are shown in the advertisement the names of the executive directors and general directors. Then there are listed the members making up the Japan Foreign Trade Federation, in all cases there being given the name of the association and the president of the association. If the Members of the House are interested in reading a new type of literature in connection with the financial pages of the papers of this country and wish to connect it with the ebb and flow of goods in the channels of international commerce and the creation of foreign exchange, with which the bill we are today discussing deals, I suggest that you analyze this advertisement very carefully and see how it affects the industries which operate in your congressional districts.

It is very interesting to me that this ad appeared in the morning papers the day before we started debating this particular bill. It is my firm opinion that the shrewdness of the Japan Foreign Trade Federation fitted the appearance of this ad to the discussion of this bill.

The ears of the people of this country are listening the last 2 or 3 days to what Congress has to say about the stabilization of foreign exchange, dollar exchange, pound sterling exchange, yen exchange, franc exchange, and the

other exchanges which operate along with the flow of goods of the major commercial powers of the world. I wanted to get this information in the RECORD in connection with the study we have been making here the last day or two.

The Japanese say:

To do this she must sell to America to obtain the foreign exchange with which to pay for her purchases.

I repeat, the ad says:

By buying Japanese goods you create a market for more American products in Japan.

Incidentally, in buying Japanese goods we take dollars that would otherwise buy American goods and send the dollars to Japan. As far as I am personally concerned, I would prefer that our own people buy goods produced by workers who have jobs in this country, keep their dollars at home, save the commission and freight costs, and support home industry.

The other day, in a very carefully prepared statement released under date of March 23 by the Secretary of the Treasury, the Secretary made this interesting observation:

If the reduction made in the price of gold were small, our trade and service balance would not be much affected over the next year or so, nor would the inflow of capital cease. Once the drop in the price of gold was regarded by the rest of the world as definitive, the subsequent effect on capital imports would be virtually nil. Our securities would continue to be bought for the same reasons they are bought now, and the dollar balances on foreign account would also continue to increase for the same reasons that they are increasing now.

The Secretary of the Treasury continues and says:

You will note our exports during January 1939 were more than 40 percent less than they were in January 1938. Although it is too soon to evaluate the full significance of the decline, it is not unreasonable to assume that the less favorable position of the dollar in terms of other currencies contributed to the drop in exports.

May I ask why did not the Secretary and the President so manage the exchange fund as to prevent decline of 40 percent in our exports?

Going a little further and adding another little chapter to this disconnected presentation, I want to point this out. There has just been furnished to me by the American Automobile Association, with offices here in Washington, a most interesting statement which follows an inquiry that I threw out the other night as a result of an address made by Edgar W. Smith, vice president, General Motors Overseas Corporation, New York City, broadcast on Farm Forum program over station WGN, Schenectady, March 13, 1939, in which he was eulogizing the reciprocal trade agreement program, as I interpreted it.

I inquired of the association as to what the exports of automobiles, trucks, and busses were to Cuba during the last 2 years. For 1937 there was a total of 7,187 motor vehicles exported, for 1938 a total of only 3,561 vehicles exported, and, if you desire, you can confirm these figures by referring to the statistics prepared by the Bureau of Foreign and Domestic Commerce. I again make the inquiry: Why were these exports permitted to drop? Did not the President and the Secretaries of the Treasury and State Departments have all of the powers to manage exchange and were not the reciprocal-trade treaties with Cuba and other countries in full operation?

In one county in California, and I am awfully sorry my California friends are not here to hear this, where the farmers grow sugar beets you have registered as new automobile passenger cars alone, sold for 1937, 1,781; and for 1938, 787.

I have here a list of some 50 counties where your friends grow sugar beets, and I bring this in because, first, I am friendly to sugar, and secondly, because it has to do with dollar exchange, imports and exports, reciprocal-trade agreements, and I may say to my friend from Oklahoma, Judge MASSINGALE, cost-of-production legislation. I bring it in to show you people who have, perhaps, not looked into the figures, that in only 36 sugar-beet-growing counties in the United States, having a rural population of over 50 percent of county total population, you sold to your people in those counties alone in 1937, 30,397 new passenger automobiles, and in 1938, 13,480. These are registrations of new cars. Consider that in connection with the address of Mr. Smith, with the Japanese advertisements, the total exports and the total registrations in the island of Cuba, of all kinds of motor vehicles, what the Secretary of the Treasury has to say and the debate on this bill. It might be advisable for the automobile industry to keep its eyes on the market for passenger cars in the United States and not become too enthusiastic about what can be sold to Cuba and other Latin American countries when the program calls for the destruction of a great portion of the home market. I join with my friend from Illinois in opposing the bill as here presented, and I do not know of any practical way we can amend it under present conditions that would cause me to vote for the bill, and we say this in advance of a roll call.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, a moment ago the gentleman from Illinois [Mr. DIRKSEN], made a statement in reference to the use of the stabilization fund. In reply I want to quote from page 43 of the hearings. The gentleman from Minnesota, Mr. AUGUST H. ANDRESEN, a member of the committee, asked the Secretary of the Treasury this question:

In connection with the stabilization fund, has any of the stabilization fund been used in any manner to finance a foreign government in the purchase of armaments or any other war supplies.

Secretary Morgenthau replied as follows:

I can answer that under oath at the present time "No," and I will answer further, as long as I am Secretary of the Treasury and as long as Congress gives me that responsibility the answer is "No." I answered yesterday to it before the Senate Committee and I would like the privilege of answering here again. If we ever become involved in any war, I would come to this committee and to the committee of the Senate and ask for guidance and direction as to how I should conduct myself in relation to the stabilization fund.

I think this clearly answers the statement of the gentleman from Illinois; and, furthermore, I called the Treasury Department by telephone a moment ago and it is the opinion of the Treasury Department officials that the former Assistant Secretary, Mr. Wayne Taylor, had never made the statement attributed to him.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. DIRKSEN. For purposes of the RECORD I want to make it clear that the quotations I made were quotations made by Mr. Taylor himself to Fulton Lewis, used in a broadcast in which he virtually gives the lie to the publicity section of the Treasury Department and says that loans were made. I did not say they were made for munitions. I am wondering, like the rest of the Congress is wondering, what the loans were made for.

Mr. COCHRAN. Is not the gentleman from Illinois willing to accept the statement of the Secretary of the Treasury that I just read?

Mr. DIRKSEN. I am not willing by indirection——

Mr. COCHRAN. Then there is no use arguing with a Member of the Congress——

Mr. DIRKSEN. Let me finish my statement.

Mr. COCHRAN. Who is not willing to accept the statement I have read that the Secretary of the Treasury made before the House and Senate committees and agreed to make under oath if requested?

Mr. REED of Illinois. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, may I say to the Committee that Wayne Chatfield Taylor is one of the most honorable men in the State of Illinois. He comes from a very fine family, and he has a very distinguished record. I am not willing to disbelieve Mr. Taylor as against any other official of the United States Government today. That is the answer.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SOMERS of New York. Mr. Chairman, I yield 9 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I want it understood that in what I have to say on this bill I am discussing exactly the bill that we have before us. I am not talking about what I would like to see done in connection with monetary matters, but I am going to try to see if we cannot get our attention fixed on exactly what this bill proposes to do and why it is an important bill to have enacted into law. In the first place, it is necessary to notice, I think, in view of some of the recent discussion, that the bill requires that reports on the handling of the stabilization fund should be made to Congress in the future.

The second point I make is that the important things concerned with this bill are matters having to do with foreign trade. I made reference earlier this afternoon to remarks of my own in the RECORD on Monday. You will find there what is called a program for monetary reform, by some of the most eminent economists in America, in which they discuss the gold question and say that gold undoubtedly has outlived its usefulness as a standard for the Nation's currency, but however, that gold is still important in matters of foreign exchange.

I do not believe this matter should be decided upon the basis of whether you are for or against President Roosevelt. I think it ought to be decided upon its merits. Neither do I think it justifiable to say that these powers are bad because these powers are given to the President, because no one has stood on this floor and indicated in one solitary respect any tendency on the part of the President to abuse these powers in any way whatsoever. It is important to consider what the alternatives are to a continuation of these powers. Either you are going to have to say that you are never going to change the present gold content of the dollar, and therefore that you are going to leave this Nation, insofar as its foreign trade is concerned, directly at the mercy of other nations, or else you will have to delegate those powers to some other body or agency. As a matter of fact my own belief is that they should be delegated to a central monetary authority under the direction of Congress, but that has not been done, and in the absence of that I for one believe that there is no place for them to be lodged better than in the hands of the President of the United States.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. Well, I have a very short time but I yield to the gentleman.

Mr. AUGUST H. ANDRESEN. Would the gentleman be willing to give those powers to any other President than to President Roosevelt?

Mr. VOORHIS of California. I am very glad that the gentleman asked me that question, because I have a way of having confidence in the Presidents of the United States, and I think that in the present difficult situation in the world, one of the most unfortunate things that has happened in this country is the tendency on the part of some people—and I have no reference to the gentleman from Minnesota—to attack the present occupant of the White House, not on a factual basis at all, but on a basis of pure prejudice. I think that is most unfortunate. I think we have to fight our political battles, of course, but I do not believe it is well to carry them to such a degree that it may have a tendency to weaken the natural, normal, healthy allegiance of the people of the United States to the President, whomever he may be. [Applause.] In other words, in the absence of a better arrangement in handling these things, I prefer to have such power lodged in the hands of the President rather than in the hands of the international bankers, where practically they would otherwise reside, I feel confident.

Mr. AUGUST H. ANDRESEN. Would not the gentleman believe it is better to have it lodged in the hands of the Congress?

Mr. VOORHIS of California. The answer to that is that I have a bill myself before the House, which I am trying not to discuss at this moment, which would place these powers and other powers in the hands of a monetary authority acting directly under the mandate of Congress.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. Well, I have such a short time, but I must yield to my esteemed colleague from California.

Mr. THOMAS F. FORD. I just want to say that the American Farm Bureau Federation today addressed to Congress a petition in which they respectfully urge our support of a continuance of the power to protect the currency——

Mr. VOORHIS of California. I thank the gentleman very sincerely for that contribution at this point. The gentleman from Iowa read portions of that statement also, and I think it is an excellent one. The real point at issue is this, that the higher the price of gold, in terms of our dollars, the more exports the industries of this country are going to be able to make; and keeping our dollar cheap in terms of gold means keeping our dollar cheap in terms of foreign exchange.

That means that dollars are easier to get, and that more goods are likely to be bought in the United States. It also means—and this is most important and probably explains the reason for the Farm Bureau position—it also means that American producers will be paying their cost of production in dollars more nearly equal in value to those in which foreign producers produce their goods.

Now, complaint has been made by some of the gentlemen opposed to this bill that the prices in this country are inordinately low, and in the very next breath those gentlemen have said that there was "danger," in their opinion, that we would actually use the idle gold or silver that belongs to the United States as a basis for additional issuance of currency. I cannot make those two statements come together at all. I am furthermore reminded of the fact that those same gentlemen do not complain about the fact that at present it is possible, under our present law, for the private bankers of this country to conduct an inflation of bank credit on the basis merely of their excess reserves, amounting to somewhere in the neighborhood of $20,000,000,000. It seems we only become alarmed about these matters when it is proposed that government, in the name of the people, shall issue some money.

The question may be asked whether it is wise for this country to purchase unlimited amounts of gold at a certain price, but the question cannot reasonably be asked whether or not the President should be able to change the gold content of the dollar if it becomes necessary in view of any given situation. For unless he is able to do that, here is what may well happen: Some nations of the world may devalue their currency in serious fashion. If that happens it will then mean a lowering of foreign production costs in terms of dollars and inevitably a tremendous stimulation of importation into this country, and a virtual stoppage of all exports out of this country. We have got to be in a position to prevent that from happening, and that, to my mind, is the central purpose of this measure.

Now, we hear three things said many times on this floor. One is that we want to restore the world markets to the American farmer. I am for that. Then we hear it said that everything is all wrong because we are importing this, that, or some other kind of goods from some country. Then we hear criticism about the program of purchasing gold and silver.

As an aside at this moment, may I say there is no danger of any of the nations of the world saying they will not recognize any value in our gold so long as those nations want our goods and so long as we are ready to accept gold. That is just axiomatic. If they can get our goods by paying gold for them they will want gold for foreign-exchange purposes.

But how about these three propositions? You cannot possibly restore world markets to American producers unless you either import goods or purchase these precious metals and thus enable purchasers in foreign countries to obtain American exchange. In other words, you are taking

your choice. I readily admit that the purchase of silver and gold at high prices from foreign countries is a subsidy to the producers of those metals, but it is a subsidy that is given in order to assist the American producers of goods in their export business. That is what it is for. If we want to abandon our effort to build up our exports, then and only then should we object to the provisions of this bill.

Without getting into a technical discussion I do want to say a word about our method of handling the gold and silver which has been purchased and which is now "free" in the sense that no outstanding claims exist against it. We have in round figures something over $3,000,000,000 of idle gold and silver in the Treasury which has been bought and which ought to be put to work for the American people. This, of course, does not include any of the gold against which gold certificates have been issued and given to the Federal Reserve banks, neither does it include that portion of the silver against which certificates have been issued, nor more recent inflows of gold which have been, in effect, turned back into the banking system in the form of additional reserves in the form of gold-certificate credits. I am only talking about the gold and silver which is absolutely free of any claim against it at all.

How can we in the best way put this "free" gold and silver to work for the people of the country, who, after all, have bought and paid for it?

Let us first be clear on one or two fundamental points. Purchasing power, of course, does not really exist apart from goods and services—that is, real wealth. When we talk about the purchasing power of the dollar we mean the amount of goods and services it will buy. However, many dollars we had, if we had no goods and services, the dollars would, of course, be worthless. The important thing therefore is the relationship between dollars on the one hand which represent purchasing power, and real wealth, or we may say, real purchasing power in the form of goods on the other. The volume of goods and service produced in any given year not only represents the total active buying power which the people of the country can have but it also represents the total active buying power which they must have if these goods and services are to be sold and if therefore we are to avoid depression. Monetary measures are therefore basically important as a means of seeing to it that the means of exercising purchasing power—money—keeps pace with the actually available purchasing power tied up in goods and services. I am convinced that only a governmental agency concerned with the general welfare can or will maintain this necessary balance. Goods and services, or the power to produce goods and services, represent actual or potential income or buying power to the people; but their presence unfortunately has never yet been the measure of the amount of actively circulating money in existence in the country. In other words we have never yet controlled the volume of our money in such fashion that it would reasonably correspond to the need of the national economy for money. People have shouted that for the Government to issue money against this gold or silver or against its own credit would per se be inflation. That is not necessarily true at all. On the contrary if there exist side by side idle plant and also hungry consumers it is very likely that a serious deflation of active money is one cause of the situation and that an issue of money put into circulation through people in need of goods would operate only to restore a balance between the power to produce and the power to consume.

For these reasons a return to the gold standard would undoubtedly render our situation worse instead of better, for it would mean betting the national welfare that the increase in gold supply would accurately correspond to the increase in productive capacity of the country. The chances are 1,000 to 1 we would lose the bet. For the same reason, to continue to defend, as we now do, on the creation of demand bank deposits through the contraction of commercial debt for our supply of money is indefensible. What we need is a scientific control of our money supply so it will correspond to our need for money—that is, to our power to produce goods and services.

The bill before us concerns this only indirectly. As I have said, I am for the bill. As long as we seek foreign trade at all these powers must be lodged somewhere to protect our people against the effects of fluctuation or manipulation of foreign currency.

But I do believe that we should make use of this gold and silver which belongs now to the United States. My own idea would not be to spend this gold or silver directly but, rather, to use the so-called "free" gold and silver as a credit base for a revolving fund out of which loans at very low interest could be made to such groups as hard-pressed farmers, small businesses, and people who would like to own homes but cannot afford them at present interest rates. In this way we would avoid completely the issuance of bonds and the purchase of private-bank deposits therewith in order to finance such loans. This method might also be used—and, I think, should be at present—to finance some of our revenue-producing public works or to purchase bonds of States, counties, and cities issued for the purpose of carrying on public works, in which case these bonds would only need to bear a nominal-interest rate.

These proposals would not, in my opinion, by any means solve our problem. They would help. They would be a means of increasing the demand for goods in America, of stimulating business, of matching to some degree our productive capacity with increased consuming power, and they would do these things without increase in national debt.

The CHAIRMAN. The time of the gentleman from California [Mr. VOORHIS] has expired.

Mr. REED of Illinois. Mr. Chairman, I yield 8 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, it cannot be denied that President Roosevelt took office in March 1933 at a critical time in our Nation's history. No President ever entered the White House, however, with more solid or almost unanimous backing of the American people than did he. He asked for and was given united support of the American people, both in and out of Congress. For over a year under the first New Deal administration, Republicans on this floor and in the other body voted, often at times against their own best judgment, for New Deal measures, hoping against hope that somehow, in some miraculous manner, those measures would work out successfully, and they were perfectly willing, out of patriotic impulses, to give all credit to the President and his administration if they did work. Very few Members of Congress, very few Americans, objected to these vast, extraordinary powers granted the President, under the cry of emergency, but many of our cool-thinking citizens today do object to a continuance of those excessive powers long after the emergency has passed. My opposition to the pending bill is based not upon my dislike of Franklin D. Roosevelt but upon the fact that it gives to the President more power than any good man should want and certainly more power than any bad man should have.

The question before us today is one that vitally affects the whole fabric of our Government. When the Congress granted the President these vast discretionary powers under pressure of a crisis, he assured, if he did not guarantee it, that those powers granted under emergency, would be exercised only as temporary powers, but it is now crystal clear and evident to everyone that this administration is deliberately, stubbornly attempting to make those powers permanent. Few of our citizens realize the extraordinary powers granted the President of the United States during the last 6 years.

Let us see what a few of them are. Of course, under the Constitution he is Commander in Chief of the Army, the Navy, the Marine Corps, and the Air Corps of the United States. But he can now invoke a neutrality law that is practically tantamount to a declaration of war. He can single out the aggressor in any country. He has been given vast discretionary control over the monetary system of our country. Under the Constitution Congress, and Congress alone, has the authority to coin money and regulate the value thereof. What justification can there be for transferring this tremendous power and control over money from the people's

representatives to any individual? Why does the President want this power to change the gold content of the dollar unless it is his purpose ultimately to pay off the huge public debt—that has been doubled since his first inauguration—with cheap money? Continued deficit spending carries with it the constant threat of inflation that will surely rob the people of their hard earnings and just savings. Bank deposits, savings accounts, and life-insurance policies will become worthless. Not fixed rules nor established law but the fleeting fancies and mercurial mind of an impulsive individual have destroyed the confidence of the American people in the stability of their currency and wrecked their faith in the rectitude of their own Government. "Just men regard repudiation and spoilation of citizens by their sovereign with abhorrence." And yet, as Members of Congress, we are asked to continue this legalized larceny. The President now can issue currency up to $3,000,000,000. By devaluing the gold content of the dollar, he has had a $2,000,000,000 reserve fund called the stabilization fund that he can use for speculation in foreign exchange, buying Japanese yen, German marks, French francs, British pounds; he can coin silver at the ratio of 16 to 1; he can close the stock market at any time he pleases for a 30-day period; he can raise and lower at his own will and in his own discretion the tariff 50 percent on practically everything that is produced on the American farm or in the American factory. Napoleon once said: "Give me control of the purse strings of the nation and you can have all its armies." Roosevelt has both.

I say to you that a supine and subservient Congress has cowardly turned over to the executive branch of the Government control over the pursestrings of this Nation. When this original act was passed, afterward upheld by a 5 to 4 decision of the Supreme Court of the United States, it amounted in my judgment to confiscation of private property and repudiation of a national obligation. We have not yet gotten over, nor will we in this generation, the evil effects of this violation of the scancity of contract. Individuals have been tempted to follow the ignoble and lamentable example set by a voracious government.

Let me remind you, Mr. Chairman, of a few sentences spoken by Mr. Justice McReynolds in the dissenting opinion of the four Justices in the so-called Gold Clause case:

> Can the Government, obliged as though a private person to observe the terms of its contracts, destroy them by legislative changes in the currency and by statutes forbidding one to hold the thing which it has agreed to deliver? If an individual should undertake to annul or lessen his obligation by secreting or manipulating his assets with the intent to place them beyond the reach of creditors, the attempt would be denounced as fraudulent, wholly ineffective.
>
> Counsel for the Government and railway companies asserted with emphasis that incalculable financial disaster would follow refusal to uphold, as authorized by the Constitution, impairment and repudiation of private obligations and public debts. Their forecast is discredited by manifest exaggeration. But, whatever may be the situation now confronting us, it is the outcome of attempts to destroy lawful undertakings by legislative action, and this we think the Court should disapprove in no uncertain terms.
>
> Under the challenged statutes it is said the United States have realized profits amounting to $2,800,000,000. But this assumes that gain may be generated by legislative fiat. To such counterfeit profits there would be no limit; with each new debasement of the dollar they would expand. Two billions might be ballooned indefinitely—to twenty, thirty, or what you will.
>
> Loss of reputation for honorable dealing will bring us unending humiliation; the impending legal and moral chaos is appalling.

In that never to be forgotten dissenting opinion it seems to me the distinguished and able Justice proved himself to be not only a true prophet but also one of the greatest men who ever graced the bench of our highest tribunal. [Applause.]

One of the greatest deterrents to economic recovery in this country and to a return of prosperity is a continuance of the vast discretionary powers over monetary affairs that this Congress cowardly surrendered to the Executive. [Applause.]

[Here the gavel fell.]

Mr. REED of Illinois. Mr. Chairman, I yield 2 additional minutes to the gentleman from Missouri.

Mr. SHORT. Mr. Chairman, time will not permit me to point out many other excessive powers granted by Congress to the President, but I wish to remind the Members that over $15,000,000,000 have been handed over in blank-check form by the Congress of the United States to President Roosevelt which he could spend at any time, in any manner, and upon any kind of project he might deem fit. During the past 6 years he has spent more money than all his predecessors from George Washington to Woodrow Wilson; and if you continue these vast discretionary powers in the hands of the President, regardless of whom he might be, I say to you that you are going to forestall any recovery and make absolutely impossible a return of prosperity. Take back from the President the power of money manipulation and he cannot continue to spend twice the revenues of our Government.

No game is too tough for the American people to play as long as they know the rules of the game, but when you have an umpire changing the rules at every inning of the game and running in opposite directions with the ball you do not know where you are. [Applause.] No wonder the American people are jittery. One of the best things this Congress could do, and which the American people now demand, is that we courageously take back unto ourselves our own prerogatives and functions of government which we surrendered to the Executive. The powers granted him under the cry of emergency, which he promised to exercise temporarily, he is now trying to make permanent. This bill was passed first in 1934 and later extended 1 year by Executive order. The bill was then extended 2 additional years by Congress, until June 30, 1939, and now we are asked to extend this emergency legislation until June 30, 1941; which means that for the past 7 years under this New Deal, nearly its whole life, the President has exercised this discretionary control. It seems the emergency would never end and that the New Deal's life is dependent upon it. If we would repeal the President's authority to issue currency up to $3,000,000,000, it would relieve the American people of the fright of the instability of their currency; if we would put an end to his authority further to devalue the gold content of the dollar, we would restore public confidence, because businessmen when they go to bed at night do not know whether the next day the dollar will be worth 59 cents, 50 cents, or 10 cents. It is this cloud of uncertainty that retards recovery. As a student in Germany I witnessed inflation. When I entered Germany you could get 600 marks for $1. When I left you could get 5,000,000,000. When inflation once starts it is almost impossible to stop. Complete financial collapse is the inevitable end. Then follows social chaos and political revolution. If we continue to spend as we have been, we, too, shall suffer the same tragic fate. [Applause.]

[Here the gavel fell.]

Mr. SOMERS of New York. Mr. Chairman, may I inquire how the time stands?

The CHAIRMAN. The gentleman from New York has 56 minutes remaining, the gentleman from Illinois 1 hour.

Mr. SOMERS of New York. Mr. Chairman, I yield 20 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE of Idaho. Mr. Chairman, in fulfilling my duties as a Congressman representing the people of one of the great congressional districts of the West, it is my opinion and my conviction that this is one of the most important issues before the American people, the establishment of a workable adequate monetary system. Every other issue that comes before this Congress is subordinate to the question of money.

The efforts we are making to find employment for the 10,000,000 who are out of work and the struggle we are having to find a market for our surplus farm products is all subordinate and related to the money question. That is the principal issue and will continue to be our chief problem until the Congress puts into operation a workable, adequate money system. This question will continue to be the issue before the American people and one that I think will be paramount in the next Presidential election. The action that

is taken by this Congress in solving the money question will have a great bearing on the outcome of the next Presidential election.

The bill under consideration deals with the most important problem facing the American people—plans to provide an adequate volume of money with which to do business and the stabilization of the international currency in relation to foreign exchange in order to protect business and industry in this country from destructive competition by disadvantageous manipulation of foreign currency and international exchange.

It is clearly apparent that to compete successfully with countries that maintain huge funds for the manipulation of international currencies, if our Government is to maintain a parity of prices for exports in foreign markets, we must create and use a similar financial weapon to protect our foreign commerce. For this purpose we have created and used the so-called stabilization fund. The Secretary of the Treasury, in the hearings before the committee in charge of this legislation, has explained in detail the operation of the stabilization fund in protecting foreign commerce and international exchange with no loss to the Treasury and a tremendous advantage to our foreign trade.

When we consider the present unsettled foreign situation and the instability of the currencies and financial condition of the countries with which we must compete for foreign trade, it is apparent that we must provide the necessary safeguards against trade disadvantages, which would result from further devaluation of foreign currencies, by continuing the authority of the President to devalue our monetary unit—the dollar—in terms of gold, should an emergency arise.

To illustrate the conditions that obtain in international exchange I want to point out to the members of the committee the facts in reference to our foreign commerce. We talk about the scarcity of money and international exchange. The nations of the world as well as this country are forced to resort to the primitive method of barter. We are now endeavoring to dispose of our surplus farm commodities by resorting to a primitive barter system, due to the shortage of money and international exchange. We must exchange goods in this cumbersome, clumsy, and primitive way of doing business.

I quote from the United States News:

All over the world similar moves are being made.

Controlled trade and barter are taking the place of free exchange and normal trade.

Upset markets and low raw material prices follow, as the area of world trade on the old uncontrolled basis narrows, and as nations strive desperately to become self-sufficient in order to be prepared against the shortages in case of war.

Much of the world has been hopeful that recovery within the United States would produce an increased demand for raw materials from American manufacturers and would lead to an important advance in prices. The British, especially, have been counting on that development to help them solve their problem of reviving export markets for British manufactured goods to the raw-material countries.

But, to date, American industrial activity—although increased sharply as compared with a year ago—has not led to the expected increase in raw-material prices. This, in turn, leaves the world trade problem as complicated as ever. It also is increasing the pressure from farmers and other groups for Government control over prices and production.

If that does not prove that our system is not working properly and that we must at least continue the present monetary program to do any business at all, I would like to know what further illustration you would want.

I want to read another thing. Here is a little note from the New York Times:

BROKERS' LOANS DROP $32,000,000 IN WEEK

The Federal Reserve Board reported yesterday that last week's loans to brokers and dealers on securities held by reporting member banks in New York City totaled $579,000,000. The week ended Wednesday, and the total represented a decrease of $32,000,000 when compared with the previous week.

Loans for the corresponding week a year ago totaled $503,000,000.

We are confronted on every side with a shortage of money. Let us consider where some of the money is going, some of this medium of exchange, this liquid capital, this thing we call cash that the banks demand in the settlement of accounts and in settlement of commitments, the liquidation of our promissory notes:

The official figures on shipments of United States currency to Europe during March showed that net shipments out of this country totaled about $23,000,000, or nearly $10,000,000 above the previous high record established last September.

Just think, our currency is flowing out of the country at the rate of $23,000,000 a month. How long can we stand that? How long can business stand that, with the volume of Federal Reserve notes, the money we must depend on to transact business, decreasing daily?

Let me call attention to the statement put out by the Treasury. In November 1938 there were in circulation Federal Reserve notes to the extent of $4,686,288,710. Now, let us turn from November to January, and we find that there was a large falling off or decrease in the amount of Federal Reserve notes in circulation. In January there were $4,679,883,060, a decrease of $7,405,650 in 2 months.

What happened the next month? We find that on February 28 there were in circulation Federal Reserve notes to the amount of $4,635,848,650, or a decrease in Federal Reserve notes in circulation of $44,034,410 in 1 month.

If you think that the Federal Reserve Banking System is functioning to supply a medium of exchange in the country, just consider the figures that are presented by the Treasury and the Federal Reserve bank with reference to what is happening to our money. No wonder we have hard times. No wonder there are people unemployed. No wonder business is not functioning in this country when there is a shortage of money to do business with.

Our good friends on this side, the opponents of the silver program and our Federal monetary policy, would make us be entirely dependent on the Federal Reserve System, which caused us in the past to establish an instrumentality, if you please, the Reconstruction Finance Corporation, to draw on the collective credit of the American people to finance business. If the Federal Reserve bank is a good thing and is functioning, why the R. F. C.? Why do we have to draw on the credit of the American people by the sale of tax-exempt bonds to finance business if we have a good banking system in this country?

The authority of the President to increase the volume of money by the purchase and use of silver in the national currency has been used constructively and profitably by the administration in increasing the volume of money in circulation and promoting foreign trade in accepting silver in exchange for our surplus commodities and at the same time stimulating industry and mining in this country which resulted in an increase in the tax revenues.

In opposition to the administration's silver-purchase program many misleading statements have been made and circulated and as a result much confusion exists in the public mind concerning the Government's silver-purchase program.

Investigation discloses that it is the only monetary program of the Treasury on which the Government is making a profit. Domestically mined silver is purchased at 64½ cents an ounce and put into circulation as money in the form of silver certificates—legal tender currency—at $1.29 an ounce on which the Government makes 100-percent profit, the silver being paid for by silver certificates at no cost to the Government.

Mr. Chairman, I defy any opponent of the silver-purchase program to refute the statement that the Treasury is making a profit of 100 percent on the purchase of domestically mined silver. It is not costing the Treasury anything. The silver is paid for by silver certificates. It is amply secured. It is the only redeemable currency we have and it is redeemable in silver dollars.

Mr. PATMAN. Will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman from Texas.

Mr. PATMAN. As a matter of fact, however, these silver certificates are not issued on the basis of $1.29. They are issued on the basis of the actual amount paid for the silver.

Mr. WHITE of Idaho. They are issued on the basis of $1.29. But they are supported by twice as much silver as there is volume of silver, and are issued only up to the cost of the silver.

Mr. PATMAN. I am seeking information. I think the gentleman is mistaken that they are issued on the basis of $1.29. I think if they were issued on the basis of $1.29 we could issue a billion dollars more.

Mr. WHITE of Idaho. You could issue a billion dollars more in silver certificates because there is the additional silver bullion behind the present outstanding issue of silver certificates.

Mr. Chairman, do not overlook the world price of silver, and the fact that at 43 cents an ounce the Government makes a profit of 200 percent by putting the silver in circulation at $1.29. This silver-purchase program is the only operation of the Treasury on which the Federal Government is making a profit.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman has indicated many times that he is not exactly satisfied with the present monetary program. I am quite in sympathy with the domestic silver producers. How much does the gentleman believe the domestic producers should be paid for their silver in order to make their operations profitable at cost of production plus a fair profit?

Mr. WHITE of Idaho. We know that if silver were bought at a dollar an ounce as it was under the Bland-Allison Act the price would make a fairer return to the mining industry and would be a great stimulus to business as well as a great source of taxable income to the Federal Government.

Mr. AUGUST H. ANDRESEN. But the present price of 64 cents is too low and below the cost of production?

Mr. WHITE of Idaho. It is too low. In many cases it is below the cost of production and forces the Government to spend money for relief.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. The gentleman from Minnesota asked me that same question 2 days ago, and I was unable to say what the cost of production of silver has been. However, I do have it authoritatively stated that for the last 445 years the average market price of silver has been 92 cents per ounce. However, that is not quite an answer to the gentleman's question.

Mr. WHITE of Idaho. I want to complete my statement, and then I will yield.

The purchase of domestically mined silver stimulates our mining industry, as most silver is a byproduct of ores containing other metals, and increases business in the mining communities, which stimulates business throughout the country.

In addition to this, there is a direct benefit to the Government in increased tax revenues. I refer to the annual report of the Sunshine Mining Co., of Kellogg, Idaho, located in the district I have the honor to represent. In its last annual report the company indicates the production of 11,352,986 ounces of silver and reports taxes of all kinds of 10.35 cents per ounce on silver produced. Every ounce of that silver that was produced from one of the most phenomenal mines in the United States contributed 10 cents in the form of taxation to some agency of government.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman from Alabama.

Mr. PATRICK. This program went into effect in 1934?

Mr. WHITE of Idaho. I believe it did.

Mr. PATRICK. What effect did it have on the marketing of silver, say, within the next 6 months after it went into effect?

Mr. WHITE of Idaho. It was a great benefit. The mines that could mine silver profitably went to work and put people to work and bought supplies and bought machinery, and this affected the prosperity of the whole country.

Mr. PATRICK. How does it affect the country today, apparently, as best it can be estimated?

Mr. WHITE of Idaho. It is benefiting the country and would benefit it more if we had a better price for silver?

To continue my statement: Besides this we should take into consideration other taxes that are paid on the incomes of the people engaged in mining and firms that supply the mining industry.

By referring to the annual report of another large company in my district, the Hecla, of Wallace, Idaho, we find that this company last year paid $135,461 in taxes and employed 465 men and their total tax bill amounted to $266 for every man employed.

Turning to a report of a new mining company which has just gone into production, we find that this company, the Polaris Mining Co., of Wallace, Idaho, paid a tax bill of $706 for every man employed by this company.

Much has been said about a subsidy to the silver mining industry. These figures show the immense benefit that the Government is receiving directly in the payment of taxes from the operation of this industry to say nothing of the indirect benefits received from business and other sources of taxation.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Idaho. Briefly, as I want to finish this statement.

Mr. CASE of South Dakota. The gentleman is making a very interesting statement, but I have not yet found in what the gentleman or anyone else has said anything to convince me that the silver industry or the purchase of domestic silver is dependent on the passage of this bill. Will the gentleman give me his opinion on that?

Mr. WHITE of Idaho. I have not gone into the details of the act but I am told that it is. The Silver Purchase Act affects the purchase of foreign silver but does not permit the President to increase the price of domestic silver by proclamation.

Mr. CASE of South Dakota. The gentleman is referring to the Silver Purchase Act of 1934.

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman from Utah.

Mr. MURDOCK of Utah. Is it not a fact that every ounce of domestic silver that has been purchased since this administration came into power has been purchased under this act, and that every ounce of silver purchased from abroad has been purchased under the Silver Purchase Act?

Mr. WHITE of Idaho. That is the fact, as I understand the operation of the law.

Mr. CASE of South Dakota. Does the gentleman also know, however, that the Silver Purchase Act specifically authorizes and directs the Secretary of the Treasury to purchase silver at home or abroad until the silver stocks in this country have reached the point at which they are one-fourth of the monetary gold stock?

Mr. WHITE of Idaho. I do not want to go into details on that, but I understand that if the President were to set a higher price for domestic silver he would do it under the authority of this bill.

Now we come to the most important feature of the use of silver in our currency system, which is the immense saving to business and to all the American people by the elimination of interest as the cost of keeping this money in circulation. Silver certificates—legal-tender currency—redeemable in silver dollars, are issued by the Treasury in paying the running expenses of the Government and flow into the channels of trade and business, interest free, to the extent that this form of currency circulates it relieves business of the interest charge on the equivalent in interest-bearing eligible paper which is required to support the creation and circula-

tion of Federal Reserve notes—the bulk of the legal-tender currency in circulation—and on which business must depend for cash with which to finance this transaction.

I have just talked with the Treasury Department and I find that last year there was over $1,000,000,000 in Federal Reserve notes retired, macerated, destroyed, and put out of circulation; and that business is entirely dependent upon the banker approving an application for a loan and making a loan for the reissuance of this money into circulation, and that is the way our money is controlled, and that is one of the reasons we are short of money today, and the fact that there is $1,500,000,000 or more of silver certificates in circulation is a stabilizing influence on business today.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Idaho. I yield.

Mr. SCHAFER of Wisconsin. My mind is open on this bill, and did I understand the gentleman correctly to quote figures indicating that there has been a reduction in the amount of money in circulation in recent years?

[Here the gavel fell.]

Mr. WHITE of Idaho. Will the gentleman on that side yield me some time?

Mr. REED of Illinois. I can yield the gentleman 3 minutes.

Mr. SCHAFER of Wisconsin. Will the gentleman answer that question?

Mr. WHITE of Idaho. What is the question?

Mr. SCHAFER of Wisconsin. Did the gentleman indicate that in recent years the amount of money in circulation has been reduced in quantity?

Mr. WHITE of Idaho. By the Treasury statement we find that Federal Reserve notes, which is the bulk of our currency, is being reduced at a rapid rate now.

By the last Treasury statement received this morning, under date of April 14, we find there is $1,645,729,305 in silver certificates outstanding. If we retire these silver certificates and replace them with Federal Reserve notes supported by eligible paper, drawing interest at 3 percent, we find it would cost business and the American people $49,371,879.15 per year to keep this amount of money in circulation. But we find that few business notes can be financed at 3 percent. If we calculate the interest at 6 percent, then the amount of interest money—hidden tax on business payable to the banks—required to keep this volume of money in circulation would be doubled, or $98,743,758.30 per year.

Now, with our country hopelessly in debt, with an annual service charge on the public debt of over a billion and a half dollars, which must be raised by taxation, and with the shortage of currency in circulation so acute that business is reduced to the necessity of resorting to barter and the great Department of Agriculture and the Relief Administration finding it necessary to use script in place of money, and our Government considering a barter program to dispose of our surplus commodities, will the most reactionary Republican on this floor advocate the discontinuation of the Treasury's silver-purchase program and the retirement of the interest-free silver certificates from our currency? These conservatives have been vehement in their demands for economy and the reduction of the tax on business, and now when their motives are put to the test they would increase the staggering interest load under which business is struggling and strike down the only monetary policy on which our Government is receiving an income and making a profit. They would destroy this substantial source of taxable income and thereby increase the benefits to gold-producing countries. By their program they would increase the interest income of the banks by replacing silver certificates by Federal Reserve notes.

Is there no limit to the interest load that these conservatives would lay on the backs of the American people? Is there no limit to the handicap these banking advocates would place on business by destroying the only form of redeemable money we have—cash that circulates interest free, which remains permanently in existence available to meet the needs of business in times of financial stress?

Mr. Chairman, I urge that the Members of this House support this legislation and show by their approval of the administration's monetary program that they will not increase the interest load on business and the backs of the American people. [Applause.]

Mr. REED of Illinois. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. HAWKS] such time as he may desire to use.

Mr. HAWKS. Mr. Chairman, as a result of the hearing held before Administrator Andrews of the Wage-Hour Division of the Department of Labor on April 3 and 4, at which hearing I appeared in behalf of the canners of Wisconsin and others interested in the subject, the Administrator issued on April 19 a redefinition of the term "area of production" as applied to agricultural labor in the fresh fruit and vegetable industries to take the place of the former regulation issued several months ago on this subject.

Apparently the minds have not met, for with the limitations put upon the meaning of the term "area of production" in this new regulation this does not meet the situation in any degree.

The Administrator says:

> The amendment to the regulations just issued exempts employees engaged in the canning, packing, and storing of fresh fruits and vegetables who are employed in establishments situated in the open country or in towns of less than 2,500 and which draw all their products from within a radius of 10 miles.

It should not be overlooked, so far as this amended regulation affects Wisconsin, that there is included within the area of production term those who are employed in making cheese or butter or other dairy products. This regulation is of importance to the dairy industry of our State not less than to the canners and growers of fruits and vegetables.

It is quite apparent from this new ruling that the Administrator has no intention of exempting agricultural products under the law, and by this latest ruling the farmer can expect little or no help. On the contrary, he is quite likely to experience further declines in market prices for his products. Laws and interpretation of laws of this character can only add to the despair of the dairy farmer, the fruit and vegetable producer, the canner, packer, processor, and all the related industries.

The gentleman from North Carolina [Mr. BARDEN], who is a member of the House Labor Committee, is making a supreme effort to secure the passage of an amendment to the wage-hour law which will exempt all agricultural labor from the application of wage and hour regulations, and he will have wide support in such effort. [Applause.]

Mr. CASE of South Dakota. Mr. Chairman, I make the point of order there is not a quorum present.

The CHAIRMAN (Mr. MCCORMACK). The Chair will count. [After counting.] One hundred and three Members are present, a quorum.

Mr. REED of Illinois. Mr. Chairman, I yield 25 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, if I were to inform the membership of this House that within the next 2 hours 50 percent of their money would be taken away from them, if they were not on the floor to lock up their pocketbooks, they would probably be here this afternoon. But today, by the passage of this bill, the United States Government is taking money away from the American people, and I therefore propose to discuss some of the features of this bill, which I believe is the most important legislation now before the Congress.

The gentleman from Idaho, who just preceded me, has given the best argument for the repeal of the discretionary powers in the hands of the President. He stated that the circulation of money has been decreased in the United States and that we must have more money if we are to restore the purchasing power of the American people and get business, industry, and agriculture going again.

The very purpose of the bill, when it was passed in 1934, was to stimulate price levels in this country in order that the people might have more money and greater purchasing power. If our circulation has decreased under 5 years of

Presidential discretion, it is high time that the Congress itself examine into what this legislation has done to the American people and then get down to business and pass real monetary legislation that will be helpful to the citizens of this country.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. AUGUST H. ANDRESEN. I am sorry I cannot yield.

Section 8, of article I of the Constitution, provides that the Congress shall have power to coin money, regulate the value thereof, and of foreign coin and to fix a standard of weights and measures in this country. This power to regulate the value of money under the Constitution is vested solely in the Congress. This power cannot be delegated to the President, to the Federal Reserve System, to any monetary group, or to any set of individuals.

It belongs to Congress. This power is now largely in the hands of the President, according to the authority of Gold Reserve Act, passed in 1934. The power expires on June 30 of this year. This legislation seeks to continue the power which constitutionally belongs to Congress, in the hands of the President.

I say to you as a Representative in this House that the power should be restored to Congress so that we may function as the Constitution originally intended.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I am sorry. I cannot yield at this point.

Now, we should examine really who makes the request for a continuation of this power in the President of the United States. Let us find out who wants it. Of course the President himself wants this power continued because he states, as does his Secretary of the Treasury, Mr. Morgenthau, that we are still in a state of emergency in the United States. History will record that President Roosevelt has kept this country in 6 years or more of perpetual emergency, and that we will never emerge from that emergency until the Congress gets back its proper legislative functions.

In addition to the President and the Secretary of the Treasury, we find that the international bankers want this bill passed. They want this power continued in the President because they are making money in dealing in foreign exchange and in the manipulations of currency, and if the power is not retained in the President, then they will not be able to make the money they have under these transactions during the past 5 years.

Of course, foreign gold speculators all have petitioned the Congress of the United States to continue this power because they are getting $35 an ounce for all of the gold that they can dig and all that they can sell to the United States. It all comes here, because the Secretary of the Treasury of the United States, through the order of the President, fixes and maintains the world price for gold and silver.

Since January 1, 1934, more than $8,000,000,000 of foreign gold have been shipped into this country. A large part of that gold has come through England, because England maintains a free and open gold market. That is where our Russian gold has come from. The Russians and some of these other countries bring their gold to London and the Bank of England sends it here to Morgenthau and the Treasury, and he pays them $35 an ounce for it. In Russia under the new process they have developed for the production of gold, we find they can produce it at $8 or $10 an ounce. We pay them $35 an ounce. Of course, it is profitable for them to produce this gold and sell it to us, as it is profitable for every other foreign gold-mine owner in the world to produce gold at a cost of from $8 to $20 an ounce and sell it to us for $35 an ounce.

But foreign gold speculators and silver-mine owners are not the only ones who want to have this act continued. The foreign brokers want it continued because they deal for the foreign investors, and when the foreign investors get a premium on the gold from the United States Treasury, they can send more of their money here and take more of their dollar exchange to buy American securities, and the foreign brokers make more commissions out of it.

Then we have some American brokers, dealing particularly as agents for foreign investors, who also favor a continuation of this policy.

Then we find that all foreign nations are in favor of a continuation of this policy, because Uncle Sam has acted as "Uncle Santa Claus" for all of those foreign nations during the past 5 years, and on gold alone has paid the foreign gold-mine owner and the foreign nations and foreign gold speculators more than $3,500,000,000 in gold subsidy or gifts from the American people. Why should they not want to continue it?

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield for a question?

Mr. AUGUST H. ANDRESEN. I am sorry. I cannot yield at this time.

So, it is only reasonable to suppose that all of those people want a continuation of this policy. They have requested it. We have had men before our Committee on Coinage who represented these foreign investors and they say they want this program continued so that they can continue to sell us gold at $35 an ounce and continue to sell us silver at the world price today, which is also fixed by the Treasury at 43 to 45 cents an ounce.

Now, what benefits do we get out of this monetary program? The purpose of the program, to start with, was purely theoretical. When the President sent his message to Congress on January 15, 1934, he stated in the first sentence:

> In conformity with the progress we are making in restoring a fairer price level, and with our purpose of arriving eventually at a less variable purchasing power for the dollar, I ask Congress for certain additional legislation.

That was the Gold Reserve Act of 1934. When the Committee on Coinage made its report, and in the debate in the House in 1934 when the gold reserve bill was considered, the theme song all the way through was that "if Congress will pass this bill, which will pay the foreigners a subsidy for their gold and silver, we will stimulate exports in this country; we will raise the price level on farm products, manufactured products, and other commodities, and we will bring about recovery for agriculture and business in the United States."

I quote from the report of the Committee on Coinage.

On page 2 of the report we find the following:

> This bill is designed to enable the administration to restore a fairer price level, to arrive eventually at a less variable dollar, and to improve our financial and monetary system. The import of this may be appraised in the realization that all authorities seem to agree that the salvation of the country lies in our ability to control our price level. All commodities are measured in gold, hence the first step in our control must be the acquisition of gold stocks.

I quote further:

> The upward flight of the American dollar meant a correspondent decline in commodity prices. The debtor was at a distinct disadvantage.

Further from the report:

> If the gold dollar is revalued at 50 percent, this will be double the statutory value of our monetary gold, and broaden the base of our currency and credit system. * * *
>
> This bill will not only lighten and make bearable our public and private debt, but it will stimulate domestic and foreign trade by permitting the dollar to seek a level that will more nearly approximate the purchasing power of foreign currencies.

It was anticipated that by increasing the price of gold 69 percent for foreign producers of gold and to domestically mined gold, the price level of farm commodities would rise 69 percent, but it did not work out that way.

Some gentleman a little while ago mentioned something about the wonderful effect this monetary policy has had upon our price levels for agricultural products. I sold a few bushels of wheat in December belonging to my father. I received 37 cents a bushel for that wheat. You cannot say that wheat at 37 cents a bushel was benefited particularly by the monetary system or the promise to increase the price 69 percent. In other words, they promised restoration of

1926 price levels, and at the present time it takes 4¾ pounds of butterfat to get one of these devalued dollars, 8 dozen eggs for one of these dollars, 8½ pounds of poultry, 2 bushels of wheat at Chicago for one of these dollars, 3¼ bushels of rye, 5 bushels of barley, 5 bushels of oats, 2¾ bushels of corn, and I just learned today that out in Iowa and Minnesota corn is selling at 30 and 32 cents a bushel, so that it would take 3 bushels of corn to get one of these devalued dollars. The price level on farm products has not been aided in any manner by the monetary program. In fact, it has worked in absolute reverse from the theory of the New Deal monetary experts, because, instead of increasing our exports of farm commodities, instead of raising the price level to the farmers and producers, it stimulated imports into the United States and drove down the price level on farm and other commodities in this country, and continued the unemployment and relief problem as we have it here in the United States.

My friend from Colorado [Mr. MARTIN] does not think that we have enough money in circulation. Possibly if we would add more money which could be put into the hands of the people of the United States by getting a higher price level for the commodities they have to sell, then we would be accomplishing something really worth while. But let me point out to you, if you were living out in the Middle West, what you would have to pay for a $5 pair of shoes.

We will see how this monetary policy works for the people in my section of the United States. It would take 24 pounds of butterfat, 40 dozen eggs, 50 pounds of poultry, 62½ pounds of cotton, 10 bushels of wheat, or 14 bushels of corn to buy a $5 pair of shoes. If a farmer owns 160 acres of land and his taxes are $200, he would have to pay out 1,050 pounds of butterfat to pay his taxes. That would be the production from five cows for a whole year. The cotton farmer with a similar farm and a similar amount of taxes would have to pay five bales of cotton, and most of the tenants and sharecroppers raise less than three or four bales. Or he would have to pay 400 bushels of wheat or 540 bushels of corn or 1,000 bushels of oats.

In examining the merits of legislation, especially after we have tried it for 5 years, it seems to me that we should get down to cases and find out if the legislation has done us any good. If it has not done us any good, then it should be either repealed or amended to make it effective for the American people. The reason to me is quite obvious that it has not worked out for the advantage of the American people because instead of subsidizing our American people through this monetary policy we have subsidized the foreign gold speculators and other people in other countries of the world. We have left the American people out on a limb today to shift for themselves and pay the bill for the merry joy ride of the Treasury in its desire to give away our American market and American money to foreign producers.

We have noted for the last 3 or 4 years how much recovery there has been in other countries of the world as compared to the continued emergency and distress situation in the United States. Is it to be wondered at, when we have purchased nearly $10,000,000,000 of gold and silver from the other countries of the world and paid them large subsidies upon it, that they have prospered at our expense? We are left to pay the fiddler and to pay the debt.

About a week ago I spoke of an amendment I propose to offer in connection with this bill. I hope you have read my remarks and read the amendment. On that day I estimated that we had $15,500,000,000 worth of gold in the Treasury.

I find that I made a slight mistake. I was off about $70,000,000 on my estimate, but today I see that it is considerably over $15,500,000,000. Six billion eight hundred million dollars of that gold represents gold owned by the United States as of 1934, a part of which was the gold that was taken away from the American people at $20.67 an ounce. More than $8,000,000,000 of it represents purchases of gold from foreign countries at $35 an ounce.

Secretary Morgenthau has expressed great alarm, and I thoroughly agree in his alarm, when I think of all this gold and silver that is coming into this country and what will happen when we get all of the world's supply of gold, an event which will possibly come within the next 18 months. Instead of being able to export our commodities we must, Secretary Morgenthau states, let down our bars and let imports come into this country in excess of exports and distribute that gold to the people in the other countries of the world by paying gold for the increased imports they send into the United States. I do not know how the wheat farmers out in Oregon, in North Dakota, and down in Kansas and Montana will feel about this proposition when we start paying out the gold that we have purchased at $35 an ounce for the wheat of other countries.

The most pathetic picture that we have under this policy is that of the poor cotton farmer who has not only been ruined but has been put out of business by the fantastic New Deal experiments—not only in money but in other experiments that have destroyed him in his natural and economic place in our American life. In 1933 we exported 8,000,000 bales of cotton. This had been our average for the 10 years prior to that time. Since that time under this monetary policy which was to aid the farmers in disposing of their cotton we find that our exports have continually dwindled. Just for the month of March our exports were 41 percent lower than they were for the same month last year. Exports not only of cotton but also of all other farm commodities are continuing to decrease. This year it is estimated that our cotton exports will be around 3,000,000 bales instead of 8,000,000 bales as it was in 1933. What would have been the case with wheat no one can tell if it had not been for the subsidy of around 25 or 28 cents a bushel that was paid to get the western wheat out of the United States.

I want to help revive our export market for our surplus farm commodities, but we cannot do it under this type of legislation wherein the foreigners send in their gold and silver to the United States, put the money they receive for it in our American banks or in American securities, instead of buying farm and manufactured products. At the present time there is a dollar exchange balance due to foreigners in this country of approximately $7,000,000,000 that they might have spent for the farm and manufactured products produced by the people of the United States.

In the amendment that I shall offer when the bill is up for reading I propose to earmark the subsidy that we pay on foreign gold—$14.33 an ounce—and compel the foreign speculators and foreign sellers of gold, when they bring their gold into the United States Treasury, to have that subsidy earmarked and to compel them to spend it for farm and manufactured products in the United States. If they do not do so they will get $20.67 an ounce for it instead of $35. This would be the same treatment that every American citizen gets who does not own a gold mine here in this country.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CASE of South Dakota. The gentleman is making a very thoughtful approach to the problem, but I personally have fear that the present purchase of domestic products as the equivalent of that subsidy may not be a complete solution, although I confess that I have not studied the plan fully. I am wondering what the gentleman would think of a proposition to permit American citizens to exchange United States currency for gold now held by the Treasury whenever that gold would be used to purchase foreign-held securities of domestic corporations in order that we might again regain control of domestic corporations in this country and have a state of independence so far as foreign disruption of our securities market is concerned?

Mr. AUGUST H. ANDRESEN. I have not gone into the gentleman's proposition sufficiently to express an opinion, but it might be a step in the right direction. The securities market has been going down since the middle of March 1937. We find that the impetus back of the decline of the securities market is foreign selling of American securities.

Mr. CASE of South Dakota. And threatens to be very severe as long as the war scare exists.

Mr. AUGUST H. ANDRESEN. Decidedly so.

[Here the gavel fell.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield myself 3 additional minutes.

Mr. CRAWFORD and Mr. WHITE of Idaho rose.

The CHAIRMAN. Does the gentleman yield and, if so, to whom?

Mr. AUGUST H. ANDRESEN. I am sorry; I did not know the time was going so fast. I am afraid I shall need all the time myself.

The CHAIRMAN. The gentleman from Minnesota declines to yield.

Mr. AUGUST H. ANDRESEN. The greatest danger I see in the large gold holdings is the possibility of the most disastrous credit inflation this or any other country has ever seen. Possibly some want this type of inflation, but I am not ready to have either a disastrous inflation or a repudiation here in the United States. The interest of the American people, and our job as Representatives, requires that we try to protect our people in the security of their property and the rights they now have rather than to be instrumentalities in destroying their equity, whether they be on a farm or whether they be in labor, business, or profession; that is our job here in the Congress of the United States. The potential possibility for credit inflation if this legislation is continued—or possibly otherwise—is very disastrous. The possibility in connection with the return of this gold to the other nations in the world is still more disastrous because here in the United States if we are to maintain any semblance of the American standard of living we cannot compete with the cheaply produced products of the other countries of the world. [Applause.]

We cannot afford to lend this gold to other countries of the world, as some will propose shortly, because when we give other countries in the world the gold that we now have and for which we paid $35 an ounce, we will find that the I O U's that we receive from them will be just about as worthless as the $12,000,000,000 worth of I O U's we have held for the past 20 years. [Applause.]

Mr. Chairman, I want to say a word about the amendment which I propose to offer, and I yield myself 2 additional minutes.

So long as we continue to buy foreign gold I propose that we compel these foreigners to spend their subsidy or their gift for American farm and manufactured products. What could be fairer? In other words, I want to make a practical proposition out of the theory advocated in 1934 by the New Deal monetary experts so as to make it workable. I am not in favor of burying all the gold in the world down in Kentucky. I want it to work for the American people. Let us make it work, and we can do that in this Congress. That is our responsibility. If we delegate this power further to the President or to any other agency, we are shirking our duty and there is no man worthy of a seat in Congress if he delegates away from this body the constitutional power which belongs solely to the Members of this House. [Applause.]

Mr. Chairman, this is not a political matter. I do not understand why anyone on either side of the aisle should attempt to make political capital out of it. We are facing a realistic situation and I hope we will have the fortitude and the courage to go forward and vote our convictions on this matter, which is the most important matter the Congress has considered in many years; so that we may restore purchasing power to the American people, raise the price level as originally proposed for the farmers, laboring men, and industry in this country, restore business, put the unemployed back to work, and get America going again along an American pathway, free from foreign entanglements, sustaining our American standard of living and bringing to all of us the respect and honor to which a Representative in Congress is entitled not only from his own people but from the entire world. [Applause.]

Mr. SOMERS of New York. Mr. Chairman, I yield the gentleman from Mississippi [Mr. RANKIN] 7 minutes.

Mr. RANKIN. Mr. Chairman, it will be noticed that running through all the debate in opposition to this bill there is no sympathy whatsoever expressed by these critics for using this gold for the issuance of currency or for increasing the circulating medium and raising commodity prices to the American farmer.

What is behind this opposition I am not prepared to say, but I do know this is the only hope we have for a reasonably controlled expansion that will restore prosperity to the American people, and especially to the American farmers within the next 2 years. I know from what I have seen in the last several years that the Congress itself is not going to exercise this power, and until the power is exercised we are not going to have a return of prosperity.

I hear gentlemen complaining about the price paid for this gold, but they never advocate putting this gold to work. The only way it can be put to work is through the channel of a circulating medium that will raise commodity prices to the American people.

The gentleman from Minnesota [Mr. ANDRESEN] bewailed the fact that the cotton farmers and the wheat farmers were gnawing on the corncob of depression. They did the same thing during the Hoover administration. It is not because of this gold policy. It is because of a tariff policy which the gentleman from Minnesota has always supported and which has wrecked our economic structure, killed our foreign trade, and driven our farmers into bankruptcy.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield for a correction?

Mr. RANKIN. Just for a question.

Mr. AUGUST H. ANDRESEN. I was one of the few men on this side who voted against the last tariff act because I did not think it was fair.

Mr. RANKIN. That shows the gentleman at least had one moment in which he responded to the call of humanity. I congratulate him, and hope he will have many more of them in the months to come.

Mr. AUGUST H. ANDRESEN. I am sorry I did so now.

Mr. RANKIN. Then I must withdraw my congratulations.

The gentleman from Minnesota also bewails the fact that we paid so much for this gold. I remember back yonder during the "prosperous," boom days of the Harding-Coolidge-Hoover regime when this Congress voted to give the European powers $6,000,000,000 in what they called the debt-refunding bill in order to encourage foreign markets. Your foreign markets are gone. They are "gone with the wind" until we readjust our international trade by breaking down tariff barriers so as to enable us to trade with other countries.

Mr. Chairman, I think I know what is behind this opposition. I saw what was done in 1920, and they think they can do it again; that is, take away from the President of the United States the power to expand the currency and restore prosperity. They want to repeat the old catastrophe of 1920 because they know the men in charge of the Federal Reserve System are in sympathy with the big interests of this country and that they do not want the farmers of the Nation to prosper; they are interested in the money changers and stock manipulators.

I saw what they did in 1920. W. P. G. Harding was head of the Federal Reserve System at that time. He had a conference with your candidate for President on the Republican ticket and other Republican leaders, and what did they do? When our crops were in the field they contracted the currency by raising the rediscount rate and calling loans until they drove the price of wheat, corn, cotton, hogs, and other farm commodities down below the cost of production in order to depress and disturb the American people and especially the American farmers and drive them from the party in power, under the glorious pretense that they were going to restore prosperity, if the people would only change administrations. They won by a landslide and then proceeded to wreck the country.

I regret the President has not used the power given him to expand the currency and restore prosperity. I regret he has not issued this currency. I hope he does it right away.

But if you take away from him this power it will shut the door of hope in the face of the American people, and especially the American farmer, so far as any appreciable recovery is concerned in the next few months, or the next 2 years, because such a recovery depends on two things, reestablishment of our international trade by breaking down tariff barriers, and expanding the currency to raise the price of farm commodities in proportion to the American dollar.

Mr. SECCOMBE and Mr. VOORHIS of California rose.

Mr. RANKIN. I decline to yield. I have only 7 minutes.

Mr. Chairman, they tell you that we are likely to burst into a wild and uncontrolled inflation. This law does not provide for anything of the kind. One Member the other day said the fact was that the President would have the power to issue five or six or seven billion dollars in currency if this law passed. Why not? That is not uncontrolled inflation. The inflation or the expansion that he can bring about as the result of this law is controlled, but it would mean that a reasonable amount would be put into circulation in such a way that the Federal Reserve System, which I contend is controlled by selfish financial interests, could not take it out of circulation and bring on another depression.

This new money, put into circulation, would raise the prices of farm commodities to their normal levels and enable the farmers of this country to live and pay their debts and buy the goods they must have. You men from the manufacturing centers are never going to put your people back to work until the prosperity of the American farmer is restored, and you cannot restore prosperity to the American farmer by crucifying him upon a cross of gold and by resisting every effort, every possible effort, if you please, to put on a reasonable controlled expansion that will restore his prosperity.

You talk about your wheat farmers and what great harm it would do them to break down the tariff walls. That is ridiculous. If any men have ever been bunked as well as robbed by the tariff, they have been the wheat farmers of the United States. The tariff simply robs the farmers for the benefit of certain manufacturers. It places upon the farmer an indirect tax that simply grinds him into the dust. [Applause.]

Mr. SOMERS of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Nevada [Mr. SCRUGHAM].

Mr. SCRUGHAM. Mr. Chairman, a portion of the argument on the retention of this act has been devoted to showing its damage to the farmers. Although it has already been placed in the RECORD, for the purpose of emphasis I read from a letter received from the American Farm Bureau Federation and sent to all Members of Congress:

> We respectfully urge your support of the continuance of the power to revalue our dollar in order to protect our currency and to safeguard our exports and our domestic markets. This is a matter of vital importance to 30,000,000 farm people.
>
> Failure to act now would be calamitous.

Those of you who are interested can read the entire letter in the RECORD, but I shall read only a few of the most important parts of the letter:

> Practically every important nation of the world has abandoned the fixed gold standard. The executive branch of practically every nation of the world has been given the power to depreciate its currency if it so wishes and to do so without public discussion and debate. In the world today, when currencies of competitor nations are in a state of constant flux, it would be suicidal to tie the hands of our Government and prevent it from adjusting our currency in such a way as to protect our export markets and prevent foreign produce from being dumped into our domestic market.
>
> Farmers who must exchange their commodities for dollars suffer the most from a fixed gold dollar. For example, in 1929 a farmer could exchange less than 1 bushel of wheat for a dollar, but in 1932 the farmer had to exchange 3 bushels of wheat for our gold dollar with its fixed value. Likewise, the cotton farmer who borrowed $100 in 1929 borrowed the equivalent of 1⅛ bales of cotton, but if he had to pay back this debt in 1932 he had to pay back the equivalent of 4 bales of cotton.

My argument is based on the following points:

The existing act was necessitated by reason of the distressing financial conditions which were caused by the monetary policies of the Hoover and previous administrations. A return to these policies is what is now being earnestly advocated by the opposition speakers. By curious coincidence they have the aggressive support of practically all of the bullion speculators and money manipulators of the country, who are alleged to be beneficiaries of the Stabilization Act.

If one cannot make a profit on his business, there will be no income from it. We cannot increase income without increasing profits, or at least assuring some profits to the producers of commodities and for those engaged in industry.

Private capital will not invest, no matter what the taxes are, during a deflation or threat of deflation. It always invests during inflation or on the hope of a rising market. We can understand, of course, that the five or six billion dollars we might spend of the Government's borrowed money will be only a drop in the bucket if private industry did not join in with its capital and its money. To stimulate investment of private capital a more aggressive policy of reflation must be followed.

Congress certainly should have some control over our monetary agents in this country. It would seem that we should have some control over the Federal Reserve Board, and some control over the Treasury Department. If we have not, we should have. In my opinion it is perfectly evident that the Federal Reserve Board, in connection with the Secretary of the Treasury, in the latter part of 1936 and the early part of 1937 caused the recession of 1938, as it is called, and did it deliberately on the advice of banking interests of the country.

In the latter part of 1936 and the early part of 1937 commodity prices in this country had reached nearly the parity of 1926. As a matter of fact, farm commodity prices had reached 96, as compared with a hundred in 1926, and the purchasing power of the dollar was down to 101 on the same basis.

On page 3 of the Federal Reserve report, made in 1937, it is stated:

> The increase in durable-goods production reflected purchases of equipment both by industry and by individuals, as well as further expansion in construction. There was a general rise in employment, and income in both urban and rural areas was considerably larger than in other recent years. Capital values increased during the year, and in the latter part of the year there was a general advance in commodity prices. Total national income rose to $63,800,000,000 for the year, as compared with $55,000,000,000 in 1935 and a low of $39,500,000,000 in 1932.

The culmination of the Hoover administration.

> During 1936, however, business drew upon the banks and upon investors' funds to a considerably larger degree. Commercial loans to bank customers, after 3 years of little change, increased by $1,000,000,000; and securities issued by corporations to obtain new capital (as distinct from refunding issues) amounted to $1,200,000,000, or more than the aggregate for the previous 4 years combined.
>
> At the opening of 1937 economic activity was increasing rapidly. The output of mines and factories, after a steady rise for 2 years, had reached the average level of 1929. Increased activity was manifested both in the industries producing goods for immediate consumption and in those producing durable goods. Capital expenditures by manufacturing industries were increasing rapidly, in line with output and profits. There was some revival in residential construction, which had dwindled to a very low level during the depression and was far from normal. Employment was expanding and wage payments were rising even more rapidly as the result both of reduction of part-time employment and of increases in hourly wage rates. Increased farm income, a largess of dividend disbursements, and larger wage payments resulted in an increase in retail and wholesale distributions. Prices of securities were of the highest level since the early part of the depression: Yields on bonds, both Government and corporate, had reached exceptionally low levels, and capital issues of corporations were in the largest volume of the recovery years. Many commodity prices were rising rapidly. Advances were particularly pronounced in agricultural and other raw materials; prices of finished goods were also rising. Increased domestic demand, together with a considerable volume of foreign demand, contributed to the advance.

A wave of buying was in progress.

Relative to bank loans and the expansion of deposit currency, the Federal Reserve Board reports as follows in 1937, from page 2:

> The total volume of bank deposits and currency continued to grow and at the beginning of 1937 was at the highest level in the country's history. Bank loans to trade and industry had increased considerably and were growing. New York City banks were reducing their holdings of Government securities, but total investments of banks had changed little in the last half of 1936.

This is from the 1937 report of the Federal Reserve Board. Let me make it clear that the Federal Reserve Board cannot control the credit of this country, because a depositor in a bank will not use his money to buy anything so long as he thinks there is a deflationary movement underway and prices are going down. A bank for the same reason will not lend money so long as it believes there is a deflationary movement and prices are going down. Let the depositor think that prices are going up and he will buy, and the bank will join him in lending. The Federal Board has no control over the bank's credit. It has control over the currency in this country. Every time the suggestion is made that the Government use its function in issuing currency, instead of selling interest-bearing bonds to pay expenses of operation, business and banking institutions have been taught to be afraid, and they are afraid that something will happen to our currency similar to what once happened to the German mark. Therefore, the Federal Reserve Board apparently does not know what to do. It will say that there is just as much currency in this country now as there was in 1929. That is true. But where is it? In 1929 it was in the hands of the people. At the present time it is hoarded by the banks on one hand and hoarded by the depositors on the other.

The deposits at the present time are hoarded. It would make no difference if there were $20,000,000,000 in currency registered in the Treasury reports as being in circulation, which would simply mean that it was outside the Treasury, if all of it were hoarded in banks, or both by the banks and by the depositors. There is no doubt that when the Thomas silver amendment to the agriculture bill was agreed to, authorizing the United States Treasury to issue and spend $3,000,000,000 in Treasury notes, it had an inflationary effect. Why? Because, as a leading banker said, there had never before been such an inflationary movement in this country. In addition, it provided another $3,000,000,000, which the Government might use to take up its current accounts. That made a total of $6,000,000,000. It was Mr. Warburg who suggested that if such a bill was passed, everyone who had a deposit would run out and buy something solid—buy commodities and real estate—and there would be the greatest inflation in commodity values that the United States ever saw.

I greatly regret that practically none of that power has ever been utilized by the President of the United States. He did not utilize the authorized $3,000,000,000 increase in currency. And to make matters worse, as the inflation period was coming, and the course of prosperity and commodity prices moved up to July 1933, the Treasury Department, advised by bankers of the country, again became frightened of a boom, and deliberately issued a statement that there would be no inflation, and then prices dropped.

We have six-billions-and-some-odd dollars in currency available in this country. Three-fourths of it at this time is hoarded or unissued. We also have the privilege, if we want to do so, of issuing $750,000,000 of actual gold currency. Unfortunately, that is all the gold of the $15,000,000,000 we have in the country, that is unallocated. We have the power today to issue $3,000,000,000 in silver currency. That total would not nearly make the actual minimum we should have. The Federal Reserve Board can retire Federal Reserve notes. So the Federal Reserve Board has absolute power over currency inflation and deflation. Under their policies, there certainly is no danger of currency inflation. But why not reflation? It is of interest to quote from the recent hearing before the Special Committee of the Senate upon the silver investigation:

The chairman [Mr. PITTMAN] asks:

What do you call "currency inflation?" Describe "currency inflation." I have heard the expression used quite a lot. I would like to know distinctly what it is.

Mr. Eccles, Chairman of the Federal Reserve Board, answered:

To me it would mean where the supply of money in bank deposits and currency, in the hands of those that spend that money, is greater than a country's ability to produce the goods for the market. It would be a condition of overemployment, a condition of inability to produce the goods, so that the supply of money in the hands of those who spend it is in excess of a country's ability to supply the demands.

The CHAIRMAN. What would be the effect, then?

Mr. ECCLES. The effect would be the rapidly rising price level. It would be a diminution of the purchasing power of the dollar.

We cannot escape the conclusion that inflation, or rather reflation to the 1926 level, was in full swing in 1937. The authorization for control had been granted by Congress to the Federal Reserve Board.

This is what the Federal Reserve Board did about it, working with the Treasury Department. On page 2 of the 1937 report we find the following:

The rate of advance in business activity was, in fact, so fast that there were evidences of unsound developments.

There is the whole secret. There were evidences of unsound development. Prosperity was moving forward too rapidly to suit them, and there was threat of a boom. Yet there were 8,000,000 unemployed in this country at the time of that so-called threat of a boom. I read further:

There was a large increase in forward orders in anticipation of further price and wage increases, together with uncertainties regarding deliveries, partly due to labor disputes, and shortages were developing in plant and equipment and in some classes of skilled labor. Notwithstanding the fact that recovery was far from complete and that there was still a large amount of unemployment, boom conditions were developing in particular industries and boom psychology began to be manifested.

Then what happened? On page 1 of the report of 1937 we find that the Board took action to check the upswing. This is what it reported:

In July 1936 and again in January 1937 the Board of Governors took action to increase reserve requirements and thereby to eliminate a large part of the excess reserves that had accumulated. The combined effect of these two actions of the Board was to double the reserve requirements of member banks. Thus the power conferred upon the Board by the Banking Act of 1935 to increase reserve requirements for the purpose of preventing injurious credit expansion was fully utilized.

In December 1936 the United States Treasury inaugurated a policy of setting aside in an inactive stock all gold purchased subsequent to December 23, 1936, and thereby preventing the further acquisition of gold from increasing bank reserves. The Treasury and Federal Reserve measures taken together largely eliminated the basis of a potential credit expansion arising from the large movement of gold to this country which had begun in 1934 and had greatly expanded the credit base of the country.

The result was the situation we have today. In my opinion, the fault lies not with the authorization, but failure to use the authorization to the limits prescribed by Congress. Our salvation lies in a continuance of the authorization.

Now, as to the matter of the silver purchases. For every dollar's worth of silver purchased under the price of 64.64 cents per ounce the Government makes a similar profit, every dollar of which removes that much burden from the shoulders of the taxpayer. [Applause.]

Mr. SOMERS of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Utah [Mr. MURDOCK].

Mr. MURDOCK of Utah. Mr. Chairman, after listening to the debate on this legislation, my mind goes back to 1933 when the Roosevelt administration came into power. This Government was suffering from the worst depression in its history. The Republican administration of President Hoover, which included many of the illustrious and distinguished Republican Members who have spoken in opposition to this legislation, was absolutely baffled and confused with the problems confronting it, which confusion was emphatically demonstrated by their helpless inactivity. Immediately on taking over the reins of government, President Roosevelt, supported by a Democratic Congress, began action. The new President realized that the great commercial nations of the world were indulging in a great international currency poker game. He realized that this country was absolutely at the mercy of other nations by reason of our adherence to the gold standard. He was informed as to the great equalization fund in use by England to manipulate the currencies of all other countries, including that of the United States, to the advantage of England and the disadvantage of the United States and other countries. It is too long a story to go into in detail; but the debate of the opposition still rings in our

ears wherein they predicted absolute ruin and chaos if we took action. Their debate of today seems like the echo of yesterday. But we did take action. For the first time in our history, Congress asserted its constitutional power of controlling the value of our money. We created the stabilization fund, out of the $2,800,000,000 profit reaped by the Treasury as a result of decreasing the gold content of the dollar. Within very specific limits, we gave the President the power to fix the gold content of the gold dollar. We also gave him the same power with reference to the silver dollar. We provided for the unlimited coinage of both gold and silver, subject to the discretion of the President, if and when certain conditions and contingencies came into existence. Under the act we are considering today, these powers are to be continued until June 30, 1941. If the conditions of the world were unsettled when the powers were originally granted, they are far more unsettled today, as a result of conditions existing in Europe, Asia, and Africa. We have not yet settled economic conditions in our own country, although they are much improved over what they were when we came into power. The questions involved in this legislation, in my opinion, are partisan. They were partisan in 1932, in 1934, and will always continue to be partisan.

Some speakers from the Republican side today have denied that their attitude toward this legislation is partisan. But all a Democrat needs to do is to look at the vote on the adoption of the rule to be thoroughly convinced by their actions, which speak louder than their words, that so far as the minority is concerned, the question is partisan, just as it was 6 years ago. But let us on the Democratic side not forget that the welfare of this Nation is still the responsibility of the Democratic Party, and that that responsibility will continue for at least approximately 2 years. It is the Democratic President and a Democratic Secretary of the Treasury asking a continuation of these powers. It is the duty and the responsibility of the Democratic side of the House, in my opinion, to maintain their ranks and carry this legislation.

Every phase of the bill has been thoroughly discussed, except the place of silver in this legislation. I, therefore, Mr. Chairman, will devote the rest of my remarks to this phase of the question, first calling attention to the fact that it is under this legislation that every ounce of domestic silver has been purchased during the Roosevelt administration, that it is the following provision in the Gold Reserve Act that gives the President the power to differentiate in the purchase of silver between domestic and foreign:

> The President is authorized, in his discretion, to prescribe different terms and conditions and to make different charges, or to collect different seigniorage, for the coinage of silver of foreign production than for the coinage of silver produced in the United States or its dependencies. The silver certificates herein referred to shall be issued, delivered, and circulated substantially in conformity with the law now governing existing silver certificates, except as may herein be expressly provided to the contrary, and shall have and possess all of the privileges and the legal-tender characteristics of existing silver certificates now in the Treasury of the United States, or in circulation.

If, therefore, we want to perpetuate the purchase of domestic silver at a price above that of foreign silver, then it is necessary to continue the foregoing provision.

The State of Utah, a district of which I have the honor to represent in the House of Representatives, is one of the two largest producers of silver in the entire United States. Utah and Idaho compete with each other for first place in the production of silver—one year Utah may be first, and the next year Idaho. Utah's greatest industry is mining. Nearly half of its population is directly dependent on mining. Salt Lake City is the center of the metal-mining industry of the United States. Salt Lake City and its immediate vicinity is probably the greatest nonferrous smelting center of the world. When the mining and smelting industry is prosperous, the West is prosperous. When this great industry is not prosperous the West is not prosperous. Some people have the idea that silver is mined by itself, but that is incorrect. Silver is seldom mined alone, but is produced in connection with lead, zinc, copper, and gold. The success of the mining industry depends upon the composite price of ores containing two or more of these metals—in many cases, four together.

For the last several years the price of all metals has been below normal, except for short periods of time. You will, therefore, see that the price of silver has a very direct and material bearing on the success of metal-mining operations. Almost immediately after the domestic silver price was raised by the present administration, and the gold price was increased, mines all over the West began to operate. Many mines that had been closed for years resumed operation. Mining towns that were rapidly deteriorating were vitalized and new life inspired. The West began to prosper, miners went back to work in large numbers, and the old spirit, which had made the West possible, returned. Miners employed at decent wages, in my opinion, are the greatest spenders in the world. They believe in a high standard of living; they believe in having good homes; they believe in education; they take pride in seeing that their wives and children have as much and as good as any other class of people.

Under the President's proclamation of April 24, 1935, the price of domestic silver was fixed at $0.7757 plus per fine ounce, and continued at this price until December 1937, at which time it was, by proclamation of the President, reduced to $0.6464 plus. This price was again fixed in December 1938 and is the price which is now being paid for domestic silver. At this time I desire to call your attention to the fact that almost immediately after the proclamation in December of 1937 reducing the price of silver from $0.7757 plus to $0.6464 plus employment in metal mines in the States of Arizona, Colorado, Idaho, Montana, New Mexico, Nevada, and Utah began dropping off and pay rolls decreasing, until by October 1938 employment had dropped off 23.9 percent and pay rolls 29.4 percent. This should certainly give you an idea of how keenly and immediately a decrease in metal prices affects the economy of these Western States. I will conclude my statement, so far as employment is affected by the price of silver, by saying that unless silver is maintained at an equitable price the West will suffer.

Coming now to the arguments which are current today against the silver program of the present administration, I first call your attention to the fact that the history of money is closely identified with the use of gold and silver as money. Silver was used as money even before gold, and has been used just as extensively for money as gold. These two metals have been found by all civilized nations to be the most convenient and safest metallic backing for money. Some may say that we have now reached the point where metallic backing and redemption of currency can be done away with. I will not attempt to answer this argument, but will say that if we are to have a metallic backing for our money, then there is no better metallic base than gold and silver. Silver, as money in the United States, was valued many years ago by a law at $1.29 per ounce. That is its monetary value today. Let us first consider now just what happens in the purchase of silver by the Treasury under the silver program of the present administration. Speaking of the purchase of foreign silver, taking the year of 1938, the average cost to the Federal Treasury for foreign silver was 49.8 cents an ounce.

Under the program, when foreign silver is offered for sale to the Treasury, this is what happens: An ounce of foreign silver is delivered to the Treasury; it is paid for at the rate of 49.8 cents an ounce in silver certificates. Immediately upon its receipt by the Treasury, it is monetized at $1.29 an ounce. For convenience, let us take two ounces of foreign silver purchased at 49.8 cents an ounce, which would amount to 99.6 cents or in round figures, $1. For the two ounces of foreign silver, a silver certificate in the amount of $1 is issued and goes into circulation. The two ounces of silver in the Treasury, at their monetary value, amount to $2.58, so that at least, on a bookkeeping transaction, the Federal Treasury has profited to the amount of $1.58. Now, if the holder of the silver certificate for $1 wants to redeem that silver certificate at the Treasury and presents it for redemption, he will receive a silver dollar containing approximately

three-fourths of an ounce of silver. Looking at it from the redemption standpoint, the Federal Treasury receives two ounces of foreign silver and issues a silver certificate in the amount of $1 against it. But when the silver certificate is presented for redemption, the Federal Treasury redeems it with three-fourths of an ounce of silver, thereby making a profit of 1¼ ounces of silver. Therefore, on the bookkeeping transaction, the Federal Treasury made a profit of $1.58. From the standpoint of redemption, it made an ounce and a quarter of silver. How then can even the enemies of silver say that there is a loss to the Federal Treasury, if they want to be fair? I admit that the 49.8 cents is about 6 cents higher than the world price for silver, but even at that price, if we sold the ounce and a quarter of silver remaining in the Treasury, after having redeemed the silver certificate we paid for the two ounces of foreign silver, we certainly would still be making a very fine profit. But it is said that they use these silver certificates issued to them for their silver, above the world price, in securing American goods and American securities, and try to point out that there is a loss from this angle.

Is not that the very thing that we have all been aiming at—to encourage the purchase of American goods, American services, and American securities? Looking at it exclusively from this angle, let us see whether there is any loss. In order for the foreigner to purchase American goods, services, or securities, he has to exchange his pounds, francs, marks, guilders, or yens for American dollars. Under our present monetary system the silver certificate circulates at par with all other types of currency issued by the United States. Silver certificates circulate at par, and, without any question, right alongside of Federal Reserve notes. When the foreigner exchanges the currency of his country for our dollars, he makes no distinction between Federal Reserve notes and silver certificates. He would just as soon have one as the other, because one buys just as much of anything as the other. So, as I see the picture, we are certainly not taking any loss as a result of the use of silver certificates issued against silver purchased from abroad when the foreigner is purchasing in the United States.

Now, let us see what happens when the citizens of the United States want to purchase goods, services, or securities in some foreign country. They must exchange their American dollars for either pounds, francs, marks, guilders, or yens, depending upon the country in which they make their purchases. Here again we find the silver certificate circulating at par with all types of other American money, and especially with Federal Reserve notes. No distinction is ever made in the purchase of any foreign exchange between the Federal Reserve note and the silver certificate. We therefore must conclude that, so far as the citizens of the United States are concerned, as long as Uncle Sam's guarantee appears on our currency and the taxing power of the Nation is behind it, it makes no difference to us whether it is a silver certificate or a Federal Reserve note—they have identical purchasing power and identical debt and taxpaying power. The foreigner who comes within our borders to purchase makes no distinction whatever, and when our citizens purchase abroad the foreign seller makes no distinction whatever between the Federal Reserve note and the silver certificate. Even my distinguished colleagues here in Congress, and especially those on this committee, who make such tirades against our silver program, would not trade these abhorrent silver certificates at any discount whatever for their beloved Federal Reserve notes.

Great bankers protest that silver certificates are crowding Federal Reserve notes out of circulation. To this I say amen. In my study of money and banking, and I have made a considerable study of these subjects, I have come to the conclusion that the only money that the banker is particularly interested in is what I call "emotional" money—money created by the banker himself out of my debt and yours. It is also known as check-book money. Why do I refer to it as "emotional" money? Simply because its volume is wholly dependent upon the emotions of the bankers. If the future looks rosy and bright, it can be had in abundance, but when the first dark cloud appears on the horizon, its destruction is begun and deflation sets in. On the other hand, every ounce of silver represents human labor. It cannot be produced without human labor. So far as our domestic silver is concerned, it represents the human labor of hard-working American miners.

Now, let us briefly look at the situation from the domestic standpoint. For convenience, let us take 17 ounces of domestic silver. It is delivered to the United States Treasury and, at $0.6464 plus, the Treasury will pay to the person making delivery of the silver approximately $11 in silver certificates. This 17 ounces of silver, at the monetary value of $1.29 an ounce, is valued by the Treasury at approximately $21.95. The Government makes a profit of approximately $11 on the bookkeeping transaction. From the standpoint of redemption, when the $11 in silver certificates are presented for redemption, the Treasury delivers to the holder thereof not the 17 ounces of silver formerly delivered to the Treasury for the $11 in silver certificates, but just half of the 17 ounces, to wit, 8½ ounces, so that on the redemption the Government has made a profit of 8½ ounces of silver. This seems to me to be anything but a fictitious profit. If the United States Government could make the same kind of a profit on all of its transactions, what a glorious country this would be. This transaction is referred to by the enemies of silver as a subsidy to the silver producers of the Nation. What a misnomer this is. What an injustice it is to take 17 ounces of silver, issue a receipt therefor which is redeemable by the Government with only 8½ ounces of silver, and then tell the silver miners that you are subsidizing them. This Government is rather generous in the way of subsidies. It subsidizes air travel and transportation. It subsidizes our merchant marine. The people of the United States subsidize the distilleries of the United States, the great manufacturing plants, cotton, and other agricultural comodities, but can the enemies of silver, who are so willing to subsidize these other things, show where the Government makes even a bookkeeping profit, let alone an actual profit?

Silver certificates are the only money in circulation in the United States today which is redeemable in metal. It is the only money of which I know that is not created out of debt. I say this, notwithstanding statements made by some great bankers. The only way, in my opinion, that this Government can take a loss under its silver program would be to strike it down; to take away from Congress and the President the constitutional function and duty of controlling the value of our money and to dump our vast accumulation of silver onto the world market for the deliberate purpose of destroying the world's silver price. Certainly, we would not be foolish enough to do that. I cannot even conceive of the most partisan enemy of the Democratic Party, or of President Roosevelt and his administration, wanting to do that merely for political purposes.

I desire to include, Mr. Chairman, a short paragraph on silver used in the industrial arts, as follows:

The domestic consumption of silver by the industrial arts during the year 1937 was greater than in any year in the history of this country. The amount so consumed during 1937 was 51,292,270 fine ounces. The average annual amount of silver used by the industrial arts from 1880 to 1937, inclusive, was 22,469,605 fine ounces. The 1937 consumption represents an increase over the annual average consumption since 1880 of 128 percent. This comparison shows that the demand for silver by the industrial arts is increasing.

And another paragraph on gold and silver exports:

The total gold exports from the United States from 1873 to 1937 amounted to $6,763,797,626, while the total imports for this period amounted to $14,243,240,713, leaving an excess of imports over exports of $7,479,443,087. On the other hand, the total silver exports from the United States during the period 1873 to 1937, inclusive, amounted to $3,488,808,235, while the total imports for this period amounted to $2,882,400,364, showing that our silver exports exceeded our silver imports during this period by $606,407,871.

The 128-percent increase in the consumption of silver in the industrial arts during the year 1937 over the annual average consumption since 1880 should certainly indicate to

those opposed to silver that it is not such a valueless commodity. On the question of imports and exports of silver during the period from 1873 to 1937 we find that the balance of trade is still $606,407,871 in our favor.

To clear up any misapprehension which may exist in the minds of any of the Members as a result of the discussion by my distinguished colleague from Illinois [Mr. REED] on the constitutionality of the delegation of powers to the President under this legislation, which will be continued by the adoption of this bill until June 30, 1941, I will devote the remainder of my time to a discussion of this phase of the question.

From a consideration of the authorities, it is clear that such delegation of power is constitutional.

In the case of *J. W. Hampton Jr. & Co.* v. *United States* ((1928), 276 U. S. 394), the Supreme Court upheld the constitutionality of section 315 (a) of the Tariff Act of September 21, 1922 (42 Stat. 848), pursuant to the terms of which the President, under certain conditions, had the power by proclamation to raise or lower tariff duties on particular commodities by as much as 50 percent.

A comparison of the provisions of the Tariff Act of 1922, involved in the Hampton case, and the provisions of the act under consideration reveals a significant analogy. Section 315 (a) of the Tariff Act of 1922 provided that action shall be taken pursuant thereto—

Whenever the President upon investigation of the differences in costs of production of articles, wholly or in part the growth or product of the United States, and of like or similar articles, wholly or in part the growth or product of competing foreign countries, shall find it thereby shown that the duties fixed in this act do not equalize the said differences in costs of production in the United States and the principal competing country.

The act here under consideration provides for action—

whenever the President finds, upon investigation, that (1) the foreign commerce of the United States is adversely affected by reason of the depreciation in the value of the currency of any other government or governments in relation to the present standard value of gold, or (2) action under this section is necessary in order to regulate and maintain the parity of currency issues of the United States, or (3) an economic emergency requires an expansion of credit, or (4) an expansion of credit is necessary to secure by international agreement a stabilization at proper levels of the currencies of various governments.

The Tariff Act specified that upon making such findings the President (sec. 315 (c))—

shall by such investigation ascertain said differences and determine and proclaim the changes in classifications or increases or decreases in any rate of duty provided in this act shown by said ascertained differences in such costs of production necessary to equalize the same. Thirty days after the date of such proclamation or proclamations such changes in classification shall take effect, and such increased or decreased duties shall be levied, collected, and paid on such articles when imported from any foreign country.

The analogous provision of the act here under consideration authorizes the President—

to fix the weight of the gold dollar in grains nine-tenths fine and also to fix the weight of the silver dollar in grains nine-tenths fine at a definite fixed ratio in relation to the gold dollar at such amounts as he finds necessary from his investigation to stabilize domestic prices or to protect the foreign commerce against the adverse effect of depreciated foreign currencies (subsec. (b) (2) of 31 U. S. C. 821).

The Tariff Act of 1922 provided that in the exercise of such power—

the total increase or decrease of such rates of duty shall not exceed 50 percent of the rates specified in title I of this act.

The act here under consideration provides that in the exercise of such power by the President—

In no event shall the weight of the gold dollar be fixed so as to reduce its present weight more than 50 percent. Nor shall the weight of the gold dollar be fixed in any event at more than 60 percent of its present weight.

An equally significant analogy is revealed by a comparison of the constitutional provisions relating to the powers of Congress with respect to tariffs with those relating to the powers of Congress with respect to money.

The power of Congress to enact tariffs is derived from article I, section 8, clause 1, of the Constitution:

The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States * * *.

By clause 5 of section 8, article I, Congress is authorized—

To coin money, regulate the value thereof, and of foreign coin * * *.

In deciding that the delegation under section 315 of the Tariff Act of 1922 was valid, the Court said in its decision in the Hampton case, at pages 405, 411:

Congress seems to have doubted that the information in its possession was such as to enable it to make the adjustment accurately, and also to have apprehended that with changing conditions the difference might vary in such a way that some readjustments would be necessary to give effect to the principle on which the statute proceeds. To avoid such difficulties, Congress adopted, in section 315, the method of describing with clearness what its policy and plan was, and then authorizing a member of the executive branch to carry out its policy and plan, and to find the changing difference from time to time and to make the adjustments necessary to conform the duties to the standard underlying that policy and plan. As it was a matter of great importance, it concluded to give by statute to the President, the chief of the executive branch, the function of determining the difference as it might vary * * *.

What the President was required to do was merely in execution of the act of Congress. It was not the making of law. He was the mere agent of the lawmaking department to ascertain and declare the event upon which its expressed will was to take effect. * * *

It is submitted that the reasoning of the Court in the Hampton case, in view of the close analogy between the statutory and constitutional provisions there involved and those presently involved, is equally applicable to the question under consideration.

It is also of interest to note that when the Senate considered the Thomas amendment in April 1933 and the gold-reserve bill in 1934, very extended consideration was given to the question of the constitutionality of the delegation to the President to devalue the dollar. The proponents of the measure stated that the legislation had been drafted in such a manner as to comply strictly with the test laid down by the Supreme Court in the Hampton case, CONGRESSIONAL RECORD, volume 77, part 2, page 2227. This was recognized by Senator BORAH, who was the leader of the group attacking the constitutionality of the delegation. He said:

It seems to me that the rule of conduct here is quite as accurate and quite as well defined as it was with reference to the creating of the Tariff Commission (CONGRESSIONAL RECORD, vol. 78, pt. 2, p. 1329).

Senator BORAH, however, had just previously indicated his belief that the Hampton case was incorrectly decided.

It has always seemed to me—

He said—

with all due respect to that great tribunal, that when we created the Tariff Commission and gave it its power, together with the President, to deal with the tariff, that we were delegating legislative power, and with reference to a subject equally vital to that of coining money, to wit, raising taxes (CONGRESSIONAL RECORD, vol. 78, pt. 2, p. 1329).

Senator BORAH, therefore, in effect recognized that if the Hampton case was correctly decided, then the delegation of dollar-devaluation powers was entirely valid. Nevertheless, the Hampton case has continued to be regarded by the Supreme Court as properly decided and as the leading case in the field of valid delegation of legislative powers.

Furthermore, since the exercise of the power to revalue the dollar is most likely to occur as a result of action taken by foreign countries in depreciating and devaluing their currencies, it could fairly be argued that the devaluation of the dollar is closely related to international relations and that therefore the constitutionality of the delegation must be viewed on the basis of the rule laid down in *United States* v. *Curtiss-Wright Export Corporation* ((1936), 299 U. S. 304), where the Court recognized that greater discretion could be delegated to the President in the field of international relations then in the field solely of domestic affairs.

The statute under consideration is clearly distinguishable from that involved in *Panama Refining Co.* v. *Ryan* ((1935), 293 U. S. 388). In that case section 9 (e) of title I of the

National Industrial Recovery Act of June 16, 1933, 48 Stat. 195, was before the Court. That section provided, in part, as follows:

> The President is authorized to prohibit the transportation in interstate and foreign commerce of petroleum and the products thereof produced or withdrawn from storage in excess of the amount permitted to be produced or withdrawn from storage by any State law or valid regulation or order prescribed thereunder, by any board, commission, officer, or other duly authorized agency of a State.

In holding that there was an unconstitutional delegation of legislative authority to the President by virtue of that section, the Court stated, at pages 415, 430:

> Section 9 (c) does not state whether, or in what circumstances, or under what conditions the President is to prohibit the transportation of the amount of petroleum or petroleum products produced in excess of the State's permission. It establishes no criterion to govern the President's course. It does not require any finding by the President as a condition of his action. The Congress in section 9 (c) thus declares no policy as to the transportation of the excess production. So far as this section is concerned it gives to the President an unlimited authority to determine the policy and to lay down the prohibition, or not to lay it down, as he may see fit.
>
> We think that section 9 (c) goes beyond these limits. As to the transportation of oil production in excess of State permission, the Congress has declared no policy, has established no standard, has laid down no rule. There is no requirement, no definition of circumstances and conditions in which the transportation is to be allowed or prohibited.

In the famous Schechter case (*Schechter Poultry Corp.* v. United States (1935), 295 U. S. 495) the validity of section 3 (c) of the National Industrial Recovery Act was involved. This section authorized the President to approve "codes of fair competition" upon a finding that the codes would "tend to effectuate the policy" of the act. The question there presented was regarded as more fundamental than that presented in the Panama case, for the statute did not include a precise statement of the subject to which the President's regulatory power under section 3 (c) was addressed. The Court, after having turned to the statements of policy in section 1, stated that it was unable to determine what constituted or what regulation might be included in a code of fair competition, and it therefore held that the statute had failed to specify with sufficient particularity the subject with which the President was authorized to deal. Accordingly, it concluded that the President's discretion in prescribing rules for the government of trade and industry being virtually unfettered the code-making authority conferred by the act was an invalid delegation of legislative power.

The validity of the President's exercise of the power to revalue the dollar in 1934 was recognized by the Supreme Court in the so-called Gold Clause case. In *Norman* v. *B. & O. Railway Co.* (1935) (294 U. S. 240), the abrogation of gold clauses in private obligations by the joint resolution of June 5, 1933, was upheld on the ground that such gold clauses constituted an interference with the exercise by the Congress of its constitutional power to regulate the monetary system. One of the aspects of congressional regulation of the monetary system with which the Court considered gold clauses to be an unwarranted interference was the exercise by Congress, through the President, of the power to revalue the dollar. Thus it was stated at pages 314 and 315:

> Section 43 of the act of May 12, 1933 (48 Stat. 51), provided that the President should have authority, on certain conditions, to fix the weight of the gold dollar as stated, and that its weight as so fixed should be the standard unit of value with which all forms of money should be maintained at a parity. The weight of the gold dollar was not to be reduced by more than 50 percent. The Gold Reserve Act of 1934 (Jan. 30, 1934, 48 Stat. 337) provided that the President should not fix the weight of the gold dollar at more than 60 percent of its present weight. The order of the President of January 31, 1934, fixed the weight of the gold dollar at 15 5/21 grains 0.9 fine, as against the former standard of 25 8/10 grains 0.9 fine. If the gold clauses interfered with the congressional policy and hence could be invalidated, there appears to be no constitutional objection to that action by the Congress in anticipation of the determination of the value of the currency. And the questions now before us must be determined in the light of that action.

The validity of the President's power to revalue the dollar was also a basic assumption of the decisions in *Nortz* v. *United States* (1935) (294 U. S. 317), and *Perry* v. *United States* (1935) (294 U. S. 330).

It is of particular interest to observe that the decisions in the Norman, Nortz, and Perry cases were handed down after the decision in the case of Panama Refining Co. against Ryan, supra, in which the Court considered at great length the question of delegation of legislative power. The fact the Court had so recently and exhaustively considered the question of delegation of legislative power when the Norman, Nortz, and Perry cases were decided makes it even more apparent that the Court was satisfied that the revaluation of the dollar by the President was a proper exercise of authority validly conferred upon the President by Congress.

In more than 30 cases involving the gold legislation enacted by Congress in 1933 and 1934 argued before courts in all parts of the country the validity of the revaluation of the dollar by the President has been unquestioned not only by the courts but by eminent counsel. In only one case has the revaluation of the dollar been challenged, and in that case on the ground that Congress itself does not possess the power to revalue the dollar.

It is also of interest to consider the result which has been reached by the courts in a situation in which another part of the recent monetary legislation of the Congress has been challenged on the ground that it involves an invalid delegation of legislative power. In the case of *Campbell* v. *United States* (D. C. S. D., N. Y., 1933, 5 Fed. Supp. 156), section 5 (b) of the Trading With the Enemy Act, as amended by section 2 of the act of March 9, 1933 (48 Stat. 1), was so challenged. That section provides in part:

> (b) During time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange, transfers of credit between or payments by banking institutions as defined by the President, and export, hoarding, melting, or earmarking of gold or silver coin or currency.

The Court specifically rejected the contention that there was an invalid delegation of power to the President, holding that the section fully complied with the requirements laid down in the decisions of the Supreme Court (5 F. Supp. 172, 173). The power of the President to revalue the dollar clearly meets those requirements.

There is no doubt, Mr. Chairman, in my mind about the constitutionality of the powers heretofore delegated to the President. In closing, and speaking particularly to the Democratic side of the House, I again call to your attention that it is the responsibility of President Roosevelt and the Democrats in Congress to conduct the affairs of this country at least until January 1941, and, in my opinion, we will not consider at this session or the session of 1940 more important legislation than the bill before us today, and I hope that the vote on the Democratic side of the House is unanimous in the passage of this legislation.

Mr. REED of New York. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion of the gentleman from New York that the Committee do now rise.

The question was taken; and on a division (demanded by Mr. REED of New York) there were—ayes 20, noes 43.

So the motion was rejected.

Mr. REED of Illinois. Mr. Chairman, I now yield to the gentleman from Oregon [Mr. ANGELL].

ABRAHAM LINCOLN PLEADS AGAIN, MARIAN ANDERSON SINGS

Mr. ANGELL. Mr. Chairman, I ask the indulgence of the House to call attention to a happening that took place in our Capital City last Easter which is of more than passing interest, in fact of deep significance.

Many years ago when our country was young and bands of pioneers were trekking across America, extending its frontiers and making homes in the wilderness, a large company camped one night on the banks of a mountain stream. In the morning they broke camp, forded the stream and were proceeding on their way when it was discovered that a little dog had become separated from the camp and had been

left on the opposite side of the stream, where he would perish. The company was eager to be on its way and no one seemed interested in retracing his steps to rescue him, save one small lad who rolled up his trousers, waded across the icy stream, and saved the little dog. Many years have passed and America has become a great nation. We do not recall the names of those who were in that company of emigrants on that day so long ago except the little boy who waded the icy stream to save the dog. On the banks of the Potomac, at the head of the Mall, here in our Nation's Capital, is erected a great memorial to commemorate that boy. Seated within is a heroic statue sacred to his memory. The boy's name was Abraham Lincoln.

The sympathetic and understanding heart of the boy who would not let the dog perish later led the man to give his life as a sacrifice that all America might be free.

I read in a local newspaper last week that each afternoon for 2 weeks, recently, in our Capital, an aged Negro plodded slowly past the District Courthouse on Indiana Avenue. Each time he came abreast of the tall, marble statue of Lincoln in front of the building he straightened his aged, bowed shoulders and tipped his hat to the Emancipator. One day a court clerk stopped the man and questioned him. He learned that he is 92 years of age and that his name is Ezra Jenkins. He was asked why he raised his hat. "Well, when I was very young," the old man explained, "Abraham Lincoln came to the town where we lived in Illinois. I was just a little 'shaver' and my mother had run away from down South when my pappy died. She fixed the meal for Abraham Lincoln that day, and when he was done he came and thanked her. But he took off his hat when he talked to her, and everybody noticed it. If Abraham Lincoln could take off his hat to my mother, I sure can take off my hat to him."

Last Easter Day was drawing to a close, and our thoughts were still lingering upon the services commemorating the risen Christ and His age-old message, so needed today—peace, good will, tolerance. The sun was sinking in the western hills beyond the Potomac in our beautiful Capital. Its slanting rays were casting shadows of the memorial to Abraham Lincoln across the broad steps and greensward leading to the Mall and the great shaft commemorating the Father of his Country. The whole landscape, with the witchery of spring, was a thing of beauty—the reflecting pool, the rising dome of the stately Capitol on the hill beyond, the bordering trees bursting into leaf and color, and the air laden with the perfume of a lovely spring garden. Into this scene came a vast concourse of citizens—75,000 or more—gathered in the open in front of the memorial and away toward the Washington Monument. They came from nowhere and everywhere, black and white, of high degree and humble lineage. They came in shining limousines and age-worn, rickety motor cars. Many trod on foot. Many of our countrymen, upon whom the mantle of authority has fallen, selected to occupy high places in our Government, were there—members of the United States Supreme Court, United States Senate and House of Representatives, and the executive department.

At 5 o'clock there arose before this great multitude a tall Negro girl—Marian Anderson—and her golden contralto voice was lifted on the evening air, not only to the multitude participating in the event, but out on the airways by radio to the people of America everywhere. Marian Anderson, with closed eyes, oblivious to all about her, and with the artistry of genius, was singing My Country 'Tis of Thee, Sweet Land of Liberty to her own free America in the shadow of the Lincoln Memorial, the shrine of American freedom. She was singing in the greatest auditorium ever made—not built with hands—God's temple, the great out of doors. The words chiseled upon the inner wall of the great memorial seemed to stand forth and take on a new meaning:

> In this temple, as in the hearts of the people for whom he saved the Union, the memory of Abraham Lincoln is enshrined forever.

As the rays of light played on the face of Lincoln, lighting up the rugged, kindly features of the Great Emancipator looking out over this impressive scene, it almost seemed he heard and understood and was pleading again through the singing of this humble American girl, whose freedom he purchased with his own life. Again the spirit of Lincoln was pleading through her for tolerance, brotherhood, charity. Again, through her songs, he was saying to the multitudes, as he had said long, long ago:

> Our fathers brought forth on this continent a new nation, conceived in liberty and dedicated to the proposition that all men are created equal.
>
> With malice toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive on to finish the work we are in; to bind up the Nation's wounds; to care for him who shall have borne the battle, and for his widow, and his orphan—to do all which may achieve and cherish a just and lasting peace among ourselves, and with all nations.

America, the land of freedom, of tolerance, and of understanding, heard and understood. The lingering notes of the last song, Nobody Knows the Trouble I've Seen, died away on the evening air. The vast audience, with tear-dimmed eyes, with one accord, loathe to leave, stood and cheered the singer. One of God's great artists, endowed with the gift of the mastery of song, had touched the heart of America. Almost overcome by the plaudits of her countrymen, she stood and, with humility, sincerity, and heartfelt appreciation, said:

> I am so overwhelmed that I cannot express the way I feel. You do not know what you have done for me. I only want to thank you again and again.

Marian Anderson's recital was over.

The evening shadows lengthened and the assembled folk went their way. The great memorial was deserted save that seated alone, looking out through the open portals, was the majestic figure of Lincoln, teaching by the story of his life to all mankind until time shall be no more, "* * * malice toward none; * * * charity for all" for "he belongs to the ages."

As we slowly turned our faces away from the Lincoln shrine, the lines of Edgar Guest came again:

> I think we want more faith in one another,
> A little less suspicion, doubt, and greed,
> A little more the feeling of a brother,
> A little less of arrogance we need.
>
> Vague border lines which strangely now divide us
> Have grown so many that they shut us in.
> We fear to walk with those who dwell beside us
> Lest something of our own they'd seek to win.
>
> Tutored in selfish thinking down the ages,
> We grasp for riches, pomp, and place and power,
> Like all the dead that march through history's pages
> We're chained and broken to that small word "our."
>
> Some day, perhaps, these barriers will vanish
> When minds to nobler thinking shall be stirred.
> Men from their hearts old hatreds then shall banish
> And "brotherhood" be more than just a word.

Mr. REED of Illinois. Mr. Chairman, I yield now to the gentleman from New York [Mr. HALL].

Mr. HALL. Mr. Chairman, first, I want to say that I approve of everything the gentleman from Illinois [Mr. REED] said about the chairman of the committee. Every person who came before us was given a fair and full hearing, and the chairman, I might say, was more than generous in allotting time to the minority members of the committee for questions.

In my attendance on the meetings of the Committee on Coinage, Weights, and Measures, I listened to the testimony of the Secretary of the Treasury and his many experts with as judicial an attitude as anyone could bring to the subject. The proponents of the pending bill tried hard to be persuasive, but frankly I was left wholly unconvinced on the desirability of extending to the President the extraordinary powers that the pending bill contemplates.

I have not much time allotted to me, and therefore I shall be brief.

You do not have to be an expert on money or its many ramifications to understand certain fundamental principles,

and getting right down to that, I believe that the chairman of the committee presented the basic question to us in his opening remarks when he stated that the passage of this bill might affect not only the people of the United States but all the people of the universe.

The question that is really posed—disregarding all technical verbiage—is whether under our republican form of government we should continue such great power in the hands of any one individual. The delegation of such power, to my mind, is foreign to every thought we have about our Government. Certainly, it controverts the spirit if not the actual words of the Constitution itself.

The President was extended this power originally in 1934 on the plea that as an emergency step it was not only desirable but necessary. Emphasis was then placed on the promise that as soon as the emergency was over the President would relinquish the authority. But the power to the President was again renewed in 1937, based again on the continuing emergency, and now it is proposed to continue it further, again predicated on the continuance of an emergency. But a new twist has been given to the emergency this year; now it seems to be the international emergency. I do not believe, myself, that the people will be taken in by such specious justifications. I think it is the obvious fact that the President simply will not, voluntarily, give up any of the emergency powers that the Congress granted him, and that the only way to recapture them is for Congress itself to force their relinquishment.

The chairman of the committee in his remarks seemed to place stress on the argument that the extenson of the Presidential power over money was needed now perhaps more than ever because of the situation in Europe. I am oppositely minded. In these times, when everyone's pulse is beating a little faster, when every word and act of those in power are weighed and pondered for its exact meaning, I would rather have the control of our international monetary policies in the hands of Congress than to have this all-important power subject to the impulsive and unpredictable act of one individual, whether he is the President of the United States or the Secretary of the Treasury.

It is urged—and this seems to be the key argument—that extension of the President's power to devalue gold is imperatively necessary in the protection of this country's stake in the world currency situation today, and that it should be readily available for use by the President to meet threats of foreign currency depreciation.

Assuming the sort of condition that the administration feels may present itself and that currency depreciation began, where would we be when the President reached down to the limit of his authority? Would he come to the Congress and ask for even greater powers, in order to embark on a currency-depreciation race? And, if so, where would we be when the race was over?

Today the declarants under the tripartite agreement are the greatest beneficiaries of a stabilized situation. If currency depreciation is begun, is it to be expected that England or France, participants in the present agreement, will show the way? Is it to be expected that the situations of these countries under the present international circumstances will lend themselves, profitably, to depreciation of their currencies? I feel that the answer is that they will seek to keep the present agreement at practically all costs.

On the subject of foreign-gold purchases by the Treasury it strikes me as a foolhardy policy to continue to buy gold at $35 an ounce when we know that it can be mined almost anywhere in the world for not more than $20 an ounce, and in Soviet Russia, for $8 to $10 an ounce.

Perhaps, by stretching our imagination, we can justify the subsidy we are paying to our silver producers, but how anyone can justify the payment of such huge subsidies on gold purchases to foreign producers, is inconceivable to me. This, having in mind, that after we buy this foreign-produced gold at such exorbitant prices—we bury most of it in the hills of Kentucky. While foreigners can get some of it, we in the United States are forbidden, under the harshest sort of restriction, to have any of it in our possession.

On the silver-purchase program it is significant that the Secretary of the Treasury, in his statement before the committee, would not express approval of it. Strain as we may, we can find no justification for this program except the subsidization of the silver producers in the West. The whole silver policy of the administration has done nothing but build up a highly inflationary base and thereby create still further uncertainty at home as to our monetary policies.

In closing, let me say this: The granting of these extraordinary and great powers to the President originally have not brought to this country the benefits that were promised. Continuation of such powers will not only continue the great uncertainty that we have today in our business world but may lead to embarrassing complications in view of the unsettled conditions in Europe today.

Let us face the future with the control of all monetary policies in the hands of the Congress of the United States, where it was placed by the Constitution, and where it rightfully belongs.

Mr. REED of Illinois. Mr. Chairman, I yield the remainder of my time to the gentleman from Massachusetts [Mr. LUCE].

The CHAIRMAN. The gentleman from Massachusetts is recognized for 25 minutes.

Mr. LUCE. Mr. Chairman, I might hope that what I have to say may be of some service as it appears in the RECORD and the gentlemen who do me the courtesy to stay here will be duly edified.

I want to use a text for my sermon. The Democratic platform of 1932 said this:

> We advocate a sound currency to be preserved at all hazards.

I may add to it another taken from the message of the President of the United States, January 15, 1934, which he began—

> In conformity with the progress we are making in restoring a fairer price level and with our purpose of arriving eventually at a less variable purchasing power for the dollar—

He went on to ask legislation, which was enacted.

A review of what has taken place may be worth while in drawing this debate to a close. In 1931 England went off gold and when Congress assembled, at the bottom of the depression, March 5, 1933, with only a few of the nations of the earth remaining on the gold standard, it was probably justifiable that only 5 days later an emergency banking act should be passed, under which the Treasury was authorized to take over gold and gold certificates.

The next step in the monetary program of the administration took place with a rider put upon the Agricultural Adjustment Act in the Senate. A situation which you understand perfectly permits of no adequate discussion in the House. So the House almost silently accepted the proposal of what became known as the Thomas amendment. This provided that there might be issued by the President $3,000,000,000 of greenbacks without backing and also $3,000,000,000 more backed by bonds. Thank heaven, that power has never been used. The President remembered perhaps the Democratic platform and his speeches in which he had again and again denied his intention to destroy our financial system with inflation. Remembering them, he did not use that power.

There also was found in that bill the power to reduce the gold content of the gold dollar down to 50. Before using that power he was persuaded—and I think I use the word advisedly—by Professor Warren, of Cornell, to buy gold, and under the authorization that he had, Professor Warren and Professor Rogers, of Yale, took charge on the 25th of October, and began buying gold.

This has been almost completely ignored in the debate that has gone on, and I refresh your memories to show you what took place. For 3 months those two faithful professors proceeded to buy. They bought, bought, and bought, day after day, until they had raised the price to almost $35. Then the President dismissed his advisers. At least, they left the scene. Perhaps he had made up his mind that this process was not accomplishing what he was after. He

aimed at raising prices. Three months had gone by with only 1 percent of increase in the price level. Evidently the attempt was a failure—one of the notable failures of the administration. He said to himself, I presume, "We will try another method. We will fix the price of gold at $35." So he did the day after the Gold Reserve Act was signed—January 30, 1934. There it has remained ever since.

The Gold Reserve Act declared that gold was no longer to be the medium of exchange in this country, and since then, for domestic transactions, we have been off the gold standard. We are not alone in that. Every country in the world, with the possible exception of Belgium, is off the gold standard. We have fiat money all around the globe.

The matter was of particular interest to me by reason of the fact that in 1910 the rise in prices that had gone on steadily from 1896 had reached a point where the people were alarmed. They demanded to know why prices were so high. One result was the creation in my State by the legislature of a commission on the cost of living. The Governor of the State saw fit to ask me to be chairman. We were fortunate in having on that committee two men with newspaper training, myself of the two, and who had an interest in economics, and a secretary who was a professor in that subject. We were allowed the magnificent sum of $15,000. When I contrast that with the million dollars and more that is now being paid out on investigations here, I bow my chastened head. We were given only 7 weeks in which to report, and we did it by staying up all the last night. We put in that report on time and it made a volume of between six and seven hundred pages. It fell to me to write about one-third of the text—that relating to money, which revived my interest in economics begun in college days, and led me to find out something more about money.

At that time it was the nearly universal opinion of the world that money could be used to vary the price level. That was the quantitative theory of money. Do not be scared at that phrase. It is not nearly so difficult as it sounds.

It merely means that you can use money to raise or lower the price level. I will frankly admit I was at that time imbued with the doctrine of the quantitative theory of money; and it persisted so that when I came down here I asked to be put upon the Committee on Banking and Currency for the purpose—the chief—the main purpose of accomplishing something to put into effect that theory. In the committee we discussed this subject for 10 or a dozen years, again and again. The Federal Reserve Board pointed out it had no specified authority to use money for that purpose. It did, however, have the power to accomplish the result by open-market operations and by use of the discount rate. They said to us, however: "For Heaven's sake! Do not tell us to do this; do not put it in print. If you put it in print, then if we fail we shall be blamed. We do not know whether we can do it or not, but do not tell us to do that." Mr. James Strong, of Kansas, now dead, but then a member of the committee, was a firm believer in requiring the power should be set forth, and led the Republican side. Mr. Alan Goldsborough, to whom we said good-bye a few days ago—and he deserved all the good things that were said of him—led the Democratic side. Finally, we got a majority of the committee to report what was known as the Goldsborough bill. It brought down upon our heads the scorn of the leaders in finance and leaders in politics. I have never been able quite to forgive the things that were said about us at that time. What we sought was to put into law the existing practice of the Federal Reserve Board. We were told that we were liberals, we were told that we were fanatics, we were told that it was outrageous. We received all the epithets that could be heaped upon us because we dared say that we wanted to put into words the practice of the Federal Reserve Board. That measure passed the House but did not pass the Senate, and so did not become law.

I was still of the belief that the quantitative theory of money was sound and that you could manipulate prices by the use of money. Then there came along the experience, the observation of the last 6 years, and I no longer hold that theory. I have abandoned it completely, have thrown it out of the window. I was wrong; your committee was wrong. The House was wrong.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield at that point?

Mr. LUCE. Not at that point. The House was wrong. These 6 years have proved to us that we cannot change the price level importantly by the moderate issuance of money.

Mr. WHITE of Idaho. Then why are we afraid of inflation?

Mr. LUCE. In those 3 months that Warren and Rogers were buying gold the price level was raised a bare 1 percent. Since then through these 6 years it is impossible to prove any connection between the price level and the quantity of money. Mr. Roosevelt apparently has not yet had his mind changed as I have had my mind changed. He apparently is still of the belief that he can accomplish that desired result. Prices have not been increased by any financial action of the last 6 years. Observation of the world where these same experiments have been tried seems to me to prove conclusively that the price level cannot be fixed by swelling the volume of money.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield for an academic question?

Mr. LUCE. Permit me to continue my narrative without interruption.

Why have we been convinced of this? We have found out a few things that were clear to a few observers but are not today clear to the masses of our people and are largely ignored by some who argue on this matter. In the first place, the currency of the country is no longer what it was when Mr. Bryan argued, or when the Populist Party grew in the West, or when the Greenback Party while I was a boy, flourished in Maine. Generation after generation has had this same idle dream, that you could lift yourself by your bootstraps and that by printing money you could make everybody more prosperous.

When I was a young man I started a magazine with a friend, another newspaperman. The subscription price of this magazine was $1 a year. We had been operating a few months when the bank that had our funds called me in and asked me to withdraw my money. I asked, "Why?" They replied, "Because we do not want to bother with handling dollar checks." In my time I have seen the use of dollar checks and all kinds of checks increase until it has become the prevailing practice. I read somewhere that 92 percent of the business of the country was done by checks and had the curiosity to go over my own personal cash account for the preceding year. I found that I had performed just exactly 92 percent of my own business by the use of checks. You cannot regulate the volume of checks by law. A thousand different forces are at work to determine the volume of 92 percent of your money and the velocity with which your money circulates. When you try to take the other 8 percent of your money and say that you can make this country prosperous by making it 10 percent, or 12 percent, or 14 percent, you can keep on increasing until you get to 20 percent, but you will still have four-fifths of all the money work done by checks.

When a gentleman rises here and demands more money, as within the past few minutes one of our friends has done, he simply does not know what he is talking about. He has not looked the problem in the face. He does not realize that printing more money will not raise prices unless it is done in such exaggerated degree as to produce the inflation that stole from the masses of the middle-class people in Russia and in Germany all they had saved against old age, the inflation that almost ruined this country when we tried it ourselves. By good fortune we escaped because we came back to the belief that gold, and gold alone, is the safety of any money system.

What disturbs me so greatly today is my observation that now the whole world is living on fiat money. Only little Belgium is the exception. The whole world—every country in the world except little Belgium—is living on fiat money. It was only a little more than 40 years ago that we had a great political campaign the very heart of which was the proposal

that we could live on fiat money. As I look back I do not know what to think; I cannot explain the situation; I do not understand it; it is too much for me. All during my life I had been denouncing the man who said fiat money was secure, and here I find all mankind doing the thing which I said could not be done. It may be that this is only temporary; it may be that we shall substitute for a system that has lasted through the centuries, the system of barter; that we shall go back once more to the days when in the earliest years of history men lived by swapping horses, cows, oxen, chickens, or anything else.

It may be that all through these years men have been wrong in thinking there ought to be a standard of money, a standard which would regulate the prices, a standard of the same type as the bronze bar you may see here at the Bureau of Standards, which determines the length of the yard and upon which is based the work of our factories, the standard that is the very foundation of our industry. It may be that we no longer need a measure. It may be that we are going to see it never return.

I dare not prophesy, but I do say that there is danger. I do say that for us to do this needless thing of abandoning the yardstick that is the measure of money is the height of folly. The President still is to have 2 years under this bill to use the power which has been put in his hands. I do not know that he will use it. I doubt that he will use it. But I also doubt if business can possibly recover so long as the danger of his using it exists. [Applause.] That is the real reason why this bill should not be passed, in respect to gold at any rate. It hangs like a cloud over the business world.

Mr. Chairman, I recall the story of Midas. Midas had caught the strange imp, Silenus. Silenus secured release only on the assurance that Midas might have anything he asked. Midas chose to ask that everything he touched should turn to gold. Unfortunately that included everything Midas wanted to eat or that he wanted to drink. Midas got in a bad way. He nearly starved. Then he was released from his perilous situation by Silenus, and the god Dionysus told him to go and bathe in the river Pactolus. There may be found to this day a sandy bottom where glimmer specks of gold.

Let us not forget that we, too, run the risk of Midas; that we now have three-fifths of all the gold in the world; that inside of a few years, at the present rate of increase, we may have all the gold in the world. Even now we have idle, doing nobody any good, as much gold as would have been produced by the labor of an army of 300,000 men in 30 years. That gold will paralyze us. That gold will not give us food and drink. That gold will do no good to any living being but will hang as a millstone around a man's neck when he jumps into the water, and it may drown us in such a disaster as the world has never seen before. [Applause.]

[Here the gavel fell.]

Mr. SOMERS of New York. Mr. Chairman, I yield such time as remains to the gentleman from Texas [Mr. PATMAN].

GOLD BILL SHOULD PASS

Mr. PATMAN. Mr. Chairman, I respect the view of my good friend the gentleman from Massachusetts [Mr. LUCE], but I cannot agree with him that the quantity of money will not affect the price level. I do not follow him in his argument that to place more money in circulation, according to his form of view, would necessarily increase the price level. I say he is right now that the volume of currency possibly will not affect the price level or that the volume of demand deposits in banks will not affect the price level; but if you will consider the total business transactions, the turn-over of the money and demand deposits you will find a very close relationship between the total business transactions and the price level. I think my friend has possibly failed to go far enough and consider the total business transactions instead of confining his study just to the volume of currency or the volume of demand deposits. Most of the demand deposits are now hoarded.

SHOULD SYNCHRONIZE MONEY SUPPLY WITH PRODUCTION

Our country is geared up for mass production, both industrially and agriculturally. If we were not fortunate enough to have plenty of gold, everyone who has studied this question would say: "Now, if we only had the gold as a reserve for the purpose of placing into circulation sufficient circulating medium to bring that production to the people who need it, we would be the most fortunate people in all the world." Here we are with that production. We have this gold. Yet many people oppose the use of this gold.

We have adequate machinery for production but no adequate or satisfactory machinery to produce the money necessary to convey that production to the consumers. We should synchronize our money supply with our production.

Mr. Chairman, I believe this bill should be passed. In 1934 this bill passed the House by a vote of 360 to 40. Some of the principal leaders on the minority side voted for the bill. In 1937 there was so little opposition to its extension for 2 additional years that a roll call was not even asked for. There was not even a division vote requested. There was hardly any opposition at all. Everyone who has studied this question believes someone should have this power that is vested in the President of the United States. If we had a Republican President our Republican friends would be in here asking that this power be given to their Chief Executive. I can see why they do not want to give this power to the President. It is because they do not like our President. I can see some justification or excuse for those who entertain different political views from those of us on this side opposing this measure, but I cannot see one single excuse, much less reason, for a Member on the majority side opposing the extension of this power. [Applause.]

The President has not abused the power. No one claims he has. No one makes the charge that he has in mind abusing it. No one accuses him of attempting to abuse it in the past or charges that he will attempt to abuse it in the future. He has proven true to a trust. We have trusted him in the past. Why can we not trust him in the future, since we know somebody must have this power?

WHO WANTS $20.67 AN OUNCE GOLD?

Who is it within the sound of my voice would go back to the $20.67 an ounce gold? If there is one here who says we should have the old $20.67 an ounce gold instead of the $35 fixed by the President I wish he would ask me to yield. I would like to yield to him. I believe the country would be interested in knowing one Member of this Congress who would go back to the old price of gold. There is not one within the sound of my voice. No one asks me to yield on that point so the $35 price fixed by our President seems to meet with approval.

Evidently we have done something that is good, something that is constructive, and that has been accomplished by giving the Chief Executive of this country the power that he needs, the power that he should have, and I ask you to stay with the President, stay with the administration, and let the administration continue to be successful in handling this stabilization fund, as it has in the past, by giving this power to the Chief Executive.

TITLE TO GOLD

Much has been said about the title to the gold that is held by the United States Treasury. I invite your attention to the following provisions of the Gold Act of January 30, 1934:

SEC. 2. (a) Upon the approval of this act, all right, title, and interest, and every claim of the Federal Reserve Board, of every Federal Reserve bank, and of every Federal Reserve agent in and to any and all gold coin and gold bullion shall pass to and are hereby vested in the United States.

The Secretary of the Treasury cannot handle this gold any way that he chooses. He is restricted by section 3 of the law, which is as follows:

SEC. 3. The Secretary of the Treasury shall, by regulations issued hereunder, with the approval of the President, prescribe the conditions under which gold may be acquired and held, transported, melted or treated, imported, exported, or earmarked: (a) for industrial, professional, and artistic use; (b) by the Federal Reserve banks for the purpose of settling international balances; and (c) for such other purposes as in his judgment are not inconsistent with the purposes of this act. Gold in any form may be acquired, transported, melted or treated, imported, exported, or earmarked or held in custody for foreign or domestic account (except on behalf of the United States) only to the extent permitted by, and subject to the

conditions prescribed in, or pursuant to, such regulations. Such regulations may exempt from the provisions of this section, in whole or in part, gold situated in the Philippine Islands or other places beyond the limits of the continental United States.

A daily statement of the United States Treasury for April 17, 1939, discloses assets consisting of 444,353,723.1 ounces of gold, valued at $15,552,380,308.39.

Against this asset, the Treasury lists as liabilities the following:

Gold certificates outside of the Treasury	$2,888,710,569.00
Gold certificate fund—Board of Governors, Federal Reserve System	10,031,275,184.95
Redemption fund—Federal Reserve notes	8,785,429.33
Gold reserve against $346,681,016 of United States notes	156,039,430.93
Exchange stabilization fund	1,800,000,000.00
Gold in general fund of Treasury	667,569,694.18
Total	15,552,380,308.39

I invite your attention to the number of gold certificates outstanding. Out of the $2,888,710,569, about $75,000,000 of these certificates are the old, large, blanket type that have never been turned in. They have evidently been lost or destroyed. The remainder of these certificates of about $2,800,000,000 are in the 12 Federal Reserve banks. They are not used; they are bundled up in their vaults.

The gold-certificate fund is nothing more than a bookkeeping transaction. This fund that is used by the 12 Federal Reserve banks when additional Federal Reserve notes are to be issued. In other words, these Federal Reserve banks do not even go to the trouble or expense of having gold certificates printed. They use a bookkeeping transaction entirely.

HOW CLOUD TO TITLE TO GOLD MAY BE REMOVED

If Congress desired, it could cause to be placed with the Federal Reserve banks non-interest-bearing United States Government obligations equal to the amount of gold certificates and gold-certificate fund and thereby remove any cloud from the title to this gold on account of the claim of these Federal Reserve banks. Then, if one of these banks needed Federal Reserve notes, it could deposit with the Federal Reserve agent a non-interest-bearing bond and obtain the Federal Reserve notes just the same as it now obtains them through the use of the gold-certificate fund credit.

The Federal Reserve Bulletin for April 1939 discloses the following information relative to gold production:

Gold production outside Union of Soviet Socialist Republics

[In thousands of dollars]

Year or month	Estimated world production outside Union of Soviet Socialist Republics	Production reported monthly										
		Total	Africa				North and South America					Far East	
			South Africa	Rhodesia	West Africa	Belgian Congo	United States [1]	Canada	Mexico	Colombia	Chile	Australia	British India
			[$1=25⅘ grains of gold 9/10 fine; i. e., an ounce of fine gold=$20.67]										
1929	382,532	352,237	215,242	11,607	4,297	2,390	45,651	39,862	13,463	2,823	683	8,712	7,508
1930	401,088	365,258	221,526	11,476	4,995	2,699	47,248	43,454	13,813	3,821	428	9,553	6,785
1931	426,424	386,293	224,863	11,193	5,525	3,224	49,527	55,687	12,866	4,016	442	12,134	6,812
1932	458,102	413,459	238,931	12,000	5,992	3,642	50,626	62,933	12,070	5,132	788	14,563	6,785
1933	469,257	411,208	227,673	13,335	6,623	3,631	52,842	60,968	13,169	6,165	3,009	16,873	6,919
1933	794,498	696,218	385,474	22,578	11,214	6,148	89,467	103,224	22,297	10,438	5,094	28,568	11,715
1934	823,003	707,288	366,795	24,264	12,153	6,549	108,191	104,023	23,135	12,045	8,350	30,559	11,223
1935	882,533	751,979	377,090	25,477	13,625	7,159	126,325	114,971	23,858	11,515	9,251	31,240	11,468
1936	971,514	833,088	396,768	28,053	16,295	7,386	152,509	131,181	26,465	13,632	9,018	40,118	11,663
1937	1,041,987	[3]892,535	410,710	28,296	20,784	8,018	168,159	143,367	29,591	15,478	9,544	46,982	11,607
1938	[3]1,116,673	[3]955,377	425,649	28,532	24,670	[3]8,441	176,971	165,055	[3]32,064	18,225	[3]10,222	54,302	11,247
1937—December	88,963	76,509	34,696	2,341	1,957	729	14,083	12,677	2,064	1,144	1,063	4,725	1,031
1938—January	87,587	74,960	34,573	2,381	1,964	661	12,758	12,638	2,948	1,456	775	3,858	948
February	82,724	70,056	32,524	2,246	1,887	642	11,347	11,929	2,266	1,175	834	4,333	872
March	89,646	77,205	35,519	2,387	2,002	673	12,991	13,161	3,253	1,403	673	4,204	939
April	87,533	74,764	34,351	2,374	2,024	702	12,480	12,895	2,389	1,664	698	4,280	906
May	[3]90,445	77,273	35,794	2,415	1,989	686	13,855	13,338	1,863	1,338	782	4,278	935
June	91,242	77,950	35,509	2,394	2,020	726	12,851	13,674	3,024	1,365	901	4,577	909
July	98,492	84,849	36,222	2,410	2,067	716	16,684	14,727	4,241	1,748	752	4,330	951
August	97,845	83,896	36,622	2,415	2,053	716	16,492	14,425	2,941	1,515	986	4,771	958
September	97,386	83,223	36,237	2,365	2,048	743	16,839	14,336	2,062	1,812	1,019	4,816	946
October	96,785	82,801	36,449	2,445	2,174	726	16,223	14,394	2,265	1,622	906	4,642	956
November	[3]98,596	[3]84,645	35,842	2,381	2,204	[3]725	18,481	14,351	2,353	1,628	930	4,820	930
December	[3]98,391	[3]83,755	36,007	2,318	2,240	[3]725	15,970	15,186	[3]2,458	1,499	[3]965	5,393	995
1939—January	[3]96,261	[3]81,646	36,188	[3]2,318	[3]2,135	[3]725	14,919	[3]14,696	[3]2,283	1,953	[3]930	[3]4,540	[3]960

Gold production in Union of Soviet Socialist Republics: No regular Government statistics on gold production in Union of Soviet Socialist Republics are available, but data of percentage changes irregularly given out by officials of the gold mining industry, together with certain direct figures for past years, afford a basis for estimating annual production, in millions of dollars, as follows—at $20.67 per fine ounce: 1929, $15; 1930, $31; 1931, $34; 1932, $40; 1933, $56; at $35 per fine ounce: 1933, $95; 1934, $135; 1935, $158; 1936, $185; 1937, $180.

[1] Includes production in the Philippines.
[2] Corrected.
[3] Preliminary.

NOTE.—For monthly figures back to January 1929 and for explanation of table, see Bulletins for March 1939, p. 227, February 1939, p. 151; June 1938, pp. 539-540, and April 1933, pp. 233-35. For annual figures of world production back to 1873 (including Russia-Union of Soviet Socialist Republics, see Annual Report of Director of Mint for 1936, pp. 108-109, 1937, pp. 104-105, and 1938, pp. 102-103. Figures for Canada beginning January 1938 are subject to official revision.

WILL GOLD BE DEMONETIZED?

The Federal Reserve bank in New York, acting under special license granted, is holding $700,000,000 of gold earmarked for foreign countries and foreign central banks that is not included in the amount held by the United States Treasury.

The United States is holding 60 percent of the publicly reported gold stocks of the world, which is more than any other country in the world has ever held at one time. The question is being asked:

Is it possible that the rest of the world having sold its gold to the United States may proceed to demonetize it, and, if so, what would it be worth to us?

The answer seems to be that the world will not sell all of its gold to the United States; that gold will not be demonetized and will very probably always be in demand in all countries. The best reason for thinking that gold will be wanted is that there is nothing to take its place as a monetary base where metal is used. Silver has been gold's only rival since the time of Abraham, and since the Silver Purchase Act the United States is absorbing silver also. The gold coins of Spain and Czechoslovakia are good under any flag. Great Britain produces substantial quantities of gold and certainly desires a continuation of gold as a monetary medium; in fact, Great Britain produces almost one-half of the world's gold. Many other countries producing relatively small amounts find that those small amounts are an important source of national income to them. England and France each have more than $3,000,000,000 in gold and there are substantial amounts in other countries. Although it is comparatively easy for a country to abandon gold or silver as a base for domestic currency,

yet these metals are highly desirable and are now necessary in world trade.

What should we do with this gold? Should we permit it to remain idle, or should we use it in the interest of the people?

SURPLUS GOLD AND COTTON CAN BE USED

In a speech in the House of Representatives recently, I advocated the consideration of the following:

First. Setting aside $1,000,000,000 or more of this gold upon which two and one-half billion dollars could safely be issued to pay parity prices to farmers and to loan tenants on long terms at a very low rate of interest to purchase farm homes. I introduced official figures to show that when the farmer prospers, the entire Nation prospers; and when $1 is added to the farmer's income, the income of the wage earner is also increased $1.

Second. Set aside a large amount of this gold to be used for national-defense purposes. We do not know what is going on in the other countries, and we cannot rely upon all of the information we receive. Therefore we should be prepared and the use of a half billion or a billion dollars of this gold will not only be helpful in providing for adequate national defense but will give people work and thereby reduce unemployment. If our country were to get into war, everybody would be employed immediately to engage in a destructive business. It is possible for us to employ them without getting into war by the use of even a small part of this gold, and at the same time engage in a constructive business.

Third. Congress should adopt the policy of not issuing any more bonds or securities of any kind that are interest bearing within the next 2 years.

Fourth. Set aside 5,000,000 bales of surplus cotton to be used by the Secretary of State to exchange for raw materials, and especially minerals, that can only be obtained from foreign countries, and which we need and use in this country every day, both in time of peace and in time of war. (We should also distribute a large part of this cotton to an agency in each of the 3,072 counties in the United States and give it to people who need it if they convert it into finished products, such as mattresses, quilts, and other needed home comforts and conveniences.)

We have produced too much of everything to eat and too much of everything to wear. If we did not have gold or an orthodox way of issuing a medium of exchange, many of our leaders would be saying, "If we only had gold to be used as a vehicle to place produce into the hands of the consumers, our country would be well fixed." The sad part of it is that we do have this gold and we are failing to take advantage of the wonderful opportunities that are ours to use it as a vehicle to place production into the hands of people who need it.

The CHAIRMAN. All time has expired.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN (Mr. MCCORMACK). Is there objection to the request of the gentleman from New York [Mr. REED]?

There was no objection.

Mr. REED of New York. Mr. Chairman, it is well known that debasement of coinage nearly wrecked England at one time. Edward I, I believe it was, started England on the devaluation path by stretching the pound of silver so that it would make 243 pennies instead of 240 as previously. Similar devaluations continued for two centuries until the pound of silver under Henry VIII was making nearly 3,000 pennies.

His daughter, Queen Elizabeth, who had some financial integrity, restored coinage in 1560. Not until recently has an English ruler attempted to devalue the coin of the realm. It happened in the United States for the first time in 1933 under the present administration. A nation cannot debase its money without at the same time debasing its character. You cannot adulterate the people's medium of exchange, whether it is silver, wampum, gold, or copper, without adulterating national ideals. I will say this for one man who possessed dictatorial powers that he was at least endowed with sufficient character and intellectual honesty not to issue debased money. He conducted a 20-year war, yet notwithstanding any other traits we may deplore in Napoleon he refused to resort to this species of fraud.

What does "going off the gold standard" mean? It means that the Government has issued, or plans to issue, either itself or its central bank, far more promises to pay real money than it has real money on hand. The real money of the Nation still remains gold. The simple fact is that with no exception gold has remained the real money of every nation that has "gone off gold."

The Government refuses not only to relinquish what gold it has, but by every means within its power—by threatening its citizens and by cheating foreigners—acquires as much more as possible. When a government arbitrarily stops paying gold, intimating that it will resume meeting its promises later when the demands upon it are not so insistent, a serious question arises. Will this Government ever, in fact, keep its promise to pay in gold? Even if it does, the next question is, Will it pay to the citizen according to the terms of the promise or will it defraud the citizen by paying less gold than was promised? This Nation, to its shame, has repudiated its promise to pay 23.22 grains of gold for every dollar bill presented to the Treasury. This New Deal thievery and fraud is politely called "devaluation."

For a hundred years prior to March 1933 our own Government promised to give, and its citizens could always receive, 23.22 grains of gold for every dollar bill presented to the Treasury of the United States. But President Roosevelt in January 1934 called upon his personally controlled Congress to pass an act, a piece of high-handed fraud, which declared that anybody holding a dollar bill could thereafter receive only 13.85 grains of gold, about one thirty-fifth of an ounce. This was a tyrannical, forced seizure of property from the citizens of this Nation and foreigners.

The President is authorized to further defraud the citizens by a further "devaluation" of the currency whenever he may see fit to do so.

Much of the uncertainty and lack of confidence that now hampers business is to what extent the Government will ultimately cheat those who are forced to put their trust in Government promises.

No person knows precisely how much gold the Government will ultimately give for the promises it is issuing. It is a matter of common observation, or it should be in the light of dictatorial and dishonest governments elsewhere, that the promises of our own Government to redeem its promise to pay even 13.85 grains of gold for every dollar issued may prove worthless.

Now that the New Deal has entered upon a program of fraud and dishonor our national credit stands impaired before the world. Every billion dollars of debt, most of which is borrowed money, makes for uncertainty as to the ability of the Government to redeem its promises to pay gold even at its present devalued level.

The Clerk read as follows:

Be it enacted, etc.

Committee amendment:

Immediately following the enacting clause insert "That subsection (a) of section 10 of the Gold Reserve Act of 1934, approved January 30, 1934, as amended, is further amended by striking out the period at the end of such subsection and adding thereto the words 'and to the Congress.'"

Mr. SOMERS of New York. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and, the Speaker having resumed the chair, Mr. MCCORMACK, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 3325) to extend the time within which the powers relating to the stabilization fund and alteration of the weight of the dollar may be exercised, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to revise and extend in the RECORD the remarks I

made on the bill under consideration this afternoon and include therein a letter from the American Farm Bureau Federation, which I quoted in part.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of war propaganda, and to include therein an editorial from the Gaelic American on the same subject.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter addressed to the Speaker of the House by Mr. Andrews, the Administrator of the Wage and Hour Division.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New York [Mr. CURLEY] may be permitted to extend his own remarks in the RECORD and include therein a letter sent by him to the chairman of the House Committee on Banking and Currency.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend in the RECORD the remarks I made in Committee of the Whole this afternoon, and to include therein certain excerpts and tables.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein the decision of the United States Supreme Court, as well as the opinion of the Court, in the Strecker case.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MURDOCK of Arizona, Mr. REED of Illinois, and Mr. HARTER of New York, asked and were given permission to extend their own remarks in the RECORD.

Mr. LUCE asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD by including therein an article entitled "Has Gold a Future?" from which I quoted in Committee of the Whole this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short article from the Oregonian. I also ask unanimous consent to extend in the RECORD the remarks I made this afternoon in Committee of the Whole and include therein quotations from Abraham Lincoln and Mr. Guest.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to revise and extend in the RECORD the remarks I made this afternoon and to include therein a letter from the Treasury Department.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a paper on sugar as it affects my district in northern Indiana.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein certain extracts from the Federal Reserve Act and amendments thereto.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein certain statistical information from the Department of Commerce and from the Treasury.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—RESERVE OFFICERS ON DUTY WITH THE CIVILIAN CONSERVATION CORPS

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Military Affairs:

To the Congress of the United States:

After consideration of the administrative difficulties and fiscal effects flowing from the enactment of the last proviso of section 5, Public, No. 18, approved April 3, 1939, I am constrained to recommend to the Congress that early consideration be given to amending the law so as to remove all Reserve officers on duty with the Civilian Conservation Corps from the purview of the benefits provided in that section of the law for members of the civilian components of the Army brought into active military service for more than 30 days.

In making this recommendation, I am influenced by the belief that the Congress in enacting the law had in mind its application to individuals serving on extended active duty with the Army under conditions where they are exposed to military hazards of the same nature and to the same degree as individuals of the Regular Army. While it is held that duty with the Civilian Conservation Corps is military service, nevertheless, application of the law to the Reserve officers on such duty is considered neither desirable nor necessary; as a matter of fact, as we all know, duty with the Civilian Conservation Corps is in no way comparable with active military duty; in fact, it is almost wholly civilian duty. Legislative action in accordance with my recommendation is considered preferable to the alternative of replacement of Reserve officers by civilians, and I therefore recommend the matter to the favorable consideration of the Congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 20, 1939.*

EXTENSION OF REMARKS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by having printed therein a letter from the President of the United States to the chairman of the House Committee on Agriculture, Mr. JONES, with reference to proposed amendments to the Sugar Act.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. O'TOOLE for the remainder of the week on account of a death in his family.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and under the rule referred as follows:

S. 1871. An act to prevent pernicious political activities; to the Committee on the Judiciary.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 10 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, April 21, 1939, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

655. Under clause 2 of rule XXIV a letter from the Postmaster General, transmitting the draft of a proposed bill to prohibit the use of the mails for the solicitation of the procurement of divorces in foreign countries, was taken from the Speaker's table and referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. FADDIS: Committee on Military Affairs. H. R. 985. A bill to authorize the Secretary of War to furnish certain markers for certain graves; without amendment (Rept. No. 441). Referred to the Committee of the Whole House on the state of the Union.

Mr. SHAFER of Michigan: Committee on Military Affairs. H. R. 3132. A bill to authorize the disposal of cemetery lots; without amendment (Rept. No. 442). Referred to the Committee of the Whole House on the state of the Union.

Mr. CLASON: Committee on Military Affairs. H. R. 3587. A bill to authorize the Secretary of War to exchange obsolete, unsuitable, and unserviceable machines and tools pertaining to the manufacture or repair of ordnance matériel for new machines and tools; without amendment (Rept. No. 443). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 5679. A bill to amend the Code of Law of the District of Columbia in respect of fees of the United States marshal; without amendment (Rept. No. 446). Referred to the Committee of the Whole House on the state of the Union.

Mrs. NORTON: Committee on Labor. H. R. 2990. A bill to amend the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes", approved June 28, 1937, as amended; with amendment (Rept. No. 447). Referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH of Washington: Committee on Pensions. H. R. 2875. A bill to provide that pensions payable to the widows and orphans of deceased veterans of the Spanish-American War, Boxer Rebellion, or Philippine Insurrection shall be effective as of date of death of the veteran, if claim is filed within 1 year thereafter; without amendment (Rept. No. 448). Referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH of Connecticut: Committee on Military Affairs. H. R. 2987. A bill providing for the transfusion of blood by members and former members of the Military Establishment, and by employees of the United States Government; without amendment (Rept. No. 449). Referred to the Committee of the Whole House on the state of the Union.

Mr. ARENDS: Committee on Military Affairs. H. R. 3593. A bill authorizing and directing the Secretary of War to execute an easement deed to the city of Duluth for park, recreational, and other public purposes covering certain federally owned lands; without amendment (Rept. No. 450). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL: Committee on Indian Affairs. H. R. 3824. A bill to provide funds for cooperation with Wapato School District No. 54, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation; without amendment (Rept. No. 451). Referred to the Committee of the Whole House on the state of the Union.

Mr. COSTELLO: Committee on Military Affairs. H. R. 3131. A bill to authorize the Secretary of War to convey certain lands owned by the United States for other lands needed in connection with the expansion of West Point Military Reservation, N. Y., and for other purposes; without amendment (Rept. No. 454). Referred to the Committee of the Whole House on the state of the Union.

Mr. FADDIS: Committee on Military Affairs. H. R. 5840. A bill to amend the act entitled "An act to provide for the protection and preservation of domestic sources of tin," approved February 15, 1936; without amendment (Rept. No. 455). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HESS: Committee on Naval Affairs. S. 513. An act to provide for the promotion on the retired list of the Navy of Fred G. Leith; without amendment (Rept. No. 452). Referred to the Committee of the Whole House.

Mr. CHURCH: Committee on Naval Affairs. H. R. 4511. A bill to extend to Sgt. Maj. Edwin O. Swift, United States Marine Corps (retired), the benefits of the act of May 7, 1932, providing highest World War rank to retired enlisted men; without amendment (Rept. No. 453). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 5904) granting an increase of pension to McKinley Cook, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK:

H. R. 5905. A bill conferring authority upon the several States to exchange school lands granted by the Federal Government for other lands of equal value for public purposes; to the Committee on the Public Lands.

By Mr. CELLER:

H. R. 5906. A bill to repeal the prohibition against the filling of a vacancy in the office of district judge for the southern district of New York; to the Committee on the Judiciary.

By Mr. JONES of Texas:

H. R. 5907. A bill to amend the Agricultural Adjustment Act, as amended, and as reenacted by the Agricultural Marketing Agreement Act of 1937, as amended; to the Committee on Agriculture.

By Mr. MAAS:

H. R. 5908. A bill to remove restrictions upon the service of certain officers of the Marine Corps in the Marine Corps Headquarters, Washington, D. C.; to the Committee on Naval Affairs.

By Mr. RANDOLPH:

H. R. 5909. A bill to amend the District of Columbia Unemployment Compensation Act, to provide for unemployment compensation in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. VOORHIS of California:

H. R. 5910. A bill to provide for the financing of commercial and industrial establishments and to maintain and increase the employment of labor by the creation of industrial finance banks with limited powers to lend, acquire securities, underwrite, discount, and rediscount; to perform functions not presently performed by private investment banks, to cooperate with such investment banks in the restoration and maintenance of sound capital markets, and to further the development of local private investment banking facilities; to release idle funds from State and National banks and direct such funds into the channels of industrial and commercial enterprise; to enable such enterprise to increase production, extend operations, and modernize plant

and equipment; and for other purposes; to the Committee on Banking and Currency.

By Mr. NICHOLS:

H. R. 5911. A bill to amend subsection (h) of section 344 of the Agricultural Adjustment Act of 1938, as amended; to the Committe on Agriculture.

By Mr. ROBINSON of Utah:

H. R. 5912. A bill authorizing the Secretary of War to permit Salt Lake City, Utah, to construct and maintain certain roads, streets, and boulevards across the Fort Douglas Military Reservation; to the Committee on Military Affairs.

By Mr. Dies:

H. R. 5913. A bill to provide retirement annuities for certain former rural letter carriers; to the Committee on the Civil Service.

By Mr. NICHOLS:

H. R. 5914. A bill to amend the Bankhead-Jones Farm Tenant Act so as to encourage farm ownership and the improvement of rural housing standards and conditions, by providing a system of mutual mortgage insurance, and for other purposes; to the Committee on Agriculture.

By Mr. KILDAY:

H. R. 5915. A bill to amend section 12, title 34, supplement IV, United States Code (49 Stat. 959), relating to the appointment of Naval Academy graduates as ensigns in the Navy; to the Committee on Naval Affairs.

Mr. Mr. McLEOD:

H. R. 5916. A bill to amend section 22 of Public Law No. 13, Seventy-first Congress, providing for the apportionment of Representatives in Congress, approved June 18, 1929; to the Committee on the Census.

By Mr. COCHRAN:

H. R. 5917. A bill to amend the act establishing the Central Statistical Committee and the Central Statistical Board; to the Committee on Expenditures in the Executive Departments.

By Mr. DISNEY:

H. R. 5918. A bill amending Public Law No. 96 of the Seventy-Fifth Congress, being an act entitled "An act amending section 2 of Public Law No. 716 of the Seventy-fourth Congress, being an act entitled 'An act to relieve restricted Indians whose lands have been taxed or have been lost by failure to pay taxes and for other purposes'"; to the Committee on Indian Affairs.

By Mr. DIMOND:

H. R. 5919. A bill to provide for the refunding of the negotiable bonded indebtedness of municipal corporations and public-utility districts in the Territory of Alaska; to the Committee on the Territories.

By Mr. BURDICK:

H. J. Res. 271. Joint resolution authorizing the survey and marking of the Custer Trail, and appropriating money therefor; to the Committee on Appropriations.

By Mr. REED of Illinois:

H. Con. Res. 17. Concurrent resolution favoring the appointment of William Griffin as a special envoy to certain foreign countries in connection with their indebtedness to the United States; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 5920. A bill for the relief of Alan Welch Smith; to the Committee on Naval Affairs.

By Mr. BURDICK:

H. R. 5921. A bill providing for the final discharge of Federal supervision over certain individual Indians; providing for final settlement of Indian claims, determination of heirs, and for other purposes; to the Committee on Indian Affairs.

By Mr. COLE of Maryland:

H. R. 5922. A bill for the relief of Emma S. Griffith; to the Committee on Claims.

By Mr. COLLINS:

H. R. 5923. A bill for the relief of Simon A. Brieger; to the Committee on Claims.

By Mr. EATON of New Jersey:

H. R. 5924. A bill to authorize the presentation to Harold Patrick Malley of a Distinguished Service Cross; to the Committee on Military Affairs.

By Mr. FAY:

H. R. 5925. A bill for the relief of Spiridon or Spiros Noutsopulos; to the Committee on Immigration and Naturalization.

By Mr. GARTNER:

H. R. 5926. A bill to authorize the cancelation of deportation proceedings in the case of Marie Eglick; to the Committee on Immigration and Naturalization.

By Mr. GRIFFITH:

H. R. 5927. A bill to adjust the status of Lt. Comdr. Jeff D. Smith, United States Navy, retired, on the retired list of the Navy; to the Committee on Naval Affairs.

By Mr. HENNINGS:

H. R. 5928. A bill for the relief of Ella Ragotski; to the Committee on Claims.

H. R. 5929. A bill for the relief of W. T. Evans; to the Committee on Claims.

By Mr. HILL:

H. R. 5930. A bill for the relief of Raymond C. Knight; to the Committee on Claims.

By Mr. HOPE:

H. R. 5931. A bill for the relief of Elizabeth Hessman; to the Committee on Claims.

By Mr. LAMBERTSON:

H. R. 5932. A bill granting an increase of pension to Samuel J. White; to the Committee on Pensions.

By Mr. McREYNOLDS:

H. R. 5933. A bill for the relief of Frances Virginia McCloud; to the Committee on Foreign Affairs.

H. R. 5934. A bill for the relief of W. Elisabeth Beitz; to the Committee on Foreign Affairs.

H. R. 5935. A bill for the relief of Charlotte J. Gilbert; to the Committee on Foreign Affairs.

By Mr. ROBSION of Kentucky:

H. R. 5936. A bill granting a pension to Relda Long; to the Committee on Invalid Pensions.

By Mr. SOMERS of New York:

H. R. 5937. A bill to confer jurisdiction on the Court of Claims to hear and determine the claim of Lamborn & Co.; to the Committee on Claims.

By Mr. WINTER:

H. R. 5938. A bill for the relief of Elmer D. Van Antwerp; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2630. By Mr. BALL: Petition of certain citizens of West Willington, Conn., protesting against the Nazi invasion of Czechoslovakia and favoring a change in our neutrality laws; to the Committee on Foreign Affairs.

2631. By Mr. CURLEY: Resolutions of the Old Timers Association, Inc., of the Borough of the Bronx, New York City, endorsing neutrality legislation providing a strenuous pronouncement, to prevent any combined conclusion to intervene with commerce or any production thereof, and such production to be on a basis of cash-and-carry transaction; to the Committee on Foreign Affairs.

2632. By Mr. EATON of California: Resolution adopted by the Kiwanis Club of Long Beach, Calif., and signed by Jack B. White as secretary, opposing the passage of the Nye resolution (S. J. Res. 24); to the Committee on the Judiciary.

2633. Also, resolution of the Alamitos Heights Improvement Association of the city of Long Beach, signed by Dr. Paul Southgate as president and Robert I. Reese as secretary, opposing the adoption by the United States Congress of Senate Joint Resolution No. 24, commonly known as the Nye resolution; to the Committee on the Judiciary.

2634. By Mr. JOHNS: Petition of 51 locomotive engineers, all residents of Wisconsin, stating that they are advised that an attempt will be made by a national law to prohibit locomotive engineers from making in excess of 2,000

miles per month, and to this legislation they are opposed, for they are not satisfied to accept this compulsory form of legislation; this, they believe, is a feature for which the Brotherhood of Locomotive Engineers was organized and is qualified to consummate; to the Committee on Interstate and Foreign Commerce.

2635. By Mr. MARTIN J. KENNEDY: Petition of the California Packing Corporation, San Francisco, Calif., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2636. Also, petition of the Tourneur Beauty Products, Inc., New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2637. Also, petition of Harold H. Clapp, Inc., Rochester, N. Y., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2638. Also, petition of Mary Dunhill, Inc., New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2639. Also, petition of the Cheatham Chemical Co., Atlanta, Ga., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2640. Also, petition of Barron G. Collier, Inc., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2641. Also, petition of the Crosse & Blackwell Co., Baltimore, Md., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2642. Also, petition of the Trade Laboratories, Inc., Newark, N. J., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2643. Also, petition of Mark Allen & Co., Detroit, Mich., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2644. Also, petition of Lodge No. 600, International Association of Machinists, Saginaw, Mich., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2645. Also, petition of the Campbell Cereal Co., Minneapolis, Minn., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2646. Also, petition of Kurt H. Volk, Inc., New York City, concerning House bills 5280, 5281, and 5282; to the Committee on Interstate and Foreign Commerce.

2647. By Mr. KEOGH: Petition of the Pocahontas Steamship Co., New York City, concerning Senate bill 2009 and House bill 4862; to the Committee on Interstate and Foreign Commerce.

2648. By Mr. KRAMER: Resolution of the city of Los Angeles, relative to providing Federal funds toward flood control, etc.; to the Committee on Flood Control.

2649. Also, resolution of the Board of Supervisors of the County of Los Angeles, State of California, relative to the proposed addition to deficiency appropriation for Works Progress Administration, etc.; to the Committee on Appropriations.

2650. Also, resolution of the Assembly and Senate of the State of California, relative to the allocation of $250,000,000 for national defense, etc.; to the Committee on Appropriations.

2651. Also, resolution of the National Rivers and Harbors Congress, relative to flood control, merchant marine, reclamation, etc.; to the Committee on Flood Control.

2652. By Mr. LEAVY: Petition of the Okanogan County (Wash.) Pomona Grange, pointing out that under the existing social security law and the prevailing system of administering it duplicate taxation will be required for the same purpose, and urging the substitution of a universal pay-as-you-go plan of taxation which will tend to eliminate the accumulation of a great Federal debt, with all its accompanying evils; to the Committee on Ways and Means.

2653. By Mr. PFEIFER: Petition of the Women's International League for Peace and Freedom, Catonsville, Md., concerning neutrality legislation; to the Committee on Foreign Affairs.

2654. Also, petition of the Women's International League for Peace and Freedom, Denver, Colo., favoring the Nye-Bone-Clark resolution or retaining our present Neutrality Act; to the Committee on Foreign Affairs.

2655. Also, petition of the Women's International League for Peace and Freedom, Rockaway Park, N. Y., favoring the new Nye-Clark-Bone bill or retaining our present Neutrality Act; to the Committee on Foreign Affairs.

2656. By Mr. SCHAEFER of Illinois: Petition of Division No. 386, Order of Railway Conductors of America, L. W. Haley, local chairman, East St. Louis, Ill., opposing any legislation which would limit mileage or hours of regular railroad employees; to the Committee on Interstate and Foreign Commerce.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 21, 1939

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Holy, holy, holy, Lord God Almighty, we thank Thee that in the perils of this life we are safeguarded; not in our own wisdom, not in our own virtue, and not in any power that we possess, but in the plenitude of Thy love and mercy. Grant Thy blessing to these Thy servants of our Republic; may they be joined together in purpose in putting into the hearts of this great people temperance, obedience, and uprightness in all things. Bless, we beseech Thee, the churches of this city and all Thy servants who preach the Gospel of our glorified Saviour; clothe them with the spirit of the Master. Encourage all those instruments by which men are seeking to turn back the tides of ignorance and crime; throughout our land may intelligence and virtue prevail. Oh, grant that those who have wandered may come again to the Shepherd and Bishop of their souls, and unto Thy name be eternal praise. In the name of our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 899. An act to provide for the establishment of a Coast Guard station on the east coast of the Keweenaw Peninsula, Mich.;

H. R. 1661. An act granting the consent of Congress to the city of Youngstown, Ohio, to construct, maintain, and operate a free highway bridge across the Mahoning River at or near Marshall Street, Youngstown, Ohio;

H. R. 1776. An act to provide for the assignment of medical officers of the Public Health Service for duty on vessels of the Coast and Geodetic Survey, and for other purposes;

H. R. 1962. An act granting the consent of Congress to the city of Youngstown, Ohio, to construct, maintain, and operate a free highway bridge across the Mahoning River at or near Cedar Street, Youngstown, Ohio;

H. R. 2635. An act granting the consent of Congress to Westmoreland County, in the State of Pennsylvania, to construct, maintain, and operate a free highway intercounty bridge and approaches across the Allegheny River, connecting Valley Camp in Westmoreland County and East Deer Township in Allegheny County, to connect State Highway Routes Nos. 28 and 56;

H. R. 2661. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.;

H. R. 3225. An act authorizing the Department of Highways of the State of Ohio to construct, maintain, and operate a free highway bridge across the Ottawa River at or near the city of Toledo, State of Ohio;

H. R. 3234. An act to provide for the completion of the Navy and Marine Memorial;

H. R. 3418. An act granting the consent of Congress to the Highway Department of Davidson County, of the State of Tennessee, to construct a bridge across Cumberland River at a point approximately 1¾ miles below Clees Ferry, connecting a belt-line highway in Davidson County, State of Tennessee, known as the Old Hickory Boulevard;

H. R. 3589. An act granting the consent of Congress to the State Highway Commission of North Carolina to construct, maintain, and operate a free highway bridge across Waccamaw River between Old Dock and Ash, N. C.;

H. R. 4243. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near Peru, Ind.;

H. R. 4432. An act granting the consent of Congress to the city of Warren, Ohio, to construct, maintain, and operate a free footbridge over Mahoning River near Stiles Street NW., Warren, Ohio; and

H. R. 4527. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Rock Island, Ill., to a place at or near the city of Davenport, Iowa.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 3134. An act to amend the act entitled "An act authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American republics and the Philippines, and for other purposes," approved May 25, 1938; and

H. R. 3537. An act to extend the facilities of the United States Public Health Service to active officers of the Foreign Service of the United States.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 518. An act to provide for the further development of cooperative agricultural extension work.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 95. An act to amend the Civil Service Retirement Act of May 22, 1920, as amended, to extend retirement to certain employees of certain Indian schools;

S. 326. An act for the payment of awards and appraisals heretofore made in favor of citizens of the United States on claims presented under the General Claims Convention of September 8, 1923, United States and Mexico;

S. 504. An act to provide a right-of-way;

S. 505. An act authorizing the President of the United States to summon Sam Alexander before an Army retiring board, and for other purposes;

S. 542. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.;

S. 595. An act to increase further the efficiency of the Coast Guard by authorizing the retirement under certain conditions of enlisted personnel thereof with 20 or more years of service;

S. 649. An act for the relief of Presly Holliday, quartermaster sergeant, Quartermaster Corps, on the retired list, and for other purposes;

S. 835. An act to provide compensation for disability or death resulting from injury to employees of contractors on public buildings and public works;

S. 840. An act to amend and clarify the provisions of the act of June 15, 1936 (49 Stat. 1507), and for other purposes;

S. 841. An act to authorize the Secretary of War to prescribe the number of grades and ratings of enlisted men of the Army;

S. 856. An act to authorize a modification of the project for improvement of the Ouachita and Black Rivers, Ark. and La.;

S. 857. An act to authorize the construction of flood-control works on the White River between Augusta and Clarendon, and at De Valls Bluff, in the State of Arkansas;

S. 965. An act to amend the act entitled "An act authorizing the Port Authority of Duluth, Minn., and the Harbor Commission of Superior, Wis., to construct a highway bridge across the St. Louis River from Rices Point in Duluth, Minn., to Superior in Wisconsin," approved June 30, 1938;

S. 1018. An act to authorize the procurement, without advertising, of certain aircraft parts and instruments or aeronautical accessories, and for other purposes;

S. 1034. An act to authorize the Secretary of War to terminate certain leases of the Long Island Railroad Co.;

S. 1243. An act to authorize the use of War Department equipment for the Confederate Veterans' 1939 Reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939;

S. 1369. An act to authorize necessary facilities for the Coast Guard in the interest of national defense and the performance of its maritime police functions;

S. 1379. An act granting the consent of Congress to the Mackinac Straits Bridge Authority to construct, maintain, and operate a toll bridge or series of bridges, causeways, and approaches thereto, across the Straits of Mackinac at or near a point between St. Ignace, Mich., and the Lower Peninsula of Michigan;

S. 1540. An act to adjust the compensation of the members of the National Advisory Health Council not in the regular employment of the Government;

S. 1579. An act to extend the time during which orders and marketing agreements under the Agricultural Adjustment Act, as amended, may be applicable to hops;

S. 1583. An act to amend the act of March 2, 1929 (45 Stat. 1492), entitled "An act to establish load lines for American vessels, and for other purposes";

S. 1778. An act authorizing the Secretary of the Interior to issue to Martha Austin a patent to certain land;

S. 1876. An act to readjust the commissioned personnel of the Coast Guard, and for other purposes;

S. 1993. An act to amend section 8 of the National Defense Act, and for other purposes;

S. 2044. An act making inapplicable certain reversionary provisions in the act of March 4, 1923 (42 Stat. 1450), and a certain deed executed by the Secretary of War, in the matter of a lease to be entered into by the United States for the use of a part of the former Fort Armistead Military Reservation for air-navigation purposes;

S. 2167. An act to provide for the reimbursement of certain members or former members of the United States Coast Guard for the value of personal effects lost in the hurricane of September 21, 1938, at several Coast Guard stations on the coasts of New York, Connecticut, and Rhode Island.

S. J. Res. 86. Joint resolution for the relief of International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee; and

S. J. Res. 118. Joint resolution to provide for the establishment and maintenance of the Franklin D. Roosevelt Library, and for other purposes.

PERMISSION TO ADDRESS THE HOUSE

Mr. BROWN of Georgia. Mr. Speaker, at the conclusion of the legislative program of Monday next, and following any previous special orders, I ask unanimous consent to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTENSION OF REMARKS

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain excerpts from an address which I delivered before the James S. Pettit Camp, No. 3, of the United Spanish War Veterans, at the Capitol Park Hotel, Washington, D. C., on April 18, 1939.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address delivered last night over the Columbia Broadcasting System by my colleague, Hon. LEO E. ALLEN, of Illinois.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SECCOMBE. Mr. Speaker, while the President continues to talk about war clouds in Europe and to avert the attention of the American people from the economic and domestic troubles here in America, strikes are bobbing up all over the country.

I received several telegrams this morning, and this one in particular from my district which reads as follows:

Presume you know conditions in your district are terrible, due to coal strike. Miners are upsetting trucks and many plants now down, especially in Tuscarawas County, and more will be down by Monday. Many local domestic coal yards are empty. Coshocton miners, members of A. F. L., want to work, but C. I. O. miners threaten them. It's high time the President is acting.

Newspapers are carrying accounts of the fact that these strikes are going on all over the country and it is about time the Labor Committee began to talk about amending the Wagner Labor Act. [Applause.]

EXTENSION OF REMARKS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a statement by the Honorable E. H. Jones, Commissioner of Agriculture of the State of Vermont.

Mr. RANKIN. Mr. Speaker, reserving the right to object, on what subject?

Mr. PLUMLEY. This happens to be with reference to certain malicious and misinformative statements made with respect to maple sugar in Vermont.

Mr. RANKIN. It does not have anything to do with the power rates in Vermont, does it?

Mr. PLUMLEY. I am letting the gentleman handle that for the present.

Mr. RANKIN. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short excerpt from the Buffalo Evening News on the power question.

Mr. RANKIN. Mr. Speaker, reserving the right to object, is that the editorial in the Buffalo News in which they attack my statement about the power rates in the State of New York?

Mr. DONDERO. That is the one.

Mr. RANKIN. Will the gentleman please show wherein my statement of those rates, and the overcharges paid by the people of New York, is in any way incorrect, or does the gentleman just propose to put this propaganda in the RECORD to show how this Power Trust paper is attacking me for giving the people of New York correct information on the overcharges for light and power rates throughout that State?

Mr. DONDERO. Mr. Speaker, I do not propose to get into an argument or a debate over the question. I simply ask unanimous consent to include the statement.

The SPEAKER. The gentleman from Mississippi is reserving the right to object.

Mr. RANKIN. Further reserving the right to object, when the gentleman from Michigan takes this Power Trust editorial and inserts it in the RECORD, he ought to accept responsibility for it. The House has been circularized with copies of this editorial, which was written and sent out for propaganda purposes.

Mr. MARTIN of Massachusetts. Mr. Speaker, I demand the regular order.

Mr. RANKIN. The minority leader does not seem to want me to discuss this question of the Power Trust, and the $172,000,000 annual overcharges in New York, so I shall not detain the House any longer, but will permit the gentleman from Michigan [Mr. DONDERO] to insert this propaganda editorial in the RECORD, if he so desires. I will discuss the matter at length later on.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. McLEOD. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill H. R. 3325.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

QUANTITY OF MONEY

Mr. MURDOCK of Arizona. Mr. Speaker, we listened at the close of the debate on the dollar stabilization bill to a remarkable speech delivered by the great scholar and gentleman, for whom we have the greatest respect on both sides of the aisle, the gentleman from Massachusetts [Mr. LUCE]. He was closing the debate for the minority on the monetary bill, which was then before us.

Because the gentleman is known to be an outstanding scholar as well as a gentleman, his words attract far greater attention than do the words of some of us younger Members, and more consideration and importance deserve to be placed on his remarks because of his mature views, his long experience in public life, and his many years of ripened judgment.

In the debate on this bill he made what seems to me a startling statement; one which runs counter to the universal textbook presentation. He has been, I understand, a textbook writer, and, of course, he realizes more than most of us do the weighty responsibility of any author who attempts to instruct those who come after us by providing textbook material on scientific subjects. Perhaps no textbook has ever been written entirely free of error, and I have both sympathy and respect for the author who, recognizing a mistake, attempts to correct it.

The mistake which our colleague the gentleman from Massachusetts [Mr. LUCE] has discovered in his own previous thinking and admitted, if it be a mistake, is so serious that it deserves headlines in all of the papers of the land, as well as extra sessions of classes in every economic classroom in the colleges of America. When he says that the quantity of money has little or no bearing on prices, that thought, if true, is of about the same interest to me as though Lindbergh should now declare that he has discovered that the law of gravity does not really exist. If the gentleman from Massachusetts [Mr. LUCE] has really discovered a great scientific truth, a whole library of economic textbooks will have to be discarded and rewritten.

Students of economics and of finance are well acquainted with the generally used formula showing the relation between money and price in an algebraic equation. According to this equation, price equals money divided by rate of turn-over. Undoubtedly all Members of this House who had a college course in money and banking or in economics involving the question of money will recall this equation. It is almost as familiar as the arithmetic equation which we saw so frequently in our earlier school days, namely, that two times two equals four. I will admit that I, too, till now have been inclined to believe both of these equations as statements of mathematical truth, but now this eminent authority seems to doubt that the equation of exchange is true at all. If he has discovered something phony about that generally accepted equation, we lawmakers ought to know something more about it.

On examining an index number chart from 1910 to 1937, put out by the United States Department of Commerce and indicating four variables, I have studied two of these variables, one indicating money supply per capita and the other

farm prices of grains. These two lines zigzag up and down across the chart during this period of more than a quarter of a century and they move in the same direction at the same time. A glance at this chart shows strong evidence of a casual relationship. Is that variation of the two lines up and down together a mere coincidence? It seems to me that there must be a very definite relationship between the volume of money and prices expressed in terms of money, if money is, as we define it and believe, a measure of value and a medium of exchange.

Perhaps the gentleman would say, if asked, that he does not positively deny the validity of the equation of exchange, because on the side opposite price is another factor besides money—namely, rate of turnover—and it could be mathematically argued that the relationship between price and money is really between price and turn-over of money, chiefly, and only slightly between price and volume of money. That is a matter that needs to be explored further.

The gentleman is convinced that the increase in the real money of the country—that is, the pocketbook money—has no influence upon prices, because pocketbook money constitutes only about 8 percent of the total money used in business. Bank-deposit money constitutes 92 percent. Evidently the gentleman believes that to increase prices by any change in the volume of money, if there be any connection whatsoever, would necessitate a change in that volume of bank-deposit money constituting the 92 percent of the total. Does the gentleman mean to imply by his remarks on this bill that the volume of check-book money has no relationship to prices? If the gentleman's latest view is correct, and he does really believe that the change in volume of bank-deposit money has no appreciable effect on prices, then my mind is relieved of the fear of an uncontrolled inflation through increase of bank-deposit credit, and his mind should be relieved of the fear of inflation through this bill. I wish my mind could be put at ease by his words, but it is not at ease because of my doubts in this matter.

If we had no bank-deposit money, but only pocketbook money, we would be better able to see whether a change in volume affects a change in price level. There are some who are advocating just exactly that thing when they demand 100-percent reserves back of bank deposits. This whole matter is very vitally important to the country, and I feel that the Nation's lawmakers need to know the truth concerning the relation of money and prices in enacting legislation of this nature.

POWER AND LIGHT

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

Mr. RAYBURN. Mr. Speaker, I reserve the right to object, though I shall not in this instance. I hope that no other Member will ask this privilege. Everyone knows the pressure under which we are working today. We are trying to get through with this session by 2 o'clock, and it will take all of the time we have on legitimate amendments to the bill to do that. I shall object to any other Member speaking for a minute this morning.

The SPEAKER. Is there objection?

There was no objection.

THE STABILIZATION FUND AND ALTERATION OF THE WEIGHT OF THE DOLLAR

Mr. SOMERS of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 3325) to extend the time within which the powers relating to the stabilization fund and the alteration of the weight of the dollar may be exercised.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 3325, with Mr. MCCORMACK in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose last evening there was pending before the Committee a committee amendment, which appears on page 1, line 6, of the pending bill. The question is on agreeing to the committee amendment.

Mr. REED of Illinois. Mr. Chairman, I offer the following substitute for the committee amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. REED of Illinois as a substitute for the committee amendment: In lieu of the committee amendment insert:

"Subsection (a) of section 10 of the Gold Reserve Act of 1934, approved January 30, 1934, as amended, is further amended to read as follows:

" 'An annual audit of such fund shall be made by the General Accounting Office and a report thereof submitted to the President and to the Congress.' "

Mr. REED of Illinois. Mr. Chairman, section 10 of the Gold Reserve Act concerns only the stabilization fund. The amendment which I have just offered is a substitute for the committee amendment. The committee amendment provides that a report of the audit of the stabilization fund shall be made to the Congress as well as to the President. My substitute contains everything that is contained in the committee amendment with the additional provision that the audit shall be made by the General Accounting Office. I am prompted to offer this substitute for the committee amendment not from any spirit of partisanship but because I myself believe in the continuance of the stabilization fund and am convinced that when we, as Members of Congress, authorize the Secretary of the Treasury to control a fund consisting of two thousand millions of dollars, an audit of that fund should be made by an independent agency of this Government. As the law now stands, this fund, solely under the control of the Secretary of the Treasury is audited only by himself and a report thereof submitted to the President of the United States. My substitute, like the committee amendment, provides that such report shall also be made to the Congress. I have the utmost confidence in the Secretary of the Treasury of the United States. I believe him to be honest, I believe him to be sincere, but Mr. Henry Morgenthau will not always be the Secretary of the Treasury of the United States. When we legislate here we are making law for tomorrow as well as today, and if the first two sections of the pending bill are enacted into law this stabilization fund will be continued for 2 additional years.

It is altogether probable that before 2 years roll around there will be some other person sitting in the office of the Secretary of the Treasury. It is for that purpose that I believe this Congress should adopt this substitute amendment, so that when an audit is made of the stabilization fund as administered by the present Secretary of the Treasury, and by the Secretary who shall follow him, it will be done by that independent agency of the Government known as the General Accounting Office, which has been set up by the Congress and which can be characterized as one of its legislative arms.

I say again that there is nothing partisan in my substitute amendment. The General Accounting Office is administered by the Comptroller General of the United States. He holds his office for 15 years. He can be removed from that position only by the action of Congress. The present occupant of that office was appointed just a few weeks ago by the President of the United States. He is a friend of the President and a distinguished and able former Senator from the State of New Hampshire. He is the person who will audit this fund at the end of the fiscal year during the present administration and again at the end of each fiscal year in the administrations which are to follow.

Certainly I am not motivated by partisan political considerations when I propose an amendment that provides for an audit of this fund throughout the balance of this administration by one of its acknowledged friends and retain in that same friend the right and authority to audit the fund during subsequent administrations that may be of other political faiths. It is not sound business judgment to turn over to one man, no matter how honest he may be, such

a stupendous sum of money as two thousand millions of dollars with no further check upon him other than the requirement of a report to the President and to the Congress of an audit made only by himself. The fund itself deserves a fair and impartial audit by that independent agency of the Government that has been provided by Congress to audit Government accounts.

I therefore ask the Members to adopt my substitute amendment. [Applause.]

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Illinois [Mr. REED] says he does not want anyone to look at this amendment from a partisan standpoint. I hope the Committee will bear that in mind.

Mr. Chairman, no Member of this House has stood on this floor demanding the auditing of accounts of Government expenditures by the General Accounting Office as often as I have. There is not a Member of this House who has been here for any time who can deny that. Further, I have defended the General Accounting Office, and, I might add, a Republican Comptroller General, when no one else in this House defended him. That, too, must be conceded.

Now, what does this amendment offered by the gentleman from Illinois [Mr. REED] really provide? I trust you will remember it is absolutely necessary that the method employed by those in charge of the stabilization fund be kept secret. If their methods of operation become known, then the speculator—and I may say some foreign nation, if it desired—will be able to offset the valuable work which is being performed and which is protecting the people of this country. What happens when you go to the General Accounting Office to have an account audited? It is not the Comptroller General who will audit the account. It will be employees of the Comptroller General. I cast no reflections upon them, but in order to properly audit the account it will be necessary to have a full explanation, a detailed explanation, of the operation of the fund, and this must be given to the auditors.

Then and there the secret of operation gets into the hands of employees of the General Accounting Office. What is going to happen if it gets out? Speculators in money profited liberally at the expense of this Government until this stabilization fund was provided by the Congress. They will profit again if they can learn how we operate the fund.

Mr. Chairman, ordinarily I would be here supporting the amendment offered by the gentleman from Illinois, but for the reasons I have stated I feel we should have confidence in those who are now administering this fund, and that we leave the matter as it is now.

The Secretary of the Treasury gave to the Senate and House committees and to the country a statement in reference to the status of the fund as of July 1, 1938. To our committee he also gave the balance sheet of December 31, 1938. It was requested that it not be made public at this time, but that he would issue another statement at the end of the fiscal year. It is not an individual but a committee that is auditing and operating this fund.

Under the present method of accounting, the Government is fully protected. There is more money in the fund today than there was at its inception. The balance sheet made public reveals that. Under the Budget and Accounting Act, the Comptroller General might question the right of those operating the fund to use certain methods in securing information necessary for its successful operation. He might take exception to some of the necessary expenses. This would, of course, be justified if it was an ordinary expenditure, but in this instance it is a necessary and not an ordinary expenditure. A delay of a few hours caused by some disagreement between the Secretary of the Treasury and the Comptroller General might cost the people of this country millions. There are not a dozen Members of this House who do not feel this fund is necessary. Its operations to date have been beneficial. Then why not let those who have been handling it continue as they have in the past?

Mr. Chairman, in view of the fact it is absolutely necessary the manner in which the fund is being administered shall be kept secret, I sincerely hope the Committee will vote down the amendment offered by the gentleman from Illinois [Mr. REED]. [Applause.]

[Here the gavel fell.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I realize that no Member on the majority side has been more interested in the accurate accounting of Government transactions than the gentleman from Missouri [Mr. COCHRAN]. The gentleman from Missouri gives as his sole argument against this amendment the fact that secrecy must be maintained in the operations of this fund. The gentleman says he does not want to have any clerks in the General Accounting Office find out the details of the operation of the fund. Those clerks are Government employees—civil-service employees—men who are sworn to handle the affairs of the Government without divulging any information; men of capacity. Otherwise they would not be employed in the General Accounting Office. I think it is a very weak argument which the gentleman from Missouri offers in suggesting the defeat of the amendment proposed by the gentleman from Illinois.

Now, who has this secret information under which the fund is operated at the present time? Of course, scores of employees in the Treasury Department who are engaged in the operation of the fund have full and complete information. I assume, I hope, at least, that they maintain the degree of secrecy that the gentleman from Missouri expects. But who, in addition, has intimate knowledge of the operations of the fund? The Bank of England, the Government of England, the Central Bank of France, the Government of France—every government tied into the tripartite agreement knows exactly what is being done by the fund in the United States from hour to hour.

Still, when we are asking for the adoption of an amendment to give our own auditing officials an opportunity to examine the operations of the fund, then it is denied to us. But it is perfectly satisfactory to let the officials in England and France and some of the other countries have full and complete information as to what we do with this fund hour by hour.

This amendment should be adopted in the interest of good government in the United States. It is our business to see that we protect this $2,000,000,000 fund. Let us do it in an orderly way by agencies which we have set up for this purpose.

So that there may be no misunderstanding that citizens of France, England, and other countries have full and complete day-to-day knowledge as to the operations of our stabilization fund, I quote here from Secretary Morgenthau's testimony before the Coinage Committee on February 28, 1939. He said:

> From 1934 to the middle of 1936 the stabilization fund acted independently in the purchase of gold and foreign exchange. When in 1936 France was confronted with a monetary crisis the United Kingdom, France, and the United States realized the necessity of taking steps to safeguard their economies against competitive exchange depreciation, which in the long run would benefit none and injure all. Therefore, in pursuance of our policy of promoting stability of the exchange value of the dollar, on September 25, 1936, we joined the Governments of Great Britain and France in the tripartite declaration of policy with respect to international monetary affairs. The machinery for collaboration to attain the common objectives laid down in the tripartite declaration was provided chiefly by the stabilization funds of these countries.

Mr. LARRABEE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. LARRABEE. Does the gentleman think he is giving the right information that he got from the Secretary of the Treasury when he tells this House that the Governments of England and France know all about this stabilization fund and its activities in this country?

Mr. AUGUST H. ANDRESEN. Every move that is made here may, under the law, be made known to other governments. It is a part of the tripartite agreement to let the other governments know what is being done. The law itself

in the section we seek to continue states that agreements may be entered into by the Treasury of the United States with foreign governments to handle the currency and to maintain foreign exchange levels. Under this agreement, therefore, foreign governments know every moment what is taking place; in fact, the fund operates mostly at the instance of foreign governments, because they come in and ask us to provide dollar exchange with the stabilization fund, and that operation is carried through.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CRAWFORD. Within the last 3 weeks there has appeared what are to my mind three very important articles on this subject in the Saturday Evening Post. I have read them with a great deal of interest, and have reread them, and shall read them again. Can the gentleman as a member of the committee tell us whether or not in his opinion, based on what has been said before his committee, the statements contained in those three articles dealing with the operation of the stabilization fund are substantially correct?

Mr. AUGUST H. ANDRESEN. That is my understanding. I also have read the articles I may say to the gentleman.

[Here the gavel fell.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield further?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CRAWFORD. If this type of information is available to the public with relation to the members of the press in all the details that must be necessary in order to prepare such articles, then why would it be in order for the Congress to be unwilling to let the information which the gentleman's amendment calls for become available to the confidential officers of the Government?

Mr. AUGUST H. ANDRESEN. There is no reason in the world for that information not to be made available to the Congress after the lapse of a certain time. No one on either side of the aisle wants to put into this legislation anything that would interfere with the successful operations of this stabilization fund, but after the transactions have taken place, after the officials in the Department have conducted their operations, and after a lapse of time, there is no reason in the world why the information could not be made available to Congress after a complete audit by the Comptroller General of the United States.

We have had only one report from the Treasury in the past 5 years. That was the report which was handed to our committee at the beginning of the hearings. This report came only after it was indicated that the members of the committee desired to find out what was taking place in connection with the stabilization fund. The report did not contain detailed information, but it did give us some idea at least that no money had been lost and that a profit had accrued to the fund; so I can see no legitimate reason for refusing the right to the Comptroller General to examine and audit this fund and then make a report to the Congress and the President at the same time.

I hope the amendment offered by the gentleman from Illinois will be adopted.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. COCHRAN. I wish the gentleman from Minnesota, a member of the committee, would advise this Committee where in the hearings can a statement be found which indicates in any way that any foreign nation knows anything about the secret operations of this fund. There is nothing in the hearings to that effect. It was never charged that they did, and so it should not be necessary to deny it.

Mr. AUGUST H. ANDRESEN. I may answer the gentleman by reminding him that the Secretary of the Treasury, Mr. Morgenthau, stated that we had an agreement with England and France called the tripartite agreement.

Mr. COCHRAN. Yes; but not to disclose the methods of operation of this stabilization fund.

Mr. AUGUST H. ANDRESEN. The gentleman from Missouri probably feels that we are wiser than the money men of England and other foreign countries, but the record shows that we have been a bunch of suckers here in the United States. [Applause.]

Mr. COCHRAN. On the record submitted to the Congress, it shows we made money. That does not show we are suckers.

Mr. AUGUST H. ANDRESEN. The gentleman is correct; the fund made some money, but not from foreign-exchange operations but from interest paid by the Treasury on the United States Government bonds held by the stabilization fund.

[Here the gavel fell.]

Mr. PARSONS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, ordinarily I would be in favor of this amendment if this were an appropriation to be expended by one of the regular establishments of the Government in a normal and ordinary performance of the duties of a department of the Government; but the operation of this stabilization fund is entirely a separate and distinct function of the Secretary of the Treasury. I might be disposed to support the amendment if I thought the gentleman from Illinois were really sincere in presenting it in the first place. When the bill was under consideration before the committee the gentleman from Illinois talked about offering this same amendment. The committee accepted the principle that the audit and the report that was made by the Treasury should be submitted to the Congress as well as to the President.

The situation with reference to the operation of the accounting department is that they must pass upon the expenditures of every penny of Government appropriation made. The stabilization fund is not an appropriation. If the Accounting Office had charge of this fund they would have to audit every single transaction every day, and therefore it would be open to the public. The gentleman from Minnesota states that many people know about the operations of this fund. There are only a few experts in the Treasury Department and two or three experts in the Federal Reserve bank at New York who know about these operations daily. It is true that when a deal is made with the Bank of England or with the Bank of France, or with any other central bank, after the deal is made they do know about it, but they do not know our purpose in advance and do not know until the transaction is made; therefore it is of the utmost importance that the Treasury Department maintain absolute secrecy in the operation of this fund to prevent the speculators of this country and the speculators abroad from taking advantage of the United States and the Secretary of the Treasury in the transactions which he may engage in in stabilizing the exchange of the different countries.

Mr. President, I trust that the Committee will vote down the amendment offered by the gentleman from Illinois since we have proposed that this audit that is made annually be made both to the President and to the Congress of the United States.

Mr. SPENCE. Will the gentleman yield?

Mr. PARSONS. I yield to the gentleman from Kentucky.

Mr. SPENCE. I would like to know what knowledge we have of the secret work in reference to the stabilization funds of Great Britain and France.

Mr. PARSONS. We have none whatsoever. The Congress of the United States has absolutely no information except as the Secretary of the Treasury may be able to find out and pass it on to us, which he does not do.

Mr. KELLER. Will the gentleman yield?

Mr. PARSONS. I yield to the gentleman from Illinois.

Mr. KELLER. I would like to know whether this stabilization fund has been handled successfully by the present administration.

Mr. PARSONS. The fund has been handled very successfully and it has not been attacked by the opposition. While the fund was not supposed to make any profit the fact is

that the statement as of June 30, 1938, showed a profit of some twelve or thirteen million dollars.

Mr. KELLER. If it has been handled successfully, why change?

Mr. PARSONS. There is no need for the change.

Mr. THORKELSON. Will the gentleman yield?

Mr. PARSONS. I yield to the gentleman from Montana.

Mr. THORKELSON. This is a secret fund. It is handled secretly by the Treasury Department, is it not?

Mr. PARSONS. It is handled more or less in a secretive manner.

Mr. THORKELSON. How can we know that it has been used properly then?

Mr. PARSONS. Because an audit was made and the Secretary of the Treasury brought a copy of this audit to the committee, one statement as of June 30, 1938, and the other as of December 31, 1938, showing that a profit had been made in the operation of this fund of something over $12,000,000.

[Here the gavel fell.]

Mr. THOMAS F. FORD. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I wonder how many Members of the House have a full conception of the international importance of this stabilization fund in its relation to both our domestic and our foreign commercial and monetary transactions. In the first place, the operations of this fund are conducted by highly trained and experienced technical experts, men who keep their fingers on the pulse of international financial transactions hourly. A situation may arise at any moment in which it becomes incumbent upon the operators of the fund to buy or sell dollars, pounds, guilders, francs, or some other monetary denomination of a foreign country for the purpose of protecting the exchange price of that or our own money.

It has another function, which is important to the exporters as well as to the importers of the United States, because it enables them to judge from day to day with a reasonable degree of exactness what return they are going to get on their foreign commercial transactions. If a man is buying from France, or from England, or from any other nation he must know when his goods come in what they will cost him in pounds, in francs, in guilders, or any other monetary denomination of a foreign country. If he is exporting, the same is true.

It is true that in the operation of this fund money prices are kept on a reasonably stable basis. Mr. Chairman, to turn the auditing of this fund over to an accountant in the General Accounting Office, who is not familiar with the intricacies of foreign exchange, who knows practically nothing about the intricate and technical manner in which these transactions are consummated, would be putting upon the General Accounting Office an unnecessary burden, a burden away beyond their present capacity to successfully handle.

Reference has been made to articles which appeared in the Saturday Evening Post, vouched for by two columnists. As to the basic soundness of the information given in those articles no one in this House can say. Those articles actually quote Treasury officials as having said this or that, or having done this or that; but all of those transactions have been in the past and have no bearing on or reference to the present or future operations of the fund.

For the reasons stated above, I hope the Members of the Congress will not vote for the pending amendment, because, if they do, it will only have the effect of confusin, restricting, and hampering the operations of the fund.

Mr. KELLER. Will the gentleman yield?

Mr. THOMAS F. FORD. I yield to the gentleman from Illinois.

Mr. KELLER. If I understand the law, it is administered by the Secretary of the Treasury; is that right?

Mr. THOMAS F. FORD. That is right.

Mr. KELLER. Has the Secretary of the Treasury done a good job?

Mr. THOMAS F. FORD. If we are to take the reports he has made to the committee, I would say he has done a magnificent job.

Mr. KELLER. If he has done a good job, why under the sun should we put it in somebody else's hands?

Mr. THOMAS F. FORD. For political reasons it seems advisable for the Members on the other side who oppose this resolution or to attempt to amend it out of existence. That is the sole purpose for their objection at this time.

Mr. PATRICK. Will the gentleman yield?

Mr. THOMAS F. FORD. I yield to the gentleman from Alabama.

Mr. PATRICK. I do not understand how the pending amendment would restrict in any way the operations of this fund. The gentleman stated it would restrict the operations.

Mr. THOMAS F. FORD. It would certainly restrict the law, and it would hamper those who handle the transactions in the Treasury. It would also burden the employees of the General Accounting Office who cannot, by the very nature of their lack of the necessary technical knowledge, deal with the problems involved. The thing is highly technical.

[Here the gavel fell.]

Mr. SOMERS of New York. Mr. Chairman, may I ask the gentleman in charge on the other side if there is a possibility of limiting debate on this amendment? Has the gentleman any others who desire to speak?

Mr. CRAWFORD. I would like to have 5 minutes.

Mr. SOMERS of New York. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. SOMERS]?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, I rise in support of this amendment.

Mr. Chairman, we have heard it stated repeatedly that the stabilization fund has earned a profit. The fund consists of $2,000,000,000, and has existed since 1934. They tells us it has earned something like $10,000,000. The national debt is somewhere beyond $40,000,000,000 at the present time. If this money had been applied to the payment of our debt, at 3 percent interest it would have saved our country about $240,000,000. It seems to me it is a rather slim argument to say this fund has earned a profit under such circumstances.

Regarding the secrecy in the handling of this fund, what is the purpose of the secrecy? What is it all for? What are they using this fund for? They are using this fund to buy foreign currencies, to bolster depreciated currencies of other countries. There is no question about that. The report clearly indicates it. Let me read from the report:

Profits on French franc transactions.
Profits on gold bullion.
Profits on handling charges on gold.
Profits on silver transactions.

This fund is to protect the United States, the people of our country, against speculators. I say to you that anything that touches silver in the United States at the present time is contaminated with speculation and corruption.

Profits on investments.

We do not know what that is.

Interest on investments.
Miscellaneous profits.
Interest earned on foreign balances.
Interest earned on Chinese yuan.

We ought to use our heads a little bit, I think. Since this fund is being used to bolster foreign currencies, I should like to know why we should not be apprised through an audit, such as this amendment provides for, at least within a reasonably short time after the transactions, of what actually has taken place. I should like to have someone on this floor tell me why that should not be done.

I am not supporting this amendment for political reasons. This thing of charging everybody who happens to disagree with you with being interested only from a political standpoint is, in my opinion, a very small, mean manner of attack. I am asking that such an audit be made, because this is the people's money and the people have a right to know what it is being used for. I cannot see any reason for denying them that right other than that somebody wants to do something he does not want the people to know about. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, on page 4 of the hearings on H. R. 3325 we find this language of the Secretary of the Treasury:

> From 1934 to the middle of 1936 the stabilization fund acted independently in the purchase of gold and foreign exchange. When in 1936 France was confronted with a monetary crisis, the United Kingdom, France, and the United States realized the necessity of taking steps to safeguard their economies against competitive exchange depreciation, which in the long run would benefit none and injure all. Therefore, in pursuance of our policy of promoting stability of the exchange value of the dollar, on September 25, 1936, we joined the Governments of Great Britain and France in the tripartite declaration of policy with respect to international monetary affairs. Soon thereafter the Governments of Belgium, Switzerland, and the Netherlands announced their adherence to this declaration. The machinery for collaboration to obtain the common objectives laid down in the tripartite declaration was provided chiefly by the stabilization funds of these countries.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I decline to yield, Mr. Chairman.

If you will refer to three articles which I mentioned awhile ago, and check them closely with the testimony of the Secretary of the Treasury, there will be no doubt in your mind of how closely the machinery of our Treasury Department and that of the Bank of England, the Bank of France, and other monetary authorities in Europe work together. The wheels tie in as closely as the wheels in the watch that is in your pocket. They know exactly what we are doing and our experts know exactly what they are doing.

The law at the present times provides for an audit of this fund. Who makes the audit? Are the auditors who now make the audit any more conscientious, loyal, and honest than the auditors who would make the audit to be made under the pending amendment? I wish someone would clear that point up in the debate.

Mr. SOMERS of New York. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I decline to yield.

It makes no difference to me what particular auditor does the job so long as he can act independently. It may be an auditor in the General Accounting Department as against an auditor in the Treasurer's office. Nevertheless, he is an auditor, and I have mixed with that breed a little bit and know about how they operate. So I see no objection that can be raised to the proposition of having one department of Government audit as against another, if independent.

I can comprehend the different types of reports that might be made following the audit that would be made by the auditors. How much information would be divulged? Would it be possible for me or you or the other fellow operating as an exchange expert and dealing in international exchange to take the information contained in that report and use it against the interest of the Government of the United States? Would we have to purchase the confidential information gained by some auditor of the Government? If the information can be purchased, why can it not be purchased by those who now audit the detailed operations of this fund? This point might be cleared up in debate. It seems to me that if audits are to be made the making of such an audit as is set forth in the pending amendment can be justified, so an independent agency of the Congress, we will say, will look after the proposition.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from California.

Mr. THOMAS F. FORD. Does the gentleman know of any large exporting institution in the country like General Motors or Ford that is opposed to continuing this stabilization fund? Has the gentleman had any communication from any of them?

Mr. CRAWFORD. No; the only information I have had is what I have been able to pick up from the hearings and from releases in the press which we get from time to time in connection with this confidential fund. [Applause.]

[Here the gavel fell.]

Mr. KELLER. Mr. Chairman, I would like to ask the same question of this House that I asked awhile ago of two of the gentlemen who were discussing this subject.

My understanding is that the present law has worked well and has been successful. The present administrator of the law has done a good job in administering the present law. There have been no objections on the part of American business or on the part of the American people with respect to this law or the administration of it. It occurs to me that where we have a good law that is well administered we ought not to disturb it. More especially is this true, in my judgment, for the remaining reason that the Democratic administration at the present time is responsible to the people of this country, and will be for at least 2 more years. If the Democratic Party should come here asking for a change and should justify that change, I would be tempted to go along with it. But it does strike me that unless there can be shown perfectly valid and unquestionable reasons for a change, the other side has little reason to undertake to make a change of this character.

Unquestionably, as my colleague the gentleman from Illinois [Mr. PARSONS] has pointed out, if this were checking up an appropriation it would be one thing, but that is not the case at all. This is simply a question of holding in hand a fund of $2,000,000,000 for the purpose of stabilizing the exchange among the great countries of the world.

The gentleman who just preceded me states it has not been a success, because it has not earned as much money as it would have earned if we had put it into bonds or something of that sort. But this is not a fund that could be put into bonds. This fund must be composed of ready cash to meet any emergency that might arise. Therefore it could not be used as an investment, and wherever it has made any money it has made money by controlling the exchange of the world in behalf of the business of this country.

The chairman of this committee, Mr. SOMERS of New York, in his address before this body, delivered what, in my opinion, is the most unanswerable argument I ever heard any chairman deliver on any bill before this House for its consideration. That argument was to the effect that if we did not stabilize the money of the world, but permitted the other countries to lower their currency, it would rule us out of the world's industry. This would be true beyond any doubt. Therefore it is our duty and our economic necessity to continue the stabilization fund and to continue it as it is, because it has been, and is, and will continue to be a success.

The gentleman from Ohio [Mr. SMITH] asked a while ago "Why not change it?" He ought to say, because he is a good lawyer, that it is not a question of why not, but it is a question up to him to say why this amendment should be considered in all reason and common sense. It is up to him to tell us why it should be. I listened rather attentively and I did not hear him make any such showing. Neither have I heard any man on that side of the House deny that this fund has been well handled. I have never heard any man over there pretend for one moment that since it is a good law and has been well administered that there is any good reason for changing the law. Until I do hear that I know of no reason under the sun for giving serious

consideration to the amendment. But I see every reason for this Congress and this administration to stand behind this law and behind the administration of it until it is shown to be a bad law or one that is badly administered. [Applause.]

[Here the gavel fell.]

Mr. EBERHARTER. Mr. Chairman, during the committee meetings some suggestion as to this amendment just proposed by the gentleman from Illinois was made, but this particular amendment was not pressed by any member of the minority.

It was agreed by all the members of the committee that the bill should be amended so that the report should be made by the Secretary of the Treasury to the President and to the Congress, and it was assumed by the majority members of the committee that this would be satisfactory.

Insofar as the statements made by the gentleman from Illinois [Mr. REED] and the gentleman from Minnesota [Mr. ANDRESEN] are concerned, I do not agree with them, that the foreign nations who are members of the tripartite agreement with the United States know all about the operations of our stabilization fund. Just because we have an agreement with them and just because we cooperate with them on certain occasions and for certain maneuvers, that does not signify they know all about our balances, that does not mean that they know all about our operations, that does not mean they know how much money we have ready to use for certain purposes or what our intentions may be; and I may say in connection with the secrecy of the audit by the Treasury Department, every person who is connected with the Treasury Department in this audit that is made and the report that will be submitted to the Congress and that has been made to the President in the past, has been connected with the Treasury Department for at least 15 years. In other words, every man in the Treasury Department that knows anything at all about this particular fund and its operations and the bookkeeping in connection with it, has been with the Treasury Department for 15 years and is an employee who can be trusted and who has already proven that he can be trusted.

To now throw this thing open to the public by letting the clerks in the Comptroller's office audit it and go through the books would be simply making it so open that we would be at the mercy of the gold speculators, not only in this country but in foreign countries, and also at the mercy of the nations who are not members of this tripartite agreement, and the nations who are doing everything and who will continue to do everything to depress our currency. There was no complaint at any time by any person about the statement that has been submitted by the Secretary of the Treasury, and nobody found any fault with it. No member of the minority or of the majority pointed to any matter which they thought should be included in the statement submitted June 30, 1938, or the statement of December 31, 1938. It is well known that secrecy is a fundamental necessity in order that we may operate this fund successfully. We would be the suckers of the entire world if we allowed the fund's operations and an auditor's statement to be made public, and that is what will happen if this amendment is adopted. This is just one of those amendments which are suggested to muddle the situation, and in order in effect to kill the effective operation of the stabilization fund, and I submit it should be defeated.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. Yes.

Mr. COX. My purpose in asking the gentleman to yield is not that I might have the opportunity of discussing the pending amendment, but to pay my respects to the author of the bill, the gentleman from New York [Mr. SOMERS]. His opening of the debate was magnificent. He was most persuasive, and if this bill be enacted into law, the credit is due him for that fact more than any other. I take it that probably I am the last Member of this House who would be expected to vote for this bill, but for reasons developed in the debate, particularly for the reasons set forth in the splendid statement of the gentleman from New York [Mr. SOMERS], I do not fear to continue the power in the President, which the resolution is intended to carry, and I trust that my brethren who think as I will find it possible to take the same course. [Applause.]

Mr. EBERHARTER. I heartily commend the gentleman for the statement he has just made and the conclusion he has arrived at. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. All time has expired. The question is on the substitute amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. REED of Illinois) there were—ayes 90, noes 180.

So the amendment was rejected.

The CHAIRMAN. The question now is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

That subsection (c) of section 10 of the Gold Reserve Act of 1934, approved January 30, 1934, as amended, is further amended to read as follows:

"(c) All the powers conferred by this section shall expire January 15, 1941, unless the President shall sooner declare the existing emergency ended and the operation of the stabilization fund terminated."

With the following committee amendments:

Page 1, line 7, strike out "that subsection" and insert "Sec. 2. Subsection."

Page 2, line 2, strike out "January 15, 1941" and insert "June 30, 1941."

The CHAIRMAN. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. LUCE. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LUCE: Page 2, line 5, strike out all of section 2.

Mr. COCHRAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Massachusetts yield for the purpose of a parliamentary inquiry?

Mr. LUCE. Certainly.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. COCHRAN. As I understand the amendment, it strikes out all of section 2. That is the section that has just been agreed to. Is it the gentleman's purpose to strike out the next section, section 3?

Mr. LUCE. Section 2 has just been amended, but it has not been agreed to.

Mr. COCHRAN. Then the gentleman's amendment is to strike out all of the section that has just been amended?

The CHAIRMAN. The Chair would like to inquire of the gentleman from Massachusetts as to whether the gentleman's amendment is directed to the power of the President to control the stabilization fund or the power of the President to revalue the gold content of the dollar?

Mr. LUCE. The amendment is to strike out section 2, the section under consideration.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk read as follows:

Amendment offered by Mr. LUCE: On page 2, line 5, strike out section 2.

The CHAIRMAN. The Chair calls the attention of the gentleman to the fact that section 2 begins on line 7, page 1.

Mr. LUCE. Does the Chair hold that the section has not yet been read?

Mr. COCHRAN. Mr. Chairman, a further parliamentary inquiry. The gentleman from Massachusetts says his purpose is to strike out the section which has not yet been read.

The CHAIRMAN. The Chair is anxious, if possible, to find out from the gentleman from Massachusetts as to what part of the bill he desires to offer his amendment.

Mr. LUCE. It is the final section of the bill.

The CHAIRMAN. The Chair will state that that section has not yet been read.

Mr. LUCE. Thank you.

The CHAIRMAN. Without objection, the amendment offered by the gentleman from Massachusetts [Mr. LUCE] will be withdrawn.

There was no objection.

The Clerk read as follows:

SEC. 2. The second sentence added to paragraph (b) (2) of section 43, title III, of the act approved May 12, 1933, by section 12 of said Gold Reserve Act of 1934, as amended, is further amended to read as follows: "The powers of the President specified in this paragraph shall be deemed to be separate, distinct, and continuing powers and may be exercised by him from time to time, severally or together, whenever and as the expressed objects of this section in his judgment may require; except that such powers shall expire January 15, 1941, unless the President shall sooner declare the existing emergency ended."

With the following committee amendments:

On page 2, line 5, strike out the figure "2" and insert the figure "3."

In line 14, strike out "January 15, 1941" and insert "June 30, 1941."

The CHAIRMAN. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. LUCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUCE: On page 2, beginning in line 5, strike out all of section 3.

Mr. LUCE. Mr. Chairman, I must have had before me the original bill when I made the error.

My amendment goes to the heart of the whole matter. Upon this depends an important pronouncement to the country. The decision of the House will determine whether you tell the people that they are or are not to be held under a cloud of fear for 2 years longer. This is not a question of the wisdom of the bill, the wisdom of the power entrusted to the President. He has not abused this power. He has not, as I understand, misused it since devaluation in any way. I see no prospect that he will misuse this power. There was not a word in the hearings to indicate that it would be misused. That is not the question. The question is, "Will you at this moment use your opportunity to allay the fear of the business world?" That world does not understand the intricacies of high finance. It does not understand the workings of the stabilization system. It does not understand the money question. The great masses of our people do not know what all this signifies. The only thing that possesses them at the moment is fear. They are afraid because 11,000,000 or more of our people are out of work. They are afraid because the set-back of a year and a half ago continues. They are afraid to go ahead and hire and make and buy. They are afraid to make long-term investments or contracts when they are not assured as far as possible of the buying power of the money to be received.

This amendment will help to appease them. The only problem here is one of psychology. It is not of finance. It is nothing else but the state of mind of the people who hire, the people who buy, the people who transport, the people who lead. Because business is stagnant the country suffers.

Here is your chance to join with the President in what he has proposed of late to do, to quiet down apprehensions, to stifle fears, to let businessmen go ahead. To help that, is all we have before us now. We cannot do it by spreading money. We cannot do it by spending money. We cannot do it in any other way than by causing them to feel they will be no longer threatened with change. They are begging of us to keep where we are, to stop these reforms and experiments and everything else that disturbs them. They want peace. Talk about foreign war! Serious as is the menace, it concerns only a small part of the interests of the United States. The far greater question is the prosperity and happiness of the American people. That prosperity and happiness depend in part upon what we do today. Here is no question of what the President may promise; it is for us to guarantee by enacted law there will be no more of change in our money at least until business recovers from stagnation.

So I ask your support for this amendment, not because this is an affront to the President, not because it shows distrust of the President; it does not. Only and solely because we now here have a chance to do the greatest thing we can do—tell the country that we are going now to give men an opportunity to hire, an opportunity to build, an opportunity to sell, an opportunity to profit, an opportunity for the laboring man as well as for the employer, an opportunity for the 11,000,000 who are out of work, a chance now to go ahead and return this country to prosperity. [Applause.]

[Here the gavel fell.]

Mr. SOMERS of New York. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. AUGUST H. ANDRESEN. I object, Mr. Chairman.

Mr. SOMERS of New York. Will the gentleman indicate about how much time he might require?

Mr. AUGUST H. ANDRESEN. I have an amendment to offer. Other Members have amendments to offer. A limitation of 20 minutes is too short a time.

Mr. SOMERS of New York. Will the gentleman indicate about how much time he thinks would be required to dispose of his amendment?

Mr. AUGUST H. ANDRESEN. I would like 10 minutes, and then there are others who desire to speak on other amendments.

Mr. SOMERS of New York. Would 30 minutes satisfy the gentleman?

Mr. AUGUST H. ANDRESEN. As far as I am concerned. Surely the other amendments will require time to dispose of. I do not know how many Members desire to speak.

Mr. SOMERS of New York. I want only 10 minutes on this side. I can account for only 35 minutes.

Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 40 minutes.

Mr. CASE of South Dakota. Mr. Chairman, reserving the right to object, will that include recognition to me to offer an amendment and 5 minutes to speak thereon? I wish to offer an amendment.

Mr. RAYBURN. It would not, I may say to the gentleman, unless he got his time from the Chair. Forty minutes will be all the time allowed for debate on all amendments to this section under the request.

The CHAIRMAN. The Chair will state that, of course, if the request is agreed to the Chair would feel bound to recognize those Members who have evidenced a desire to be heard.

Mr. CASE of South Dakota. May I ask how many have evidenced such desire?

The CHAIRMAN. The Chair notes that eight gentlemen apparently have requested recognition.

Mr. CASE of South Dakota. Under the Chair's statement, would that mean 5 minutes to myself?

The CHAIRMAN. The time would, of course, be allocated according to the number who have indicated a desire to be heard.

Mr. SOMERS of New York. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 50 minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent that all debate on this section and all amendments thereto close in 50 minutes. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. LUCE) there were—ayes 84, noes 152.

So the amendment was rejected.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: On page 2, line 15, at the end of the sentence add the following proviso: "*Provided*, That under the powers herein continued in the President to decrease the gold content of the dollar, and under the duty of the Secretary of the Treasury to maintain the parity value of gold according to the standard unit of value so fixed, no payment for foreign gold purchased by the United States shall be made by the Secretary of the Treasury or by any officer of the United States acting in his behalf, to any foreign vendor (including foreign governments) or to any domestic representative or agent of any foreign vendor, unless and until such vendor or his representative or agent in the United States shall guarantee to the Secretary of the Treasury as a condition precedent to receiving such payment: (1) that so much of the net payment received in exchange for gold transferred hereunder as will equal the difference in the price paid and the price that would have been paid at the rate of $20.67 per ounce shall be used exclusively for the purchase of commodities or articles produced, grown, or manufactured in the United States or its possessions; and (2) that at least one-half of the commodities or articles so to be purchased shall be merchandise classified as agricultural goods, products, or services by the United States Department of Commerce; and (3) that all such commodities or articles so to be purchased will be contracted for within 1 year from the date of receipt of payment from the Secretary of the Treasury and paid for within 2 years from the date of payment by the Secretary of the Treasury; and (4) that the Secretary of the Treasury shall withhold from all payments to such foreign vendor or his agent or representative an amount equal to that specified under (1) above, until receipt of satisfactory evidence that such conditions have been complied with."

Mr. SOMERS of New York. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from New York reserves a point of order against the amendment.

Mr. SOMERS of New York. Mr. Chairman, I shall press the point of order immediately upon the conclusion of the remarks of the gentleman from Minnesota.

The CHAIRMAN. The gentleman from Minnesota is recognized for 5 minutes.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes. That was the understanding during the discussion of the allocation of time.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The gentleman from Minnesota is recognized for 10 minutes.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the amendment which has just been read from the Clerk's desk has been discussed by me on this floor on two different occasions. The amendment provides that on all future purchases of gold—foreign gold, not domestic gold—by the Treasury of the United States at $35 an ounce, $14.33 of the amount paid to foreign sellers of gold shall be earmarked and used for the purchase of farm and manufactured products produced in this country.

During the past 5 years, or since January 1, 1934, the Treasury has purchased more than $8,000,000,000 of foreign gold for which $35 an ounce has been paid. I claim that out of this $35 an ounce which has been paid, the difference between $35 and $20.67 is in the form of a subsidy or a gift, if you please, to foreign sellers of gold. This subsidy is not paid to American citizens for their gold except for newly mined gold produced in this country.

My amendment does not in any way deal with the amount paid to domestic producers. All I seek to do is to place the foreign sellers of gold on a par with the average American citizen so that if the foreign seller of gold does not spend the subsidy which we give him all he will receive is $20.67 for the gold which he sells to the Treasury.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I am sorry, I cannot yield.

Mr. Chairman, in the last 5 years that the subsidy program has been in operation the Treasury has made foreign gold speculators, foreign nations, foreign mine owners a magnificent present of $3,500,000,000. This has been given as a gift, or a subsidy from the American people. During this same period the Treasury of the United States by an act of Congress has given American farmers $2,509,000,000, or $1,000,000,000 less than we gave to foreign gold speculators and foreign gold miners.

The theory of the Gold Reserve Act when it was passed in 1934 was that it would increase the price level of farm commodities, that it would approximately boost the price level in this country 69 percent, because that was the increase in the price of gold. The gentleman from Texas [Mr. DIES], a very distinguished Member of this House, led the fight here for the passage of the bill, which placed devaluation powers in the hands of the President. He based his entire speech on the proposition that we must do this so that we might increase the level of farm commodity prices in this country, that we might increase our exports. He stated that if we paid a premium on gold and silver to foreign producers that they would come in here and buy our farm and manufactured products. The gentleman from Texas [Mr. DIES] today is against the bill because he said that the program did not work out according to the original intent of the administration or the original intent of Congress. Payment of these huge gold and silver subsidies to foreigners did not increase the price level in this country.

On the other hand, exports were not increased. The price levels decreased and our exports decreased. The imports of competitive farm commodities increased, and today we have nearly as low prices as we had in 1932 for American agricultural products.

All I am seeking to do by this amendment is to put the theoretical ideas of the administration into actual and practical operation and to compel by this amendment that foreign gold speculator and foreign governments who receive this premium from our Treasury to spend this subsidy in the United States or else they will get only the amount that is allowed the average American citizen.

May I go one step further in this limited time to point out what it means to our farming sections? We have over 11,000,000 bales of cotton, and by the end of the present cotton-growing year we will have more than 25,000,000 bales of cotton on hand. Our exports of cotton during the time this law has been in operation have decreased from 8,000,000 in 1933 to an estimated 3,000,000 bales for this year, or probably less. The figures of the Department of Commerce show that our exports of cotton have dropped this year approximately 41 percent. It will take $660,000,000 of foreign money to buy all of our 11,000,000 bales of cotton at 12 cents a pound. I repeat, $660,000,000 to dispose of the 11,000,000 bales of cotton that we have at 12 cents a pound, and this can be accomplished without taking one additional penny from the Treasury of the United States, because we are paying this subsidy to foreigners for gold. My amendment will do this business.

More than a billion dollars worth of gold has come to our Treasury since the first of the year, and we have made these foreigners a present of $14.33 on every ounce of gold that they sent over. Why can we not take advantage of an existing situation? If we are going to continue to make these presents to foreign speculators and foreign gold miners, let us make them buy some American wheat; let us make them buy some American cotton; let us make them buy some of the other farm commodities and manufactured commodities that are produced in this country. What do they do with the money? They have over $7,000,000,000 of foreign exchange invested in bank deposits and in American securities in this country. They can break the market any time they want to or they can cause a financial crash in this country at any time by withdrawing their funds.

Had my program been in operation from 1934, when this act was passed and when the President was authorized to make this subsidy gift to foreign silver- and gold-mine owners, we would have disposed of every pound of our surplus cotton, every bushel of surplus wheat in the United States, and we would have had industries going; otherwise the foreigners would not have received the subsidy which has been paid to them from the American Treasury.

Mr. O'CONNOR. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Montana.

Mr. O'CONNOR. The gentleman speaks about paying a subsidy to these nations. Will the gentleman explain whether or not the price we paid for gold to these various foreign nations was equivalent to the world price of gold at that time, or was it above the world price of gold at the time the purchases were made?

Mr. AUGUST H. ANDRESEN. In 1933, when this world-wide emergency was taking place, and this law was passed in 1934, we started to step up the price of gold. We were losing gold to some of the other countries in the world because they were bidding in the gold and people who had hoarded it in the United States, as well as clever dealers in exchange, were sending the gold over to foreign countries to take advantage of the price. How much they sent over nobody knows; but the figures show it was less than $1,000,000,000 that left this country in the 1932–33 period. However, after this act went into effect, the United States Government fixed and maintained a world price on gold and since that time we have purchased $8,660,000,000 worth of gold from foreign gold producers. We are attracting all of the gold in the world because we fix and maintain the price for the entire world, except for the average citizen.

Mr. Chairman, I hope those who are interested in agriculture and those who are interested in helping labor will agree to this amendment, because it will make the administration's program work out in actual practice. If you do not adopt this amendment, the Treasury should cease buying foreign gold at a premium. We now own 65 percent of the world's supply, and in another year we will have it all—buried in the ground down in Kentucky. The rest of the world will desert the gold as an international value of exchange, for we will have it all. The barter system of Biblical times will then come into full being, and we will be left high and dry, with our golden calf of little or no value.

[Here the gavel fell.]

The CHAIRMAN. Does the gentleman from New York [Mr. SOMERS] press his point of order?

Mr. SOMERS of New York. Yes. The gentleman from Virginia [Mr. SMITH] desires to be heard on the point of order.

The CHAIRMAN. Will the gentleman from New York [Mr. SOMERS] state his point of order?

Mr. SOMERS of New York. Mr. Chairman, I make the point of order the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is not germane inasmuch as it refers to a section of the Federal Reserve Act that is not involved in the act now under consideration. It has to do with section 8, whereas we are considering sections 10 and 12. It has to do with the purchase of gold, and no place in the particular act under consideration is the Secretary of the Treasury or the President authorized or directed to purchase gold.

The CHAIRMAN. The Chair will be very glad in the first instance to hear from the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I may say to the gentleman from New York [Mr. SOMERS], the able chairman of the committee, that I have changed the amendment somewhat from the way it was proposed a few days ago. I realized the possibility that it might not be germane, because it specifically set up a new section and provided an amendment to section 3700 of the act. I changed the amendment, and the proposal which I have offered seeks to place a limitation upon the powers continued in the President under section 3 of the pending bill.

I would like to call the Chair's attention to the wording of my amendment. My amendment comes in at the end of the last sentence on page 2, section 3, and reads as follows:

Provided, That under the powers herein continued in the President to decrease the gold content of the dollar, and under the duty of the Secretary of the Treasury to maintain parity value of gold according to the standard of unit of value so fixed, no payment for foreign gold purchased by the United States shall be made—

And so forth. I have tied this definitely in with the power which is now being continued in the President of the United States to decrease the gold content of the dollar, which is what we are legislating on here today, because his power expires on June 30 of this year in that respect unless it is continued by this legislation. So I point out, Mr. Chairman, that my amendment is absolutely germane for the reason that it deals only with the power conferred upon the President to either decrease or increase the amount which he might fix as the unit of value of the gold in the dollar. It places a limitation upon his acts and the acts of the Secretary of the Treasury, who is specifically required to maintain the standard of unit of value fixed by the President as to the gold content of the dollar.

I therefore submit, Mr. Chairman, that my amendment is entirely germane and comes within the purview and the scope of the measure now before the Committee, and therefore the point of order should be overruled.

The CHAIRMAN. The Chair would be pleased to hear now the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, the gentleman from Minnesota, with his usual frankness, has admitted by a change in his amendment, that his original amendment is not in order on this bill.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. AUGUST H. ANDRESEN. I may say to the gentleman that there are no precedents for this proposition, but I wanted to draw the amendment carefully. I presented it in the committee and our chairman was very kind in allowing it to be considered. There was a doubt as to its germaneness, so in order to comply with the rules and make the amendment germane I redrafted it in the form of the amendment presented today.

Mr. SMITH of Virginia. Yes; so the gentleman admits his amendment as originally proposed to be offered was not germane to this bill. The gentleman seeks to make it germane merely by changing the point in the bill at which it is to be offered. We make the point of order, Mr. Chairman, that the amendment is not only not germane to the bill now pending before the Committee—namely, this amendatory bill—but it is not germane to the section to which the gentleman proposes to offer it. We are dealing here with a bill amendatory of the existing law, and that is all this bill deals with. We are not dealing with the original legislation.

As the Chair, of course, well knows, the general rule is that where there is only one amendment offered to an existing law no other amendments can be offered to any other part of the bill, but where more than one amendment is offered it becomes a question for the Chair to determine upon the merits of the particular case as to whether the amendatory bill under consideration, such as the bill now before the House, is of such a general nature as to change fundamentally the law involved, and thereby open up the bill, generally speaking, for amendments.

The Chair will observe that the gentleman from Minnesota originally proposed to offer his amendment to section 8. Section 8 is not before the Committee under this pending bill. I am prepared to offer the Chair many precedents on that subject for his consideration.

The bill we are now considering does but one thing. It does not change the substantive law at all. Even assuming

that the gentleman's amendment were germane to that section—and it is not—this bill undertakes to do but one thing, and that is, to extend the time.

Mr. Chairman, there have been precedents on that very subject, that where a bill has for its purpose merely the extension of the time when a law shall become effective or when it shall cease to be effective, no amendments which affect the substantive law are in order. I refer the Chair to Hinds' Precedents, section 5806, on that point. In that case there was pending a bill extending the time when the bill putting in operation the new government of Puerto Rico should go into effect. In that case, as in this, the only object of the bill pending before the committee was to extend the time. An amendment was offered dealing with other features of the law. The Chair then held:

The resolution is for the sole purpose of extending the time in regard to the putting in operation of the new government of Puerto Rico. The amendments are entirely outside of that question and enter upon amendments of the law in respect to matters entirely outside of that question.

Entirely outside of what question? Outside of the question of time.

Section 5807 of Hinds' Precedents covers a case on all fours with the present one and relates to an extension of the time when the forfeiture of certain lands theretofore granted should become effective. That bill, like the bill before the Committee today, had nothing for its object but an extension of time.

An amendment was offered which provided for a method of classification to determine the mineral or nonmineral character of the lands involved. In ruling that the amendment was not germane, the Chair said:

The pending bill relates solely to the time when a period named in the original act shall begin to run. The amendment proposed relates to a reclassification of lands.

It seems to me, Mr. Chairman, that the Puerto Rican case and the Land Forfeiture case are exactly on all fours with the proposal the gentleman from Minnesota makes today, because those bills, like this bill, had one sole object, namely, to extend a time limit. There was nothing in those bills and there is nothing in the pending bill that in any way affected the substantive law. In both those cases the Chairman of the Committee of the Whole held that the amendments were not germane and could not be offered.

In addition, Mr. Chairman—and I do not care to discuss this portion of the argument and will leave it to the Chairman of the Committee to discuss—the amendment now offered, if it were germane at all, would be germane to section 8, where the gentleman from Minnesota originally intended to offer it. It is certainly not germane to this section, which has nothing in the world to do with the subject upon which we here undertake to legislate.

The CHAIRMAN (Mr. McCORMACK). The Chair is ready to rule.

The Chair, in making its ruling, confines itself purely to the question of whether or not the amendment is germane to section 3 of the pending bill, and the ruling of the Chair will be confined solely to that particular question, as the Chair considers that to be the only question that now presents itself.

Section 3 of the bill, which is the pending section, deals solely with the power of the President to revalue the gold content of the dollar. The amendment offered by the gentleman from Minnesota attempts and, if adopted, will incorporate into this section an additional power which is not contained in the pending section, and which, if anything, relates to section 8 of the Gold Reserve Act of 1934.

The Chair is not indicating whether or not the amendment would be germane if it were offered to section 8 of that act.

It appears to the Chair that the pending amendment is not germane to the pending section of the bill, and for that reason the Chair sustains the point of order.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: On page 2, at the end of section 3, add a new section, as follows:

"SEC. 4. That section 3700 of the Revised Statutes (U. S. C., title 31, sec. 734), as amended by section 8 of the Gold Reserve Act of 1934 (73d Cong., H. R. 6976), is further amended to read as follows:

" 'SEC. 3700. With the approval of the President, the Secretary of the Treasury may purchase gold in any amounts at home or abroad with any direct obligations, coin, or currency of the United States authorized by law, or with funds in the Treasury not otherwise appropriated, at such rates and upon such terms and conditions as he may deem most advantageous to the public interest: *Provided*, That no payments for gold so purchased shall be made by the Secretary of the Treasury or by any officer of the United States acting in his behalf to any foreign vendor (including foreign governments), or to any domestic representative or agent of any foreign vendor unless and until such vendor or his representative or agent in the United States shall guarantee to the Secretary of the Treasury as a condition precedent to receiving such payment: (1) That so much of the net payment received in exchange for gold transferred hereunder as will equal the difference in the price paid and the price that would have been paid at the rate of $20.67 per ounce shall be used exclusively for the purchase of commodities or articles produced, grown, or manufactured in the United States or its possessions; and (2) that at least one-half of the commodities or articles so to be purchased shall be merchandise classified as agricultural goods, products, or services by the United States Department of Commerce; and (3) that all such commodities or articles so to be purchased will be contracted for within 1 year from the date of receipt of payment from the Secretary of the Treasury and paid for within 2 years from the date of payment by the Secretary of the Treasury; and (4) that the Secretary of the Treasury shall withold from all payments to such foreign vendor or his agent or representative an amount equal to that specified under (1) above until receipt of satisfactory evidence that such conditions have been complied with; any provision of law relating to the maintenance of parity or otherwise limiting the purposes for which any of such obligations, coin, or currency may be issued, or requiring any such obligations to be offered as a popular loan or on a competitive basis, or to be offered or issued at not less than par, to the contrary notwithstanding. All gold so purchased shall be included as an asset of the general fund of the Treasury.' "

Mr. AUGUST H. ANDRESEN (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with, as it is virtually the same language from here on that I offered in the amendment which was ruled out of order.

The reason I offer this amendment is due to the intimation that the Chair gave that if the amendment were offered as an amendment to section 8, the ruling might be different.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SMITH of Virginia. Mr. Chairman, I make the point of order against the amendment that it is not germane to the pending bill, which is the bill now before the House.

Much that was said in the discussion on the other amendment applies equally to this point of order; but I do think, Mr. Chairman, that this brings squarely before the Committee the question of whether or not the bill now pending is a general amendatory bill or whether it is confined to one purpose.

I wish to be as brief as possible, but, as I stated before, where there is only one amendment involved, the parliamentary law is well settled that no other amendments can be offered; but where more than one amendment is proposed, then the question is for the Chair to decide on the merits of each case, whether the bill proposed is a general amendatory bill.

The only thing this Committee is now considering is the question of extension of time. It is true you have two amendments here, but they only do one thing, namely, to extend the time of the operation of the act; and that comes about simply by the physical or the typographical arrangement of the original Gold Reserve Act because, if it had so happened that both of these provisions that we are seeking to extend had been in one clause, it would then have been only one amendment, so that, in effect, there is only one

amendment before the House today, and that is the amendment to extend the time, and nothing in the bill now pending, which is the bill upon which the Chair must make its ruling, affects the substance of the original Gold Reserve Act.

So, if the Chair holds we can go back to section 8—and that is virtually what we are doing—the gentleman has just adopted these parliamentary maneuvers very frankly for the purpose of avoiding an adverse decision on the question of germaneness to the pending bill, and, having adopted such tactics, it must become perfectly obvious to the Chair that this is, in effect, an amendment to section 8.

I respectfully submit, not wanting to consume further the time of the Chair, that the same point of order applies here, and that if he has failed in his original amendment to section 8 that such an amendment would clearly not be germane under the precedents I have mentioned, as well as many more precedents to which I could call the attention of the Chair, if time permitted.

The CHAIRMAN. The Chair will be glad to hear from the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the gentleman from Virginia [Mr. SMITH] has indicated that the only purpose of this legislation is to simply extend the time for continuing the powers in the President of the United States. He states further that no new matter has been considered in connection with the bill. I agree with the gentleman in this proposition, with one exception, a very fundamental exception, in which a committee amendment is offered to the bill that materially changed the context and the intention of the original act. I refer particularly to the amendment which requires the report to be made to Congress on the part of the Secretary of the Treasury as to the operation of the stabilization fund. The original act provided that the Secretary of the Treasury should make a report to the President only. Up to the present time no published report has been given as to the operation of the fund except the report by the Secretary presented a few weeks ago to our committee. We have amended the original law, and thereby we compel the Secretary of the Treasury to report to Congress, and not only to the President, and surely it is original matter, inserted into the bill which we are considering here today.

The gentleman from Virginia says that I have resorted to parliamentary tactics——

The CHAIRMAN. The Chair does not think it necessary for the gentleman to make reference to that.

Mr. AUGUST H. ANDRESEN. I have tried to offer amendments which are of great importance and which I believe are germane and which I feel should receive the consideration of the House. I do not desire to take further time or add further to what I have said. I hope the Chair will give me the opportunity of having the amendment voted on by the membership of the Committee.

Mr. DOWELL. Mr. Chairman, there is a principle of parliamentary law involved in the ruling on this amendment, and I desire to briefly state it. This law expires June 30 next. This is a reenactment of this law with an amendment extending the time. Keep this in mind—that without reenacting this law it would expire on the 30th of June next. It seems to me that this involves the one question only whether or not we can extend a statute without reenacting it. It must be true that this law is reenacted by this bill, with the one exception that it is amended to extend the time for 2 years. If the law is reenacted by this bill, the amendment of the gentleman from Minnesota [Mr. ANDRESEN] will be in order. I think this is a very important decision and that it will arise in many other cases.

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield?

Mr. DOWELL. Yes.

Mr. MURDOCK of Utah. Is it not true that the only powers you are extending by the bill before us are the powers specifically referred to in one paragraph of the bill? There are many things contained in the law that are permanent legislation and that do not require reenactment at this time.

Mr. DOWELL. This is extended to 1941.

Mr. MURDOCK of Utah. There are only two powers reenacted. One is the power to revalue the gold dollar, and the other is the power to revalue the silver dollar. There are several paragraphs in the law that do not expire and that continue as permanent legislation even though these powers expire on the 30th of June next. If the gentleman will read the original law, he cannot but agree to that.

Mr. SCHAFER of Wisconsin. Mr. Chairman, the gentleman from Virginia [Mr. SMITH], who raised the point of order, indicated that the point of order should be sustained on the ground that this particular section only extended the authority to revalue the gold dollar. The question of extending the authority to revalue the gold content of the dollar embraces the authority to hand an additional bonus or subsidy of billions of dollars to those who ship gold to America from foreign countries. The pending amendment restricting the use of the bonus or subsidy should certainly be held germane to the section of the bill providing for the revaluation which forms the basis for the bonus or subsidy. The Chair should carry out his views as expressed in rendering his decision on the amendment which was ruled out of order a few moments ago and give the Congress an opportunity to legislate and place the restriction incorporated in this amendment on the power to revalue.

The CHAIRMAN (Mr. MCCORMACK). The Chair is prepared to rule. Fortunately, the Chair had advance notice that an amendment of this kind would in all probability be offered and the Chair has had an opportunity to consider the particular issue involved and to consult the authorities and precedents.

The pending bill has two objectives in view, as far as the bill itself is concerned, in the present parliamentary situation. One, the use of the stabilization fund, to extend the powers in the President of the use of the stabilization fund for the purpose of stabilizing the exchange value of the dollar. Two, to continue power in the President by proclamation, to fix the weight of the gold dollar, for the purpose of stabilizing domestic prices or to protect commerce against the adverse effects of depreciated foreign currency.

The bill picks out two powers granted in the Gold Reserve Act of 1934, from a number of other powers in that act, and it extends the date of expiration of those powers vested in the President and also in the Secretary of the Treasury, and continues those powers for an additional period.

The Chair realizes that the question is a close one. Naturally, on questions of that kind, the Chair would consult the precedents to see if there have been any previous decisions rendered on similar questions raised in past Congresses. The attention of the Chair has been called by our able Parliamentarian to page 516, volume 8, section 2946, of Cannon's Precedents. The following appears therein. I read the syllabus:

To a bill amending the Federal Reserve Act in a number of particulars an amendment relating to the Federal Reserve Act, but to no portion provided for in the pending bill, was held not to be germane.

That decision was given by a very distinguished former Member of the House, the late Honorable Frederick R. Lehlbach, of New Jersey.

The Chair also finds in section 2947 of the same volume of Cannon's Precedents a ruling by probably one of the ablest presiding officers of this body, the late Speaker Frederick H. Gillett.

The syllabus to that decision reads as follows:

To a bill amendatory of an act in several particulars an amendment proposing to modify the act but not related to the bill was held not to be germane.

It appears that on May 14, 1924, the House was considering the bill H. R. 2169, proposing to amend several sections of the National Defense Act, when the late Honorable John J. McSwain, of South Carolina, offered an amendment proposing to modify a section of the National Defense Act not referred to in the pending bill. Mr. Thomas L. Blanton, of Texas, submitted the amendment was not germane either to the bill or to the pending section. After a brief debate the Speaker, the late Frederick H. Gillett, ruled:

> It does not seem to the Chair that this bill brings the whole National Defense Act before the House. It only brings before the House a very limited portion of it, and not the portion affected by the amendment offered by the gentleman from South Carolina. The Chair is disposed to sustain the point of order. The point of order is sustained.

The present occupant of the chair feels that those precedents, while controlling, nevertheless are very convincing, and the Chair feels strongly inclined to follow the precedent established by the rulings to which the Chair has referred. For the reasons stated, recognizing that it is a close question, the Chair feels constrained to sustain the point of order.

The point of order is sustained.

The Chair recognizes the gentleman from South Dakota [Mr. CASE] for 5 minutes.

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

Mr. MURDOCK of Utah. Mr. Chairman, a point of order. Is the gentleman recognized before the amendment is offered?

The CHAIRMAN. The Clerk is about to report the amendment.

Mr. MURDOCK of Utah. But we are in a position where we cannot make a point of order against the amendment.

The CHAIRMAN. The gentleman will have that opportunity after the amendment is read, if he desires.

The Clerk will report the amendment.

The Clerk read as follows:

> Amendment offered by Mr. CASE of South Dakota: In line 15, strike out the period, insert a colon and the following: "*Provided*, That in purchasing gold during this period under values that are or may be hereunder established the Secretary of the Treasury shall pay for the same with gold certificates that shall be legal tender in all respects and redeemable in gold bullion of equal value at the time of redemption in the same way as provided in section 6, and any provision of law inconsistent herewith is hereby repealed."

Mr. SOMERS of New York. Mr. Chairman, I make a point of order against this amendment. The amendment is not germane to the bill under consideration, nor is it germane to the section to which it is offered.

The CHAIRMAN. The gentleman from New York makes a point of order against the amendment. Does the gentleman from South Dakota [Mr. CASE] desire to be heard?

Mr. CASE of South Dakota. Yes, Mr. Chairman, I desire to be heard. If the Chair will carefully consider the amendment that has been offered, he will notice that it differs from the amendment on which the Chair previously ruled in an important particular. The amendment that is now offered is distinctly a modification of the time period. This particular bill before us proposes to extend the time period. The amendment offered places a distinct limitation upon the powers that are proposed in this section within the extended period.

There is anther phase of the question, however, to which I wish to direct the Chair's attention. It is to the numbering of the paragraph that the bill before us proposes to amend.

Subsection (B) of section 43 of the 1933 act has two numbered paragraphs, (1) and (2). Paragraph (2) is before us for amendment by the terms of the bill under consideration. Paragraph (1) is not.

I call the Chair's attention to the fact that paragraph (2) of section 43 of the basic act of May 12, 1933, which we are attempting to amend by the bill before us, provides that the President by proclamation "may fix the weight of the gold dollar," and then it goes on to provide that he may also fix the ratio of silver thereto; and it provides further that it shall be the duty of the Secretary of the Treasury to maintain such value.

I call the Chair's atention to the further fact that in the amendment thereto that was passed as section 12 of the Gold Reserve Act of January 30, 1934, there were several amendments to this particular paragraph.

Section 12 of the Gold Reserve Act, which amended paragraph (b) 2 of section 43, by the sentence that we are now amending, carried other amendments to that same paragraph, notably one providing that—

> The President in addition to the authority to provide for the unlimited coinage of silver at the ratio so fixed, under such terms and conditions as he may prescribe, is further authorized to cause to be set aside and deliver to the tenderer of coinage for coinage, silver certificates in lieu of the standard silver dollars to which the tenderer would be entitled in an amount in dollars equal to the number of coined standard silver dollars that the tenderer of such silver coinage would receive in standard silver dollars.

I submit to the Chairman that this is an integral part of paragraph (b) 2, section 43, the first part of which provides for fixing the value of gold and silver; and that as part of that paragraph it is specifically provided that the Secretary of the Treasury shall maintain that parity; and that the amendment to that paragraph which this bill proposes to amend further provides that the President may fix the conditions under which silver tendered shall be paid for to accomplish the purpose of parity and the valuations set forth. In the language I have read it specifically authorizes silver certificates.

My amendment simply proposes that with respect to gold the same method shall be pursued—that is, the issuance of gold certificates. Inasmuch as the section and paragraph under consideration definitely provides for fixing the value for gold and silver and only provides for the issuance of silver certificates to maintain the value of silver that may be established under that paragraph, I maintain that an amendment providing a parallel proposition for gold, the issuance of gold certificates, is correspondingly germane and in order.

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. Gladly.

Mr. MURDOCK of Utah. Is it not a fact, Mr. Chairman, that regardless of what action we take here today with reference to the extension of the powers contained in paragraph (2), that the paragraph read by the gentleman, having to do with silver, will go on, it being permanent legislation?

Mr. CASE of South Dakota. Whether or not that be true, Mr. Chairman—and I agree with the gentleman that the silver-purchase program can continue—the fact remains that the words I have read exist in that same amending section of the Gold Reserve Act and in the statutes of this country as part of amendments to an identically described paragraph—namely, (2) of subsection (b) of section 43. This is an amendment to that same numbered paragraph, and consequently must be germane. It provides the same conditions for the exercise of this power during the extended period that is provided for silver in the sentence that will immediately follow in the same numbered paragraph. I am confident that if the Chair were to read the paragraphs and examine their numbering in the 1933 act and the amending 1934 act, that he would be constrained to accept this amendment as germane.

The CHAIRMAN (Mr. MCCORMACK). The Chair is prepared to rule.

The Chair feels that the same issue is involved in this question as was involved in the point of order raised against the first amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN]. For the reasons stated at that time the Chair sustains the point of order.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. Referring to the ruling made by the Chair on my amendment, I wish to ask the Chair if it would be proper for me to introduce a bill covering my amendment and have it separately considered in the House?

The CHAIRMAN. The answer to the parliamentary inquiry is that the bill would first have to be introduced and considered by the appropriate committee.

Mr. AUGUST H. ANDRESEN. I will act on that suggestion and introduce a special bill, Mr. Chairman, and hope to have the sympathetic consideration of the House at the proper time.

Mr. SOMERS of New York and Mr. CASE of South Dakota rose.

The CHAIRMAN. The Chair has before him a list of the names of those who rose when the unanimous-consent agreement was entered into. The gentleman from New York, chairman of the committee, is recognized for 5 minutes. His name is on the list.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. SOMERS of New York. I yield.

Mr. KELLER. Has not the 50 minutes already expired?

The CHAIRMAN. Time consumed on points of order is not taken out of the time fixed for debate.

Mr. SOMERS of New York. Mr. Chairman, I rise to see if it may not be possible to arrange with the gentlemen in charge on the other side for a readjustment of the time. The two important matters that brought about the limitation of debate have been disposed of on points of order, and this would seem to make 40 minutes for their discussion no longer necessary. There may be other amendments to be offered; and if so, that is perfectly agreeable; but in view of the lateness of the hour, perhaps if we could make some satisfactory arrangement, it might be greatly appreciated by everybody.

The CHAIRMAN. Are there any further amendments to this section?

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: Page 2, line 15, within the quotation marks, strike out the period, insert a comma and the following: "but the authority to reduce the weight of the standard silver dollar and to fix the weight of subsidiary coins shall expire June 30, 1939."

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes.

Mr. SMITH of Ohio. Mr. Chairman, I am not going to say a lot about silver. What virtually is taking place in this silver program is that the Government of the United States is buying silver at 43 cents an ounce and selling it to the people for $1.29 an ounce. This is a profit for the Government of 200 percent.

What are we discussing here today? Whether to terminate that kind of thing? No. We are here discussing whether to permit the United States Government to buy silver at 43 cents an ounce and palm it off to the people of this country at $2.58 an ounce. That is precisely what these powers to further devalue or reduce the weight of the silver dollar mean. I am afraid we are forgetting something very important, and that is the poor people of this country.

Students of money have time and again pictured the evil effects of debased money upon the masses. Pelatiah Webster pictured the terrible conditions which resulted from the continental paper money which was exactly the same as we are now using. He said:

We have suffered more from this cause than from every other cause or calamity. It has killed more men, pervaded and corrupted the choicest interests of our country more, and done more injustice, than even the arms and artifices of our enemy.

From earliest times kings and governments have debased the money, clipped the coins, thereby surreptitiously taxing or stealing from their people.

Just as in any calamity, the poor are the ones who suffer most, since they have no way to defend themselves, so it is with a debased money. This has been recognized and pointed out by great statesmen on many occasions. In Daniel Webster's well-known words:

A disordered currency is one of the greatest political evils. It undermines the virtues necessary for the support of the social system and encourages propensities destructive to its happiness. It wars against industry, frugality, and economy, and it fosters the evil spirits of extravagance and speculation. Of all the contrivances for cheating the laboring classes of mankind none has been more effectual than that which deludes them with paper money. This is the most effectual of inventions to fertilize the rich man's field by the sweat of the poor man's brow. Ordinary tyranny, oppression, excessive taxation, these bear lightly on the happiness of the mass of the community compared with fraudulent currencies and the robberies committed by depreciated paper. Our own history has recorded for our instruction enough, and more than enough, of the demoralizing tendency, the injustice, and the intolerable oppression of the virtuous and well disposed, of a degraded paper currency authorized by law or anyway countenanced by government.

The very man of all others who has the deepest interest in a sound currency and who suffers most by mischievous legislation in money matters is the man who earns his daily bread by his daily toil.

Grover Cleveland in his message to Congress urging the repeal of the Silver Purchase Act said:

There is one important aspect of the subject which especially should never be overlooked. At times like the present, when the evils of unsound finance threaten us, the speculator may anticipate a harvest gathered from the misfortune of others, the capitalist may protect himself by hoarding or may even find profit in the fluctuations of values; but the wage earner, the first to be injured by a depreciated currency and the last to receive the benefit of its correction, is practically defenseless. He relies for work upon the ventures of confident and contented capital. This failing him, his condition is without alleviation, for he can neither prey on the misfortunes of others nor hoard his labor.

[Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. SMITH].

The amendment was rejected.

Mr. TAYLOR of Tennessee. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. TAYLOR of Tennessee: On page 2, line 2, after the word "expire", strike out "June 30, 1941" and insert "January 1, 1940."

On page 2, line 14, after the word "expire", strike out "June 30, 1941" and insert "January 1, 1940."

Mr. TAYLOR of Tennessee. Mr. Chairman, the purpose of my amendment is to terminate the powers provided in this bill on the 1st of January next. In my remarks of day before yesterday I stated I would offer this amendment. I am frank to say that, whether the amendment is agreed to or not, I intend to vote against the bill.

Mr. Chairman, I do not care to discuss the amendment any further.

GOLD AND THE BOY WHO GOT ALL THE MARBLES

Mr. CASE of South Dakota. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, before I presented my amendment I took it over and presented it to the chairman in charge of this bill and gave him the opportunity to see it and the opportunity to consider its meaning and to determine whether or not it was in order from his point of view. Having been taken off the floor by a point of order, I now rise to explain briefly the amendment itself and to call attention to a statement of Marriner Eccles, Governor of the Federal Reserve Board, made before the Senate subcommittee yesterday.

Some of the gentlemen on the floor will remember that during a debate on the Treasury appropriation bill and the Taber amendment thereto some of us stated that it was in the interest of the domestic silver industry of this country that we do something to change the policy with respect to foreign silver. Yesterday, Mr. Eccles, who comes from a silver

State, testifying before a Senate subcommittee on banking, as quoted by the Associated Press in the Washington Star last night, stated:

The present program threatens to destroy the silver industry of this country.

I quote further:

He suggested that the United States quit buying foreign silver and work out a program to stabilize domestic silver production.

In the Washington Post of this morning Mr. Eccles was further quoted as stating that the silver-purchase program was making his problem difficult in this country and that it was being rendered increasingly difficult by the heavy influx of gold. We now have approximately 60 percent of the world's gold. Some estimates place it at 70 percent.

The amendment which I proposed was not malicious but constructive. It offered a way out for the administration, so far as this gold program is concerned. It would protect the price of gold to the producer. It would insure the value of our present huge stocks, but would avoid undue accumulation, because it provided that with respect to further purchases, those purchases should be paid for with gold certificates. The issue would equal the gold acquired. The payment would wash the purchase.

Silver today has lost its value to clear international trade balances. I do not want that to happen to gold—and you should not.

Members of the administration who are blindly rushing this bill through so that the Members can get to a ball game will some day have on their hand the wreck of their present policy.

Mr. Chairman, every man in this Chamber has at some time or other in his life played marbles. The United States is fast approaching the position of the boy who was the best marble shooter. He got all the marbles in his corner, and the game stopped for him. Sometimes he was able to swap jackknives with the rest of the boys so that he could get them back in the game on satisfactory terms. But sometimes they found a way to play for many long days while his bag of marbles was idle. Sometimes they went to trading tops for knives and got along without the boy and his marbles. The world today is in exactly that same bartering frame of mind. True, eventually the boys came back to marbles; and, true, eventually the world will return to gold and get it as the boys got back their marbles—by barter or by bloodshed. But in the meantime it means blood and iron for the world and increasing distress for the people of the United States, including the mining industry. Those of you who are not aware of this should read a very thoughtful study on the subject entitled "Gold," and published by the American Mining Congress in January of this year. And you should study the meaning behind the words that Mr. Eccles spoke yesterday.

Mr. Chairman, those who maintain that the present gold and silver policy should be continued, without a critical examination being made as to where it is leading the country and what it will do to the country, to the world, and to the domestic silver and gold industry, will have on their hands the responsibility for the situation when we have cornered all the gold of the world. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. TAYLOR].

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 92, noes 131.

So the amendment was rejected.

Mr. THORKELSON. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD with reference to the subject we are now discussing.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana [Mr. THORKELSON]?

There was no objection.

Mr. THORKELSON. Mr. Chairman, since 1930, Congress has worked with increasing harmony and cooperation with the Democratic leaders in planning for the general welfare of centralized government, for bureaus, for "tailspin Tommies" in the Federal Government, and in destruction of private industry.

These foolish experiments began during Mr. Hoover's administration, by a Congress over which he had no control, and which was not in sympathy with his policies. The majority of the Democratic membership in 1932, which has been maintained during Mr. Roosevelt's administration, is now nothing but a great planning board in which the leaders, realizing failure in their planning, are now trying to escape just retribution by setting up scarecrows to distract public attention.

One of these scarecrows is war. This is no more than we may expect, for nothing permanently constructive has been accomplished, or I might even say, has been attempted, by those now guiding our national destiny.

War in itself is extremely remote if proadministration newspapers do not incessantly spew forth vituperations against Mussolini and Hitler. We are not interested in either one of them, except to sell commodities to Italy and Germany, and if they can pay for such commodities in gold or gold credit and remove the merchandise from our ports, there is no reason why they should not enjoy the same privilege as all other nations.

I am reliably informed that Germany alone can use 3,000,000 bales of American cotton per year. If this can be paid for with international money or credit, it might help to solve the cotton problem in the United States. The same nation could consume 36 percent of our lard and fat products. Why not sell it to them, instead of making it impossible for them to buy, as our administration is now doing, by placing extra obstacles in the way of such sales? There is no reason to handicap our own industries in order to please some minority bent upon reprisal toward any nation. We should never allow minority hatreds or personal grievances to influence our relationships with other nations at the expense of international commerce with them and peace. It is quite possible that by being just to all, and selling our commodities to those who can pay for them, friendship may arise where suspicion now prevails. If we are to be a good neighbor, let us be so to everyone, without any difference or distinction.

The New Deal is wobbling along the same today as it has done for several years past, and some of its members and proadministration papers seem to be set upon having some sort of a war. We, of course, do not have the slightest cause for war, but I would not want to disappoint the President. As a matter of fact, I want to work in harmony with him, so I suggest that we go straight along with this belligerent idea and declare war upon depression.

If we must fight, let us fight for the general welfare and freedom of America's industries, so that our idle people may again be employed in productive occupations. Let us make a fight on Federal monopolies, which have never earned a cent of profit and which have no legitimate excuse for existence.

Let us make a fight so that Federal employees now on the taxpayers' pay roll may be transferred from Federal employment to private industries, where they may work in remunerative and productive capacities. Let us make war against an intolerable political system and its parasitical membership. Let us fight against the multitude of laws and for simplification of a legal structure which is now suffocating our Nation's industries. Let us eliminate restriction and persecution of business so that it may be free to operate and employ our idle people. Let us make a real fight against every Communist and Socialist in the United States, including all those who adhere to similar un-American doctrines. Let us war upon all of these to a bitter end, so that we may establish peace and tranquillity in American industry.

Let us use every effort to introduce in all schools a curriculum which will establish respect for constitutional government and respect for the founders of our country. Let us use every effort to eliminate the generally accepted and popular abstract expression "democracy," which should be no part of and was never intended to be our government, in spite of the fact that we are democratic. Let us make the greatest war of all upon those who now own and control $14,640,022,403.95 of gold, which rightfully belongs to the American people, but which is now owned and controlled by the money changers the administration has invited from Europe to preside over the destiny of America. It is time that the American people aroused themselves to the danger which is threatening our Nation, not from without but from within and in the very heart of the Government.

In the Washintgon Post, April 18, 1939, three columns were set aside for Mr. Amlie's withdrawal from nomination and President Roosevelt's acceptance. It is of little interest to anyone except those concerned and does not prove anything except that the writers are sympathetic toward each other.

What interests me more is a booklet which I received, and from which I shall quote:

> Today the situation is startlingly similar to the conditions described in the quoted paragraph. It cannot be truthfully said that prosperity has returned. Again the urban home owner is confronted—to paraphrase the quotation—with a "flood of foreclosures," this time by the very institution "called into existence * * * to stem the flood. * * * Hundreds of thousands of home mortgages" held by the H. O. L. C. are "in default. Home owners throughout the country already have lost their properties through foreclosure" by the H. O. L. C. "or are in imminent danger of doing so."

This is clear evidence of government failure in private industry. This was not set up to help the home owners, but in a larger part to take over frozen accounts from private loan companies. Many of these accounts were dead and for that reason dumped in the lap of the H. O. L. C. The Government has already foreclosed in many of these accounts and, according to this statement, is compelled to close on many more. We are indeed in a mess, and it is my opinion it would be more charitable to set the accounts aside as uncollectible, instead of turning people who cannot pay out of their homes by foreclosure. This is the clearest evidence, as I have said before, of failure of government in private industry. It will not be the only failure, because greater collapse of Government-owned corporations may be expected, particularly if Congress stops appropriations.

Mr. Chairman, in conformity with opinions expressed on this floor by many Members of this House, in which I heartily concur, I invite my colleagues to resume control of the Federal Government in common defense and for the general welfare of the United States of America.

COMMON SENSE

As I have said before, our Nation's industries and business must be owned and operated either by the Federal Government or by the people. Federal ownership based upon socialism is communistic, or the same type of government as is now in control of Russia. It is socialism which is causing strife in Europe, and it is socialism which will destroy us if it is not stopped. The same gentlemen who are always weeping and moaning for their brain child, which was conceived in the cerebrum of Karl Marx, are always willing to share and partake in other people's property but give nothing in return.

I, of course, as my colleagues well know, believe in a republican form of government, as set forth in the Constitution of the United States, without reservation or mental evasion on my part now or at any future time. Believing in this, I accept the following cardinal principles, as expressed in the Constitution.

States' rights and representation in the Senate as originally expressed in the Constitution was the political faith of President Jefferson:

> In the support of the State governments in all their rights, as the most competent administrations for our domestic concerns and the surest bulwarks against antirepublican tendencies: the preservation of the General Government in its whole constitutional vigor as the sheet anchor of our peace at home and safety abroad.

If there is any difference in opinion, let those who differ bear in mind the very words of Jefferson:

> We are all republicans, we are all federalists. If there be any among us who would wish to dissolve this Union or to change its republican form, let them stand undisturbed as monuments of the safety with which error of opinion may be tolerated where reason is left free to combat it.
>
> I know, indeed, that some honest men fear that a republican government cannot be strong, that this Government is not strong enough; but would the honest patriot, in the full tide of successful experiment, abandon a government which has so far kept us free and firm on the theoretic and visionary fear that this Government, the world's best hope, may possibly want energy to preserve itself? I trust not. I believe this, on the contrary, the strongest Government on earth. I believe it the only one where every man, at the call of the law, would fly to the standard of the law and would meet invasions of the public order as his own personal concern. Sometimes it is said that man cannot be trusted with the government of himself. Can he, then, be trusted with the government of others? Or have we found angels in the forms of kings to govern him? Let history answer this question.
>
> Let us, then, with courage and confidence pursue our own federal and republican principles, our attachment to union and representative government.

Mr. Chairman, we have jeopardized representative government in the adoption of the seventeenth amendment. Let us restore representative government by the repeal of it.

In the firm belief that these principles are sound, I shall ask my colleagues if the people are not within their rights to expect that Congress act as true representatives of the people and defenders of their rights. Who are the people? They are all those employed in our Nation's industries, the people who have created and produced the wealth and prosperity visible within our magnificent empire.

THE RIGHTS OF THE PEOPLE

It is the people's right to own and operate all private industries without Government invasion or usurpation. When this right is usurped, private industry will close its doors in the same ratio as it is displaced by the Government. Constant Government encroachment accelerates closure and increases unemployment, a condition prevailing today. How can this be corrected? There is only one way: Liquidate Government-owned corporations and compel the Government to resume its rightful place, which is purely administrative.

It is not unreasonable to assume that a man understands his own business best. For 151 years there has been no evidence that the Government understands it better. No one, I believe, can dispute the fact that our accumulated wealth is the result of private ownership and operation of industry, in which the Government has had no part. There is, however, a limit to the earning power of all business, and when the Government itself attempts, inexperienced as it always is, to compete with business nothing can be expected except disintegration of business, which can only end in poverty.

I cannot recall even one Government corporation or business venture which is now paying interest on its investment, and I believe there are nearly 70 such Government monopolies. When we further take into consideration that these Federal extortion plants do not pay taxes and do not earn enough even to pay their operating expenses, the magnitude of this blunder appears in its true light. Their real uselessness, however, may be better appreciated when we bear in mind that these corporations are always in the "red" and that it requires large appropriations to keep them alive. The money appropriated by Congress to continue corporate life of such follies as the T. V. A. and all other abortive enterprises reduces Federal income. Federal employees, whether regular or temporary, should always remember that their salaries, while paid by the Federal Government, are not earned by it. The Federal Government does not earn money even when it operates within its income. It is instead private

business which is the earner, and which provides for all Federal administrative costs.

It is easy to sit in Government-owned, luxurious, air-cooled offices in Washington, equipped with all modern conveniences and labor-saving devices. The important point, however, is the cost of operation. The one hundred and eighteen or twenty thousand Federal employees in Washington alone cost the taxpayers more than the same number of employees could earn in the busiest industrial plant in the United States. This cost consists of salaries and all other pernicious and destructive bureaucratic regulations which these departments have anchored to business until it is now dormant. The Federal Government in its blindness is not only destroying American industry and agriculture, but crime and other law infractions are direct results of the Government's indifference to fundamental laws. The Government, which should in reality set an example, is operating the greatest racket in the world today. Our invisible government and its leaders have nearly destroyed business, and have also deprived the people of sound, standard money. A well-organized propaganda in proadministration newspapers and over the radio, is suppressing facts that the people should know. This propaganda is expressed in various forms of mass appeal, which in the end will terminate in destruction of the Government and regimentation of those who give this invisible goverment support.

The Nation is becoming alarmed and thoroughly aroused over the power of this invisible government. Business itself is marking time, because it does not understand when the Government, which it has nourished for 151 years, is going to place the last restriction or tax upon it, and which will soon have it hurtling down the New Deal road to poverty.

We represent these people, and it is their money we are appropriating when we borrow on the credit of the United States. These are the same people who must repay the money we have borrowed, because the Federal Government has no earning power within itself. The money we appropriate here in Congress, and which is spent by this invisible government, is not to benefit American industries. It is not to benefit the people, and it is not to and never will benefit labor. It is for one purpose alone, and that is to maintain and continue the power of this insidious, invisible government that is wholly un-American in its activities. It is about this that I am concerned, for I realize that it is the fundamental cause of unrest throughout the whole United States.

I want to see our business operate again as I have seen it in the past. I want to see our idle people employed in industry, where they belong and where they want to be, realizing that they are a part of it. Congress has an opportunity this week to show whether it is for business, for the people, or whether it is still following the leaders which it has followed for the past 7 years. I am wondering if the Members of Congress are going to declare another emergency, or, I should say, a continuation of the emergency—the New Deal shadow. Congress alone has the constitutional power to coin money, regulate the value thereof, and of foreign coin. It has no power to delegate this to anyone else, as was done in 1933 and 1934.

We should take this power back and secure currency in circulation upon the gold in the Treasury. Money will then be stabilized upon a medium which is recognized and accepted as a standard for money and value in every country in the world—a standard of value which is still used, as we well know, because we are operating on a gold international standard. Business cannot operate under commodity or managed money. Why? For the simple reason that it is a worthless currency that can never be stabilized in value, for it has no value except a purchasing power, which is likely to collapse at any time. It is called "legal tender," but it is only legal tender as long as our business people are charitable enough to accept it as such. I believe they are getting tired of it. When this currency collapses everything will go with it—all securities and all savings.

I wonder if Congress intends to declare another emergency for the Shylocks in Wall Street, the international money changers—the same pirates who are now trying to promote war. I hope my colleagues will deny the power to the President and the Secretary of the Treasury to play with our money. Congress should demand an accounting of the stabilization fund and place an embargo upon gold. This will secure our currency and restore business confidence. That is what we need for recovery of business. It is what the people want, and Congress had better take heed. It is impossible for business to operate continuously with an unstable and unsound currency. It just cannot go on, in spite of the effort set forth by the administration. We must have sound currency, stabilized upon gold, as is customary, and which is the only monetary medium accepted by other nations.

In going off the gold standard we made one mistake—by fixing a standard gold value of the dollar at 15.521 grains of gold, nine-tenths fine. We should have gone off the gold standard entirely and adjusted international trade balance as Great Britain is now doing. Our fixed dollar content will make it difficult for us to return to the old standard, and there is no question in my mind but that sooner or later other nations will decide to adopt the previous gold standard, and in so doing we will have more trouble in repaying foreign holdings; because their investments represented a dollar containing 15.521 grains of gold, and we cannot repay them with a dollar which contains 25.8 grains of gold. In such transaction we lose 40 percent of gold.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCCORMACK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 3325) to extend the time within which the powers relating to the stabilization fund and alteration of the weight of the dollar may be exercised, pursuant to House Resolution 165, he reported the same back to the House with sundry amendments agreed to in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered on the bill and amendments to final passage.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. REED of Illinois. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. REED of Illinois. I am.

The Clerk read as follows:

Mr. REED of Illinois moves to recommit the bill H. R. 3325 to the Committee on Coinage, Weights, and Measures with instruction to report the same back forthwith to the House with the following amendment: Strike out all of section 3.

Mr. SOMERS of New York. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

Mr. REED of Illinois. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 158, nays 225, not voting 47, as follows:

[Roll No. 56]

YEAS—158

Alexander	Angell	Bender	Carlson
Allen, Ill.	Arends	Bolton	Carter
Andersen, H. Carl	Austin	Bradley, Mich.	Case, S. Dak.
Anderson, Calif.	Ball	Brewster	Chiperfield
Andresen, A. H.	Barton	Brown, Ohio	Church
Andrews	Bates, Mass.	Burdick	Clason

Clevenger	Halleck	McLean	Seccombe
Cole, N. Y.	Hancock	McLeod	Seger
Corbett	Harness	Maas	Shafer, Mich.
Crawford	Harter, N. Y.	Mapes	Short
Crowther	Hawks	Marshall	Simpson
Culkin	Heinke	Martin, Iowa.	Smith, Maine.
Curtis	Hess	Martin, Mass.	Smith, Ohio
Darrow	Hinshaw	Mason	Springer
Dies	Holmes	Michener	Stefan
Dirksen	Hope	Miller	Sumner, Ill.
Ditter	Horton	Monkiewicz	Taber
Dondero	Jarrett	Mott	Talle
Dowell	Jenkins, Ohio	Mundt	Taylor, Tenn.
Dworshak	Jenks, N. H.	Murray	Thill
Eaton, Calif.	Jensen	O'Brien	Thomas, N. J.
Eaton, N. J.	Johns	Oliver	Thorkelson
Elston	Johnson, Ill.	Pierce, N. Y.	Tibbott
Englebright	Johnson, Ind.	Pittenger	Treadway
Fenton	Jones, Ohio	Plumley	Van Zandt
Fish	Kean	Powers	Vorys, Ohio
Ford, Leland M.	Keefe	Reece, Tenn.	Vreeland
Gamble	Kilday	Reed, Ill.	Wadsworth
Gartner	Kinzer	Reed, N. Y.	West
Gearhart	Knutson	Rees, Kans.	Wheat
Gerlach	Kunkel	Rich	White, Ohio
Gilchrist	Lambertson	Robsion, Ky.	Wigglesworth
Gillie	Landis	Rockefeller	Williams, Del.
Graham	Lanham	Rodgers, Pa.	Winter
Grant, Ind.	LeCompte	Rogers, Mass.	Wolfenden, Pa.
Griswold	Lemke	Routzohn	Wolverton, N. J.
Gross	Lewis, Ohio.	Rutherford	Woodruff, Mich.
Guyer, Kans.	Lord	Sandager	Youngdahl
Gwynne	Luce	Schafer, Wis.	
Hall	McDowell	Schiffler	

NAYS—225

Allen, La.	Dingell	Keogh	Rankin
Allen, Pa.	Disney	Kerr	Rayburn
Anderson, Mo.	Doughton	Kitchens	Richards
Arnold	Doxey	Kocialkowski	Robertson
Barden	Duncan	Kramer	Robinson, Utah
Barnes	Dunn	Larrabee	Rogers, Okla.
Barry	Durham	Leavy	Romjue
Bates, Ky.	Eberharter	Lesinski	Ryan
Beam	Edmiston	Lewis, Colo.	Sabath
Beckworth	Ellis	Ludlow	Sacks
Bland	Evans	McAndrews	Sasscer
Bloom	Faddis	McArdle	Satterfield
Boehne	Fay	McCormack	Schaefer, Ill.
Boland	Ferguson	McGranery	Schuetz
Boren	Fernandez	McKeough	Schulte
Boykin	Fitzpatrick	McLaughlin	Scrugham
Bradley, Pa.	Flannagan	McMillan, John L.	Secrest
Brooks	Flannery	McMillan, Thos. S.	Shanley
Brown, Ga.	Ford, Miss.	Maciejewski	Shannon
Bryson	Ford, Thomas F.	Magnuson	Smith, Conn.
Buck	Fries	Mahon	Smith, Va.
Buckler, Minn.	Fulmer	Maloney	Smith, Wash.
Buckley, N. Y.	Garrett	Marcantonio	Smith, W. Va.
Bulwinkle	Gathings	Martin, Colo.	Snyder
Burch	Gavagan	Martin, Ill.	Somers, N. Y.
Burgin	Gehrmann	Massingale	South
Byrne, N. Y.	Gibbs	Merritt	Sparkman
Byrns, Tenn.	Gore	Mills, Ark.	Spence
Caldwell	Gossett	Mills, La.	Starnes, Ala.
Cannon, Fla.	Grant, Ala.	Monroney	Steagall
Cannon, Mo.	Green	Moser	Sullivan
Cartwright	Gregory	Mouton	Sumners, Tex.
Casey, Mass.	Griffith	Murdock, Ariz.	Sutphin
Chandler	Harrington	Murdock, Utah.	Sweeney
Chapman	Hart	Myers	Tarver
Clark	Harter, Ohio	Nelson	Taylor, Colo.
Claypool	Havenner	Nichols	Tenerowicz.
Cochran	Hendricks	Norrell	Terry
Coffee, Nebr.	Hennings	Norton	Thomas, Tex.
Coffee, Wash.	Hill	O'Connor	Thomason
Collins	Hobbs	O'Day	Tolan
Colmer	Hook	O'Leary	Vincent, Ky.
Connery	Houston	O'Neal	Vinson, Ga.
Cooper	Hull	Pace	Voorhis, Calif.
Costello	Hunter	Parsons	Wallgren
Cox	Izac	Patman	Walter
Creal	Jarman	Patrick	Warren
Crosser	Johnson, Luther A.	Patton	Weaver
Crowe	Johnson, Lyndon	Pearson	Whelchel
Cullen	Johnson, Okla.	Peterson, Fla.	White, Idaho
Cummings	Johnson, W. Va.	Peterson, Ga.	Whittington
D'Alesandro	Kee	Pfeifer	Williams, Mo.
Darden	Keller	Pierce, Oreg.	Wood
Delaney	Kelly	Poage	Zimmerman
Dempsey	Kennedy, Martin	Polk	
DeRouen	Kennedy, Md.	Rabaut	
Dickstein	Kennedy, Michael	Randolph	

NOT VOTING—47

Ashbrook	Cole, Md.	Flaherty	Hoffman
Bell	Cooley	Folger	Jacobsen
Blackney	Curley	Geyer, Calif.	Jeffries
Bolles	Douglas	Gifford	Jones, Tex.
Byron	Drewry	Hare	Kirwan
Celler	Elliott	Hartley	Kleberg
Cluett	Engel	Healey	Lea
McGehee	Osmers	Schwert	Tinkham
McReynolds	O'Toole	Sheppard	Welch
Mansfield	Owen	Sirovich	Wolcott
May	Ramspeck	Smith, Ill.	Woodrum, Va.
Mitchell	Risk	Stearns, N. H.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Risk (for) with Mr. Kirwan (against).
Mr. Hartley (for) with Mr. Curley (against).
Mr. Douglas (for) with Mr. Celler (against).
Mr. Wolcott (for) with Mr. May (against).
Mr. Hoffman (for) with Mr. Byrne of New York (against).
Mr. Jeffries (for) with Mr. Smith of Illinois (against).
Mr. Tinkham (for) with Mr. Drewry (against).
Mr. Stearns of New Hampshire (for) with Mr. Hare (against).
Mr. Bolles (for) with Mr. O'Toole (against).
Mr. Gifford (for) with Mr. Woodrum of Virginia (against).
Mr. Osmers (for) with Mr. Sirovich (against).
Mr. Engel (for) with Mr. Schwert (against).
Mr. Cluett (for) with Mr. Jones of Texas (against).
Mr. Blackney (for) with Mr. Cooley (against).

Until further notice:

Mr. McReynolds with Mr. Welch.
Mr. Kleberg with Mr. Sheppard.
Mr. Ashbrook with Mr. Healey.
Mr. Elliott with Mr. Jacobsen.
Mr. McGehee with Mr. Lea.
Mr. Flaherty with Mr. Cole of Maryland.
Mr. Bell with Mr. Mitchell.
Mr. Mansfield with Mr. Ramspeck.
Mr. Folger with Mr. Owen.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MARTIN J. KENNEDY. Mr. Speaker, on this vote I demand the yeas and nays.

The yeas and nays were refused.

The bill was passed.

On motion of Mr. SOMERS of New York, a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SOMERS of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their own remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York asked and was given permission to extend his own remarks in the RECORD.

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement from the Department of Commerce on reciprocal-trade agreements and a comment thereon by the Secretary of State.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. LUDLOW. Mr. Speaker, on behalf of my colleague the gentleman from Indiana [Mr. LARRABEE] and myself, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address by Dr. George A. Frantz, of Indianapolis, Ind.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the coal situation as it affects the city of New York at the present time.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERSONAL ANNOUNCEMENT

Mr. VOORHIS of California. Mr. Speaker, if my colleague the gentleman from California, Mr. GEYER, had been

here today, he would have voted "nay" on the motion to recommit the bill which has just been passed.

COMMITTEE ON NAVAL AFFAIRS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that the Committee on Naval Affairs may have until 12 o'clock Saturday night to file a report on the bill (H. R. 5765) to authorize commissioning aviation cadets in the Naval and Marine Corps Reserves upon completion of training, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTENSION OF REMARKS

Mr. BARDEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a radio address delivered by me.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, the other day the House granted me unanimous consent to extend my remarks by printing in the RECORD an article that appeared in the Saturday Evening Post by George N. Peek. I have learned from the Public Printer that the article exceeds the allowed length to a very slight extent, and I ask unanimous consent that I may be permitted to extend my remarks and include that article notwithstanding the restriction that ordinarily applies.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SIMPSON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. DITTER] may be permitted to extend his own remarks in the RECORD and to include therein a radio address he delivered on April 2.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BREWSTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and incorporate therein a brief editorial from the Bangor News.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. MAPES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including therein an address delivered over the radio by my colleague, the gentleman from Michigan [Mr. WOODRUFF].

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object just for the purpose of asking the majority leader if he will be good enough to tell us the program for next week.

Mr. RAYBURN. Monday, of course, will be District day. On Tuesday the Committee on Military Affairs will bring in the so-called war materials bill. After consultation with the minority leader, I intend to ask unanimous consent that the business in order on Calendar Wednesday be dispensed with for the very obvious reason that the gentleman from Texas [Mr. MANSFIELD] will not be able to be here. On Wednesday two bills from the Committee on Naval Affairs will come up for consideration, and my understanding is they are not very controversial. I am still insisting and am hopeful that on Thursday the Committee on Appropriations will report the nonmilitary appropriation bill, the consideration of which I believe will take Thursday and Friday.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and include therein an excerpt from the first annual report of Mrs. Henry M. Robert, Jr., president general, Daughters of the American Revolution.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ZIMMERMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by Charles M. Hay, of St. Louis, at St. Louis., Mo., on the occasion of Emerson's birthday.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the disposition of matters on the Speaker's table and following the legislative program of the day and any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that business that would be in order on Wednesday next, Calendar Wednesday, may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 595. An act to increase further the efficiency of the Coast Guard by authorizing the retirement under certain conditions of enlisted personnel thereof with 20 or more years of service; to the Committee on Merchant Marine and Fisheries.

S. 1583. An act to amend the act of March 2, 1929 (45 Stat. 1492), entitled "An act to establish load lines for American vessels, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 899. An act to provide for the establishment of a Coast Guard station on the east coast of the Keweenaw Peninsula, Mich.;

H. R. 1661. An act granting the consent of Congress to the city of Youngstown, Ohio, to construct, maintain, and operate a free highway bridge across the Mahoning River at or near Marshall Street, Youngstown, Ohio;

H. R. 1776. An act to provide for the assignment of medical officers of the Public Health Service for duty on vessels of the Coast and Geodetic Survey, and for other purposes;

H. R. 1962. An act granting the consent of Congress to the city of Youngstown, Ohio, to construct, maintain, and operate a free highway bridge across the Mahoning River at or near Cedar Street, Youngstown, Ohio;

H. R. 2635. An act granting the consent of Congress to Westmoreland County, in the State of Pennsylvania, to construct, maintain, and operate a free highway intercounty bridge and approaches across the Allegheny River connecting Valley Camp, in Westmoreland County, and East Deer Township, in Allegheny County, to connect State Highway Routes Nos. 28 and 56;

H. R. 2661. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.;

H. R. 3225. An act authorizing the Department of Highways of the State of Ohio to construct, maintain, and operate a free highway bridge across the Ottawa River at or near the city of Toledo, State of Ohio;

H. R. 3234. An act to provide for the completion of the Navy and Marine Memorial;

H. R. 3418. An act granting the consent of Congress to the Highway Department of Davidson County, of the State of Tennessee, to construct a bridge across Cumberland River, at a point approximately 1¾ miles below Clees Ferry, connecting a belt-line highway in Davidson County, State of Tennessee, known as the Old Hickory Boulevard;

H. R. 3589. An act granting the consent of Congress to the State Highway Commission of North Carolina to construct, maintain, and operate a free highway bridge across Waccamaw River between Old Dock and Ash, N. C.;

H. R. 4243. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near Peru, Ind.;

H. R. 4278. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes;

H. R. 4432. An act granting the consent of Congress to the city of Warren, Ohio, to construct, maintain, and operate a free footbridge over Mahoning River, near Stiles Street NW., Warren, Ohio; and

H. R. 4527. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Rock Island, Ill., to a place at or near the city of Davenport, Iowa.

The SPEAKER also announced his signature to an enrolled bill of the Senate of the following title:

S. 518. An act to provide for the further development of cooperative agricultural extension work.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 7 minutes p. m.) the House adjourned until Monday, April 24, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON FOREIGN AFFAIRS

The Committee on Foreign Affairs will meet again Monday, April 24, 1939, in the committee room, Capitol, for the purpose of continuing open hearings on the following bills and resolutions on the subject of neutrality: House Resolution 100, to prohibit the transfer, loan, or sale of arms or munitions (by Mrs. ROGERS of Massachusetts); House Joint Resolution 3, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. LUDLOW); House Joint Resolution 7, to implement the Kellogg-Briand Pact for World Peace (by Mr. GUYER of Kansas); House Joint Resolution 16, to prohibit the exportation of arms, ammunition, or implements or materials of war to any foreign country when the President finds a state of war to exist between or among two or more foreign states or between or among two or more opposing forces in the same foreign state (by Mr. KNUTSON); House Joint Resolution 42, providing for an embargo on scrap iron and pig iron under Public Resolution No. 27 of the Seventy-fifth Congress (by Mr. CRAWFORD); House Joint Resolution 44, to repeal the Neutrality Act (by Mr. FADDIS); House Joint Resolution 113, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. FISH); House Joint Resolution 226, to amend the Neutrality Act (by Mr. GEYER of California); House Joint Resolution 254, to keep the United States out of foreign wars, and to provide for the neutrality of the United States in the event of foreign wars (by Mr. FISH); House bill 79, to keep America out of war by repealing the so-called Neutrality Act of 1937 and by establishing and enforcing a policy of actual neutrality (by Mr. MAAS); House bill 163, to establish the neutrality of the United States (by Mr. LUDLOW); House bill 4232, to limit the traffic in war munitions, to promote peace, and for other purposes (by Mr. VOORHIS of California); House bill 5223, Peace Act of 1939 (by Mr. HENNINGS); House bill 5432, to prohibit the export of arms, ammunition, and implements and materials of war to Japan, to prohibit the transportation of arms, ammunition, implements, and materials of war by vessels of the United States for the use of Japan, to restrict travel by American citizens on Japanese ships, and otherwise to prevent private persons and corporations subject to the jurisdiction of the United States from rendering aid or support to the Japanese invasion of China (by Mr. COFFEE of Washington); House bill 5575, Peace Act of 1939 (by Mr. HENNINGS).

Open hearings will continue from Monday, April 24, to April 26, beginning at 10 a. m. each day.

COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be a meeting of the Committee on the Post Office and Post Roads at 10 a. m. on Tuesday, April 25, 1939, for the consideration of H. R. 1827, to allow moving expenses to employees of the Railway Mail Service, and H. R. 4322, giving clerks in the Railway Mail Service the benefits of a holiday known as Armistice Day.

There will be a meeting of the Committee on the Post Office and Post Roads at 10 a. m. Wednesday, April 26, 1939, for the consideration of H. R. 2209 and H. R. 5278, bills to place postmasters of the fourth class on an annual salary basis.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Petroleum Subcommittee of the Committee on Interstate and Foreign Commerce at 2 p. m. Wednesday, April 26, 1939. Business to be considered: Hearing on S. 1302, petroleum shipments.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

On Tuesday, April 25, 1939, at 10 a. m., the committee will hold public hearings on the following bills: H. R. 2883, H. R. 2543, H. R. 2558, to increase further the efficiency of the Coast Guard by authorizing the retirement, under certain conditions, of enlisted personnel thereof with 20 or more years of service.

On Wednesday, April 26, 1939, at 10 a. m., the following bills: H. R. 4592, allowing all registered vessels to engage in the whale fishery; H. R. 4593, relating to the whale fishery.

On Thursday, April 27, 1939, on H. R. 4983, to amend sections 712 and 902 of the Merchant Marine Act, 1936, as amended, relative to the requisitioning of vessels.

On Thursday, May 4, 1939, at 10 a. m., on H. R. 4650, making electricians licensed officers.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

656. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the War Department in the amount of $6,000,000 for ordnance service and supplies (H. Doc. No. 255); to the Committee on Appropriations and ordered to be printed.

657. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 18, 1939, submitting a report, together with accompanying papers and illustrations, on reexamination of Houston Ship Channel, Tex., requested by resolution of the Committee on Rivers and Harbors, House of Representatives,

adopted December 19, 1938 (H. Doc. No. 256); to the Committee on Rivers and Harbors and ordered to be printed, with three illustrations.

658. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 5, 1939, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of waterway between a suitable point on the channel from Apalachicola River to St. Andrews Bay, Fla., and a suitable point in St. Josephs Bay where the depth of said bay is 30 feet or more, authorized by the River and Harbor Act approved August 26, 1937 (H. Doc. No. 257); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

659. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 5, 1939, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Back Bay of Biloxi, Miss., authorized by the River and Harbor Act approved August 26, 1937 (H. Doc. No. 258); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

660. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 5, 1939, submitting a report, together with accompanying papers and an illustration, on reexamination of Charleston Harbor and Cooper River, S. C., and Shem Creek from Hog Island Channel, S. C., requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted June 8, 1937, and April 4, 1938 (H. Doc. No. 259); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

661. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 5, 1939, submitting a report, together with accompanying papers and an illustration, on reexamination of Wrangell Narrows, Alaska, requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted December 14, 1937 (H. Doc. No. 260); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

662. A letter from the Secretary of the Navy, transmitting cases of relief granted under the provisions of the act of July 11, 1919; to the Committee on Expenditures in the Executive Departments.

663. A letter from the Assistant Secretary of Commerce, transmitting the draft of a proposed bill to amend laws for preventing collisions of vessels, to regulate equipment of certain motorboats on the navigable waters of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KELLER: Committee on the Library. H. R. 5136. A bill to amend the act entitled "An act to provide books for the adult blind," approved March 3, 1931; with amendment (Rept. No. 456). Referred to the Committee of the Whole House on the state of the Union.

Mr. FERGUSON: Committee on Agriculture. H. R. 5911. A bill to amend subsection (h) of section 344 of the Agricultural Adjustment Act of 1938, as amended; without amendment (Rept. No. 457). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 5765. A bill to authorize commissioning aviation cadets in the Naval and Marine Corps Reserves upon completion of training, and for other purposes; with amendment (Rept. No. 464). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. PITTENGER: Committee on Claims. H. R. 3907. A bill for the relief of William A. Reithel; with amendment (Rept. No. 458). Referred to the Committee of the Whole House.

Mr. KEEFE: Committee on Claims. H. R. 3965. A bill for the relief of Charles H. Parr; with amendment (Rept. No. 459). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 5364. A bill for the relief of Russell J. Vaughan; with amendment (Rept. No. 460). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 5395. A bill for the relief of Jack Stuckey; with amendment (Rept. No. 461). Referred to the Committee of the Whole House.

Mr. THOMAS of New Jersey: Committee on Claims. H. R. 5601. A bill for the relief of John T. Clarkson; with amendment (Rept. No. 462). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 270. An act for the relief of Lofts & Son; with amendment (Rept. No. 463). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SUMNERS of Texas:

H. R. 5939. A bill to provide for trials of and judgments upon the issue of good behavior in the case of certain Federal judges; to the Committee on the Judiciary.

By Mr. WELCH:

H. R. 5940. A bill to amend certain laws relating to employees of the Lighthouse Service; to the Committee on Merchant Marine and Fisheries.

By Mr. WINTER:

H. R. 5941. A bill to repeal the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. FLANNERY:

H. R. 5942. A bill prohibiting the Post Office Department from hiring employees in a temporary capacity, except as specified herein; to the Committee on the Post Office and Post Roads.

By Mr. McCORMACK:

H. R. 5943. A bill to further amend the Shipping Act, 1916; to the Committee on Merchant Marine and Fisheries.

By Mr. ROGERS of Oklahoma:

H. R. 5944. A bill to carry out certain obligations to certain enrolled Indians under tribal agreement; to the Committee on Indian Affairs.

By Mr. SCHWERT:

H. R. 5945. A bill to increase the salaries of letter carriers in the village delivery service; to the Committee on the Post Office and Post Roads.

H. R. 5946. A bill extending the classified civil service to include assistant postmasters and clerks in third-class post offices, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. SHAFER of Michigan:

H. R. 5947. A bill to amend the District of Columbia Alcoholic Beverage Control Act to permit contracts prescribing minimum resale prices for alcoholic beverages in certain cases, and to aid in the enforcement of such contracts; to the Committee on the District of Columbia.

By Mr. VINSON of Georgia:

H. Res. 171. Resolution providing for the consideration of H. R. 5765, a bill to authorize commissioning aviation cadets into Naval and Marine Corps Reserves upon completion of training, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Florida, memorializing the President and the Congress of the United States to consider their House Joint Memorial No. 1, concerning H. R. 2, known as the General Welfare Act of 1937; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Minnesota, memorializing the President and the Congress of the United States to consider their Resolution No. 21, Senate file No. 1273, concerning the proposed Mississippi River Parkway; to the Committee on the Public Lands.

Also, memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to consider their Joint Resolution No. 18, concerning reciprocal exemption from tax on income of municipal, State, and Federal employees; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to consider their Joint Resolution No. 12 (A), with reference to the Social Security Act; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H. R. 5948. A bill for the relief of Thomas F. Hilliard; to the Committee on Naval Affairs.

H. R. 5949. A bill granting a pension to Emma Hilliker; to the Committee on Invalid Pensions.

By Mr. FORD of Mississippi:

H. R. 5950. A bill for the relief of the heirs-at-law of Clinton A. Addkison, deceased; to the Committee on Claims.

By Mr. LELAND M. FORD:

H. R. 5951. A bill for the relief of the heirs of Emma J. Hall; to the Committee on Claims.

By Mr. GARTNER:

H. R. 5952. A bill for the relief of Charles E. Marvin; to the Committee on Naval Affairs.

By Mr. JOHNS:

H. R. 5953. A bill for the relief of Marie Heinen; to the Committee on War Claims.

By Mr. JOHNSON of West Virginia:

H. R. 5954. A bill granting a pension to Mary P. Payne; to the Committee on Pensions.

By Mr. PETERSON of Florida:

H. R. 5955. A bill for the relief of William H. Chambliss; to the Committee on Claims.

By Mr. REED of New York:

H. R. 5956. A bill granting an increase of pension to Daisy W. Lyman; to the Committee on Invalid Pensions.

H. R. 5957. A bill granting an increase of pension to Agnes Hitchcock; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2657. By Mr. CONNERY: Petition of the Massachusetts Society of Optometrists, urging amendment to Senate bill 1620, to permit individuals to select type of practitioner; to the Committee on the District of Columbia.

2658. By Mr. DEROUEN: Petition of Sabine Dock and Marine Council, International Longshoremen's Association, Lake Charles, La., protesting against the present unjust freight-rate discrimination against the South and urging correction thereof; to the Committee on Interstate and Foreign Commerce.

2659. By Mr. DISNEY: Petition of the American Legion of Miami, Okla., regarding House bills 5359 and 5327; to the Committee on Labor.

2660. Also, petition of the Veterans of Industry of America, Miami, Okla., regarding House bills 5359 and 5327; to the Committee on Labor.

2661. Also, petition of the Veterans of Industry of America, Miami, Okla., regarding House bill 11; to the Committee on Appropriations.

2662. Also, petition of the Business and Professional Women's Club, Miami, Okla., regarding House bill 5359 and 5327; to the Committee on Labor.

2663. Also, petition of the American Federation of State, County, and Municipal Employees, Muskogee, Okla., concerning House bills 5359 and 5327; to the Committee on Labor.

2664. Also, petition of James H. Teel American Legion Post, Bartlesville, Okla., regarding Senate bill 472 and House bill 5359; to the Committee on Labor.

2665. By Mr. MARTIN J. KENNEDY: Petition of the National Association of Special Delivery Messengers, Local No. 62, Brooklyn, N. Y., urging support of House bill 4223; to the Committee on the Civil Service.

2666. Also, petition of Eureka Lodge, No. 14, Brotherhood of Locomotive Firemen and Enginemen, Indianapolis, Ind., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2667. Also, petition of the United Scenic Artists of America, Local No. 829, Brotherhood of Painters, Decorators, and Paperhangers of America, New York City, concerning Senate bill 591 and House bill 4570; to the Committee on Banking and Currency.

2668. Also, petition of East Bay Auto Mechanics, No. 1546, International Association of Machinists, Oakland, Calif., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2669. Also, petition of Rose City Lodge, No. 325, International Association of Machinists, Little Rock, Ark., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2670. Also, petition of Manhattan General Advertising Co., Inc., New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2671. Also, petition of the Centaur Co., New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2672. Also, petition of Fasteeth, Inc., Binghamton, N. Y., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2673. Also, petition of A. Sartorius & Co., New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2674. Also, petition of the Andrew Jergens Co., Cincinnati, Ohio, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2675. Also, petition of Sutter Lodge, No. 536, International Association of Machinists, Sacramento, Calif., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2676. Also, petition of Phoenix Metal Cap Co., Brooklyn, N. Y., expressing opposition to the Patman bill; to the Committee on Interstate and Foreign Commerce.

2677. By Mr. KEOGH: Petition of the New York State Organization of Retail Liquor Store Associations, Inc., New York City, concerning House bill 3838, extending benefits of fair-trade legislation to the District of Columbia; to the Committee on the District of Columbia.

2678. By Mr. MERRITT: Resolution of the Queens County Council, Hollis Post, Veterans of Foreign Wars, advocating the early liberalization of the Federal Home Loan Act, and urging the passage by the present Congress of the following amendments to such act: (1) Extension of the amortization

period from 15 to 30 years in order to reduce the monthly payments of home owners; (2) reduction of the present 5-percent interest rate to 3 percent; (3) the elimination of all deficiency judgments; (4) the providing of a 2-year moratorium on principal payments when the home owners pay interest and taxes to date; to the Committee on Banking and Currency.

2679. Also, resolution of the Queens County Council, Hollis Post, Veterans of Foreign Wars, protesting against this present unfair policy of the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

2680. By Mr. PFEIFER: Petition of the New York State Organization of Retail Liquor Store Associations, Inc., New York City, urging support of House bill 3838; to the Committee on the District of Columbia.

2681. Also, petition of the Buffalo Wire Works Co., Inc., Buffalo, N. Y., concerning neutrality legislation; to the Committee on Foreign Affairs.

2682. By the SPEAKER: Petition of the city of Birmingham, Ala., petitioning consideration of their resolution with reference to proposed Army air base in the Birmingham district; to the Committee on Military Affairs.

2683. Also, petition of the Philadelphia Housing Authority, Philadelphia, Pa., petitioning consideration of their resolution with reference to United States Housing Act of 1937; to the Committee on Banking and Currency.

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